

Imagine the captain of a sailboat leaving the harbor without a sea-map or weather report. How good are his chances of reaching his goal? At sea, on-time and reliable information is not only fundamental for the choice of the route, but also for resource planning and risk assessment.

Personal computers just started to be part of our lives. Now the world is already experiencing another exciting boom: the Internet. Through the overwhelming amount of information available online, the Internet is growing to be one of the most important communication and entertainment channels in Western society. As a result, a boundless virtual market has come to life, in which the number of partakers is exponentially growing.

Current statistics show that while 84 percent of Swiss companies are connected to the Web, only 50 percent provide online sales services¹. Although B2B and B2C interaction requires more attention, Business Intelligence has become a necessity. For years silent data have been stored into computer systems. Now, the time has come to let it speak. But how can information boost companies' competitive advantage? Tools alone don't guarantee success. New skills are required.

Like sailors at sea without a weather report, managers cannot optimally steer their ship without accurate and on-time information. Operating in fast growing and changing markets is like sailing in stormy weather. In the 21st century, managers must understand the concepts of Business Intelligence. Moreover, to improve their performance, they must implement systems that constantly monitor their environment. Then, acquired data must be translated into valuable knowledge, which in turn must be deployed to support future decision-making processes. For example, the analysis of actual e-customers' behavior can reveal the profile of future customers. Or monitoring systems can warn against customers who want to terminate their relationship with the company. Alert at all time, managers must spot changes that require immediate action and, in some cases, a revision of the strategic goals.

Companies with the best knowledge of their environment will be able to act ahead of their competitors and hence gain competitive advantage. However, to increase market and customer share, well-working networks are essential. As information technology started gaining ground in organizations, data was the realm of few specialized analysts. This brings to mind those captains that, to avoid slaves' insurrections on-board, kept

navigation expertise secretly to themselves. Today's managers must delegate tasks to lower levels and distribute information throughout their organization. They must adopt the one organizational structure that best sustains swift bi-directional communication and encourages innovation. High performing companies operate in organizational structures that perfectly tie in company strategy.

From Knowledge to Success

By *Patricia Sarais, MBA, Business & IT Consultant*

Yet customers' needs are constantly changing. As customized products and services are in increasing demand, companies find it difficult to satisfy the market. Consequently, threatened by hard-hitting competition, businesses are forced to adjust to new situations and at the same time reduce costs. Hence human and material resources must be optimized. Therefore managers must know how and when automated processes are suitable to their organization. For example, a computerized supply chain can reduce inventory overhead by delivering products just-in-time. Or scenario analysis can assist the development of more appropriate contingency plans. The right information, at the right place, at the right time makes all the difference!

Holding information is not enough: managers must take action quickly. Often, rough waters and dangerous sharks unexpectedly challenge companies' existence. As organizations' reaction time partially depends on crew's motivation, powerful and charismatic leaders must build a unity of force to beat the enemy. How could a skipper defeat a thunderstorm if crewmembers don't pull the right ropes on time? New situations must be clearly communicated, before they can be understood and accepted. Indeed employees will follow leaders that radiate trust and confidence.

At this point, managers must realize that their success is directly related to the workforce's effort. To effectively accomplish their tasks, employees must have all necessary information and means. Therefore, investing in the workforce's education is imperative for all businesses. Corporate knowledge is the yield of the outcome. In a culture that lets room for personal involvement, responsibility and creativity, performance and innovation are most likely to grow. Managers who transform employees into convinced ambassadors harvest the strongest backing and ultimately reach their goals.

But things never go completely according to plan. It is impossible for managers to foresee each eventuality that can delay or even endanger the success of their mission. If skippers forget to check from time to time their real position, winds and currents might lead them nowhere. To steal advantage, competitors silently wait for mistakes. Aware managers must put in place controlling systems that detect deviations at an early stage. With Business Intelligence, systems can identify almost in real-time any discrepancy between current and expected results. For example, while analyzing the imperfection of a product, managers can identify a specific production problem. Also, they can run complex investigations that clarify differences between effective costs and budget.

To satisfy highly demanding customers, keep up with aggressive competition and meet shareholders' expectations, managers of the 21st century must cope with three major key elements. First, they must incessantly analyze their environment and be prepared to act accordingly. Second, to keep ahead of competitors, they must exploit their information to generate new corporate knowledge. Third, they must be aware of their social role, as only highly motivated employees generate profitable ideas.

There is no doubt, information technology will continue to grow new and better products and services at a faster pace. Even though E-business and Business Intelligence are only emerging, their potential benefits are tremendous. Soon new technologies like wireless, television, voice and silent commerce will arise. Ignoring cutting-edge technology is no longer an option. Managers have the power to win the race. Company data secretly holds the key to success.

Patricia Sarais is owner and managing director of Allegra Software GmbH, in Bienne, Switzerland. With many years of experience in IT development, business analysis and consulting, she has specialized in designing enterprise-wide Business Intelligence systems.

patricia.sarais@allegra-consulting.com

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www.allegra-consulting.com

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¹ Source "Netzreport'2" 2001/2002 by order of Netzwoche of the „Institut der Wirtschaftsinformatik der Universität Bern“. See also www.netzreport.ch.