

Best Practices in Enterprise Reporting For Growing Businesses

Meeting the Needs of the
Extended Enterprise

A White Paper

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Executive Summary

The perception among growing businesses is that enterprise reporting or business intelligence (BI) systems are only for large organizations. But every company needs enterprise reporting to create new operational efficiencies; improve customer, supplier, and employee relations; and make better decisions faster. Small start-up companies with a few employees, growing businesses, mid-cap publicly traded organizations, and state and local government agencies are making better use of the information within their organization by using business intelligence enterprise reporting.

Organizations implement BI solutions for a wide variety of reasons. Some do so when facing a specific problem or inefficiency, such as controlling inventory costs, using vendors more effectively, or improving the effectiveness of sales and marketing efforts. Others turn to BI to solve strategic issues, such as facilitating the coordination of their efforts enterprise wide, improving customer retention, or increasing revenues and profits.

Even before you consider a business intelligence solution, take the corporate temperature. Ask your line-of-business staff, sales representatives, customers, vendors, and partners what they needed to know and which databases they access. Find out where the information need is. Then you can plan and implement a solution that addresses their needs in a timely fashion with measured and measurable results.

Enterprise Reporting Contributes to Better Management

Data is among an organization's most valuable resources. Every transaction means more data about customers, employees, sales, partners, or vendors. That data then resides in a multitude of applications and databases throughout the enterprise. How an organization effectively interprets and uses this data can make or break an organization.

It's crucial to understand why customers purchase – or don't purchase – goods and services, and what factors influence their decisions. It's important to have sales data such as price, quantity, and lifetime usage. Having this knowledge can help an organization sell more as well as determine how much a customer is willing to pay. Employee information helps to calculate how personnel contribute to – or detract from – the bottom line. Knowing turnover rates and levels of training also affects the manufacturing and distribution process.

Enterprise reporting or business intelligence solutions can efficiently and effectively access and integrate data. Implementing a solution of this sort can provide users with tools they need to analyze all aspects of the business, enabling decision-making required to grow your business.

Organizations that make an investment in BI realize the initiative's ROI more effectively than any other IT investment. Self-service business intelligence frees IT from having to generate reports. Receiving a report via e-mail or opening a Web browser is faster than any other means of report delivery.

Every area of business can benefit from enterprise reporting. Quantifiable measurement of an organization's operations received in a format you use every day – Excel, Word, Acrobat, e-mail, or the Web – makes information available to more users, faster. It can impact business decisions immediately. By examining information from many perspectives – sales, marketing, executive, customer satisfaction, and vendor supplies – you gain a more complete picture of operations and can plan for the future much more accurately.

Using enterprise reporting and analytics effectively requires a serious commitment from top management. Having the information is one thing, but knowing what to do with it to shape your organization takes leadership.

Empower Your Organization

Enterprise reporting will change your business radically. All of your key databases and applications such as DB2, RPG, Query/400, and J.D. Edwards can be leveraged to assemble, standardize, manage, and distribute information more easily. And it leverages all the familiar tools of your enterprise – Office applications like Excel, Adobe Acrobat, e-mail, and the Internet, as well as cell phones. The diverse information needs of your extended enterprise's will be met with great ease.

As with any IT initiative, you need to sit back and scope out the project, your expectations, and your goals. Since BI initiatives are generally linked to both strategic and tactical goals, it is important to fully understand all the ways in which a proposed BI initiative may affect a particular organization. New applications of BI technologies actually help companies more accurately measure the results obtained from various business initiatives – including BI implementations. For example, applications that support activity-based costing efforts give companies a more accurate view of the cost of the numerous processes behind their operations. This helps them understand more clearly what they save when those processes are made more efficient.

Dashboard Helps EMS Analyze Sales Trends

When customers of Eastern Mountain Sports (EMS), an outdoor specialty retailer based in Peterborough, New Hampshire, plunge their kayaks into the open surf or stake-down their tents in a freezing thunderstorm, they're probably not thinking about merchandising and supply-chain technologies. But the outdoor gear they depend on in those extreme situations is available when they need it, thanks to a business intelligence dashboard that helps store managers keep the shelves stocked with the products they need most. Before the dashboard was implemented, at the executive level visibility into the business was very low. Employees made most of the reports by hand. Valuable personnel resources were spent producing information rather than analyzing it.

EMS uses the dashboard to analyze sales trends and control their supply chain, so customers always have the clothing and gear they need for their recreational adventures. Managers use the dashboard to assess sales, inventory, and margin levels, drilling down as necessary to detect opportunities and analyze potential problems. Better visibility throughout the business provides a complete view of their entire merchandising operation from one central dashboard.

Managers throughout the organization can now study sales results and make inventory adjustments based on a near real-time view of the retail operation, while authorized users throughout the company can share insight through a common dashboard. The portal leverages information housed on an IBM AS/400 system.

For growing businesses, the question is: what is the fastest way to surpass corporate expectations and leave your competition in your wake? Organizations that embrace enterprise reporting can measure the overall impact of decisions and drill down to the details leading up to those decisions.

ArvinMeritor's B2B Portal Strengthens Customer Relationships

Partners of ArvinMeritor, a Michigan-based global supplier of integrated systems, modules, and components for the motor-vehicle industry, is on the road to a corporate makeover effecting nearly every aspect of its operations. Central to this strategy is enterprise business intelligence. Partners are now able to log onto the company's B2B portal to access real-time information on their business activity with ArvinMeritor such as the current status of their orders and invoice and accounts receivable information. Access to customer-specific information is protected through a security process requiring a unique ID and password. In addition, partners can access online application data and competitive product interchange information for the company's Gabriel ride-control products and Purolator filters. Improving business processes helps provide superior value to customer/partner relationships.

The Problem With Spreadsheets

BI solutions are more than just Excel spreadsheets received via e-mail – which inevitably lead to separately maintained versions of the same file, replete with manual data-entry or calculation errors. Research has shown that between 20 percent and 40 percent of spreadsheets contain errors. The more spreadsheets floating around your company, the greater the chance that inaccurate information is taken as business fact. To ensure that critical data and applications are properly maintained – so your organization can effectively collaborate and share information with consistent formatting, definitions, and standards – corporate leadership is vital. Executive buy-in is the only way to fully embrace BI.

Executives who take ownership of business intelligence solutions in an organization have to understand the changes their organization will encounter. Focusing on where to start is crucial for success. It's a good idea to start with a single application and then roll it slowly into other areas of your business. ArvinMeritor started with Gabriel and Purolator and added other product lines to their portal. EMS plans additional management-level views, as well as product planning – micro-sorting and dialing into the most granular level of product detail, such as colors and sizes. EMS is also mapping out plans for more detailed online interaction with its suppliers, possibly through collaborative planning, forecasting, and replenishment (CPFR) techniques. BI technology helps EMS know exactly what customers are buying. By tracking data at the point of sale, the company can quickly restock inventory to meet customer demand, reducing carrying costs.

Are You Outfitted for Growth?

How many different databases and applications are used in your organization? Do you use DB2? J.D. Edwards? SAP? In order for reporting to be effective, you need to access all of those databases and applications – in real time. Every one of these databases is important to your business and you need the ability to interface each of them with various information systems. For example, when customers call to place an order, your system needs to be able to identify a platinum customer and automatically route that person's call to platinum-level customer-service representatives. With an intelligent system, customers key in an order number via their telephones, and the system can direct their requests to an order entry system to determine the status of their orders, then send the pertinent information to the marketing database, where records of all customer inquiries are maintained. Data begets data.

Collections Etc., a Chicago-based catalog retailer, has been a major player in the competitive mail-order gift market for more than 40 years. Over the past decade, the company has enjoyed a major growth phase. Yet they suddenly found themselves with none of the technology tools needed by a company of their size. The disadvantage of this growth spurt was that Collections Etc. had to purchase several new information systems all at once. The advantage, however, was an opportunity to consider the optimum way to connect information systems throughout the entire enterprise.

Collections Etc. uses IBM iSeries midrange servers running System i5/OS (the latest generation of IBM OS/400). A diverse mix of databases is in use throughout the organization. Servers run a warehouse management system from Manhattan Associates and an order-entry system from CommercialWare, Inc.

The Hillman Group, a Cincinnati-based leading manufacturer of key-making equipment and distributor of key blanks, fasteners, signage, and other small hardware components, operates in multiple channels of the retail marketplace such as hardware stores, national and regional home centers, and mass merchants. Within Hillman's IT environment, enterprise reporting runs on an IBM iSeries as part of a Web-centric portal delivery infrastructure, accessing separate data warehouse, ERP, order-management, and HR systems. Data is refreshed two to three times a day, improving latency issues up to 83 percent. More than 100 IT and business users access the reports over the Internet from any browser.

Jim Honerkamp, CIO for The Hillman Group, is working to improve his company's IT environment. "We were looking for a better way to integrate existing applications and resources to create one encompassing view of our enterprise," says Honerkamp. "Hillman is in an aggressive acquisition mode right now, so we expect rapid change in the near term. We had to have products that are flexible enough to accept that change."

Bradley Corporation, a Wisconsin manufacturer of commercial plumbing fixtures and washroom accessories, uses two IBM iSeries for sales performance data. Now executives can rank sales representative performance, determine which products are moving at what price, and realize profitability management and reporting from the Web into Excel.

Natively accessing the IBM System i5 environment and all your corporate databases and applications – without making any sacrifice in performance – isn't a farfetched notion. Especially if it brings about organizational change.

Different Executives Need Different Information

Your organization's information needs are diverse. Top management will want to open up a Web browser and see the company's performance in one view. They will want to drill down and understand the drivers behind corporate performance and be able to e-mail reports to specific employees, board members, partners, vendors, and customers.

Executives also typically require timely updates on key performance indicators. They need to receive alerts when indicators exceed certain levels. Ultimately, they have to monitor the impact of all your key systems – customer relationship, supply chain, inventory control, and performance management – to maintain an enterprise-view of every aspect of the business and its impact on the bottom line.

Your CFO needs to be able to balance the books and is highly dependent on corporate performance information. In addition, he or she will want to create sophisticated forecasts, evaluate risk, and analyze a variety of scenarios during the budget preparation process, for example. With BI, your CFO can monitor actual revenues or expenses against budgeted amounts and quickly see if problems are developing that will impact results and gain a detailed, accurate view of your organization's financial condition.

Sales and marketing staff need reports that indicate what's selling where and what promotions are helping to fuel business. Enabling a sales department to move from paper-based reports to browser-based information delivery eliminates costs associated with producing and shipping paper reports. The initiative is likely to have other benefits. Time saved in reviewing reports enables salespeople to make more sales calls. Easier access to more detailed information allows them to quickly identify up-sell or cross-sell opportunities, resulting in increased revenues. There's also value to your customers, partners, suppliers, and vendors. Having sales and distribution information in a single system allows you and your suppliers to move inventory where it is selling best. A supplier may be able to save a significant amount of money for a customer by eliminating excess inventory.

Every successful BI project has extensive executive and line-of-business support, along with stated goals, a timetable with expectations, access to all your applications and databases, and a realistic perspective on your information needs. Well-implemented, well-planned business intelligence projects yield ROI much faster when they satisfy the widest array of requirements within your organization, as well as the tools, databases, and applications that fulfill them.

A Framework for Enterprise Reporting

System i5 from IBM – the new iSeries and AS/400 – delivers IT simplification and maximum business productivity to any organization. Simplify your IT environment by reducing server requirements, administration requirements, and maintenance costs. System i5's unparalleled flexibility, simplicity, and reliability offers a choice of thousands of applications that scale up or down based on business needs and can increase efficiency by reducing the overhead required to manage IT environments.

Organizations in every industry have a System i5. And organizations that have massive amounts of data and the need to drive information from databases and applications to users in the format they want turn to Information Builders.

WebFOCUS and System i5 From IBM

By teaming with IBM and its powerful System i5 servers and leveraging the flexibility and scalability of Information Builders' WebFOCUS, organizations can deliver vital business information and reporting features to employees, customers, and partners across an enterprise at low cost.

Enterprise reporting solutions based on the System i5 enable IT teams to prepare your organization for the future. With access to all your enterprise data sources from a Web browser, you can realize real business agility and advancement. You can optimize resources, plan future initiatives, correct a mistaken strategy, and enhance your relationships with customers, vendors, employees, and managers.

Enterprise reporting and BI solutions play many roles in business organizations. They can be used to help companies analyze and optimize their supply chains, manage operations more efficiently, develop budgets, and forecast financial results more accurately. Companies can manage customer relationships for increased profitability and keep the entire organization moving in the same direction, toward the same goals.

Understanding your organization's needs is only the beginning. Positioning it for the future on a reliable platform like the System i5 will go a long way toward getting you there. Business intelligence really can help you identify areas of opportunity – and missed opportunity – within your organization.

Long-Term Benefits for Growth

As your organization accumulates data and places it in databases, applications, and data warehouses, the question becomes one of who needs it, when, and how. IBM has continued to innovate the System i5 so that it is less resources-intensive to operate and own. Companies moving toward integrating their databases and application and Web-based reporting systems, both on and off the platform, don't need IT to step in beyond the integration of data assets. You can empower your organization with a minimum of training to gather the information they need, in the format they want, whenever they need it.

Growing companies understand the challenges presented to them: competition, government regulation, constantly changing technology standards, and an abundance of data and information. And these pressures mount especially as organizations attempt to streamline operations, and become more efficient in terms of time, cost, and resources.

ROI and a low total cost of ownership are achievable from business intelligence for growing companies doing business under ever-increasing pressures today. Once you determine which applications satisfy your information needs, with minimal disruption, you can leverage the System i5, integrate databases and applications, and begin to empower your extended organization with better decision-making ability.

The rich features of WebFOCUS deliver robust functionality such as:

- Reporting, query, and analysis to meet the information needs of all levels of users in the enterprise with everything from standard reports to ad hoc queries and in-depth OLAP analysis
- Cutting-edge data visualization, such as GIS mapping and advanced graphical components, allowing users at all levels to easily perform intuitive, highly interactive graphical analysis – so they can discover crucial relationships and spot critical trends in an instant
- Information delivery and management to easily schedule, distribute, share, and archive corporate information, providing instant accessibility when it's needed most; Information Builders also eases corporate compliance through automated, repeatable, documented reporting processes
- Data access, integration, and extract, transform, and load (ETL) functionality to allow companies to access virtually any type of information source or build data marts and data warehouses that fully leverage their information assets – which in turn enables management to easily monitor, manage, and expose business metrics to improve competitiveness

Place a higher valuation on your business information and resources. The information needs of your growing enterprise can be satisfied through Information Builders' WebFOCUS' business intelligence software – which can integrate any database or application and provide robust enterprise reporting when you run WebFOCUS on IBM's System i5. Leverage your operating systems, middleware, database, security, and storage into an easily deployed and managed system.

The System i5 platform and its predecessors have more than 30 years of experience delivering on the promise of integrated systems and business intelligence with Information Builders.

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