Analytics Process Management to Increase ROI of SAP DW

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Data Warehouse Widely Installed

Active SAP BW Customers > 6,500

How do you plan to leverage SAP BW?
- Mixed data: 64%
- SAP data only: 36%

Number of Users
- < 50: 24%
- 50 - 250: 39%
- 250 - 1,000: 23%
- 1,000 - 10,000: 13%
- > 10,000: 1%

Approximate Data Volume
- 0 - 100 GB: 26%
- 100 - 500 GB: 32%
- 500 GB - 1 TB: 18%
- 1 - 5 TB: 23%
- > 5 TB: 1%

Per SAP survey
Only a few has maximized the value

- Only a small percentage of organizations have matured in their analytics (BI) efforts to a point where they are maximizing the value and utility of business information.
  
  – SAS 2007 Survey

- Many companies spent millions $ in building data warehouse, but do not have high quality analytics to utilize the data for business success.
  
  – RM Study
ROI depends on analytical maturity

Source: Competing on Analytics by Thomas H. Davenport & Jeanne G Harris
Analytical Maturity to Maximize Benefits of Installing SAP

Profit

Traditional BI

Less Loss

Basic Analytics

Advanced Analytics

Analytics Maturity

More Profit
Most companies in traditional analytics stages

**Traditional Analytics**
- 1st Generation Analytics (Query & Reporting)
- 2nd Generation Analytics (OLAP, Data Warehousing)

**Stream Analytics**
- Real-time, continuous, sequential analysis (ranging from basic to advanced analytics)

**Advanced Analytics/Optimization**
- Rules
- Predictive Analytics
- Real-time and traditional Data Mining

**“New Traditional” Analytics**
- Analytics (In-Memory OLAP, Search-Based)

**Focus on what is happening RIGHT NOW**

**Focus on what will happen**
Analytic applications that apply statistical relationships in the form of RULES

**Focus on what did happen**
Turning data into information is limited by the relationships which the end-user already knows to look for.

Example Target Solutions:
- Fraud Detection / Risk
- CRM Analytic
- Supply Chain Optimization
- RFID / Spatial Data
- Other High-Volume

Data mining to determine why something happened by unearthing relationships that the end-user may not have known existed.

Source: Texas State University BI Course
A Success Case

- Wal-Mart has a towering 22% operating margin advantage compared to its competitors*
- What is the largest contributor to Wal-Mart's margin advantage?*
  - Centralized buying
  - Distribution efficiencies
  - Information visibility
  - Lower labor costs

Analytical Maturity has BIG Impacts
- Analytics is a Strategic Advantage

“At a time when companies in many industries offer similar products and use comparable technology, many of the previous bases for competition are no longer viable. In a global environment, physical location is frequently not a source of advantage, and protectionist regulation is increasingly rare. Proprietary technologies can often be rapidly copied and attempts to achieve breakthrough innovation in products or services often fail. What’s left as a basis for competition is execution and smart decision making. An organizational commitment to and developed capability of Analytics is enabling market-leading companies to succeed in the rapidly evolving arena of global competition.”

– Davenport and Harris 2007
# The solution: Developing Enterprise Analytical Maturity

## Stages of Analytics Maturity / Competency

<table>
<thead>
<tr>
<th>Process</th>
<th>Data</th>
<th>Skills</th>
<th>Sponsorship</th>
<th>Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tactical Analytics</strong></td>
<td>Structured and organized</td>
<td>Isolated analysts</td>
<td>Functional and tactical</td>
<td>Support point use of data-based decision</td>
</tr>
<tr>
<td>Disconnected and narrow focused</td>
<td>Standards based, both structured and unstructured</td>
<td>Skills in multiple areas, with limited interaction</td>
<td>Executive support for competitiveness possibilities</td>
<td>Executive support for data-based culture, with considerable resistance</td>
</tr>
<tr>
<td><strong>Aspiring Strategic Analytics</strong></td>
<td>All info seamless and shared, fully integrated enterprise-wide</td>
<td>Seamless and shared, structured and unstructured integrated</td>
<td>Broad C-suite support</td>
<td></td>
</tr>
<tr>
<td>Enterprise-wide Starting up.</td>
<td>Highly skilled, leveraged, mobilized and centralized.</td>
<td>Skills exist, but not aligned to right level and role</td>
<td></td>
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</tbody>
</table>
| **Strategic Analytics**       | CEO passionate, broad based management commitment | Data-based culture in building | Broadly support data-based, testing and learning culture | }

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For more information, please contact us at info@sample.com or call 123-456-7890.
How to develop analytics maturity?

• Adopt best data mining software – SPSS or SAS

• Recruit best trained & experience analysts

• Adopt analytics process management
The Often Missed Link - **APM**

- SAP data management system – high cost
- best data mining software – high cost
- best trained & experience analysts – high cost

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*Low cost & high ROI*

- RM analytics process management
The RM Institute

• Experienced in offering RM4Es based & customized analytics process management solutions

• RM Services Document
• RM Systems to Manage analytics processes
• RM Software Optimize
RM Introduction

• Since 2001, we have been offering customized **research methods** solutions to our clients worldwide. Our clients include many well known organizations such as the United Nations and IBM.

• By using our unique RM4Es and ResearchMap technologies, we are able to make research easy and make research teams more productive.