

---

# Strategic Business Intelligence

What is it?

Where does it fit?

What does it do?

# Today!

- Strategic Business Intelligence – History
- Modern Enterprises and Data
- Operational and Strategic Analytics
- In-line and Off-line Applications
- Benefits (Case Studies)
- How to get started

# What has a mathematician got to do with your business?

If you believe a software vendor, not much.

If you believe me – everything.

The truth is probably somewhere in between

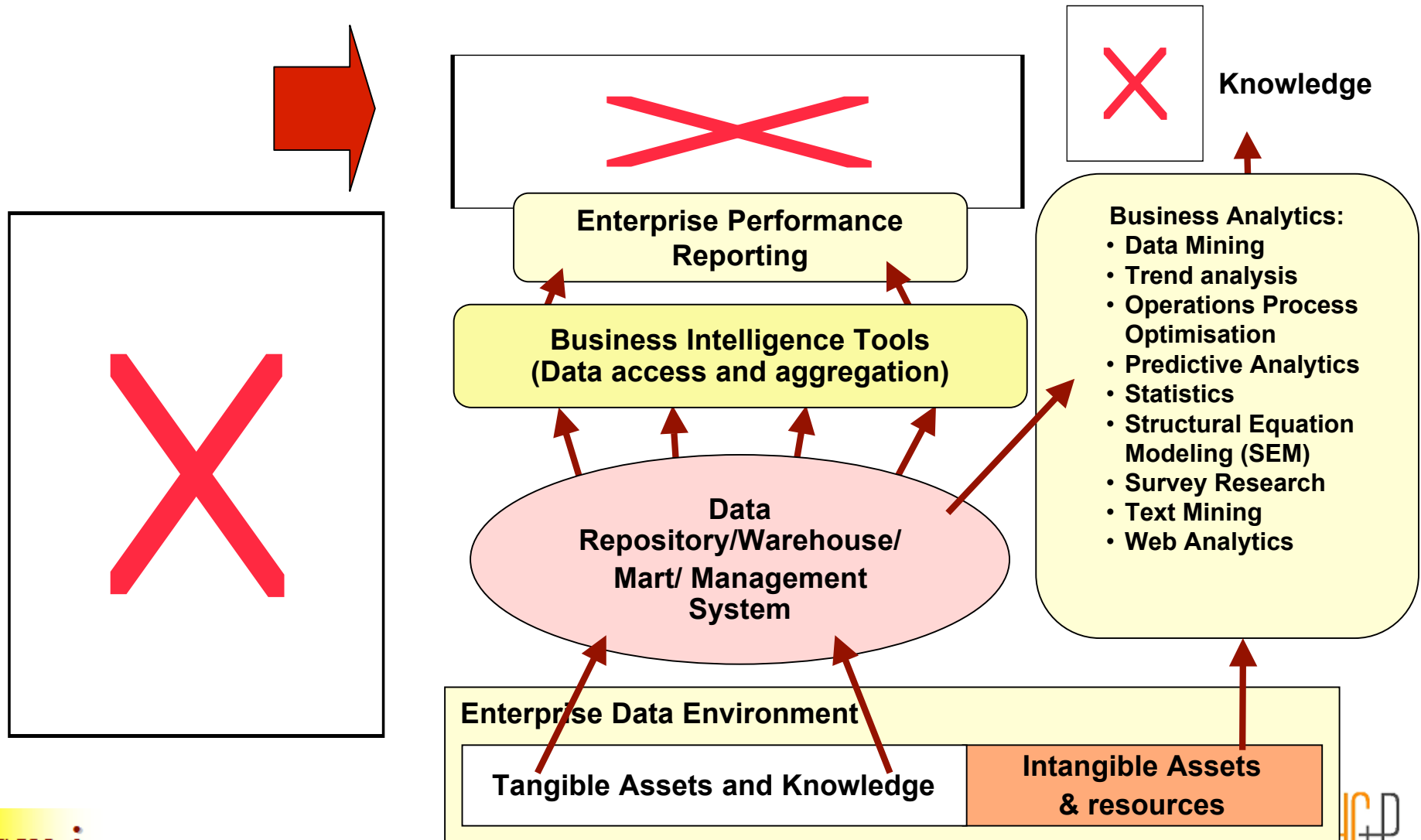
# SBI – A compact History

- Decision Support Systems
  - Databases too small
- Knowledge Management
  - Software too small, incompatible “standards”
- Business Intelligence EPM
  - Now we’re talking!
- Strategic Business Intelligence
  - The next level

# The Modern Enterprise

- Data gorged (information starved?)
- Increased demand for :
  - Agility
  - Alignment
- Requirement for insight and control:
  - Planning/forecasting
  - Scorecarding
  - Budgeting (?)
  - Regulatory Reporting (!)

# Knowledge within the BI Space



# Operational Vs Strategic Analytics

- Spot-fires
  - Dashboarding, including lead/lag representations
  - Call-centre operations
  - Field officer, on-site decisions
- Optimisation
  - Minimisation
  - Optimal Reporting
  - Business-in-a-box  
Process modelling
  - Monitoring
  - Understanding
  - Exploring options

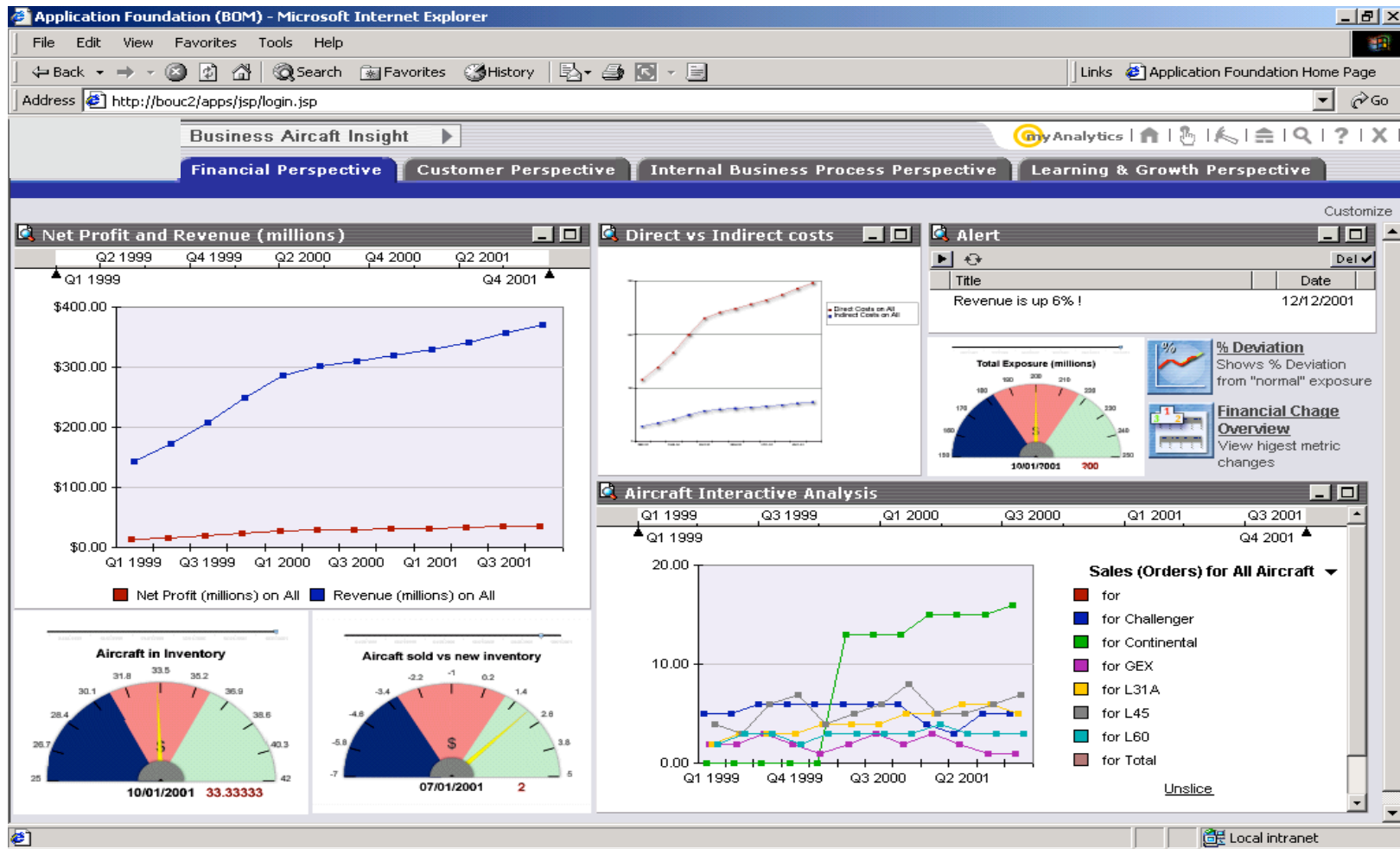
Meeting the Strategic Needs

**What has/is/will happen?  
&  
How should we move?**

# Inline vs Off-line Strategic Analytics

- Typically operational methods
  - Alerters
  - Intelligent Dash-boards
  - Meaningful Scorecards
  - Field Forecasts
  - Dynamic optimisations
- Enable Strategy to be relevant, consistent and monitored
- Support Decisions (“show me the numbers”)
- Enable exploratory work at a fraction the cost
- Often the act of trying is enough!

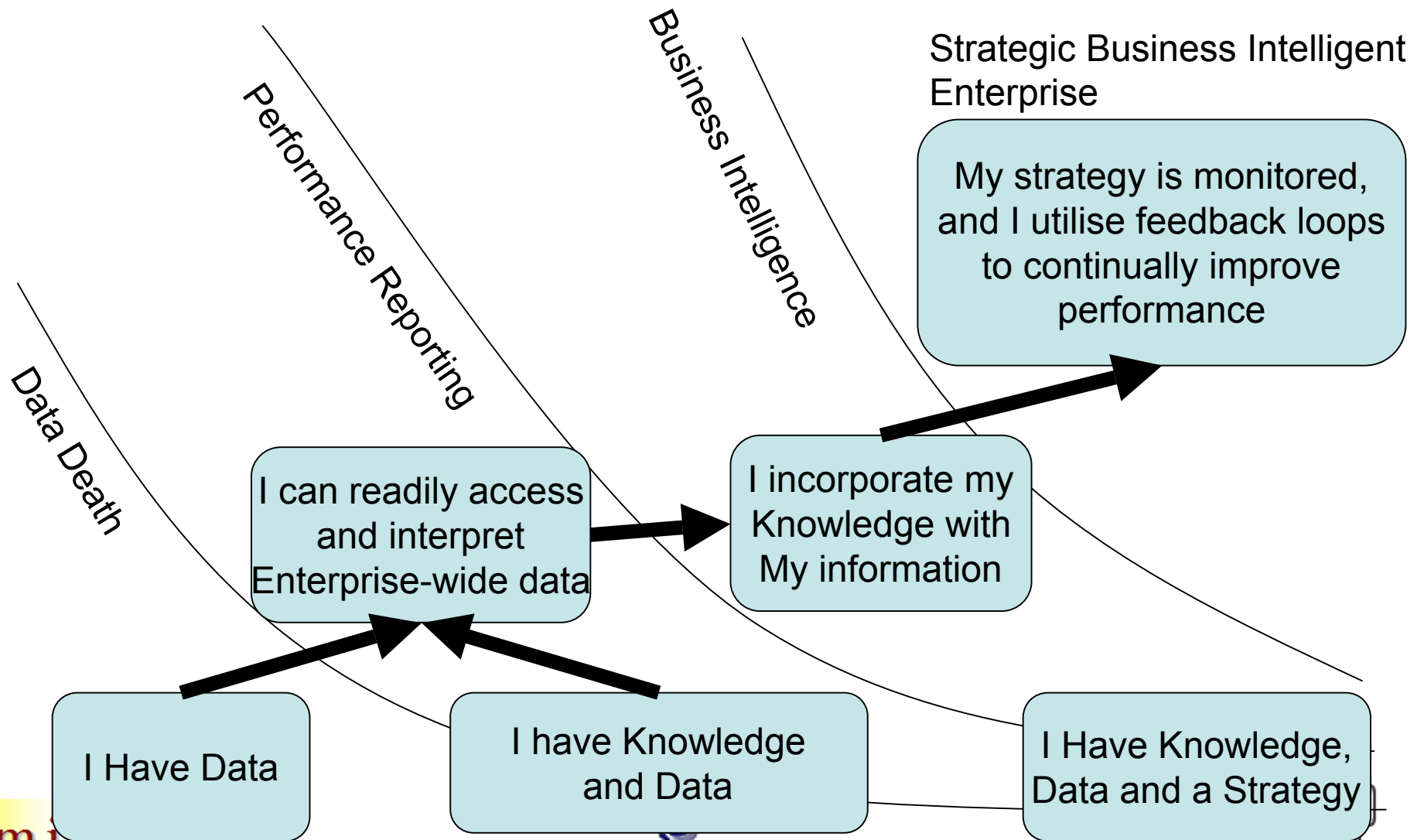
# Screenshot of typical Operational- Inline Analytics in a dashboard



# Feedback Loops

- Insurance call centre
- Predictive fraud management – increased consistency in the assessments (Strategy)
- Cleaned the data (Inline Analytics)
- Model got better (Offline Analytics)
- Strategy is supported, better implemented, and understood

# Modern Enterprises



# Traditional Data Models:

Operational/offline

- Churn Model/Fraud Model/Classification
- Require “good” data, and lots of it.
- Best done on specialty software

# Strategic Modelling:

knowledge based, offline

- Biased Integrated Event Models
- “Business-in-a-box” Process Models
- Optimisations and simulations
- Signal Stripping & Pre-whitening

# Biased Integrated Event Modelling

- Used to generate risk profiles
- Realistic “worst” or “best” case scenarios

# Process Modelling

- Model a business process, or even a whole business on a desktop using “believed” rules.

# Optimisation Routine

- Take a performance metric, and configure the current system, under some constraints and rules, to maximise or minimise this measure

# Signal Stripping

- Take the natural cycles of your PI's, and strip the data into its components. Identify each driver, and your exposure to it.

# How do I get me some?

- Analytics must be driven from the top down!
- Must be focussed and controlled to maximise ROI and Capital efficiency

# The Reverse Audit Methodology

- Starts at the Management Level (the opposite end to a common IT audits)
- Define the Strategy, and translate to analytic equivalents
- Continue down the reporting/management chain, aligning the strategy and the information requirements as we go
- Finish at the record level data

# Benefits of the Audit

- Guaranteed to align the structure
- Places topmost importance on getting the information onto the desks that matter
- Ensures the most appropriate solution is made available (rather than squeezing the problem into an available solution)
- Capital efficient, as “desktop misses” are detected immediately and the resulting structure uses only available resources.