

Accenture Oracle Point of View

Achieving High Performance with Analytics

Combining a strategic approach to analytics
and Oracle's business intelligence to achieve
high performance

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Competitive advantages of the past—geographic access, protectionist regulation, proprietary technology, labor cost arbitrage and the like—aren't nourishing growth as they have in the past. One source of competitive differentiation, however, is increasingly making a difference—analytics. Combining this capability with expanding and maturing Oracle Business Intelligence (BI) technology can help companies achieve high performance. Organizations reaping the greatest rewards from analytics are adept at identifying their distinctive capabilities, defining a broad information management framework in which to build targeted programs, winning sponsorship from their organizations' leaders, and "thinking big" to realize the strategic impact of analytics.



Linking analytics and high performance business

Recent High-Performance Business research from Accenture¹ has demonstrated that high performers home in on analytical capabilities far better than their low-performing peers (see figure 1). They know the data within their enterprises can be unique to them; by looking for trends within it, they can find distinct market opportunities that may yield competitive advantage. They make effective use of enterprise-wide data and analytical tools to identify the most profitable customers, accelerate product innovation and optimize the supply chain and pricing.

Figure 1. High performers have a greater analytical orientation than low performers

Low Performers		High Performers
23%	Have significant decision-support/analytical capabilities	65%
8%	Value analytical insights to a very large extent	36%
33%	Have above average analytical capability within industry	36%
23%	Use analytics across their entire organization	40%

¹ Source: Davenport, Thomas H. and Jeanne G. Harris, "Competing on Analytics: The New Science of Winning," Harvard Business School Press, Accenture, March 2007.

The role of Oracle's BI Foundation

Business intelligence is an essential component in an analytical competitor's toolbox. In fact, a recent Accenture survey of more than 160 CIOs has identified business intelligence as key to competitive differentiation by 2009². Among software vendors supporting this capability, Oracle Corporation provides a market-leading, integrated Business Intelligence Foundation and scalable, secure architecture as well as extensive pre-built reporting and analysis tools that already meet many leading-edge BI needs.

Although successful business intelligence programs are complex and take careful planning and integration, there are major benefits from using pre-integrated functional or industry-specific processes out of the box, such as those offered by Oracle.

The evolution of Oracle's offerings—set in motion largely by acquisitions—has resulted in some of the greatest depth and breadth of analytics functionality available in one stop. For example, Oracle's Business Intelligence Enterprise Edition Plus combines very strong financial and operational reporting, analysis and modeling capabilities from Hyperion with a set of dashboards and pre-built BI applications specific to each major business function from Siebel Systems. Tools like Oracle's Real-Time Decisions moves analytics from the past into the present and future—enabling, for example, front-line employees to use sophisticated analytics in the middle of a customer interaction, instead of

in hindsight when it is too late to take action. Moreover, Oracle has acquired a tremendous amount of intellectual property in various industries through many key vertical acquisitions.

Using analytics

Beyond the challenges of technology, the CIOs that Accenture surveyed realize that other hurdles need to be cleared to successfully compete on analytics: data quality, business case development, competing initiatives, sponsorship, and data governance and security. Addressing these and other issues requires a holistic mix of strategic vision, a framework for managing information across the enterprise, sponsorship for "being analytical" and ambition for big results.

Identify your competitive distinction

The initial challenge in becoming an analytic competitor is understanding the enterprise's distinctive capabilities and how business intelligence enables those capabilities. For example, Accenture recently teamed with a major U.S. retailer to reinforce what was quickly becoming a distinctive capability: its ability to consistently field excellent floor personnel in an industry with chronically high turnover. Together, we found a way to reinforce this advantage through a Human Resources portal using Oracle technologies. With the portal, the company can perform analytical reporting to look for HR risks, such as time reporting or scheduling abuses, while offering a user-friendly way for employees to provide information about their needs and career growth.

Focus on the larger picture

To ensure that current investments in analytics have the greatest long-term payoff, organizations should consider how their short-term goals fit into their broad and long-term strategy for information management. The challenge is to balance enough scope to achieve useful business outcomes through analytics with the need to be "implementable" in the timeframe and within the budget available. A comprehensive information management strategy provides the framework needed to successfully build out an enterprise's business intelligence capability in phases, the most practical approach for almost any organization. This comprehensive framework should include:

- The ability to manage all types of data—from internal and external to structured and unstructured.
- The ability to embrace the entire information lifecycle—from acquisition to storage, cleansing, integration, and, ultimately, analysis.
- The technology for managing information, ensuring security and delivering information to end users.
- Governance models, enterprise standards and practices, policies, roles and responsibilities associated with these activities.

Secure senior management commitment

Obtaining senior management commitment is essential to succeeding as an analytical competitor. It is important to have an authority at the C-level to drive the strategy throughout the company and to make the necessary commitments to invest in and change an organization's people, processes and technology. New York City clearly had this top management "will" in developing its Citywide Performance Reporting (CPR) Project, which Mayor Michael Bloomberg has called "the mother of all accountability tools." It uses the wealth of information gathered from the city's 3-1-1 non-emergency hotline to help the city manage its performance. Testament to the city's commitment to the program, the CPR tool sits on the desk of Mayor Bloomberg, each Deputy Mayor and hundreds of executives across the City, and the public via the city's website, who use it to generate reports for their bi-weekly performance meeting with City Hall.

Win big by thinking big (and scaling quickly)

Accenture has found that organizations that enter analytics programs with large-scale ambitions and the commitment to manage analytics at the enterprise level tend to reap larger rewards. New York City's 311

is an example of an organization that "thought big." Accenture helped the City implement Oracle Business Intelligence technology and developed a common data warehouse to use across the city for performance management analysis. It tracks over 3,000 monthly performance metrics across 60 different organizations. Not only has the system been readily adopted, but it has created demand from agencies across the City looking for ways to leverage the new business intelligence tools more broadly across their agencies.

Build or source the right skills

As analytics solutions mature, it is essential to bring the right skills to bear on your initiative. Accenture provides a mixture of business intelligence tools and broad strategy, process and change capabilities that have proven instrumental in some of the largest information management programs undertaken to date. For example, at a leading European telecommunications company, Accenture helped the client develop a closer link between strategy and performance with improved information quality, metrics, reporting and integration. Accenture assembled a critical team of enterprise performance management specialists, combined with a pool of communications industry strategists to define strategy maps and link them to performance driving metrics.

Becoming an organization that competes on analytics holds enormous challenges, but there are significant potential rewards for organizations that commit to a holistic approach, with large-scale ambition and the support of senior leadership. As our research has demonstrated, analytics offers an important and powerful way to differentiate, sustain advantage over the passage of time and vagaries of economic cycles, and effectively outsmart and out-execute the competition.



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About Oracle

Oracle's business is information—how to manage it, use it, share it, protect it. For nearly three decades, Oracle (NASDAQ: ORCL), the world's largest enterprise software company, has provided software and services that enable organizations to get the most accurate and up-to-date information from their business systems. Today, Oracle has over 275,000 customers—including 98 of the Fortune 100—in more than 145 countries.