How to Know if Your BI Tool is the Right One

According to a spring 2020 global survey by Dimensional Research, 98% of respondents said their organizations rely on BI tools, to at least some degree, in their everyday business.

While that's music to our ears, that's also concerning. Concerning, because there is a tendency to lump "BI" into a big category and say 'we already have a BI tool' without pausing to look under the hood and make sure you have the right solution.

How can you tell if you've got the right solution? Simply put: it's the single source of (data) truth for the company. Not the department, not the region or division. Everyone needs to be using the same set (or subset) of data or the solution isn't working.

7 questions to ask about your current BI tool

1.

Does everyone have access to the data in the BI tool?

Are you limited by licenses? This inadvertently creates 'gatekeepers' who employees have to request data from and instead of adding value to the process, they export data and share it...wasting time and energy.
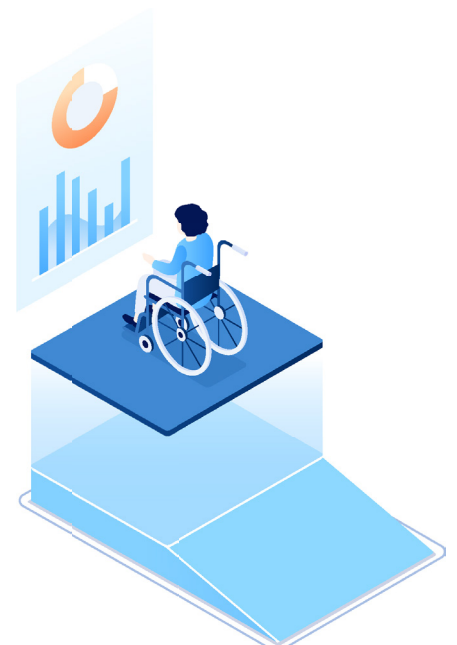
2.

Is the use of BI limited to one department, region, or division? Or is it limited to "just executives and management"?

The concept of data democratization has never been more relevant. Don't get me wrong–this doesn't mean that shift supervisors need access to the P&L. Role-relevant data access is important but everyone should be–singing from the same song sheet–as they say. If only one department or business uses BI, why is that? What is working for them and why is it unique?

3.

Do you have to dedicate staff to writing reports and maintaining the system?

No matter what size your company is, your IT staff has better things to do than babysit the BI system or, worse, learn how to code so that widgets, dashboard and data elements display the data people want to see. Look for a BI solution that is customizable–but where the vendor does the heavy lifting of connecting the data sets, normalizing the data and configuring the screens. Bonus points if they also configure real-time alerts to go via text or email when data points fall outside acceptable thresholds.
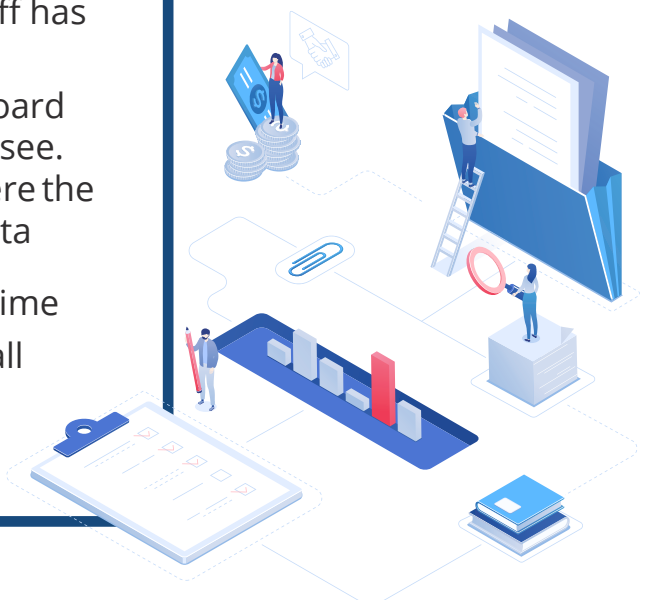
4.

When was the system implemented?

Has business changed since the system was implemented? Do leadership teams ask for system or that requires additional synthesis or analysis by employees? It can be tempting to "set it and forget it" but it's critical that your BI system keeps pace with your ever-changing business needs. Time for a check up!

5.

What's the total cost of ownership?

Don't just look at the monthly or annual invoices that come in. Consider the cost of IT support, data analysts in your business, implementation fees and annual maintenance contracts. And then take a hard look inside your organize to see how many employees have reporting as part of their job–even with a BI system that is supposed to do much or all of that for you. What is your system actually costing you in hard and soft dollars?

6. Does your BI dashboard display 'raw' metrics or does it provide

By 'raw' metrics, we are talking about showing total accounts receivable, by aging. That's nice, but what you need is AR over time, and compared to the same period last year. What if it called out the top accounts that are past due, that don't typically run past due (because it already knows who typically runs late)? Your BI system should do more than just aggregate and present data—it should give you the context you need to act. Because if you aren't using the tool to drive revenue or take out costs, why are you using it?

7. Does your BI tool proactively deliver actionable information and insights?

Does your team know exactly what to work on every morning? Do they have to login to your BI tool to look for answers or determine next steps? Your BI solution should bring actions directly to the team via text or email, specifically and predictively telling them what to focus on to drive the greatest impact.
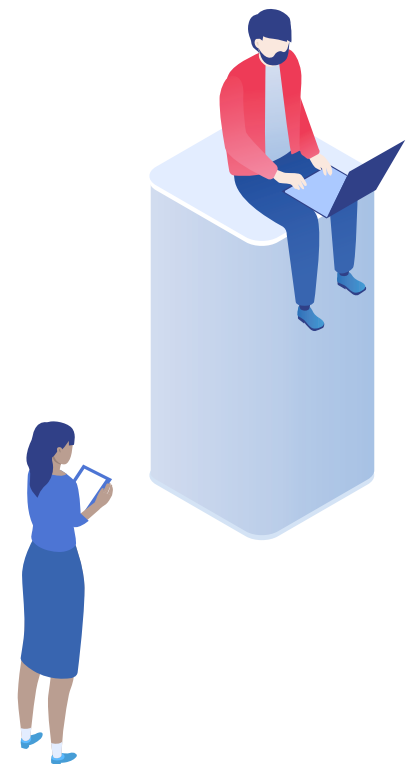
Seven questions can't cover everything you need to consider when selecting a BI tool but they are a good starting point for the conversation. It's important to regularly assess how your tools are serving your business. If you aren't getting what you expected out of your BI tool or you're looking to implement a solution you can count on to deliver results, drive revenue and reduce costs, we're always here to help.

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