

# **Business Intelligence and the Need for Real-Time Reporting**

A Lawson Software™ White Paper

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## Background

Business reporting has evolved from a post hoc, paper-based tool used periodically by business managers to determine long-term business trends into a near real-time, on-line tool used to gauge the daily tactical health of business operations. The number of such tools and users of them has proliferated in larger operations. Of particular concern to many publicly held businesses are reporting tools that continually monitor the thousands of transactions that underlie financial reporting. The need for these tools arises from increased scrutiny of financial information, the result of Sarbanes-Oxley and other legislation in the U.S. and similar measures promulgated by the European Union.

To meet these new needs for more comprehensive and up-to-date reporting tools, many businesses are attempting to integrate their numerous former “point” reporting solutions into a unified business management infrastructure. The aim is what many call a “business intelligence” solution—or a comprehensive and integrated reporting application that provides a single perspective on both tactical and longer term business performance.

On a technology level, this has meant that fixed integration, the ‘hard wiring’ of applications into permanent relationships, is giving way to the creation of loosely-coupled, composite services that are created from a resource pool of applications, tools and hardware, and

which are available as needed by users in different levels of the organization. APIs based on open industry standards, HTML and other internet markup languages, and, of course, the internet itself are making such services possible. The overall framework for such a constellation of flexibly and loosely coupled services is most commonly referred to as a service-oriented technology architecture (SOA).

The demands new reporting requirements and new technology paradigms reflected by concepts such as SOA place on businesses are two-fold. For one, business managers require an environment in which the complexity of applications and tools—including the many well-established legacy applications which still lie at the heart of many businesses—can operate in an increasingly loosely-coupled yet well-integrated fashion. Secondly, managers must implement new reporting environments that surface important data about the operations and transactions in clear, easily interpreted, and easily auditable formats. The importance difference between financial reporting now and in the past is that today reporting must be proactive rather than reactive. Questionable transactions must be identified and corrected long before they require restatements of financial data. This can’t be fixed by technology alone but instead often requires major adjustments to the way businesses operate internally.

## The BI Boom

It comes as little surprise that Business Intelligence (BI) is, according to recent research conducted by Forrester Research, fast becoming one of the highest priority requirements for business managers. The Forrester research surveyed 227 finance decision makers at North American companies. Forty-three percent of this group planned to buy BI systems as key support tools for financial activities—the largest single product category. Forty-one percent planned to buy new internal control systems. Both figures were up sharply from similar research done before Sarbanes-Oxley, the U.S. Patriot Act, Basel II in the EU, and other measures were enacted.

Driving this new focus on business intelligence and better internal controls are the new responsibilities business managers face ensuring that transaction and financial data pass external regulatory security. For example, accurately reporting on the Key Performance Indicators (KPIs) and other metrics has always been important within the enterprise as a method of getting a snapshot on how the business is running. Now such information must be monitored for a variety of regulatory compliance requirements and the components that make up such measures must be fully auditable right down to their transactional data sources.

# Reporting Leading to Action—the Lawson™ Solution

In this new environment, businesses need to both simplify and unify their business management and reporting applications, a task which leads many businesses to conclude they need new business intelligence functionality that integrates previously stand-alone or disparate applications.

Lawson offers its own integrated Business Intelligence Suite (LBI). For many companies, LBI can provide a complete performance management solution that provides the core financial and business management tools needed to help run a company more efficiently and successfully. These include not only financial management tools, but also Human Capital Management, procurement tools, which help automate purchasing and manage inventory, distribution management tools, and Services Automation, which is designed to help manage both people and projects together. What ties them all together in the context of BI and enterprise-wide reporting is a set of services Lawson calls Enterprise Performance Management.

One of the key components of Lawson Enterprise Performance Management is the Lawson Business Intelligence (LBI) application, which helps provide the tools needed to capture, consolidate and analyze key data from legacy applications and newer SOA applications and then publish it to users, via the web, in a wide range of formats.

There are two important aspects to reporting. One is that data from all relevant applications are incorporated into a single point of access—one place where business managers can go to both view and manage their reports.

LBI provides this capability by sourcing data from both Lawson and non-Lawson data sources. The second aspect is the ability to produce reports in as near to real-time as possible so that managers are in touch with the current state of business processes. The combination of capabilities—the use of legacy system outputs as inputs to LBI coupled with data from Lawson's own applications—makes this possible.

The Lawson solution uses dashboards as the single point of contact between the system and relevant managers. With the right information feeds, dashboards can become simple, yet powerful tools for publishing information in a manner that makes sense to a business user. It is also an approach that can be flexible, which means that the same basic data can be reanalyzed and published in a range of different formats to suit the differing needs of managers and staff throughout the business process workflow chain.

As for taking action, Lawson provides a feature called Lawson Smart Notification®. This can target key financial controls and combine them with workflow automation features built into Lawson applications. For example, the dashboard could highlight a problem with specific overdue accounts. The Lawson Smart Notification component incorporates the ability to use preset rules that could trap such a problem and automatically set in motion a series of investigations and consequent actions designed to remedy the problem as soon as the business rules are triggered.

These preset rules deliver information links to the appropriate staff, so they can take prompt action. This could include information from a wide range of sources, such as payment records, credit risks, product deliveries, outstanding issues, and recent communications with the customer.

These capabilities of Lawson Business Intelligence help increase the speed at which staff can serve the needs of the business to help maintain the best margins possible.

<sup>1</sup> Footnote

# A New Approach to Upgrading

As businesses start to implement service-oriented architectures (SOA), the capabilities of Smart Notification® can grow in value. This is due to the ability to integrate a wide range of applications into a more unified and flexible reporting environment.

By integrating a wide range of applications, Lawson™ Business Intelligence allows users to bypass the traditional upgrade model. Now it becomes possible to adopt a model in which new applications are added, integrated, and run in parallel with the legacy systems.



For information on Lawson™ Enterprise Performance Management and Lawson Business Intelligence, please visit [www.lawson.com](http://www.lawson.com).

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