4 steps
to better
business
decisions

IBM

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Introduction

This is an ebook for people who want to make better decisions for their business. If you're charged with collecting, analyzing or deploying data for HR, finance, supply chain, marketing or sales, this ebook presents four steps that can help you make a difference quickly.

Better business decisions lead to revenue growth. Whether your responsibility is to attract and retain top talent, build a better supply chain or improve automated processes, one thing is clear: you can't let the competition outpace your organization. The time to start making better decisions is now.

If guesswork is no longer acceptable, if you've ever wished you could deliver reliable plans and budgets faster, or if you've dreamed of making stronger predictions, read on →

Step 01

Determine where data can help decision making in your department

Data has always been the bedrock of the analytics that support the financial close process, budgeting, and audit compliance, and you likely deal with it every day. But look up from the spreadsheets that you've been provided. Data can help an organization soar, too.

Data can help every employee make better decisions, whether they're on the shop floor or in the C suite. As you begin to determine where data can help decisions on your team, analyst firm Gartner® recommends that you reframe what's essential, determine who or what is involved, and rethink how to leverage data and analytics.[1]

In a job like yours, data just keeps coming, and analyzing it for meaning is a continuum that never stops. Data holds the answers to your biggest business questions—and to your smallest. It can alert you to questions you'd never thought to ask. It comes alive in the form of continuous, integrated planning. It drives revenue as everyone gets a more-complete picture of the company. Data helps everyone understand what comes next.

Discuss expectations

Have honest conversations with leadership about your role. Are you expected to do "self-service" data prep, the manipulating of raw data to make it ready for analysis? Then it's imperative that you have access to that data. Are you expected to provide predictions quickly when business or market change occurs? Then you'll be successful only to the extent that you can overcome barriers presented by your organization's existing systems. Do you see leaders getting excited about the prospect of embedded analytics, the technology designed to make data analysis and business intelligence more accessible? Then it's your job to gently explain any disconnected systems or processes that would serve as a blocker to this worthy goal.

Act to empower everyone, regardless of skill

Discuss expectations with your staff, too. Ask them who wants to get rid of Excel spreadsheets and watch the hands rise. Urge them to come forward with the real questions they want asked, with the ideas and assumptions that they'd love to see proved or disproved. Encourage employees to speak up if they'd like to be part of data-driven decisionmaking; you might be surprised to see who comes forward. Reach out to colleagues whose departmental data informs your team's decisions and invite them to join your discussions.

The business benefits of better decisions

91%

of business leaders report that analytics technology has improved their activities and processes.[2]

63%

reduction in time to create budgets.[3]

80%

faster processing of data.[3]

Consider business analytics capabilities to help your efforts

Business analytics is a set of automated data analysis practices, tools and services that helps you understand not just what is happening in your business, but why it's happening. Analytics capabilities help you to improve decisionmaking in the moment, and help you to plan. With analytics, insight comes faster; Ventana Research has found that companies that analyze data more frequently report better results. When analysis occurs daily, hourly or in real time, satisfaction ranges from 78% to 86%.[2]

And analytics comes with another benefit: frank conversations. As data is shared among departments, one view of the truth begins to emerge. Collaboration becomes something you look forward to, not something you dread. This clear view of the truth reveals next steps and provides smart, energetic people with the direction they need, which gives leaders the momentum they desire. It's really something to see, and it's part of the reason why some companies are more successful than others: they use analytics to help every employee know the truth and start from there. Better decisions can happen, every day, every hour, every minute. There's power in business analytics that can't be denied.

Let's examine the top analytics capabilities for operational decision makers.

Planning and predictive forecasting

This type of capability is data analytics for those who plan, budget and forecast. A great way to respond quickly with more-reliable information. Makes it easier to adjust plans as the market changes. Reduces manual processes in your department and helps you spot trends and seasonality patterns. Most vendor solutions support workforce planning; some offer AI and machine-learning models to provide more-granular forecasts, and to make use of patterns to strengthen predictions. Look for solutions that offer a unified dashboard, flexible tools and security controls, and real-time access to your data. Seek out predictive capabilities that use AI to identify trends and risks factors. Ask if the solution provides multiple, different user-interface options, including an Excel interface option and web-based UI to make your team's transition easier.

Step 02
Consider business analytics
capabilities to help your efforts

Data visualization

Data visualization is the representation of data through use of common graphics, such as charts, plots, infographics, and animations. It's a fine way to communicate complex data relationships and data-driven insights in a way that's easy for people to understand. And it makes it easier to explain the insights that result from your wealth of data. Most solutions offer trend charts, comparison charts and mapping. Some solutions add charts for correlation, part-to-whole, and relationship connection. Look for tools that let you integrate cognitive computing technology; AI can assist in dashboard creation, and can present a visualization recommendation to tell your story best.

Prescriptive analytics

Prescriptive analytics is the process of using data to determine an optimal course of action. For that reason, you'll often see prescriptive analytics solutions offered as "decision optimization." This type of analytics considers all relevant factors and yields recommendations for next steps. It's widely used to support supply chain operational leaders, who can explore a range of scenarios to arrive at the best possible outcomes that consider known business constraints. Look for strong optimization modeling, which represents business problems mathematically and translates the key characteristics of the business problem that you're trying to solve.

A note about reporting

Where there's data, there's reporting. With business analytics, reports can be distributed to all key stakeholders to share a single version of the truth across your company, and regulatory compliance can be strengthened. Reports can be sent on a schedule, or can be accessed anywhere.

The best analytics solutions will save your team hours of tedious compilation work. You'll be able to create highly customizable, pixel-perfect presentations against any type of data sources, and to produce both interactive and static outputs, such as HTML, PDF, Excel with formatting, CSV and XML. You'll be able to distribute this content to an unlimited number of users with different languages, personalized filters, any combination of formats, on different schedules, and different delivery methods—while you maintain a single report as the source.

"We are pursuing automation because we have good people. We want them to look to the future and not have to do some manual, tedious job."[4]
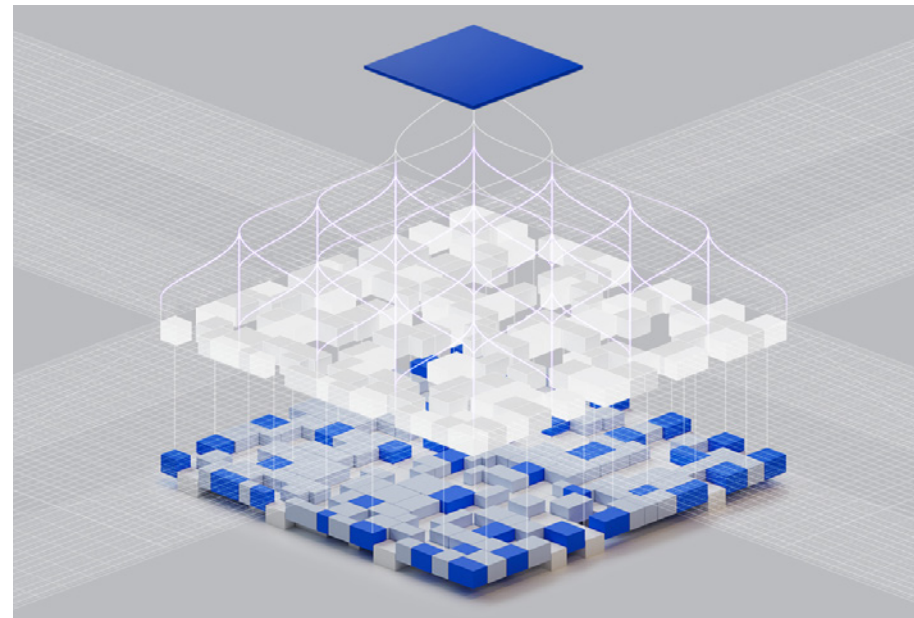
Joonas Alasaari
Senior Business Controller
Vaasan Ltd.

Create awareness for the proper data foundation

All the marvels of analytics that you've read about thus far are poised to get supercharged. That's because of a new approach to the way that data is made available: **the data fabric**.

Traditionally, most organizations store data for each department separately. HR has their data in one place, customer service in another and accounting in another. Data lives in separate environments, despite whatever natural overlaps might occur. A data fabric brings multiple data sources together, augmenting rather than replacing your existing technology. You get a centralized reach across all points on your data landscape. Various kinds of data can be successfully combined, accessed and governed so that individuals can put data to work. If you work with large data volumes and must support thousands of users, the data fabric's scalability is crucial for success.

If you hear your colleagues talking about point-to-point integration or data hubs, stay alert. Neither of those approaches are suitable when data is highly distributed and siloed. Point-to-point integrations add exponential cost for any additional end point that needs to be connected, making the approach non-scalable. Data hubs allow for easier integration of applications and sources, but exacerbate the cost and complexity to maintain quality of data within the hub. Create awareness for the data fabric approach at your company.

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Advocate for the right technology

It's okay to scrutinize your vendor companies. If you find one whose offerings deliver and whose employees keep coming at you with fresh ideas and ways to save money, it's okay to be excessively devoted. Seek out visionary partners who know your industry; you and your organization deserve nothing less.

The IBM approach to business analytics depends on data-driven decision-making to improve organizational planning and outcomes. When every employee can know the truth and start from there, you'll bring new vigor to your workforce and a sense of shared purpose to colleagues and leadership.

With IBM, expect to reduce cost and increase revenues when you improve decision-making. Enable dynamic process automation through AI and predictive capabilities so that you can deliver more reliable and timely budgets, forecasts, reports, and insights. Expect to transform your organization from responsive to anticipatory with data you can trust. Your business can constantly improve.

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Benefits of business analytics for line of business leaders

Human resources

– Create workforce and capacity plans
– Quickly update workforce plans when conditions change
– Better predict attrition and retention
– Standardize compensation plans across departments, regions and geographies
– Track and measure skills to determine the ROI of training programs

Finance

– Strengthen audit and compliance
– Support your executives in strategic planning
– Gain insight into the drivers of revenue, profit and cash
– Help business unit leaders prepare better forecasts
– Deliver profitability analysis by customer, product and channel

Supply chain

– Better integrate sales and operations planning
– Get a better view of demand
– Understand the best supply strategy
– Strengthen inventory planning
– Better optimize inventory

Marketing and sales

– Improve your ability to forecast sales
– Understand the performance of individuals and departments
– Create and manage incentives
– Better plan for territories and account assignments
– Improve quota planning

How to prepare for vendor conversations

When you meet with potential business-analytics providers, lay out your goals in general terms. Talk about your hopes and dreams for your company and its decision-making. Be prepared with questions, and let the conversation go from there.

– Is your interface simple, web-based, and easy to use?
– How are workflows governed and managed?
– How quickly can your solution be integrated?
– Do I have the option to use an Excel user interface to speed adoption of your solution?
– What kind of modeling can I expect?
– Do you offer self-service exploratory analytics, dashboarding and prediction?
– What sort of reporting is available?
– How does your solution support alignment with corporate strategy and business targets?
– Does your solution allow for the scalability that my business will require?
– How do you keep my data safe?

1. How to Make Better Business Decisions, Gartner®, Oct 2021
2. 2022 Business Planning Value Index, Ventana Research, 2021
3. The Total Impact of IBM Planning Analytics, Forrester
Consulting, 2021
4. "Baking in AI and analytics to meet rising demand," IBM case
study, January 2022