

FY07 Drive Business Performance Customer Campaign

Microsoft White Paper

Introduction

Power to the people! No, this is not a political statement, but words that apply to Microsoft's business performance solutions, also called Business Intelligence (BI) applications. Using Microsoft's software, midsize businesses now can empower their workers to track their performance against the company's goals, which helps them make effective decisions for the company.

Before we could travel through cyberspace, employees worked in "silos," creating their own methods of tracking projects, collecting data in the old-fashioned way—reading through heavy tomes and dog-eared, flimsy journals from the library. Everyone did their own thing, with the result being that there wasn't a single truth, a single way to gather and compare information, or obtain metrics. Now, with information at our fingertips, we have created tools that enable workers to gather information from easy-to-find and easy-to-navigate Web sites, and we've developed software that allows workers to mine data that aligns with strategies that key decision makers develop.

Midsize Business Challenges

A business can't make decisions or close deals: people do. Workers are the key to a company's success. And the companies that do well help empower their people by giving them the right tools, information, and opportunities. We call them people-ready businesses.

Microsoft's business performance solutions offer the right tools to make your company a people-ready business. Key decision makers want to improve planning, achieve better technology alignment with business priorities, and enable their workers to make more effective decisions.

Midsize businesses are challenged by having inconsistent information, leading to inaccurate planning. The result is a "silo" effect—workers use multiple tracking systems and models, which leads to multiple versions of the truth. Our business performance solutions can be used in the familiar and easy-to-use Microsoft Office environment and offer a single version of the truth: easier access to updated, complete, and accurate information.

Another challenge is a lack of integrated data, which can lead to problems in developing a consistent view of a company's portfolio of projects and investments. Our business performance solutions offer better alignment of resources with business goals by empowering all workers to track and measure their performance against company goals.

A third challenge is that customized reporting drains resources and slows down decision making. Our solution accelerates decision making by providing an integrated solution for business performance that reduces the time and effort that employees need to access and analyze business information.

Trends in Business Performance Solutions

In today's fact-paced and highly competitive world, the speed with which a business manages its information can determine its competitive edge in the market. Business performance solutions, also called Business Intelligence applications, are becoming increasingly critical to a company's success.

Recent reports show the following statistics:

- Business Intelligence (BI) applications are the #1 priority for CIOs.¹
- The BI software market is projected to make \$2.5 billion in 2006, and reach \$3 billion by 2009.²
- IDC expects the market to grow at a compound annual growth rate of 11.3% through 2009.³

It has become more and more important for companies to have better insight in order to drive strategic planning, manage operational performance, and manage investment and project portfolios. This is no longer solely a technical challenge for the CIO and a few top executives to figure out—it is a critical driver of business decisions across the organization, and is, therefore, the top priority of business executives.

Success depends on easier, more familiar integrated tools; paradigm shifts in business information and performance alignment; and continuously lowering the costs and improving the effectiveness of business performance solutions.

¹ Gartner Press Release, "Gartner Survey of 1,400 CIOs Shows Transformation of IT Organization is Accelerating," January 2006.

² *Ibid.*

³ IDC, Max Kay, "The Rise of BPM Convergence," September 19, 2006.

Providing Business Performance Solutions Enhances Your Business

Microsoft provides business performance solutions to meet your core business needs. We can help your business grow and prosper by bringing together people, processes, and technologies.

Let's look some ways that Microsoft's business performance solutions can enhance your business:

- **Improved planning based on a single version of the truth.** Microsoft integrates familiar applications, such as Office, that people use every day, enabling all employees to use the same tools and avoid the “silo” effect. The tools are scalable—the tools grow as the business needs grow.
- **Better alignment of resources with business goals.** All employees in the company are empowered. To achieve this, Microsoft provides self-service access to information through dashboards, scorecards, and personalized portals. Program managers are provided with project metrics through standardized templates, making it easy to summarize information from several sources.
- **Effective decision making based on integrated resources.** By embedding analysis steps directly into the business processes, business performance solutions streamline finance and operations processes. Employees can access the facts, look at the finance and operations processes, and make real-time decisions.

Business performance solutions (BI applications) are critical to your business success if your primary business needs fall into one of these categories:

- **Planning, budgeting, forecasting, and reporting.** Microsoft® BI solutions provide easier access to complete, updated, and accurate information.
- **Sales and marketing analysis.** Microsoft BI solutions empower all workers to track and measure their performance.
- **Portfolio management.** Microsoft BI solutions provide an integrated way to manage portfolio performance.

Challenge: How can I ensure consistent information to improve planning?

Decision makers spend a lot of time budgeting and forecasting. They, along with other employees, customize spreadsheets and analytical models to fit their needs. This individualized approach leads to dueling spreadsheets, multiple versions of the truth, incomplete insights, and more cycles of work before the budget is finished. How can executives effectively plan with the possibility of so much inaccurate data?

Consider, Sara, the CFO of a midsize retail company. Consistent information is critical as she spends a lot of her time developing and refining the financial goals for her company.

Sara faces three challenges:

- Leveraging familiar, easy-to-use products that work together.
- Using scalable tools—tools that grow as business needs grow.
- Enabling broad data and business insight sharing, to help protect sensitive information.

Solution

Let's look at how Microsoft will help Sara overcome these challenges and improve planning as she embarks on her workday:

- 7:00 a.m.—Using Outlook®, Sara checks her e-mail and voice mail, and then sets up her agenda for the day.
- 9:00 a.m.—Sara meets with the Controller to review finances and assess the impact of an unexpected business expense. Here, she is leveraging the business intelligence capabilities of SQL Server™ 2005. This corporate-level data management application provides enhanced security and reliable data storage, enabling companies to take their business to the next level.
- 1:00 p.m.—Sara meets with the CEO and other company executives. She reviews reports from Office PerformancePoint Server 2007 to align metrics with strategy. PerformancePoint Server 2007 enables everyone in the company to take part in planning, budgeting, forecasting, and scorecarding.
- 2:30 p.m.—Using Business Scorecard Manager 2005, a comprehensive scorecard and dashboard application, Sara compares actual gains against forecasted gains. She also troubleshoots customer credit issues and has a phone conference with a prospective customer. Business Scorecard Manager 2005 aligns metrics to

strategy and improves performance by enabling every employee to understand business drivers, shape solutions, and execute shared plans.

- 4:30 p.m.—Sara creates a forecast and model of a possible business acquisition. She uses data found on SQL Server 2005 and analyzes it by using SQL Server 2005 Reporting and Analytics Services.

Benefits

Improved planning ultimately enhances business performance because executives make more informed decisions and their business data is well integrated. Bob Hunter, Manager of Budget Development and Information Systems, in Delaware's Office of Management and Budget, states that "We now have a wealth of valuable information at our fingertips. With scorecarding, we have a view into department or project budgeting—which is essential to fulfilling our state's objectives for prudent spending."

Microsoft's business performance solutions help midsize businesses prosper. For example, a company called Jettainer needed a robust relational database. The company realized these benefits by using Microsoft's business performance solutions:

- Better logistics planning through data mining
- Flexible reporting
- Integrated development environment
- Scalability

Jettainer is a global air freight company that sees 30 percent annual data growth and analyzes mission-critical logistics data by using Microsoft SQL Server 2005. Jettainer tracks close to 9 million container moves annually; it processes 25,000 messages a day and more than 150,000 pieces of flight data.

The company uses the following Microsoft business performance tools to handle its data and management tasks:

- SQL Server 2005 Reporting Services: Produces flexible reporting.
- SQL Server 2005 Analysis Service: Creates multidimensional cubes for analytics.
- Microsoft BizTalk® Server 2006: Integrates other systems in the organization.
- Data-mining algorithms from SQL Server 2005: Determines the best container placements around the world.

Dr. Ralf Hoelper, Director of Processes & IT at Jettainer, stated that “The integrated data-mining functions of SQL Server 2005 allow us to understand the freight business even better and to make the right decisions.”

Challenge: How can I integrate data to gain a consistent view of our portfolio of projects and investments?

Midsize businesses need a consistent view of their portfolio of projects and investments. But often tools can't integrate data. And “silo” reporting from multiple and disparate project tracking systems leads to challenges for executives trying to get this consistent view. Microsoft has the tools to help employees align resources with business goals.

Let's take a look at what Charlie, a CEO of a midsize manufacturing company, does to achieve this goal. He focuses on keeping the business viable by determining product and company direction. He works closely with Engineering, Sales, Finance, and Operations. He also relies on accurate information from his employees to understand how the company is doing.

Charlie faces the following challenges:

- Empowering employees to make decisions by helping them become more informed and responsive.
- Rebalancing and optimizing the program portfolio to better align project activities with corporate strategy.

Solution

Let's see how Microsoft helps Charlie meet these challenges, as we look at his workday:

- 9:00 a.m.—Charlie reviews new and completed orders, which are delivered to him securely from the Accounting department through Outlook e-mail. He works on strategy to determine what new initiatives should be implemented to increase sales, and he finds out how the current initiatives are doing. Using e-mail, he provides a summary of project metrics to program managers by using standardized templates and reporting scorecards. This activity enables him to align project activities with corporate strategy.
- 10:00 a.m.—Charlie meets with the Engineering manager to see if a confidential new product prototype is ready to be tested and go to market. He reviews reports that employees created by using Office. The reports are protected by Excel Services so that only certain users can view them.

- 11:00 a.m.—Meeting with the CFO, Charlie reviews and analyzes staff reports about business activity from yesterday. Charlie uses PerformancePoint Server 2007 so that everyone in the company can take part in planning, budgeting, forecasting, and scorecarding. He has empowered his employees by providing access to information and reports through dashboards, scorecards, and personalized portals.
- 2:00 p.m.—Charlie meets with the Operations staff to review production efficiency and to help make decisions on how to make production even more efficient. He uses information from Microsoft Dynamics™ shared via Office SharePoint® Server 2007 that only Charlie and the COO can access.
- 4:00 p.m.—Charlie answers e-mails and reviews sales. He also calls major customers, but first checks out reports created with SQL Server 2005 Reporting and Analytics Services to better understand customer issues.

Benefits

By using Microsoft's suite of business performance solutions to integrate data, midsize businesses reap several benefits. They can:

- Align resources with business goals.
- Provide self-service access to reports and information by using dashboards, scorecards, and customized portals.
- Provide project metrics to program managers, which means they can make more informed predictions about future resource needs and company growth.

Microsoft's business performance solutions can help companies align resources with business goals. For example, 1-800-CONTACTS, the leading provider of content lenses in the world, sells its products through a Web site and tool-free call center. Company executives were frustrated because they weren't able to directly access important data, and executives had to get timely reports from their IT staff.

The company needed faster, better results. Its solution: use SQL Server 2005 to create a new data warehouse. They also used SQL Server 2005 Integration Services, which defined business rules for data that helped them create consistent, clear business intelligence. To empower its employees, the company is also using Office SharePoint Portal Server 2003, which helps them create new intranet sites where users can easily find reports for data analysis. The new technology is helping the company glean better business intelligence to help guide them.

1-800-CONTACTS realized the following direct benefits of using Microsoft's business performance solutions:

- Faster access to consistent business information
- More in-depth analysis of data
- A powerful environment for new business intelligence tools

Jim Hill, the Data Warehouse Manager for 1-800-CONTACTS, commented on how successful it was to use Microsoft products to solve their problem: "Our business users now have reports with consistent sets of data. For example, now there is one definition for the term 'initial revenue' and that clarity helps produce clearer answers to user queries."

Challenge: How do I simplify data mining to accelerate decision making?

One of the problems that midsize businesses face is that specialized business analysis applications require different training and integration skills, which causes a higher cost of ownership and increases demands on IT.

Let's look at Kevin, a sales manager for a midsize retail company. He is the one responsible for sales throughout the United States, and a big part of his job involves planning and projecting sales. The Customer Service department also reports to him, so he is an escalation point for customer service issues.

Kevin is trying to figure out how to enable his sales staff to get the most current data so that he can accelerate decision making. Delayed decision making inhibits business performance. He faces the following challenges:

- Streamlining the finance and operations processes.
- Providing drill-down capabilities to understand the root cause and take decisive actions.

Solution

Let's look at Kevin's workday to see how he solves these challenges:

- 7:00 a.m.—Kevin checks his e-mail and voice mail, looking for those messages that need an answer soon. Because he's using Outlook from the Microsoft Office Professional 2007 suite, he can better filter spam and prioritize his messages.

- 8:00 a.m.—Kevin handles any issues that have been escalated to him. He returns calls to customers and thanks them for their feedback.
- 9:00 a.m.—Time to train new sales reps and get them up to speed. He presents two Microsoft products: Microsoft Dynamics CRM, a robust customer relationship management application; and Business Scorecard Manager 2005, a comprehensive scorecard and dashboard application that provides in-depth contextual insight into business drivers. By using these products, he will help solve the challenge of providing drill-down capabilities by enabling fact-based, data-driven alerts in scorecards and reports.
- 12:00 p.m.—Kevin meets with sales reps one-on-one. He solves problems and works with under-performing sales staff. He updates the reps on the “big picture.” To accomplish this, he refers to SQL Server 2005 Reporting and Analytics Services, which delivers Web-enabled reporting functionality to keep reps up to date. In the long run, this will help streamline the finance and operations processes because the product will enable him to embed analysis steps directly into these processes.
- 3:00 p.m.—Time to catch up on reporting. Kevin works on the Account Revenue and Sales Order report to get a snapshot of yesterday’s activity. He runs other reports so that he can follow up with the appropriate sales staff tomorrow morning. He checks e-mail and voice mail. He uses Office PerformancePoint Server 2007, which enables everyone in the company to participate in planning, budgeting, forecasting, and scorecarding.
- 4:30 p.m.—Kevin schedules R&D, production, and sales meetings. He uses the dynamic functionality of Outlook to schedule meetings with team members and to check their availability.

Benefits

Microsoft’s business performance solutions enable executives to accelerate decision making. Simplifying how data is mined helps midsize companies make faster and timely decisions.

Let’s look at how one midsize company has improved decision making because of business intelligence solutions from Microsoft.

Experian, a leading information provider, wanted to give its clients an innovative, open technology environment. It wanted to integrate its capabilities in information, data integrity, targeting, and multi-channel communications so that a more comprehensive and cohesive solution could be delivered. The company, along with Hitachi Consulting, built

a platform called MarketOne, which includes a business intelligence solution based on SQL Server 2005 and Web services.

The benefits of the business intelligence features for Experian are twofold:

- The program runs 500 percent faster than earlier software.
- Experian's clients have faster insight into their data, which leads to more effective decision making.

Eric Tagliere, Vice President of Technology Development at Experian, is impressed with how Microsoft SQL Server 2005 has increased the speed of managing data without Experian having to invest in more high-end hardware. The ultimate reward is that the company can now get quicker answers to clients' questions. He states, "SQL Server Analysis Services handles massive amounts of data and provides subsecond queries on relatively modest hardware. We can derive answers for our clients faster than we could before."

Why Microsoft?

Microsoft is a leader in business intelligence solutions. It is uniquely positioned as the only leading software solutions vendor in the industry that provides midsize businesses with integrated solutions that are innovative, familiar and easy to use, widely used and supported, and easy to work with and connect. Midsize businesses all over the world are seeing significant financial gain after implementing Microsoft's business performance solutions.

Meeting Your Core Business Needs

Microsoft's business performance solutions are familiar and easy to use, and they apply to all parts of your organization. Whether your employees use desktops, laptops, PDAs, Smartphones, or mobile phones, or whether they work with servers, Microsoft enables all workers to access critical information that will lead to timely decisions. Business performance solutions from Microsoft offer a security enhanced, accessible, and integrated platform that allows you, the decision maker, to reduce costs and complexity.

When Microsoft connects people to the right tools, the result is success. Microsoft's business performance solutions bring your core assets together to help your business succeed.

What makes Microsoft one of the best providers of business performance solutions?

Four Key Benefits

Let's look at the benefits that Microsoft's business performance solutions offer you:

- **Improved planning.** Microsoft leverages familiar applications, such as Office, that people use every day. With everyone using the same tools, planning becomes easier.
- **Better alignment.** All employees in the company are empowered to track and measure their performance against the goals of the company and they are given the tools to do so. Workers access information through dashboards, scorecards, and personalized portals.
- **Effective decision making.** Finance and operation processes are streamlined because analysis steps are embedded directly into the business processes. Employees can access the facts and make real-time decisions.
- **A well-run business.** Microsoft technology helps identify and prevent against malicious attacks to the core of business applications: the data warehouse.

Keeping Your Business Running

Viruses and other attacks are serious issues, and Microsoft has invested in helping to protect your business against attacks. Malicious users can use sophisticated techniques to attack your business's data warehouse and expose, delete, or disable access to your customer and company data. You need to protect your business applications against such attacks.

Microsoft helps keep your business running with technology that protects against malicious attacks on your data warehouse. Microsoft technology includes features that help identify and prevent these attacks before they happen, preventing data loss and exposure.

For example, let's say a malicious user gets into your system and runs commands in an application's database. Using Microsoft SQL Server, your database administrator can help protect your data with countermeasures that include using a list of acceptable characters to constrain what the malicious user can input into your system, and using a least privileged account that has restricted permissions in the database.

Rest assured that Microsoft is committed to helping protect your data and keeping your business running.

To help customers deploy and operate new systems more effectively, Microsoft provides a variety of technical support offerings, from online self-help support to a managed support relationship. To choose the right solution for your business needs, visit our technical support site at <http://www.microsoft.essentialsupport>.

Drive Business Performance—Getting Started

Here are steps you can take to learn more about how Microsoft's business performance solutions can help your decision makers enhance productivity and be more responsive to customers, while also giving your business the adaptability it needs:

1. Visit the Microsoft Midsize Business Web site at <http://www.microsoft.com/midsizebusiness>
2. Learn how others have benefited from Microsoft's business performance solutions at www.microsoft.com/resources/casestudies
3. Experience Microsoft's business performance solutions through the Demo Showcase (Contoso).
4. Find customized solutions by using Solution Finder at <http://www.microsoft.com/midsizebusiness/solutionfinder/solutionfinder.aspx>

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