



# Event Monitoring: linking operational execution to strategic goals—in near real time

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Much of the information organizations use to make operational decisions comes piecemeal or is out of date by the time it becomes available to management. This issue persists despite major advances in process automation and metrics management systems. The resulting lack of relevant, accurate and timely information prevents executives and managers from making fast and well-informed decisions.

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For organizations striving to achieve a better link between operational decisions and business goals, Event Monitoring provides an answer.

The one thing that organizations have lots of, though, is data. But all too often, the information required for effective decision-making has to be pulled together from various sources across numerous systems and reports. A recent Accenture study<sup>1</sup> found that managers spend up to two hours a day searching for information while more than 50 percent of the information they obtain is of no value to them. Further, more than half (57 percent) of study respondents said that having to go to numerous sources to compile information is a difficult aspect of managing information. So not only do executives and managers spend too much time tracking down information that may turn out to be irrelevant, but, most likely, by the time it is compiled the information reflects past activity, doing little to help with making immediate operational decisions. It's difficult to confidently achieve business goals without having information when needed to make key operational decisions.

## Introducing Event Monitoring

Accenture has been teaming with organizations to help them achieve a better connection between operational decisions and strategic business goals and raise their business to a level of high performance. While more organizations are using business intelligence and business performance management tools today, what is lacking is the ability to do near real-time, root-cause analysis and problem resolution. It is now possible, however, to link current specific events to underlying business processes—down to the transaction level and in as near real time as possible.

Event Monitoring does this by extracting, integrating and delivering business information through a suite of technologies to a management dashboard on a daily or even more immediate basis. Essentially, Event Monitoring does four things:

- **Collects information on complex business processes** through the use of application and database probes.
- **Correlates this information and enables root-cause analysis** to solve problems in the business process as they are occurring.
- **Alerts executives and managers to issues early**, before they become real problems.
- **Monitors events and ongoing operations** to ensure expectations are met.

Enhancing decision-making with Event Monitoring provides three major benefits. The first is increased business agility—problems can be fixed at the source, and in near real time. The second is improved operational efficiency, enabling more timely and proactive business decisions. The third is the ability to synchronize planning and execution, by identifying and addressing issues immediately.

<sup>1</sup> Survey of more than 1000 middle managers by Accenture Information Management Services conducted in 2006

Event Monitoring can deliver these benefits without requiring automation of all the underlying processes, which can remain manually based if appropriate.

Event Monitoring was developed based on the experience of Accenture, HP and leading business intelligence providers. In particular:

- HP contributes its HP Business Process Insight (BPI) software, which enables near real-time visibility into a company's business process—intended for both IT and business operations.
- Business Objects, Cognos, Hyperion and SAS each bring their market-leading business intelligence software applications—which provide the ability to “listen” to events, analyze them and present results via dashboards. Each company provides a separate solution.
- Accenture is the preferred global systems integrator of these software providers, bringing business process and business performance expertise, industry acumen, and the technology and consulting skills necessary to design and implement these solutions.

## Event Monitoring in action

An Event Monitoring solution starts from clear objectives—what are the issues that need to be resolved? For example, what steps in the supply chain are most vulnerable to breakdowns that have had far-reaching implications and therefore need to be monitored very closely? An organization's key business drivers are then identified, followed by analysis and documentation of the underlying processes to determine the relevant key performance indicators to monitor. As the final step, information from all the organization's processes is integrated into a user-friendly, visual management dashboard—complete with “heat-mapping” to highlight potential problems, automated alerts for particular combinations of events, and possibly links to key external metrics. The refresh time is determined by an organization's needs and the timeliness of its process information. It is usually as near real time as possible.

## Why Event Monitoring is different

Four major attributes differentiate Event Monitoring from other solutions. Event Monitoring enables:

- Near real-time root-cause analysis and problem resolution—linking specific business events to the underlying business processes.
- Access to data without requiring automation of underlying business processes.
- Access to data from any source—manual or automated.
- Viewing of business events together with relevant historical perspectives and planning metrics.

## The benefits across a range of industries

A wide range of businesses across all industries can reap major benefits from Event Monitoring. A manufacturing business, for example, can gain near real-time visibility of its overall supply chain and granular monitoring of such aspects as forecasts, demand, inventory and supplier reliability. Taking that example a step further is the case of a major personal computer manufacturer. The president received an e-mail from the CEO asking why a decline in shipments from a plant in Asia was occurring. It turned out that defective parts delivered to the plant a week earlier had delayed a major shipment. Event Monitoring could have given automatic visibility to the delay and its potential impact on the supply chain and enabled the company to take immediate action.

Another industry where Event Monitoring can provide significant benefits is mortgage processing. Accenture's experience with a company in this sector began by identifying six key drivers affecting the company's performance. By identifying the key metrics in each process, extracting relevant performance information and integrating it into a near real-time dashboard, we helped the company enhance its capability to respond to market changes, coordinate actions ranging from marketing to

recruitment and achieve its monthly performance targets.

Event Monitoring also is applicable to many business functions and processes within any organization, regardless of industry. For example, in revenue management, Event Monitoring is designed to enable services companies to understand their license and service revenue at any given point rather than after quarter-end. And, in inventory management, Event Monitoring is designed to enable suppliers to manage the delivery of complex products to large customers through RFID-enabled monitoring.

For companies struggling to manage the operational execution of customer retention, Event Monitoring is designed to integrate disparate customer touch points—both direct and indirect—to enable customer value to be addressed in relation to churn and margin optimization. Other high-potential business functions include managing service level agreements, customer cross-sell, customer acquisition and optimization of the quote-to-cash cycle.

## Actionable operational insight

For organizations striving to apply real-time management intelligence from an array of corporate information and systems and striving to link operations with business goals, Event Monitoring provides an answer. As a flexible, scalable solution that can grow and evolve with the business and its processes, Event Monitoring also provides executives and managers with the quantifiable right-time operational information to do two things: monitor and diagnose ongoing operational activities impacting both the top and bottom lines; and address organizational effectiveness, process efficiencies and data quality with quantifiable and timely information. Both of these capabilities can help put organizations on the path to achieving high performance.

To find out more about how Accenture can help you drive high performance through Event Monitoring, contact:

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\*as of August 1, 2007.

## About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. With 178,000 people in 49 countries, the company generated net revenues of US\$19.70 billion for the fiscal year ended Aug. 31, 2007. Its home page is [www.accenture.com](http://www.accenture.com).