

Kimball Design Tip #47: Relationship Between Strategic Business Initiatives and Business Processes

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One of the questions I frequently field in my Analytics Workshop is "what is the relationship between an organization's strategic business initiative (which is where the business is focused) and the business process (which is the foundation upon which I build the data warehouse)?"

Strategic business initiatives are organization-wide plans, championed by executive leadership, to deliver significant, compelling and distinguishable financial or competitive advantage to the organization. A strategic business initiative typically has a measurable financial goal and a 12 to 18 month delivery timeframe. Understanding the organization's strategic business initiatives is the starting point for an analytic applications project as it ensures that the analytics project is delivering something of value - or relevance - to the business community.

Meanwhile, a business process is the lowest level of activity that the business performs, such as taking orders, shipping, invoicing, receiving payments, handling service calls and processing claims. We are particularly interested in the metrics resulting from these business processes as they support a variety of analytics. For example, the business process might be retail sales transactions from the point-of-sale system. From that core business process and resulting data, we could embark on a slew of analytics such as promotion evaluation, market basket analysis, direct marketing effectiveness, price-point analysis, and competitive analysis. Business process data is the foundation upon which we build the data warehouse.

So the business is focused on the strategic business initiatives and the data warehouse / analytics team is focused on business processes. Doesn't that cause a huge disconnect? Actually, no. As part of the business requirements gathering process, the data warehouse / analytics team needs to break down or decompose the strategic business initiative into its supporting business processes.

Imagine a row / column matrix where you have business processes as the row headers (just like in the enterprise data warehouse bus architecture matrix) and strategic business initiatives as the column headers. The intersection points in the matrix mark where the business process data is necessary to support the strategic business initiatives. Instead of adding confusion, the integration of strategic business initiatives and business process provides more clarity as to where to begin the analytics project and why. It maintains the tried and true implementation approach of building your data warehouse one business process at a time, reducing time to delivery and eliminating data redundancy, while delivering the foundation necessary to support those initiatives that the business has deemed important.