



BI PROJECT WATCH

Business Benefits

Feedback: cbreditorial@computerwire.co.uk

When John Seymour, manager of management information for AA road services, goes out on the road with AA patrols and recovery teams, he is not just along for the ride. With a job role that amounts to delivering business intelligence to the patrol and recovery staff, Seymour regularly goes out on the road to understand how staff have to make decisions on the spur of the moment and how the company's business intelligence technology can help them.

"It's fundamental to view business intelligence in the light of your business," he says. "If you don't understand how your business works you won't understand your data, and the best tools in the world won't help you." Having standardised on Business Objects' BI software, the AA can boast savings of £1m and return on investment of over 300% in three years, thanks in part to matching the technology to the business requirements.

Decade of growth

The AA's use of business intelligence software began in the mid-1990s as the company brought in a new deployment system, which introduced electronic dispatch for the best available patrol to respond to a call-out, as well as satellite tracking and a new data warehouse system on 1 January 2000 to handle data from call-outs regarding geography, resources and time, as well as customer and breakdown information.

"All that information goes into planning the business process and planning the type of workload we expect," says Seymour. "The profile of our work is random, every breakdown is a unique experience. Planning as well as monitoring becomes very important. We know we can't change history but we can learn from it."

Unfortunately for the AA, while its deployment system was collecting vast amounts of important data, getting meaningful reports out of the systems proved a little more difficult. "It became apparent after a year or so that we needed something more robust, more up to date, with a better view of data that was faster to run," says Seymour. "With the old tools and the complexity of the data it could take up to 48 hours to run a query."

The company turned to Business Objects and its WebIntelligence thin-client query, reporting and analysis tool, as well as the Broadcast Agent business-driven alerts tool. The platform has been rolled out to between 50 and 60 users, with the ROI and savings having been calculated from operational efficiencies gained from analysing the data.

As an example, Seymour cites a greater understanding of when and why the organisation sends more than one recovery vehicle to a call-out, something it would rather not do both in terms of being more responsive to customers and in making the best use of its resources.

Making the most of a business intelligence project is about more than just technology. Matthew Aslett reports on how three companies have gained an advantage by understanding their business.

"Ideally we need to get the right resource there first time," Seymour explains. "We need to be as efficient as we can in managing resources when we need to send more than one recovery vehicle. We needed to be able to drill into recoveries and look into why we were sending more than one vehicle."

"There are things we can never forecast, like the weather, but generally speaking we need to be as accurate as we can about profiling the use of our resources." Using the Business Objects technologies has enabled the

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company to do this, Seymour says, although only in conjunction with an understanding of the business requirements that extends beyond the IT department to end users themselves. "We recognised that when we introduced a new product like this we needed to train them not just on the product but on our data," says Seymour.

In order to ensure this occurred the company trained its users in "concentric circles" with three people, known as "the core" attending Business Objects' standard training scheme and delivering that to 10 "power users" in-house on the AA's own data.



Those ten then trained the remaining 50 Business Objects users on the AA's own data and continue to be used to implement cascading upgrades. New Business Objects users are given three days of training, two on the products and functionality, and one on the AA's own data.

Training end users on the business data was also key to the roll-out of Cognos BI software at Chubb Insurance Company of Europe, part of the Chubb specialist insurance group. "All of our training was around answering business questions," says Peter Thomas, VP of European management information technology at Chubb. "We made rather a fuss about training and had people come into London for three days."

According to Thomas, just 25% of user training is based on IT navigation, with the remaining 75% focused on business training using live data. "With a quarter being technology and three quarters being business, they immediately saw that this was going to help them with their jobs," says Thomas of the company's training scheme. This has resulted in 93% of those trained on its European Manage Information Repository (EMIR) becoming active users (using it at least once a week), and over 300 users being trained, rather than the expected 150.

The deployment of the Cognos PowerPlay multidimensional analysis tool alongside Chubb's in-house developed KIO reporting tool was made as the company rolled out

EMIR to bring together disparate systems from across Europe into a single reporting repository and enable a lower-level of analysis of corporate data.

Based on an Oracle database running on Unix, EMIR sources data from other Oracle databases around Europe using Informatica's extract, transform and load (ETL) technology to present a single repository for analysis using PowerPlay and KIO.

Understanding business trends

The company has rolled out a series of report groups to user segments, with profitability analysis delivered at the start of 2003, and functionality for analysing broker relationships delivered in September 2003. Claims analysis will follow this summer, with portfolio management and exposure management, among others, being rolled out during 2005.

According to Thomas, the nature of the insurance industry, as well as Chubb's business model, means that understanding business trends is essential. "Insurance is always one of those slightly strange industries in that a big chunk of costs you don't know about. Also it's pretty much a cyclical business; there are times when the whole industry is profitable and times when the whole industry is not profitable.

"The two of those conspire together to mean it's very important to have information about where you are now and very important to have information about where we were in

the past so we can predict future trends," he adds. "Chubb has always operated on making an underwriting profit so we need to understand the risks. We can be profitable by only picking big risks and we do that by having a strong focus on management information."

This has been achieved via the EMIR project, according to Thomas. "Our aims were really to ensure that we pick better risks," he says. "What we've generally got is that the decision making we're able to take has been enhanced."

The BI platform has not only given Chubb a better view of its data but has also given users the flexibility to be more innovative about how they use that data. "We get a lot more people doing more creative analysis," he says, citing the ability to breakdown data not only on the types of insurance policies and branch performance, but also by industry, size of policy, losses and types of broker.

"Often it's a case of monitoring whether a strategy that's in place is working, or looking for trends they haven't seen before," he adds. "The previous tools created a fixed format report that wouldn't let you look at the figures in a creative way."

In order to ensure that the information being generated by EMIR and its BI tools would generate business benefits, Thomas and his team spent nine months with a group of about 30 business people from across the organisation "identifying what they would want to run their business and taking it down into report families," before testing pilot reporting functionality with that group.

"A management information project is always closer to the business," says Thomas. "We communicated with the senior management and other IT teams to get the data but also had a lot of communication with the forthcoming users."

Data accuracy

As well as working with management and users, a big part of Chubb's BI success has been ensuring that the data the reports are based on its accurate. "You can't spend too much time understanding your data sources," says Thomas. "Defining the reposi-



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tory and ensuring the data is correct is essential.”

“The secret is down to getting the design of the data warehouse correct,” agrees John Hague, a senior IT professional at Yorkshire Water. “To do that you need to understand the business and the types of information it wants to see.”

Yorkshire Water has used business intelligence products to improve the operational efficiency and effectiveness of a number of areas of its business, including a recent update to its billing system, which enables the production of improved operational, management and trend analysis reports.

Business input

Hague was project manager for Yorkshire Water’s recent billing management information system roll-out and data warehousing project. In order to ensure that the system responds to the requirements of the business, Yorkshire Water also had both IT and business staff working on the team that developed the reporting system. “We had business people sitting with us,” says Hague. “It’s critical, it wouldn’t work if you didn’t do it that way.”

The water and wastewater service provider supplies 2.1 million households and 140,000 businesses. It runs its in-house billing application on an ICL mainframe, which while trusted and robust, does not provide the company with fast enough access to business data. “The requirement was to provide much quicker access to that data and give business managers the ability to perform complex analysis of the data,” says Hague.

While the company was able to do some querying and analysis of its billing data using ICL’s Query-Master tool, it was by no means quick or flexible enough to meet the complex demands of Yorkshire Water’s own requirement to maximise business performance, or the information demands of the OFWAT water regulator.

A project therefore began in 2002, and was implemented in 2003, to build a reporting database in SQL Server by extracting information

from the ICL mainframe, and using this as a basis for building business intelligence reports using Brio Intelligence 6.6 and its dashboard capabilities (now rolled into Hyperion’s dashboard functionality following Hyperion’s 2003 acquisition of Brio Software).

According to Hague, the Brio dashboard functionality gave the IT department the ability to write up to 60 reports using JavaScript that replaced management reporting requirements on the existing system and allowed for new management report requirements that were not possible on the mainframe.

As well as pre-processed reports available on the desktops of about 100 users when they arrive at work,

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the query and analysis software also enables drill-down capabilities right down to the detail of individual accounts, while ad hoc reporting is also enabled for a small number of ‘super users’ who are able to build their own reports based on emerging reporting requirements.

“In the past users spent a lot of time trying to get data out of the system themselves,” says Hague. “They were spending several days a month just trying to get at that data.” Using the Brio tools from Hyperion has not only enabled the company to increase the efficiency of query and reporting but also to analyse the data to support business modelling requirements (for example, on water charges for the coming year).

Yorkshire Water has also used the Brio technology to do more extensive online analytical processing (OLAP) and data warehouse reporting, refreshing an SQL Server-based data warehouse with data from the reporting database once a month to enable trend analysis (for example, changes in consumption and billing). “The data warehouse has given users that trend analysis and the ability to

drill down into specific areas of interest,” says Hague.

The data warehouse now has 12 months’ worth of data but OLAP query response times continue to be “instantaneous” according to Hague, thanks to the company’s attention to data warehouse design.

The data warehousing platform is used mostly by the financial and regulatory departments as input to the production of the annual reports supplied to OFWAT. While the information water companies have to supply to the regulator is generally the same each year, the system gives Yorkshire Water the flexibility to respond to emerging requirements.

“We know most of the regulatory requirements but this system has given us the ability to ask questions that hadn’t previously been thought about,” says Hague. This has been due to extracting as much information out of the ICL mainframe as was practical without over-loading the database, he says.

“The initial approach was to bring as much data out as possible. Once users become familiar with the reporting tool, they start to ask more questions of the data.”

Operational efficiency

According to Julian Halstead, IT architecture manager at Yorkshire Water, business intelligence will increasingly be used by the company to boost its operational efficiency, with a business reporting strategy running alongside the company’s 10-year IT strategy. For Microsoft-based systems, the company will look to use Hyperion’s business intelligence software into the future, while for SAP systems it will employ the company’s SAP Business Information Warehouse.

CBR OPINION

Business intelligence is all about understanding the business and how it is operating in order to achieve improved performance and better results. The BI technology itself is an important part of that, but only if it is used in a manner that reflects the requirements of the business. Just as business can benefit from a BI technology project, the project itself must reflect the business if it is to deliver results.