

THE BIG PICTURE

Graphical reporting tools enhance the discovery and delivery of information to line of business people who are in the best positions to affect outcomes. Information rich and visually inviting interfaces make it possible for anyone with an interest to see the “big picture” and take action. Best of all, graphical reporting avoids the technical overhead, complexity and expense of data warehouses and analytics.

A Beagle Research Group KeyFinding™

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The Big Picture

Somewhere between full blown business intelligence and conventional reporting there is need, especially in the small and mid-sized business arena, for solutions that incorporate some of the best aspects of each while downplaying their shortcomings.

Conventional reporting has been the mainstay of many large and not so large companies for decades. Conventional row and column reports have been around for a long time and serve the purpose of getting relevant information into the hands of managers who use the information for retrospective analysis. Often that analysis has meant exporting report data to a spreadsheet where it could be further analyzed and presented using graphics that add clarity.

There are two significant drawbacks to this approach. First, it is limited to those people the organization feels need the report information — often an arbitrary distinction — and second, the information only becomes available after the fact and is of limited use when changing course in mid-stream. A traditional report can tell you that you missed your sales number last quarter but it is much harder to get a report that tells you before the end of the quarter that you will be short and what to do about it. So, while the information is valuable its utility diminishes as soon as the report prints.

On the other hand, analytics holds a great deal of promise for identifying trends and thus makes it possible to impact events. Analytics or business intelligence usually comes with a great deal of baggage, however. First, most packages require a data warehouse to work with which is expensive to set up and administer, needs specialized people skills to operate and takes a good deal of time to bring about. Analytics are frequently reserved for managers though some applications now embed analytics into line of business applications which use analytics to direct users in their tasks.

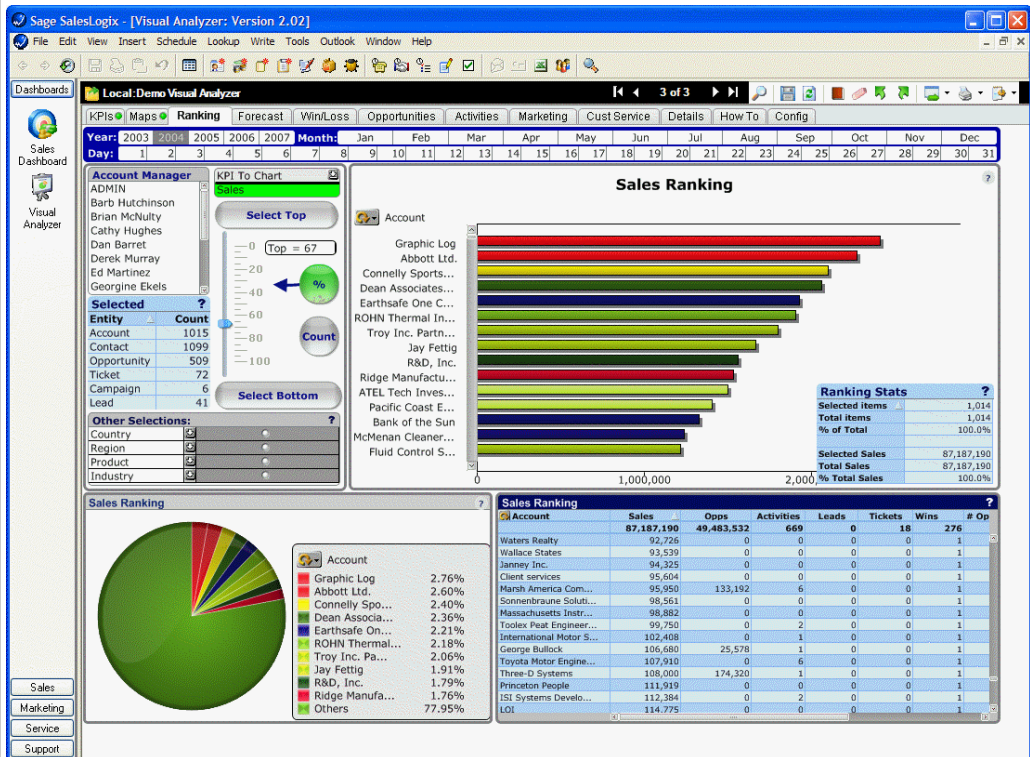
One of the more appealing aspects of analytics over conventional reports is the way analytics present information graphically, without the additional steps of exporting and importing data to spreadsheets or other graphical tools. Often, viewing a graphical report that features a bar graph or pie chart can deliver significantly more information than the standard row and column variety.

For example, the screen shot in Figure 1 shows several different looks at the same information, in this case ranking sales contributions by accounts. In the bottom right corner of the screen you can see the data as it might be presented in a standard report. Notice the report is ordered from lowest contributor to highest and the user would need to scroll down to find the top performer. Changing the stack ranking would be an easy task for a programmer but then someone else might ask for a different stack ranking and before you know it, IT would be deeply involved in delivering a simple report in multiple ways to users.

The horizontal bar chart that takes up the largest area on the screen solves this problem and provides a visual representation of the contributors. Not only do we know that “Graphic Log” is the leader but we also can see that Graphic Log’s contribution is more than double the smallest bar on the screen belonging to “Fluid Control S...”

If the report and bar chart were all we had to go by we might conclude that Graphic Log is vitally important to the company's survival due to its large dollar volume contribution. Of course, no contribution should ever be discounted but the pie chart provides some needed perspective showing us that Graphic Log's contribution is only 2.76% of the total. With this in mind we can see that the company's book of business is well balanced with contributions coming from many sources so that the company's fortunes are not jeopardized by the performance of any single entity.

Figure 1. Sales analysis at a glance.



Source: Sage Software, August 2007

The top left quadrant shows that we can dig deeper into a variety of information by account representative, region and so on. Significantly, this reporting requires no massive data warehouse project to deliver all of this information and the mouse driven user interface makes it highly intuitive for any user to derive useful knowledge.

The only drawback from this kind of screen is that if it is the only source of information about sales, it might not provide enough warning about impending shortfalls. However, if we could simply derive some company metrics about sales cycles such as how long a typical sales cycle lasts or how many leads and opportunities are needed to result in a single closed deal we could begin to build an early warning system to alert managers and sales people to potential shortcomings while there is time to do something about it.

Figure 2 does these things. A simple needle gauge metaphor is used to show how the reality of today's situation compares to a company's past performances which contribute to a variety of key performance indicators (KPI's). For the goals that have been set, the screen tells us that leads and activities are insufficient so far in the quarter though the number of opportunities is fine.

Figure 2. A company's Key Performance Indicators can help quickly spot trouble.



Source: Sage Software, August 2007

Depending on where we are in the quarter the sales gauge could be signaling trouble or not and knowledge of the calendar is the context a user brings to reading this screen. Since activities, leads and opportunities are part of a progression that ultimately results in closed deals we can see from this snapshot that there may be enough opportunities in the pipeline to satisfy today's needs but at some point in the future, if activities and leads do not pick up there will not be enough opportunities to meet an expected result. This is a clear signal for the company to engage in more lead generating activities.

As further confirmation, notice that the moving average for cumulative sales is trending downward as projected revenues remain stagnant. Superimposed on the prior year's sales it is easy to see that this sales team needs help filling the pipeline if it is to make its numbers.

Conclusion

Reporting that presents multiple views of the same data gives the user a better sense of what is happening in a business. It also helps the user compare it visually and in real time which can do a great deal to drive good decision making and ultimately influence specific activities like lead generation. While analytics can tell marketers a great deal about customer and market segmentation, simple reporting, done well and incorporating useful graphics can also do a great deal to help people understand where they stand and take the necessary corrective actions to achieve desired results.

Analytics has an important place in the suite of tools that many organizations need to run their businesses but analytics is not a miracle solution. At far lower cost and with faster deployment, advanced graphical reporting can often deliver the information that line of business people need to see the big picture.

ABOUT BEAGLE RESEARCH GROUP

Beagle Research Group is a consulting and market research organization focused on emerging technologies and companies that will have an important impact on the way business is conducted in the years ahead. Our work is based on professional standards of quantitative and qualitative research which informs all of our publications.



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