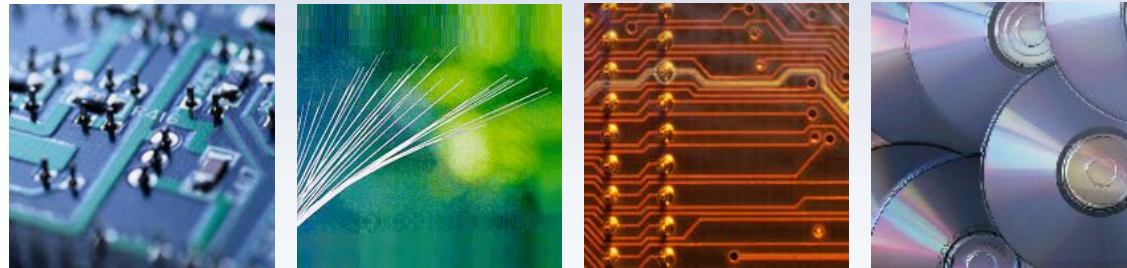


Trends and Business Values of Business Intelligence



Toa Charm

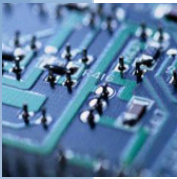
DBA (candidate), M.A., B.Sc., CBIP (TDWI)

Chairperson, BI Special Interest Division, Hong Kong Computer Society

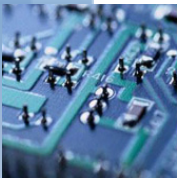
Regional Head of BICC, Asia Pacific, HSBC

Outline

- 1. Introduction of HKCS BISID
- 2. BI Adoption Worldwide
 - Gartner's CIO Survey
 - MIS Asia CIO Survey
 - HKCS BISID Survey
- 3. Business Values of BI
 - Answering the Most Critical Business Questions
 - Journey of a Data-Driven Enterprise
- 4. Q & A

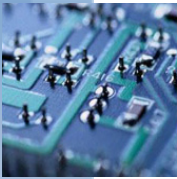


***Hong Kong Computer Society
Business Intelligence
Special Interest Division
(BISID)***



HKCS Special Interest Divisions

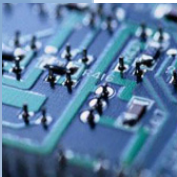
- CIOB - Chief Information Officer Board
- **BISID – Business Intelligence SID**
- EBSID – E-Business SID
- ETSID - Emerging Technologies SID
- HITSID – Health IT SID
- ISSID – Information Security SID
- QMSID - Quality Management SID
- Young IT Professional Club



Mission of BISID



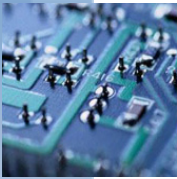
- Professional and Career Development for BI and IT Practitioners
- Values Creation for Businesses in Different Industries through the Best Use of BI
- Bridging BI Professionals with Business Executives
- Access to BISID Knowledge Repository, Publication, Research on the latest BI Market Trend, Best Practices and Technology Development.
- Our current members mainly come from large multinational companies, local SMEs, major BI vendors and consulting firms and major universities



BI Adoption Worldwide



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The Importance Of Business Intelligence

Source: 2009 Gartner Executive Programs CIO Survey, January 14, 2009

2009 CIO Technology Priorities

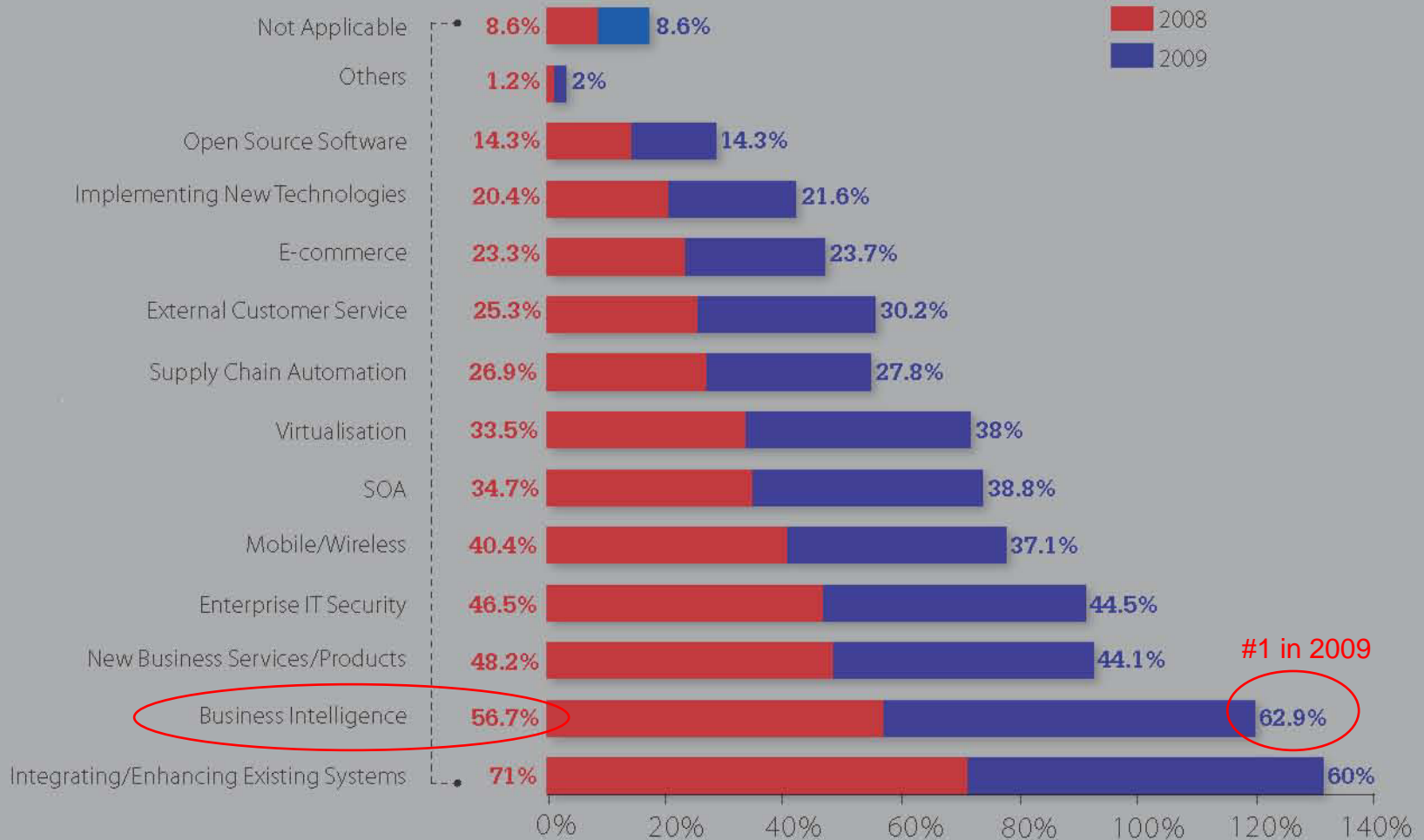
To what extent will each of the following technologies be a Top 5 priority for you in 2009?

	Rank 2009		Rank 2008	Rank 2007	Rank 2006
Business Intelligence Applications	1	←	1	1	1
Enterprise Applications (ERP, SCM and CRM)	2	←	2	2	**
Server and Storage Technologies (Virtualization)	3	←	3	5	9
Legacy Application Modernization	4	←	4	3	10
Collaboration Technologies	5	▲	8	6	4
Networking, Voice and Data Communications (VoIP)	6	▲	7	8	8
Technical Infrastructure	7	▼	6	4	12
Security Technologies	8	▼	5	10	2
Service-Oriented Technologies (SOA and SOBA)	9	▲	10	9	6
Document Management	10	▼	9	7	**

2008/2009 Asian CIO Survey (1 of 2)

Source: MIS Asia, December 2008

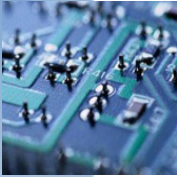
Top Technologies Priorities in 2008 & 2009



2009 BI Survey for Hong Kong

Jointly conducted by HKCS BISID and CityU Dept. of Information Systems

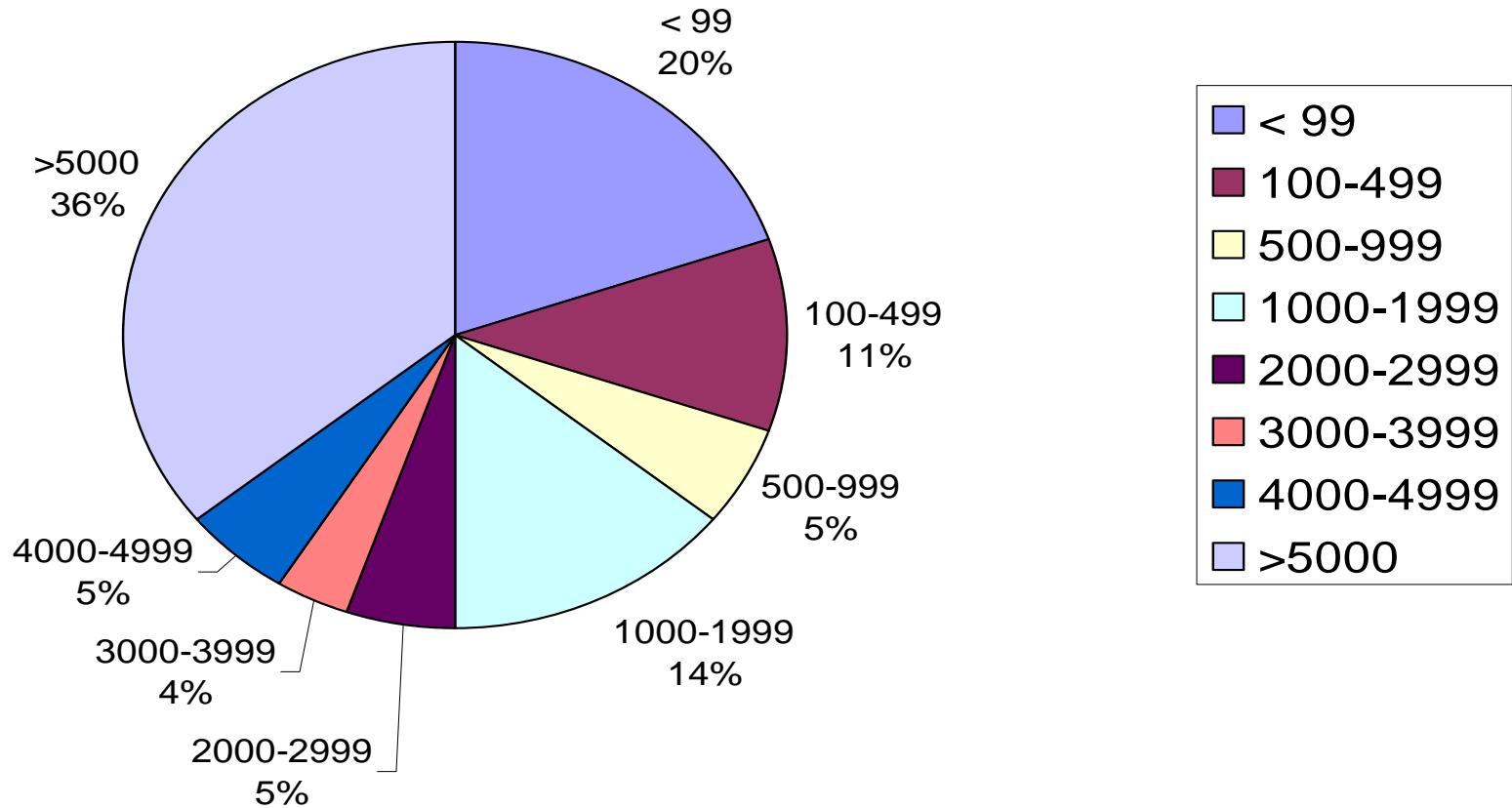
- Through the BISID of the Hong Kong Computer Society, representatives of major BI vendors invited their clients to participate in a BI survey which was conducted in November 2008;
- The Hong Kong Computer Society (outside BISID) also invited its members to participate in the BI Survey;
- Respondents voluntarily participating in the online BI survey; the survey engine is hosted at the Dept. of Information Systems of City University of Hong Kong;
- Post-survey data analysis was performed by the Dept. of Information Systems of City University of Hong Kong.



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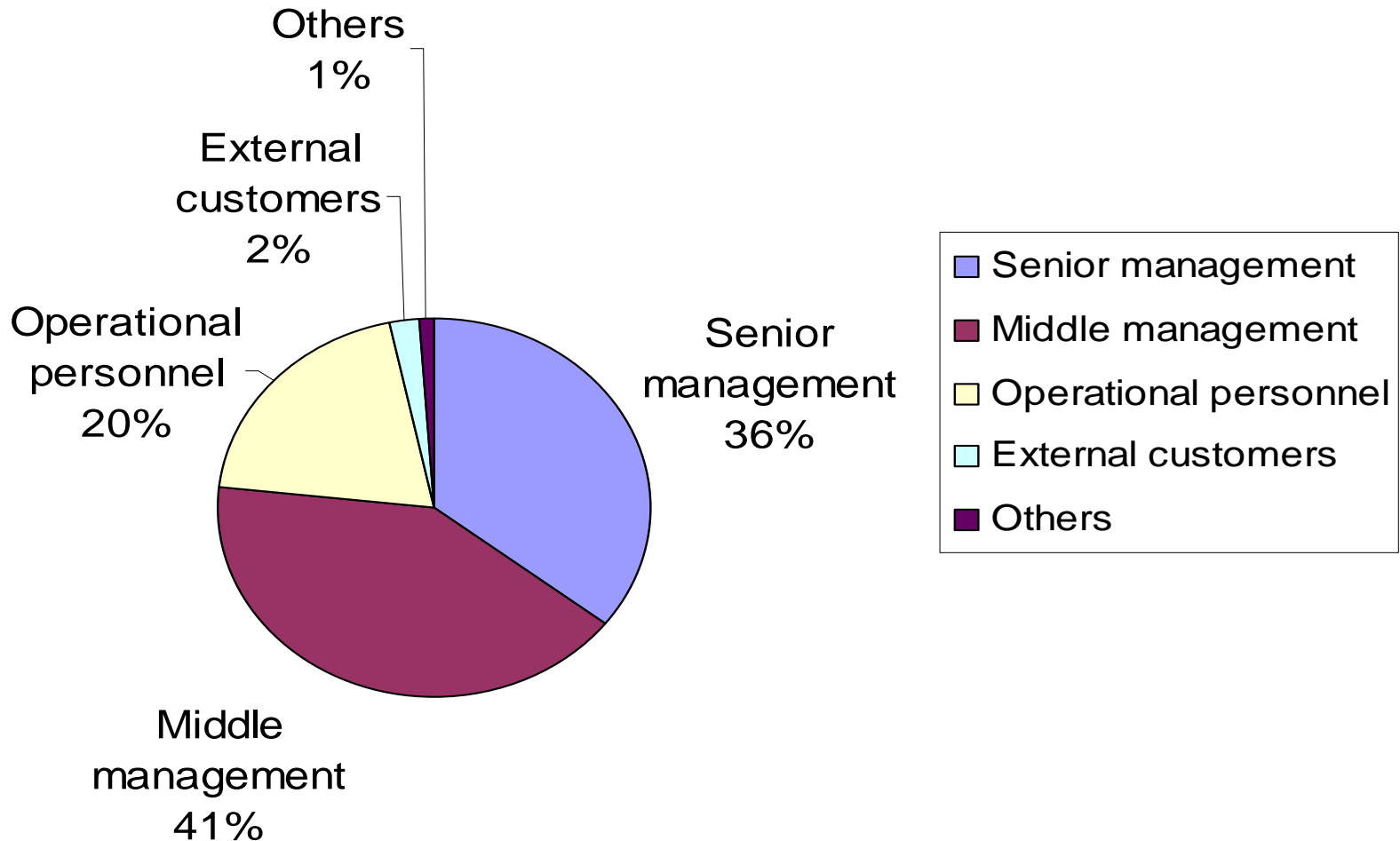
**Most respondents (45%) come from mid-size to large organizations
(with at least three thousand employees)**

Size of Organizations (No. of Employees)

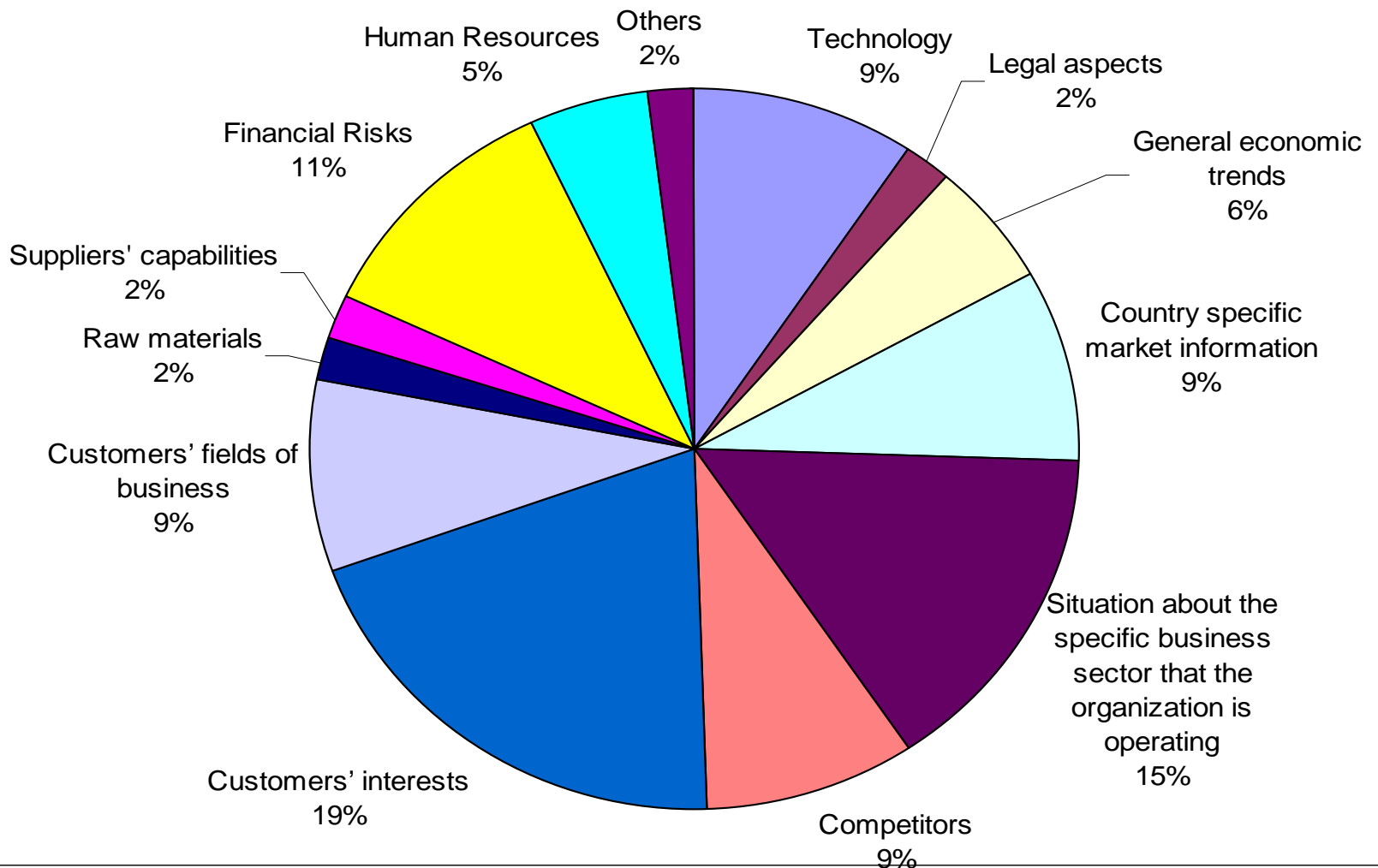


Main Users of the "Intelligence": Middle and Top Management

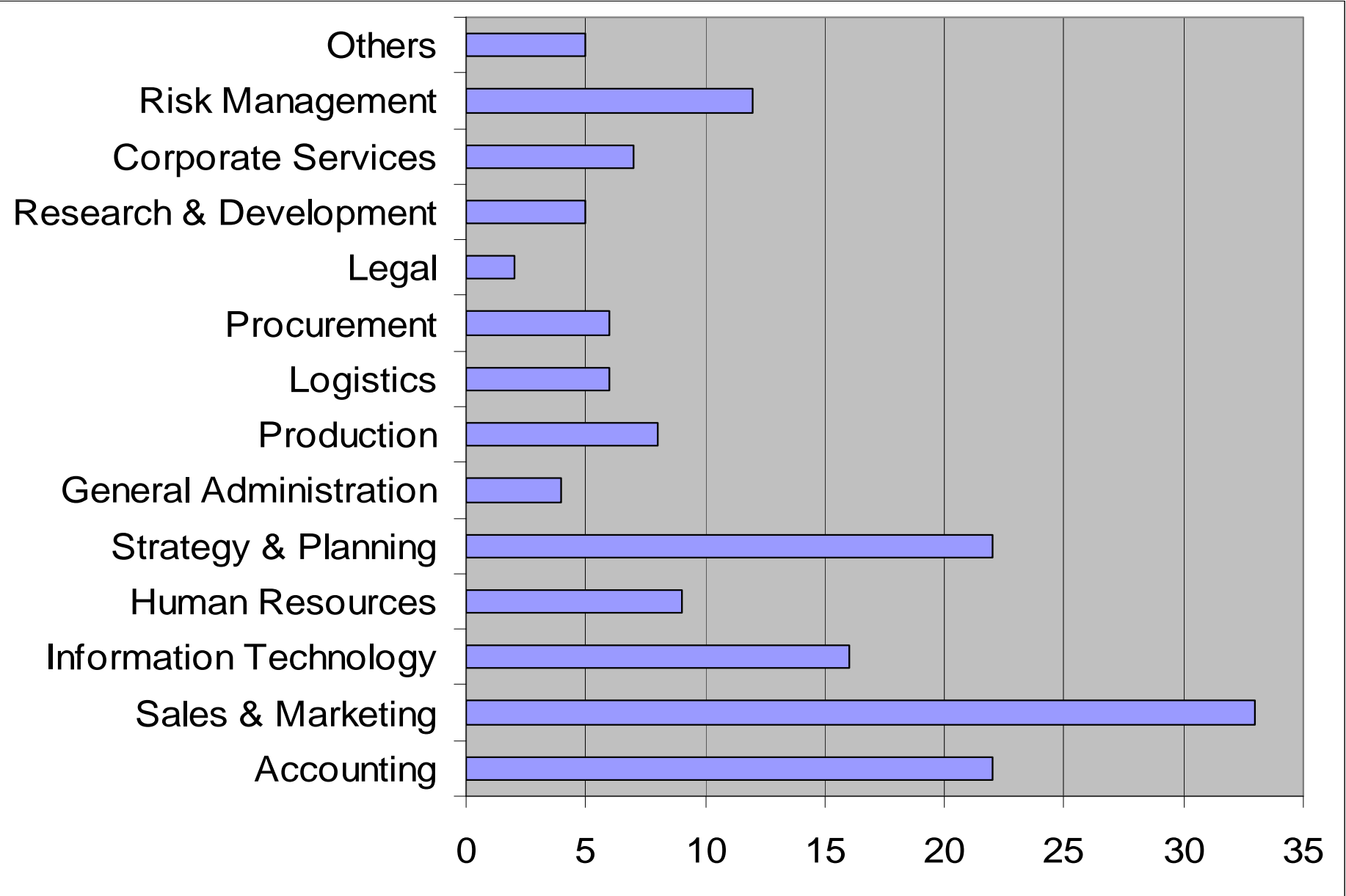
Main Users of Business Intelligence



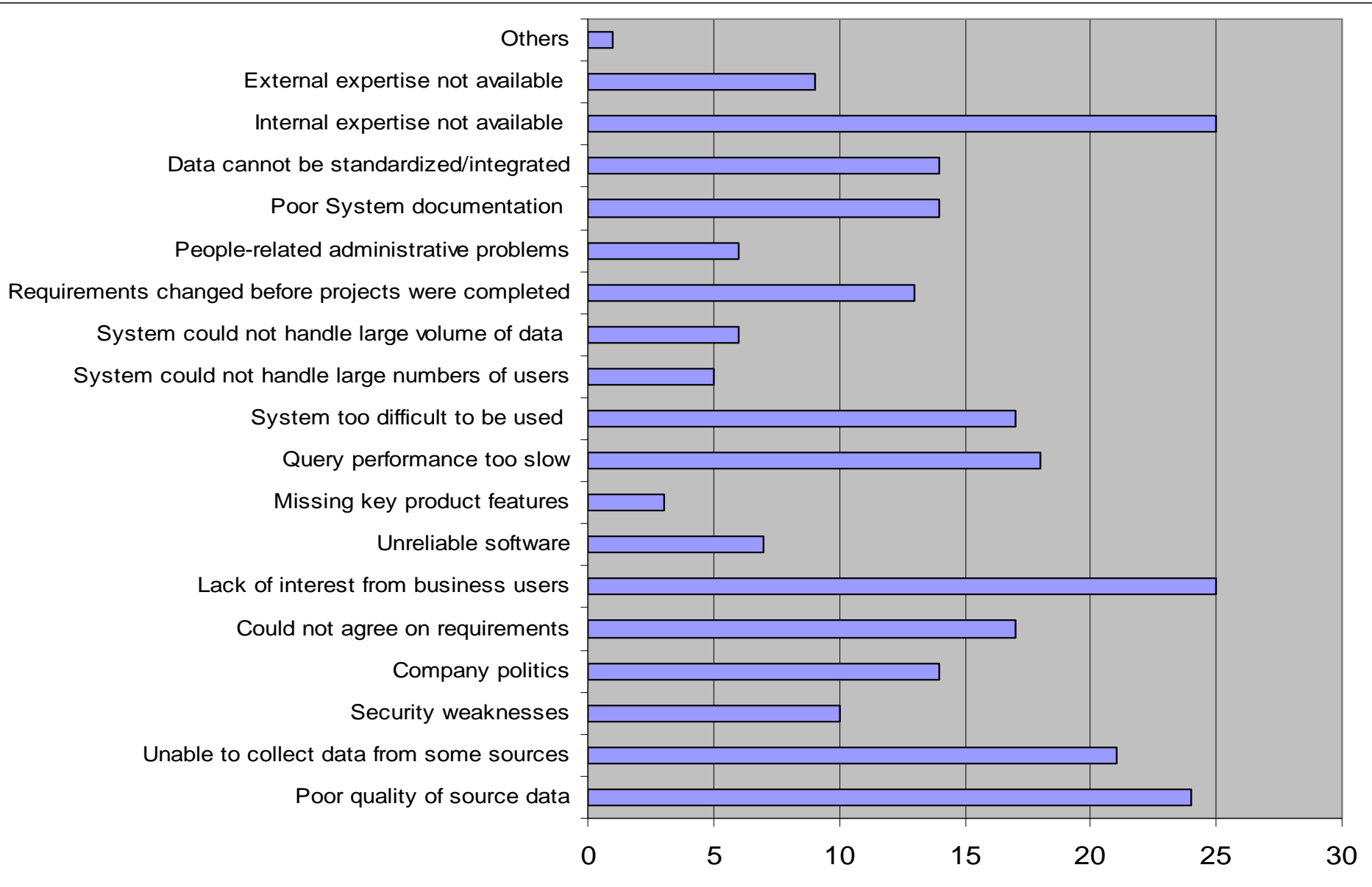
What is the “Business Intelligence” mainly about: Customers’ Interests, Information of Specific Business Sector, and Financial Risks



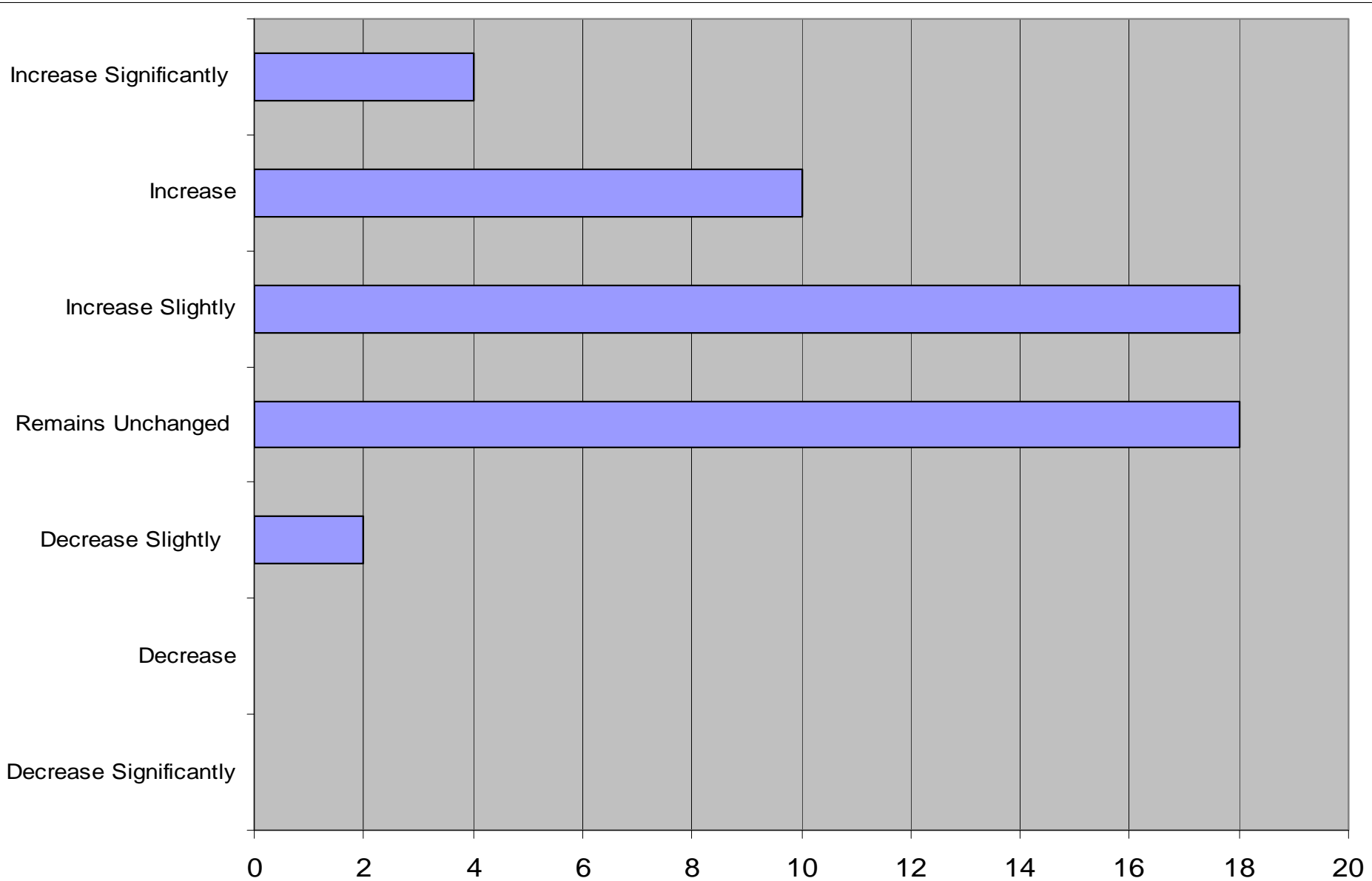
Major Functional Areas Which Utilize BI Solutions: Sales & Marketing, Strategy & Planning, Accounting



Most common problems encountered while deploying BI Solutions: Internal Expertise Not Available, Lack of Interests from Business Users, Poor Quality of Source Data

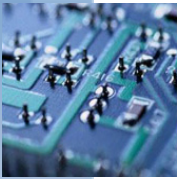


Anticipation of Organizations' BI Spending in Next Five Years: Remain Unchanged or Slightly Increase



ICT Applications with Top Priority in 2009

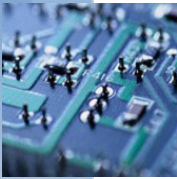
1. Business Intelligence Applications
2. Enterprise Applications (CRM, ERP, SCM, etc.)
3. Legacy Application Modernization
4. Security Technologies
5. Server and Storage Technologies
6. SOA and SaaS
7. Technical Infrastructure management and development



Business Values of BI



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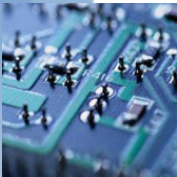


Business Values of BI (1 of 3)

Answering the most critical business questions

■ Customer Intelligence

- Know who our customers are and know who they should be.
- Use data and analytics to profile customers using demographics, psychographics and behavioral data.
- Measure customer satisfaction, loyalty, and lifetime value.
- Seek opportunities to increase satisfaction, loyalty and value.



■ Targeted Marketing

- Segment the customer base and marketplace by likes and dislikes.
- Use customer/market segmentation to increase response rates and decrease costs of marketing campaign



■ Opportunity Recognition

- Use predictive analytics that forecast trends in demand, supply, consumer purchasing behaviors, and other significant business influences.
- Establish or improve competitive position in a market.
- Realize the value potential of opportunities.
- Avoid the cost of missed opportunities.



■ Business Process Optimization

- Seek and exploit opportunities to increase business process performance and decrease business process costs. Examples include capacity planning to maximize resources utilization, performance monitoring to identify and remove bottlenecks, materials utilization monitoring to minimize waste, etc.

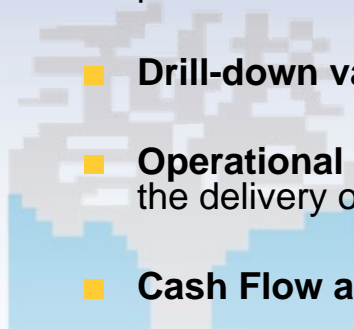
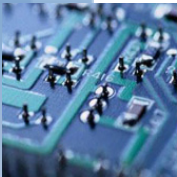


Business Values of BI (2 of 3)

Answering the most critical business questions

■ Financial Management

- **Balance Sheet:** How do we balance and structure the financial funding options, resources, and underwriting risks of the business to incorporate investment accounting and portfolio analysis requirements?
- **Solvency/Capital Adequacy:** How quickly can we leverage loss projections and reinsurance contract information to forecast restoration of adequate capital to overcome catastrophic losses?
- **Income Statement:** How did the business team score? Where was performance strong or weak?
- **Drill-down variance:** What causes changes in financial performance?
- **Operational plan variance:** How do we best support, coordinate, and manage the delivery of meaningful plans?
- **Cash Flow and Working Capital:** How do we monitor cash use effectively?
- **Capital Expenditure (CapEx) and Strategic Investment:** What are the investment priorities and why?
- **Treasury:** How can we efficiently manage cash, investment income requirements and cost of capital decisions for surplus targets?



Business Values of BI (3 of 3)

Answering the most critical business questions

■ Risk Management

- Risk recognition, including fraud detection, regulatory compliance monitoring, early indicators of customer attrition, competitor evaluation, etc.
- Information-based recognition and assessment of risks allows a business to determine the potential cost of a risk, evaluate costs of various mitigation approaches, and mitigate in the most cost-effective way.
- Cost prevention through risk avoidance, and cost reduction with cost-effective mitigation methods.

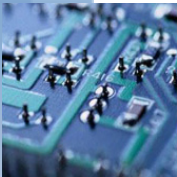
■ Quality Improvement

- Defect analysis for products and processes to identify and correct root causes minimizes both the cost of rework and risks associated with delivering a defective product to customers.

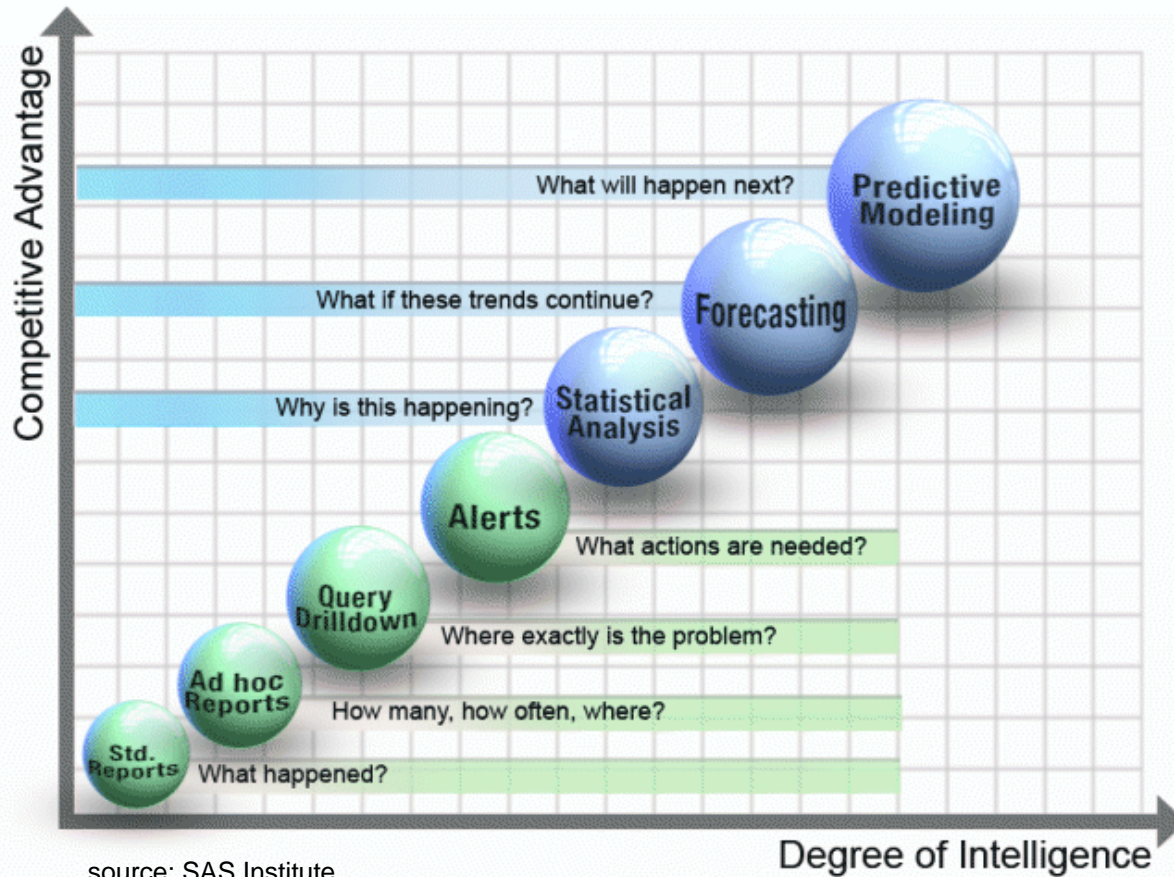
■ Resource Planning

- Anticipate resource demands – whether staffing, equipment, materials, facilities, or other resources.
- Forecast to avoid risks (and associated cost) of insufficient resources to meet demand.
- Plan to avoid cost of under-utilized resources.

■ Many more ..

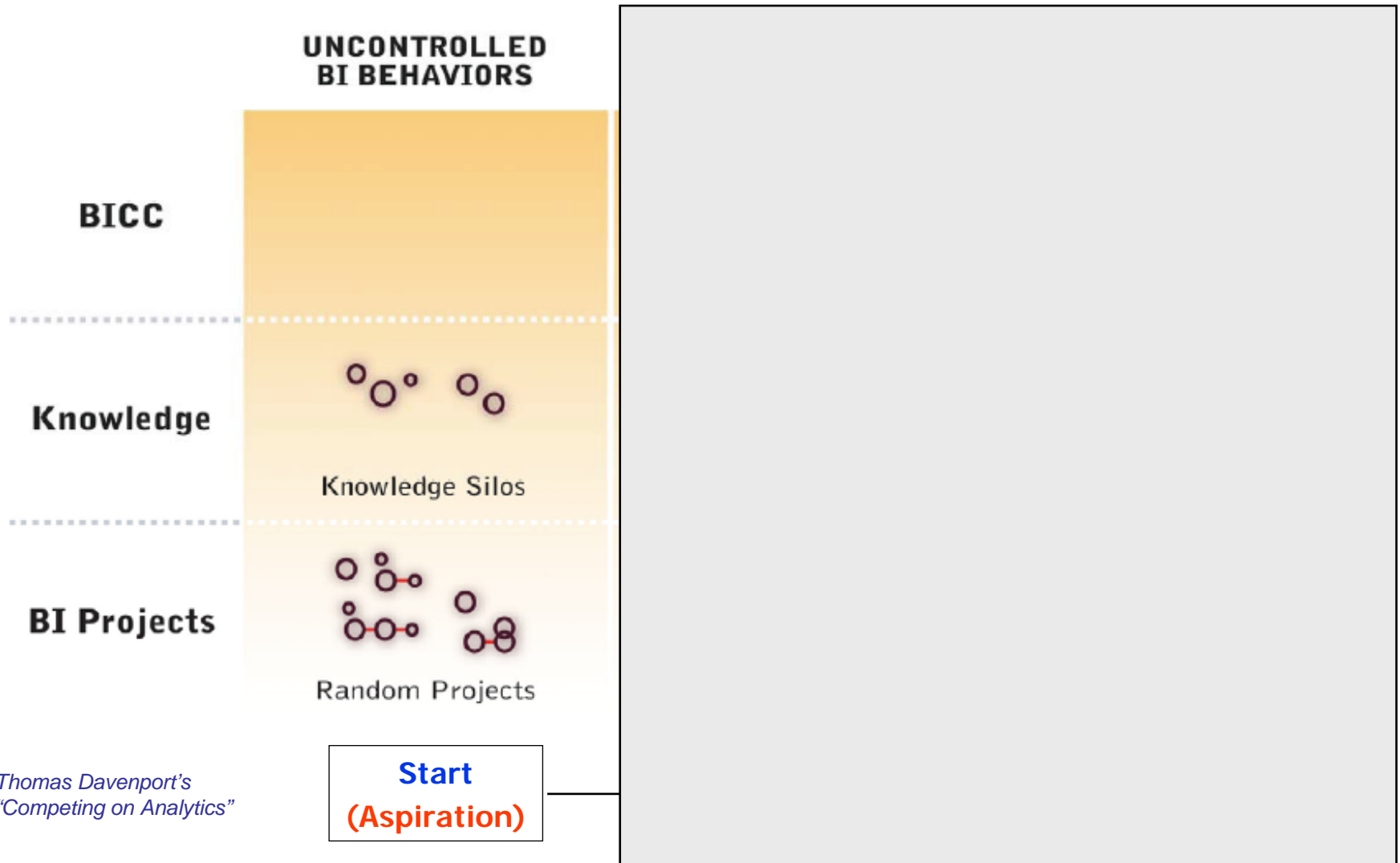


Answering More Critical Questions during BI Maturity



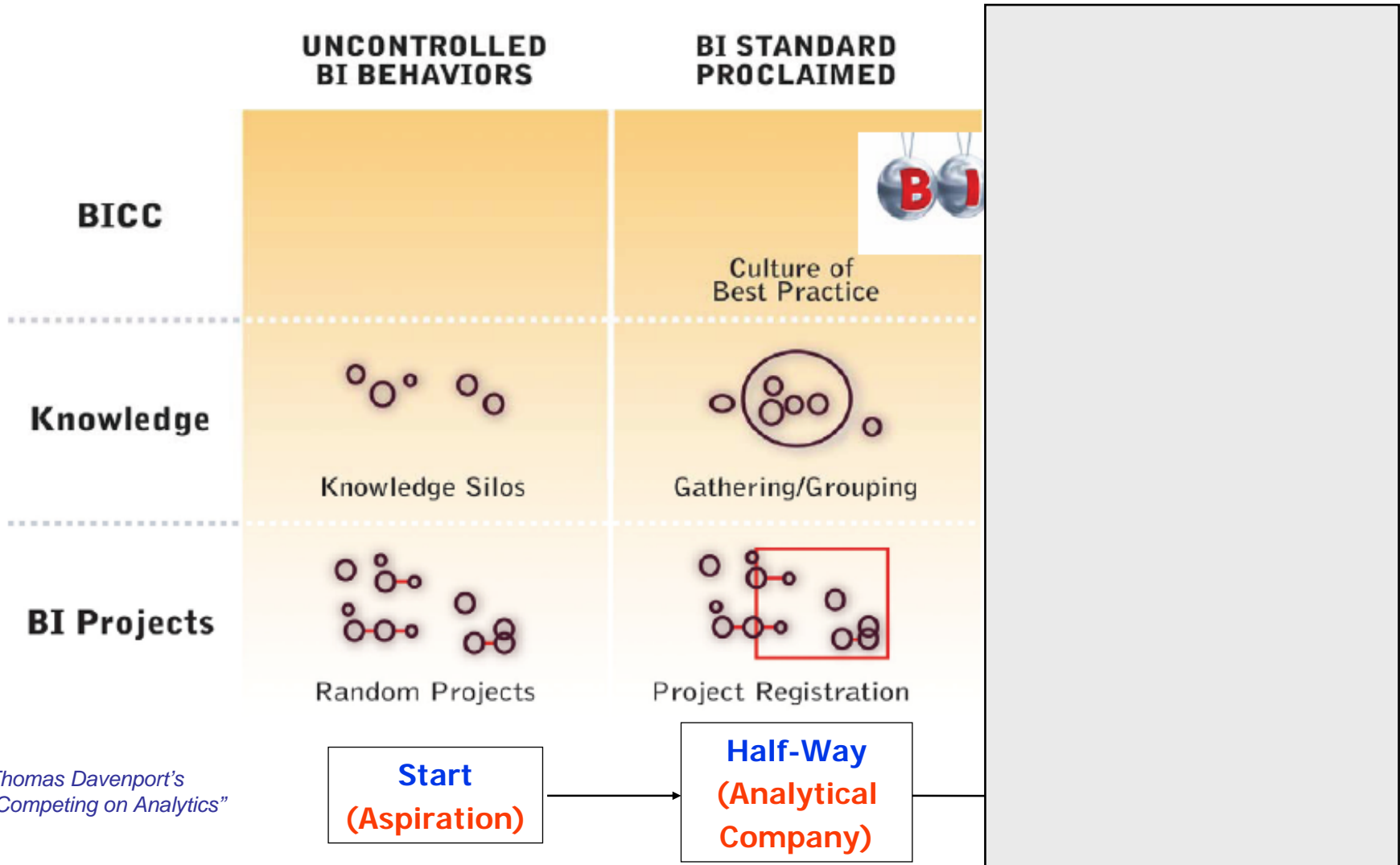
From Aspiration to Analytical Competitors (1 of 3)

source: "Competing on Analytics", Thomas Davenport



From Aspiration to Analytical Competitors (2 of 3)

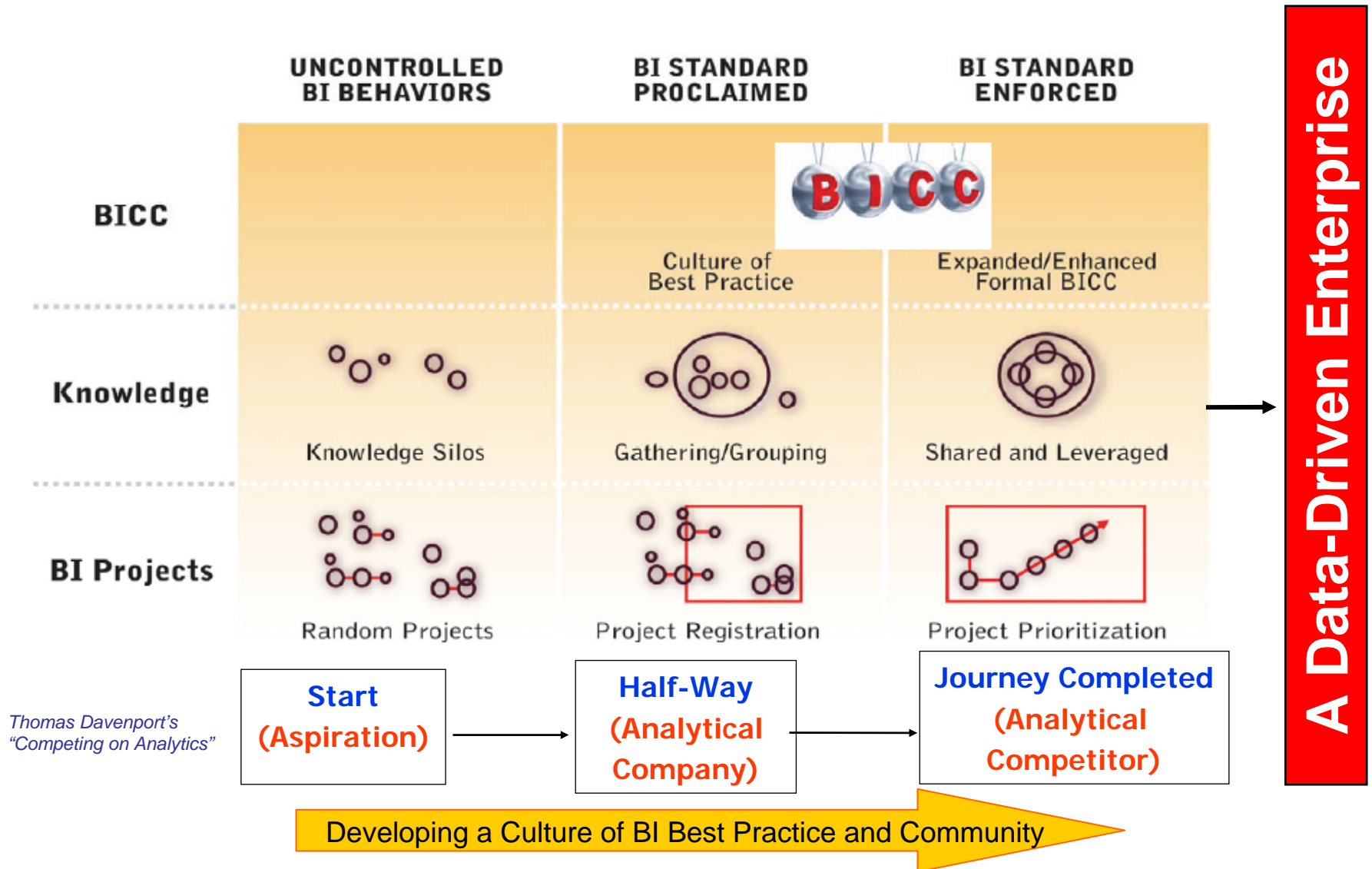
source: "Competing on Analytics", Thomas Davenport



Thomas Davenport's
"Competing on Analytics"

From Aspiration to Analytical Competitors (3 of 3)

source: "Competing on Analytics", Thomas Davenport



Q & A



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