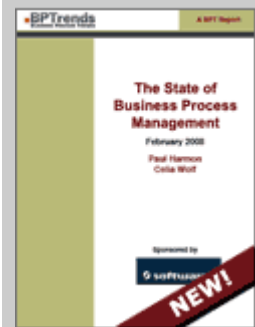


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Spotlight on Business Intelligence and Analytics

At the beginning of 2007, we suggested that 2007 would be the year that BPM really embraced Business Intelligence (BI) and Analytics, and, in hindsight, the evidence suggests we got that one right. BI and Analytics were hot topics at conferences. Tom Davenport's book on Analytics got quite a few business people thinking about how Analytics could be integrated into their organization's business strategy and BPMS vendors acquired a record number of BI vendors as they struggled to improve their products to support more powerful and flexible dashboards.

As 2008 begins and BI is increasingly available in business process offerings, business managers owe it to themselves to be sure they understand what BI techniques deliver and determine whether or not these techniques can significantly improve or radically change the way their organizations compete.

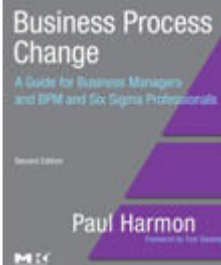
In essence, Business Intelligence uses search algorithms to identify patterns in data. With some tuning, an organization can identify trends and track developments that would have been difficult for a human to find by simply examining the raw data. Most BPMS products provide data about how processes are working. The raw data can be useful to an immediate supervisor who actually wants to know how many units each employee processes in a given period of time. But the same data would be overwhelming to a manager a couple of layers removed from the process. That executive needs to monitor dozens of processes and needs an overview rather than details. Thus, for example, a hospital administrator doesn't need to know the number of admissions during each of the past few hours, or the schedules of doctors, but he or she does need to know that if the increased rate of admissions continues for 8 hours the next shift will be seriously understaffed. BI, combined with BPMS functionality, can provide the kinds of trends and summaries that senior managers need. Thus, BI becomes an important element of the overall BPMS package that supports business managers who need to manage processes at the enterprise level.

Some have argued that most BI algorithms focus on past events and that simulation-based systems, integrated with BPMS products, can provide a better way of providing business executives with actionable information. In fact, both approaches can support Analytic strategies and, increasingly, tools are combining techniques from both approaches.

Over the past few years we have published a number of good articles on Business Intelligence and Analytics on BPTrends. If you want to learn more about this critical topic, you will find all of the articles listed here informative in building a base of knowledge on the subject.

If you haven't read the book by Davenport and Harris, it is a good place to start. This book provides the business case for analytics and lots of examples on how companies are using analytic techniques to improve their business models. Here's our review of the book to get you started:

[Competing on Analytics by Tom Davenport and Jeanne Harris](#) Paul Harmon - July 03, 2007. Tom Davenport and Jeanne Harris have written an important book that looks at Analytics and discusses how some smart companies are making more money owning information about an asset, than owning the



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asset itself. Every business executive will want to read this book. If your company isn't investing in Analytics, then you owe it to yourself to consider what's involved, and determine whether or not you should be.

Here is probably the best overview of BI and what's involved in using BI systems by one of the leading BI market analysts, Cutter Consortium's Curt Hall:

[June 2004: Business Process Intelligence](#) Curt Hall - June 01, 2004. This BPTrends Newsletter was written by guest editor Curt Hall. It focuses on Business Process Intelligence or BPI. This new approach to process management, monitoring, and improvement represents a fusion of traditional Business Intelligence and Business Activity Monitoring techniques with some newer techniques required to meet the demand for presenting information in a more process-centric context.

Similarly, here's a great overview of how simulation systems can be used to make predictions about processes.

[Business Activity Monitoring and Simulation](#) Joseph DeFee - February 03, 2004 Joseph DeFee, an SVP of CACI, has teamed up with Paul Harmon to provide a detailed study of what's involved in BAM and how Simulation systems can be developed to provide in-depth support for managers who are trying to control complex business processes in real time.

And here are a couple of other interesting articles on the use of BI and BPMS.

[Business Performance Management Keeps Evolving](#) Paul Harmon - October 31, 2006 Evolving in parallel to Business Process Management and BPMS, Business Intelligence (BI) vendors have continued to use the term Business Performance Management to refer to providing performance information to senior executives. Recent consolidation moves suggest that this segment of the market is evolving rapidly.

[February 2004: Optimizing Supply Chain Processes](#) Curt Hall - February 03, 2004 In this issue of BPTrends, Curt Hall, our Guest Editor for February, provides an overview of how some companies are using Business Intelligence (BI) to monitor and measure supply-chain operations. This has resulted in a new analytic field called supply chain intelligence (SCI). This survey allows business managers to evaluate the value these new techniques might provide if applied to their own business processes.

Till next time,

Paul Harmon, Executive Editor

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