



**Data that pays for itself**  
*Using the information you already store to help you  
through difficult economic times*

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So the economy is slowing down. For those of you in information systems, that usually means the training budget has been frozen, projects have been put on hold, equipment and software acquisitions have been put off, and some could be facing layoffs. During these difficult economic times, IT and executive management often adapt a “batten down and hold on” approach, waiting until their customers’ budgets loosen up. In this article I will share with you how One Point Solutions and I will use established processes to make data profitable with minimal IT and corporate investment.

This foxhole mentality is a shame. Of all groups, IT is one of the best positioned to help your organization survive -- and perhaps even thrive -- during a harsh economy. And to do it within the necessary budget boundaries. This is because you are sitting on one of the most valuable – and underutilized – assets an organization possesses: its data. The operational systems you maintain are gathering mountains of data every day. Aside from some basic reports and perhaps some ad-hoc querying, most companies get little value from the data that’s costing them so much to gather and store.

### **Finding Your Data’s Value**

We know data has economic value because there is a market for it. Firms make money selling things like address lists –address lists that are broad, generic data about strangers. Imagine the value of specific, targeted data about the group most important to your organization: your own customers.

There are two ways this data can directly help your organization's finances. One is by cost avoidance. For instance, you could discover what are your high cost products / services / clients. Where are your points of highest cost, or lowest returns? The other way data can help is by revenue enhancement. You could find out what your high return offerings are or what products tend to bring your customers back.

Think of it this way: if your competitors could get access to your databases, do you think they could learn plenty of information about your clients? Enough to make some money from them by providing better products or services? Maybe even take them away from you?

Of course they could. That being the case – why aren't you doing it yourself?

### **Interviewing Your “Experts”**

But how to do it? Well, you probably already have the tools, or could acquire them at low cost. Industry calls this business intelligence – but we at One Point often use a different name for it.

We know that the term “business intelligence” can send shudders down the spines of some. It conjures up images of high-cost installations of daunting, complex, high risk, and distant

(sometimes *very* distant) return on investment. It's certainly true that if a business intelligence installation is approached the wrong way, it can turn into that. But it doesn't have to.

Which is why here at One Point we make sure to approach business intelligence the right way. What is this right way? I would like to share with you a process that has worked for me for over 30 years.

Begin by interviewing your real data experts. By "data experts" we don't mean your programmers, DBAs, or other technical operators. Your data experts are your operational users -- the folks who run the business -- and for whom you build and maintain the operational systems. They're the ones who know the operational data, and they're the ones who will be able to find the profitable opportunities in that data. By using a structured and non technically-focused process, you may be amazed to find out how much these users will have to offer -- and how much it means to get an understanding of their needs.

By "interviewing", we don't mean a rambling, unstructured chat. Neither do we mean an unending series of dull meetings with consultants droning on in abstract technospeak. Our rigorous and fast-moving methods of user-focused data architecture allow us to quickly capture the users' understanding of the information they work with. By "quickly" we mean within days, not weeks or months. By "understandable" we mean "in a form that makes clear sense to everyone."

These basic -- and often overlooked -- analytical techniques have been in use for over 30 years, and are so effective that often users leave the sessions saying, "we should have done this long ago!" And as a side effect of this analysis, users get to spot and resolve problems with operational definitions, and also get a clearer picture of their data than they've ever had before. That's a free bonus -- no extra charge!

### **The Conversion From Business Needs To Insightful Schemas**

When this analysis is finished, you have what we call an "operational picture" of the data. This is a clear, understandable blueprint of how the users understand their data. This will serve as a guide not just for the technicians building the business intelligence system but for the users when they make use of it.

You don't have to implement the whole operational picture right off -- in fact, we recommend against it. Instead, use it to help users to identify pain points (e.g. "Our customers are complaining of lengthy wait times on customer service calls.") and latent opportunities (e.g. "If we know what products are typically purchased together, we can suggest those to purchasing clients.") These are where you can focus your effort to get the maximum return as quickly as possible.

The operational picture allows experienced architects to create a warehouse design tuned to your needs. Perhaps it'll be nothing more than a simple set of reporting tables. Maybe you need a more complex structure with calculated values and hierarchies, or perhaps a full-blown star schema. Whatever it is, you'll want to implement only what you need -- but with room to scale up as your needs grow. We start at the point that will give you the quickest return for the smallest up-front investment, but in such a way that you're not locked in when it's time to grow.

## **Put Data In The Hands Of The Right Users**

You will next need to fit this design into your current environment. Knowing what data you need, the next step is to find where it is in your existing systems and design scripts to load it from your operational database into your warehouse.

It is also essential that you know how to deliver the information to where it will do the most good: your critical users. Perhaps they are comfortable working with pivot tables in spreadsheets. Maybe you have a reporting tool, or an intranet you maintain. Or maybe you need a robust reporting tool. Wherever you're able to start, make sure that your installation can scale over time to accommodate your growing needs.

The important point is to get the vital information in front of your users as quickly as possible so they can start looking for where your operation is losing money ("Look at this! Customers in this bracket buy our lowest margin offerings, then flood our customer service lines with nonsense calls! Why are we even selling to these people?"), or where there might be revenue opportunities ("Seems that 40% of customers who buy this also buy those over there – what's with the other 60%? Can we do some bundling here?") With the operational picture as a guide, your users can ramp up their usage and expertise at a rate that's comfortable for them.

## **Get Your Data To Pay For Itself**

That's how you can get your data to pay for itself: by turning it into a strategic asset for reducing costs and enhancing revenue. During *any* economic times, data is a valuable asset to your company – and, perhaps more importantly, to your competition. Don't feel that it's impossible to create a data warehouse and a business intelligence solution; rather, approach it from a different perspective that combines line of business and IT.

So don't just hunker down and wait for economic times to get better. Start thinking of ways to leverage that precious asset you're guarding to help your organization make it through.

## **How One Point Can Help**

One Point and I have been helping our clients do this for years, and we can help you do it at whatever level you wish. Maybe you want to call our veteran data architects to interview your users, or maybe you want your analysts trained in these techniques so you have the expertise in-house. We can do either, or a mixture of the two. Maybe you have one operational database environment but want to try out another – we can work with that. One Point is a world renowned Informix consultancy, but we also have experience in Informix, DB2, Microsoft SQL Server, Sybase, MySQL, and many other database environments. We're accustomed to working with all manner of data management tools, so if you have some, we've probably worked with them, and if you need some, we've can offer robust products at reasonable prices. For more details please see:

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