

Driving Synergies Across the Infrastructure

INCORPORATE MULTIPLE DATA SOURCES TO GENERATE A
NEW VEHICLE FOR INTEGRATION.

by Cheryl D. Krivda

Many companies struggle to give their workers complete, transparent and real-time access to information. Yet a multitude of the legacy applications in use today were developed using arcane and proprietary technologies, thus creating information silos across departmental lines. Seeking to streamline operations, enhance efficiencies and improve visibility across the enterprise, some organizations have leveraged comprehensive technical solutions, such as enterprise resource planning (ERP) systems and enterprise data warehouses (EDWs).

Simply deploying ERP and building an EDW is no guarantee that an organization will gain maximum synergy from the two systems. For example, many ERP systems are deployed in multiple instances; the data is stored in a similar format, but it is not centrally located. In other companies, different ERP systems are used for human resources, manufacturing and financials.

The current business imperative is to incorporate operational data into the EDW and take advantage of the synergies that result. "From a business point of view, resistance is futile," says Bryan Rockoff, director of client services for Baseline Consulting. "As ERP data is used for more real-time decision making instead of strictly historical reports, the linkages between the operational and analytic environments must become tighter."

Enterprise information integration (EII) strives to draw the ERP and EDW systems together to deliver new organizational synergies. "It's easier to manage one data point than multiple ones," says Rockoff. "The EDW is the first point of data integration and data consolidation for many companies," Rockoff adds.

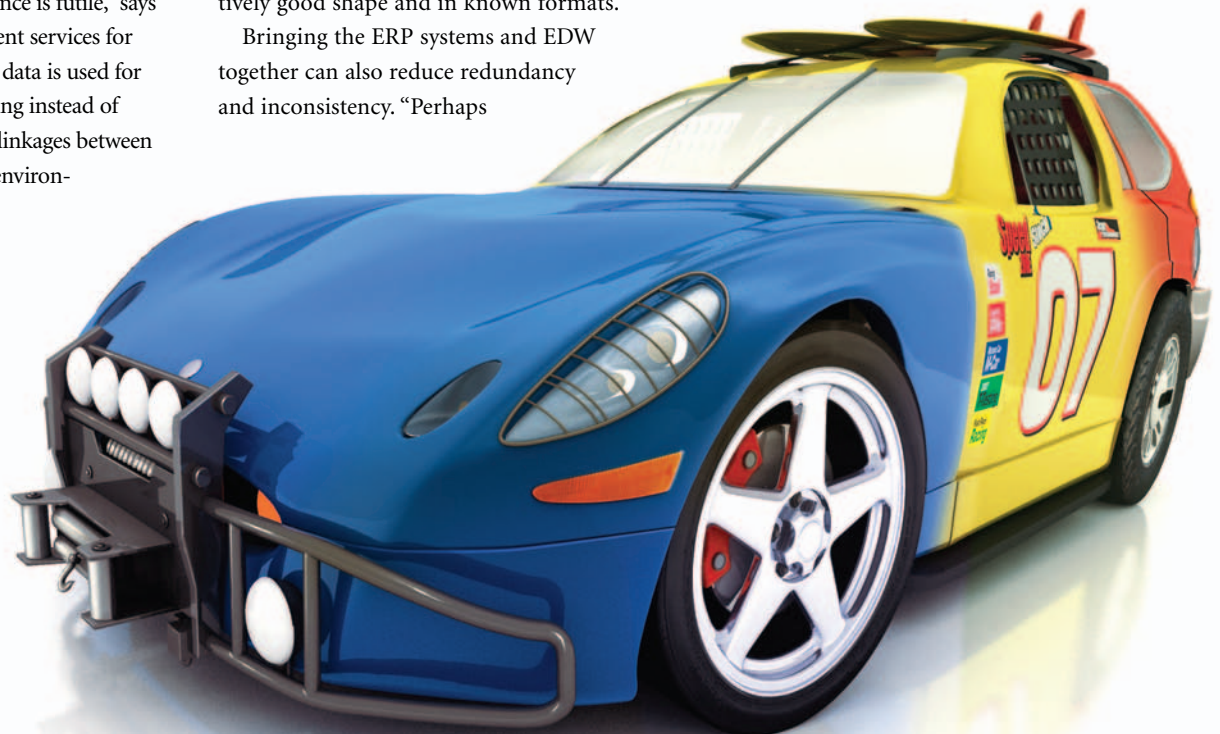
Under the umbrella

Integrating data across the enterprise offers a host of benefits. "If you have an EDW that is providing enterprise business intelligence (BI) results, it is a natural fit to integrate those results with the ERP systems," says Claudia Imhoff, president and founder of Intelligent Solutions. "Using the ERP system eases the heavy lifting of data integration processes. Even if you have multiple instances of an ERP system, data integration processes are much simpler because the data is delivered in relatively good shape and in known formats."

Bringing the ERP systems and EDW together can also reduce redundancy and inconsistency. "Perhaps

equally important, this type of synergy can reduce the number of system interfaces," explains Sid Adelman, principal of Sid Adelman and Associates. "Multiple interfaces create incredible IT cost. Reducing those interfaces can improve IT's responsiveness to business demand."

Companies can also use EII to take better advantage of common information on customers, suppliers, materials and business processes. Master data management (MDM)



is a likely jumping-off point for many integration efforts. “MDM gives organizations a framework to answer the questions of what it means to have a material, who is responsible for its quality, and how it moves through the system,” says Bill Swanton, vice president of research at AMR Research.

Companies are also turning their attention toward customer data integration (CDI)—the ability to aggregate customer information that is dispersed throughout the enterprise and use it to make better business decisions about when, where and how to engage customers. “We’re seeing a mandate for MDM and CDI in just about every industry,” says Rockoff. “CDI and MDM represent the umbrella of data integration at the operational level within the EDW.”

Organizational maturity is key to determining when a company begins to rationalize technology and gain synergies. According to Imhoff, organizations typically build BI capabilities piecemeal—adding new technology by department, group or business function. Many begin to consolidate as they gain sophistication about their BI requirements. “In the next level of maturity, companies create enterprise resources,” Imhoff says. “They rationalize their technologies into a core set of business intelligence capabilities that are used enterprise-wide.”

The final step in the maturity curve is to create centers of excellence in which the expertise and technology are controlled in a single resource. “The center of excellence supplies the entire organization with intelligence in a coordinated fashion,” Imhoff explains. Early adopters have been financial services companies that centralize their data to benefit customers and meet Basel II and Sarbanes-Oxley mandates.

Success from the top down

The key to EII project success is unwavering support from the top. “You need a CEO who

understands the value of integrating these systems and can break down the political barriers to success,” says Adelman. “Then you need a high-level executive in the IT organization to set standards for how to use BI and establish appropriate quality levels. Having these two people identify the goals and create a business case for this change is the only way to keep the project on track.”

Experts also advise that you start small, recognizing that you cannot convert the entire enterprise at once. Also, understand that any center of excellence has two balancing

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concerns: bringing high-quality, complete data into the BI environment and making appropriate information available to authorized users. “To get a center of excellence going, you need to pick a thread that handles both sides,” says Imhoff. “In a single process, you need to ensure the appropriate data is properly collected, stored and distributed. Then build from there.”

For example, one company began its center of excellence by implementing a complete campaign management workflow, which consisted of BI applications that rated campaign success and explored which products sold best in past campaigns. Center of excellence personnel conducted the full workflow analysis to determine the complete process. Then they ensured that the right data was available for the analytics, analytic applications were correctly developed,

necessary interfaces were in place, and personnel using the workflow were properly trained and familiar with the new capabilities offered by the center of excellence.

Center personnel monitor the workflow to ensure that it still fits the campaign management process, it is efficient and easy to use, and customer service representatives are actively using the workflow. The center also studies how these capabilities can be incorporated into other workflows.

Finally, select a project that allows you to set a course and address a critical business

challenge. “Find the problem where people are looking for a single version of the truth and determine what is keeping them from achieving that,” says Swanton. From there, he advises, work incrementally—and pay close attention to the MDM issues.

“Developing tight processes for managing master data is critical to getting value from both ERP and the EDW,” says Swanton. “Smart companies know that you must apply discipline to the master data as part of the project, not after. Dealing with this need ahead of time is the surest way to get you to value more quickly.” **T**

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