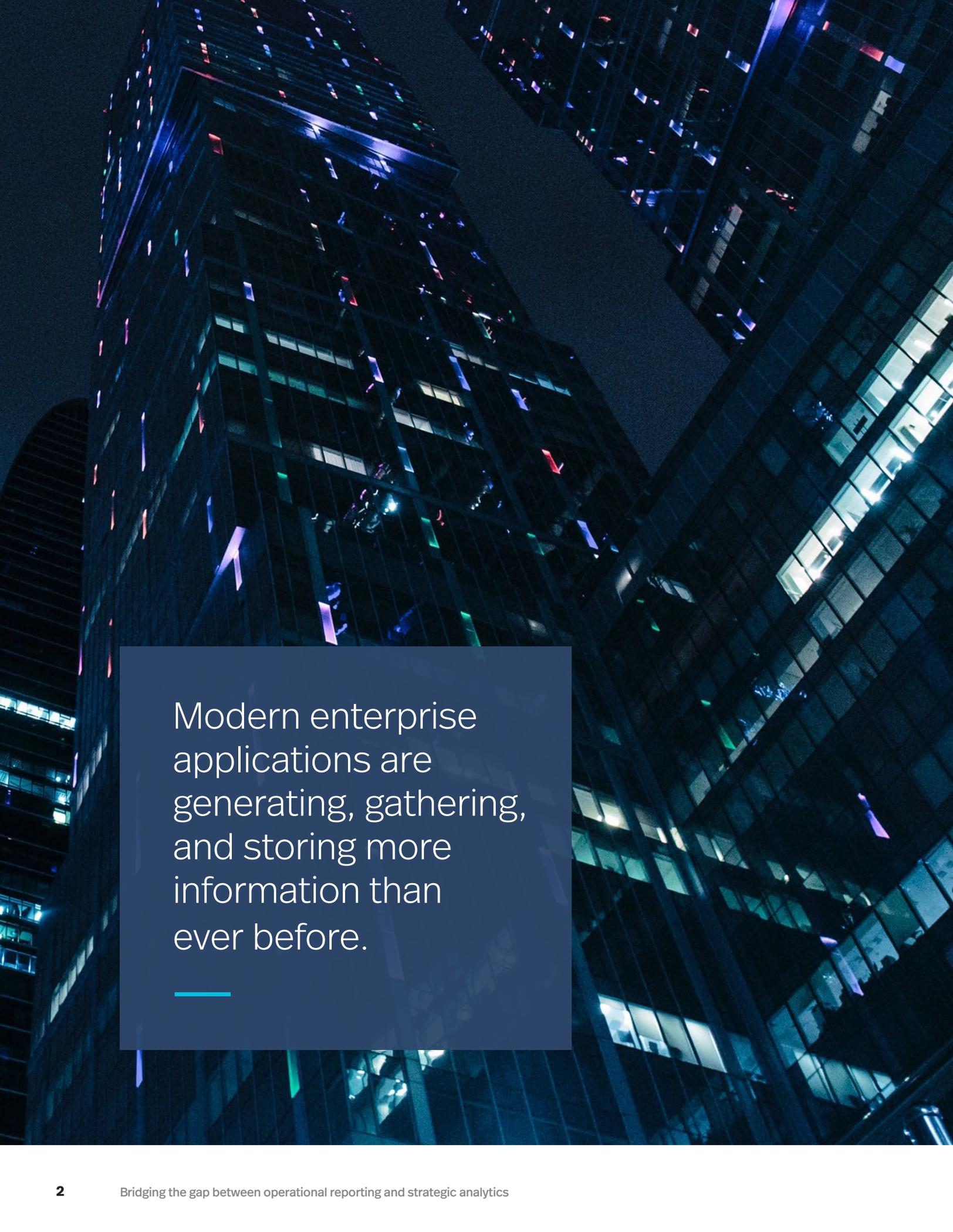**MAGNITUDE**™

Bridging the Gap Between Operational Reporting and Strategic Analytics

Modern enterprise applications are generating, gathering, and storing more information than ever before. Your ERP system alone produces data at an astounding rate because it contains all the data you need to manage your core business activities such as financial accounting, manufacturing, supply chain management, and human resources.

Ironically, this abundance of data is more likely to obscure business insights than illuminate them. In fact, you are most likely to be "*data rich*" but "*insight poor*". Why? Because accessing your data and actually making sense of it has become increasingly complex, laborious, and expensive.

Generating the actionable insights your business needs to respond to volatile market conditions and outpace your competition is typically a complex process managed by IT. Custom reports or dashboards are requested by business leaders, then delivered by teams of data analysts from the IT team or a partner. The process can often take weeks, if not months, and, in many cases, the report or dashboard is limited to a single use case and applicable only to a single business unit or user – often only the requester.

As Business Intelligence (BI) tools, data warehousing solutions, and enterprise data and application landscapes have advanced, it's worth taking the time to rethink that old model, starting with the dichotomy between operational reporting and strategic analytics. There is a clear difference between operational reporting and BI, but they can and should work together. What you need is real-time reporting and deep business insights, so let's explore what that means and how you can achieve it.

Modern enterprise applications are generating, gathering, and storing more information than ever before.

Acting in real-time

Since the beginning of commerce, business owners have asked questions to gather information about the status of their day-to-day operations.

How much money do I have? How much product do I have? These are obviously critical, yet simplistic, examples, but represent the basis of operational reporting. Business units rely on operational reports to view short-term, often granular, information about conditions within their business that is typically near real-time, hourly, daily, weekly or monthly data sets. These reports provide a glimpse into current conditions and allow leaders to make decisions about the near future in order to improve daily operational processes and meet short-term goals.

Today, however, the questions being asked are more complex, and the urgency more profound.

FINANCE

- What are the budgeted and actual amounts for a specified period?
- What are the accounts receivable aging buckets in functional currency?
- What are the amounts transferred from multiple bank accounts to a bank account for a period?
- What are the total subledger journal amounts by accounting event classes for a ledger within an accounting period?

SUPPLY CHAIN

- What are the supply and demand quantities for a given plan and item category?
- What are the consumption details for a given planned forecast?
- What are the exceptions for which the action was not taken for a plan?
- What are the penalty cost details for late orders?
- What is the purchasing commitment to each supplier for a plan?

HUMAN RESOURCES

- How many employees were at a given location for a specific date?
- What non-healthcare benefits is a given employee currently eligible and enrolled in?
- Which applicants possess the essential position requirements for a specific vacancy?
- What is the midpoint offset for a specific human resources budget calendar?

SALES, MARKETING, AND SERVICES

- Which service requests are associated with an item instance?
- What is the total number of hours that a field service representative worked in a period?
- What are the invoice details for a repair order?
- Which service contracts are going to expire in the next 30 days?

Thinking for the future

More recently, companies have placed an equal, if not greater, emphasis on examining historical data and trends in hopes that the implications of past performance will predict what is likely to happen in the future.

While strategic analytical pursuits of this sort are not new, they have grown exponentially in importance following much publicized successes at companies like Google and Intel. Rather than focusing on addressing or improving day-to-day processes, analysts focused on business intelligence will identify and measure against key performance indicators (KPIs) which – if designed accurately with the correct inputs and supported with accurate and up-to-date data – can track efficiency, effectiveness, timeliness, quality, project performance, and the behavior of customers and suppliers, amongst many more patterns.

The outputs of KPIs will allow leaders within a specific business unit or across the company to answer questions that can shape a company's future.

Finance

KPIs

Revenue, Gross Margin, Operating Expenses, Net Operating Income, Current and Long Term Assets, Current and Long Term Liabilities, Spend by Vendor, Payables Balances by Vendor, Discounts Taken, Receivables Balances and Aging, On-Time Payments, Late Payments, Revenue by Customer, Top Customers

Questions

- How do my actuals compare to my budget?
- Which invoices correspond to a specific journal entry?
- Who are our top customers?
- What customer invoices are past due and by how much?
- What is the margin by customer by product?

Supply Chain

KPIs

Spend by vendor, item, buyer, ship-to and bill-to; PO lead-times; on-time shipments vs. need by date; on-time shipments vs. promise date; order complete %; quantity ordered, billed, received, accepted and rejected

Questions

- Who are our largest suppliers?
- What is the cost of an item across our suppliers?
- What are our vendor lead times?
- What is our vendor quality performance – quantity and % of items rejected?

Human Resources

KPIs

Absence Rate, Employee Productivity, Employee Satisfaction, Internal Promotion Rate, Net Promoter Score (NPS), Quality of Hire, Turnover Rate, Training Effectiveness

Questions

— What is the total cost of our workforce?

— What is our health expense by employee?

— What is our employee productivity rate?

— What is our attrition rate?

Sales, Marketing, and Services

KPIs

Leads, Client Engagement, Upsell/Cross-Sell Rates, Sales Cycle Length, Customer Lifetime Value, Quote to Close Ratio, Average Cost Per Lead, Monthly Sales Growth, Customer Retention / Renewals, SLA Failures, Customer Satisfaction

Questions

— How long is our average sales cycle?

— What is our utilization rate for services?

— What is our customer churn rate?

— What is our Customer Satisfaction Score (CSAT)?

A new way of doing things

As mentioned previously, creating business intelligence reports and dashboards has traditionally been the domain of IT, with business analysts delivering information to business leaders.

Even taking advantage of reporting and analytics tools, implementing BI in the traditional manner requires a near-constant involvement from the IT staff and a complex IT environment, including space for data warehousing. The model is slow and inefficient and keeps the power of business data in the hands of a skilled few. More importantly, traditional BI systems do not provide business users with full decision support while documenting the process of creating a successful decision. One could argue that the category itself is somewhat misnamed – the data analyst is responsible for applying business intelligence to the data visualizations and reporting; the general-purpose BI platform has no inherent business logic.

As early as 2016, Gartner began to declare that traditional BI is dead. They went so far as to remove tools that rely on IT intervention from their annual Magic Quadrant for BI and Analytics in favor of a Market Guide for Enterprise-Reporting Based Platforms and, in a report published that year, declared "The causal link between available data, analytics models and business outcomes is often not understood or articulated.

Worse, the recognition that process, application and data need to be reimaged for digital decisions is completely lacking" (*How CDOs Engage With Their Stakeholders to Deliver Real Business Value, Gartner, June 15, 2016*). In short, modern BI needs to bridge the gap between operational reporting and strategic analytics to deliver business insights that allow you to respond faster and with greater confidence.

Modern BI shifts the focus away from IT and data scientist analysis and reporting and offers mainstream tools with self-service access and flexibility so that business users can produce reports and analysis on-the-fly and share data to make decisions and optimize business results. It supports the principles of DataOps and data democratization, and offers a continuous intelligence stream consumable by business users.

Key platform characteristics include integration, intelligence and ease of use.

INTEGRATED

Building on solid principles of digital transformation, your BI environment should strive to break down data silos rather than recreate them. To this end, it should support data from disparate sources, including legacy systems and hybrid ERP systems. In addition, it should be cloud-ready, and should support multi-cloud and hybrid implementation scenarios.

INTELLIGENT

Data accessible from an ERP is often the most important information for business intelligence, however, it doesn't always provide the full picture of a process or condition necessary for real insights without context or additional information. For this reason, the ideal BI platform should be built on real business context from a powerful data model and provide both cross-process and cross-application reporting.
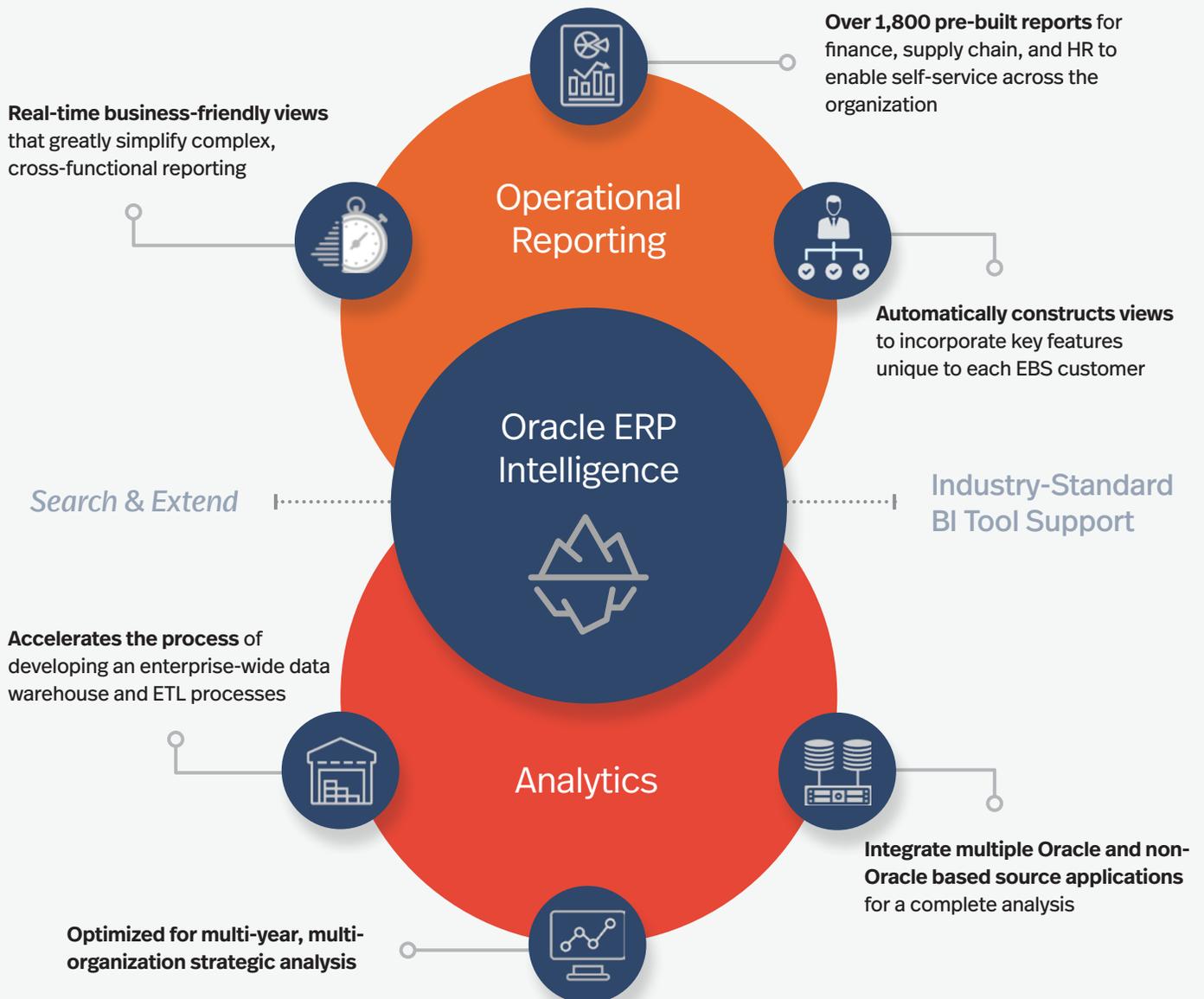
EASY-TO-USE

For insights to be available to all business users within an organization, the BI and reporting environment must be simple to customize and run with little to no involvement from IT. And, to provide the business intelligence your BI tool requires, it must be flexible enough to work with the tool of your choice, both now and in the future.

See more clearly with Magnitude Noetix

Noetix provides enterprises using Oracle Business Applications the power of continuous operational insights and strategic analytics, helping users out-think and outmaneuver the competition.

Noetix's integrated platform delivers a powerful data model, library of pre-built, no-code business reports and robust process analytics engine to help you unlock the power of your enterprise data and gain actionable insights to act with decisiveness in an uncertain and quickly changing world. Noetix includes integrations for Oracle EBS and Cloud Applications, provides support for cloud deployments, and delivers intuitive user interface to help simplify workflows and foster collaboration between data scientists and business users.

Over 1,800 pre-built reports for finance, supply chain, and HR to enable self-service across the organization

Real-time business-friendly views that greatly simplify complex, cross-functional reporting

Operational Reporting

Automatically constructs views to incorporate key features unique to each EBS customer

Search & Extend

Oracle ERP Intelligence

Industry-Standard BI Tool Support

Accelerates the process of developing an enterprise-wide data warehouse and ETL processes

Analytics

Integrate multiple Oracle and non-Oracle based source applications for a complete analysis

Optimized for multi-year, multi-organization strategic analysis

Benefits of Noetix

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Supports the shift to cloud technologies

- **Save time and money** with establishing a data warehouse or data lake in the cloud with minimal data preparation
- **Make the best decision** for your organization on which cloud vendor you choose
- **Leverage our partnerships with Snowflake, HVR** to quickly deploy to the cloud

Accelerates self-service reporting and analytics

- **Covers both operational, analytical reporting needs** with centralized, extendable data models
- **Fast, real-time access to application data** avoids IT assistance, time-consuming data preparation, and ensures accurate reporting
- **Enabled end users can quickly modify, extend business views** to fit their needs without the typical delays

Use your BI tool of choice and deployment option

- **Avoid vendor lock-in** from proprietary toolsets, private clouds, questionable support, infrequent updates and limited knowledge bases
- **Democratize your user groups BI tool choice** to leverage the right tool for the task at hand
- **Generator technology accelerates** the report development curve for each supported toolset

Integrates hybrid ERP environments

- ERP, source application integration allows **visibility across the enterprise for critical analysis**
- **Hybrid business views support migrations to cloud applications** while allowing historical, consolidated reporting
- **Business views available for cloud applications** to easily allow for synchronized, operational reporting outside of the application interface and to be able to handle more complex use cases

MAGNITUDE™

For more information, visit magnitude.com/noetix →