



# Using business intelligence in strategic management

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# Agenda

- Introduction
- Motivation
- Literature review
- Results
- Conclusion



# Introduction

This paper aims:

- to propose appropriate ways how **to incorporate business intelligence (BI) into the strategic planning** process.

The research follows:

- previous work focused on identifying **crucial factors influenced intention to use BI in decision-making process** (UTAUT 2 model applied)

# Motivation

- **strategy planning** as never ending process needs to be **optimized continuously and quickly**
- pressure on the speed of information processing ranks the **principles of business intelligence** among the fastest developing tools
- the importance of correct data interpretation and **conversion into relevant information**
- companies are being pushed into **digitisation and optimisation**

# Four scenarios: BI and strategy

Four possible scenarios for involving business intelligence tools in strategic planning (Grossmann and Rinderle-Ma 2015):

- **BI and strategic management are separate:** standardized reports designed for a specific part of the organization.
- **BI as a control tool of the organization's performance:** monitoring measurable goals, application already formulated within setting strategic objectives.
- **BI as a tool of feedback within formulating a strategy:** typical result represents a Balanced scorecard, tools applied during strategy optimization
- **BI as a key source of strategic planning:** used directly in defining the strategy, provide essential inputs in creating a strategic plan at the top management level.

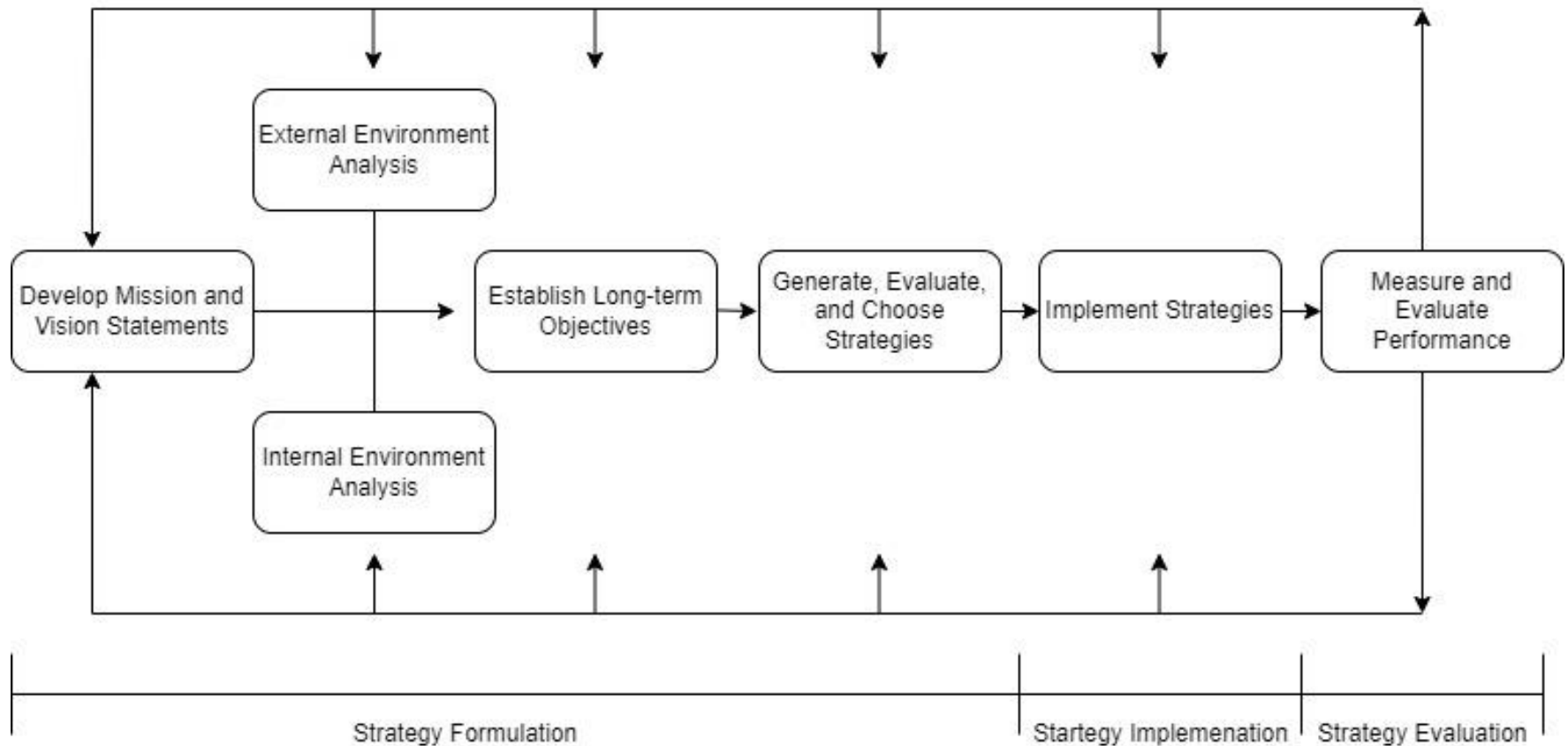
# Strategic planning process

**Strategic planning process represents a way how achieve defined strategies.**

The basic structure includes:

- situation analysis,
- strategy formulation,
- its implementation,
- subsequent ongoing control and monitoring.

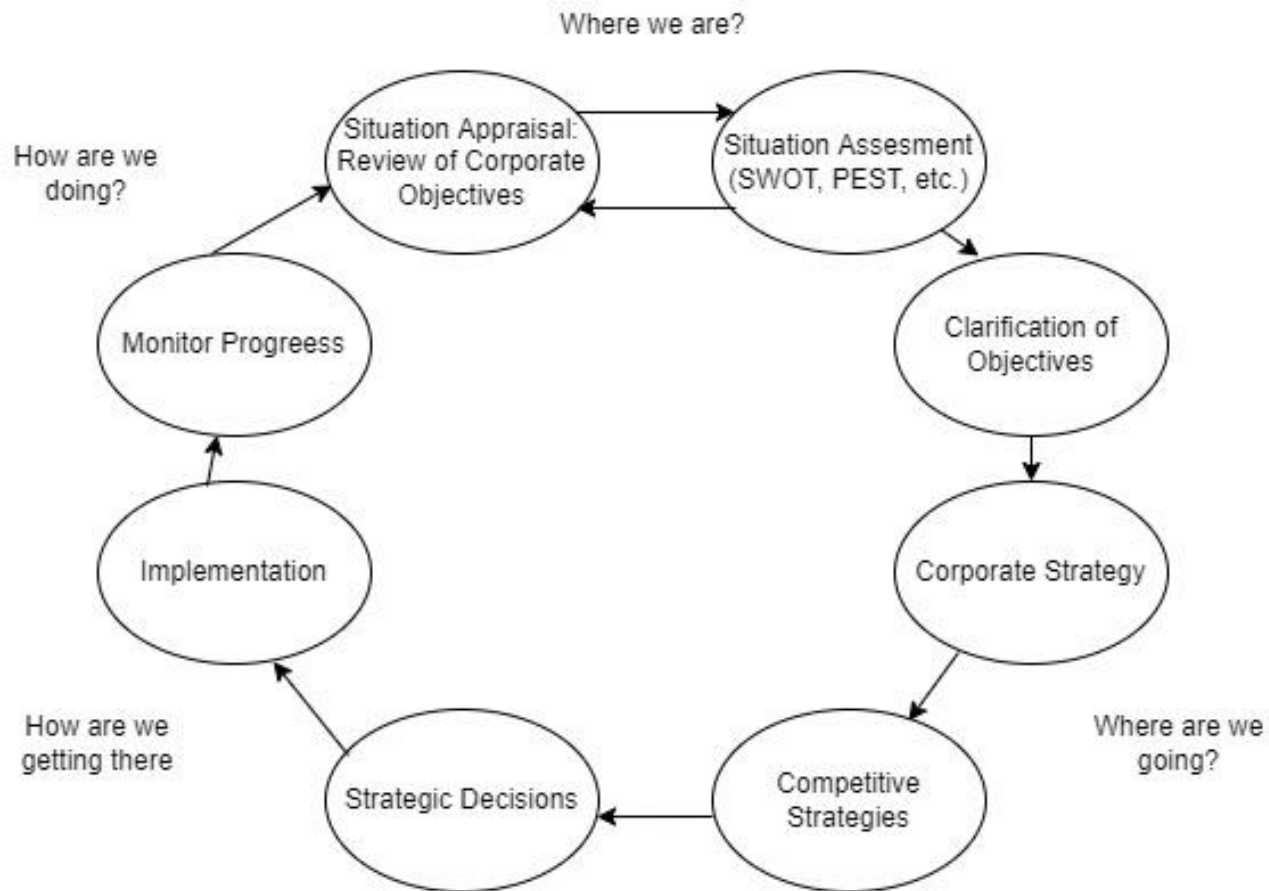
# David's Model of the Strategic Management's Process



Source: own processing according to David 2009



# Thompson's and Martin's Strategic Management Framework



*Source: own processing according to Thompson and Martin 2010*





# Review of tools

Strategic planning process divided in 6 steps:

- Develop mission and vision statements
  - Environment analysis
  - Establish long-term objectives
  - Strategy formulation
  - Strategy implementation
  - Strategy monitoring
- 41 tools assigned to defined phases

# Review of tools

For each tool the utilization rate of BI has been set up:

<b>Phase</b>	<b>Tool/technique</b>	<b>Utilization rate of BI</b>
Develop mission and vision statements	Develop mission statements	None
Develop mission and vision statements	Develop vision statements	Low
Environment analysis	PEST	High
Environment analysis	SWOT	High
Environment analysis	Core Competencies	Middle
Environment analysis	Porter's 5 Forces	High
Environment analysis	Competitor Profile Matrix	Middle
...		

*Source: own processing*



# Review of tools

Verbal expression converted to numeric one:

<b>Phase</b>	<b>Average UR</b>
Develop mission and vision statements	0,50
Environment analysis	4,14
Establish long-term objectives	3,00
Strategy formulation	1,60
Strategy implementation	1,14
Strategy monitoring	4,20

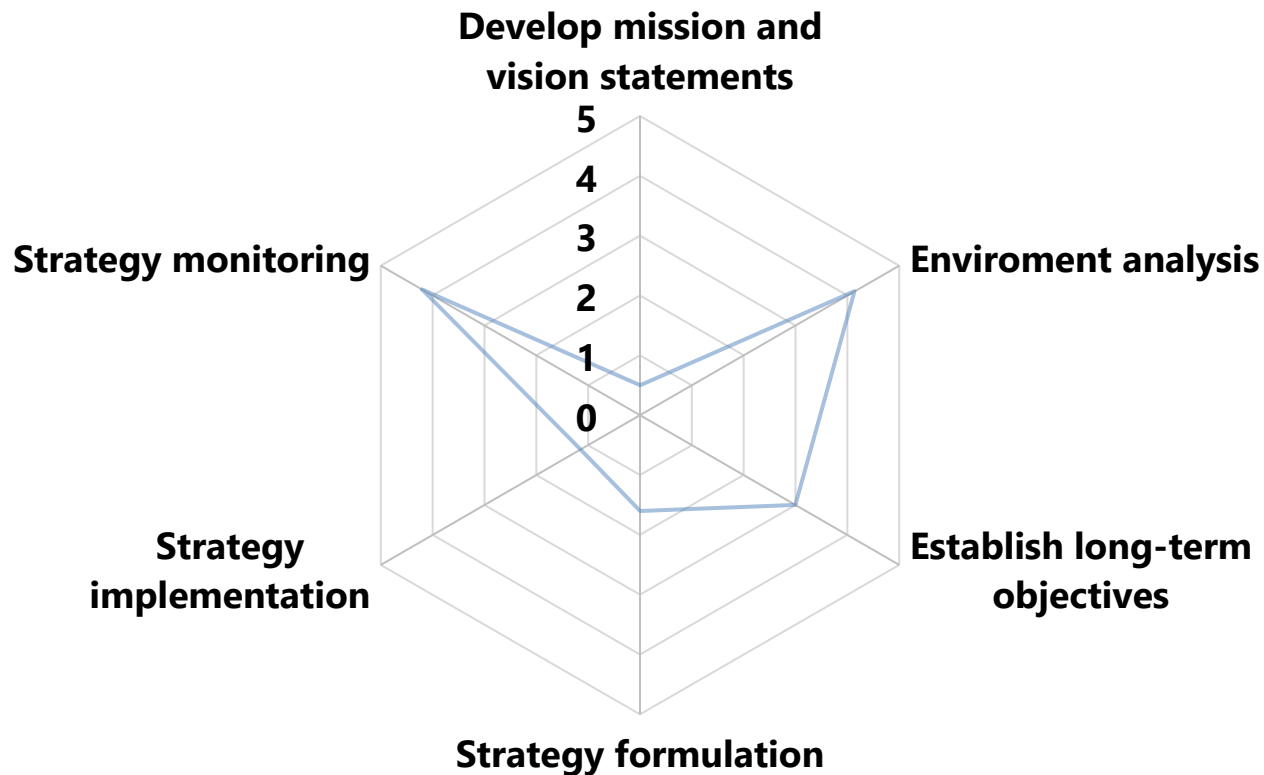
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<b>Utilization rate</b>	<b>Converted UR</b>
None	0
Low	1
Middle	3
High	5

*Source: own processing*

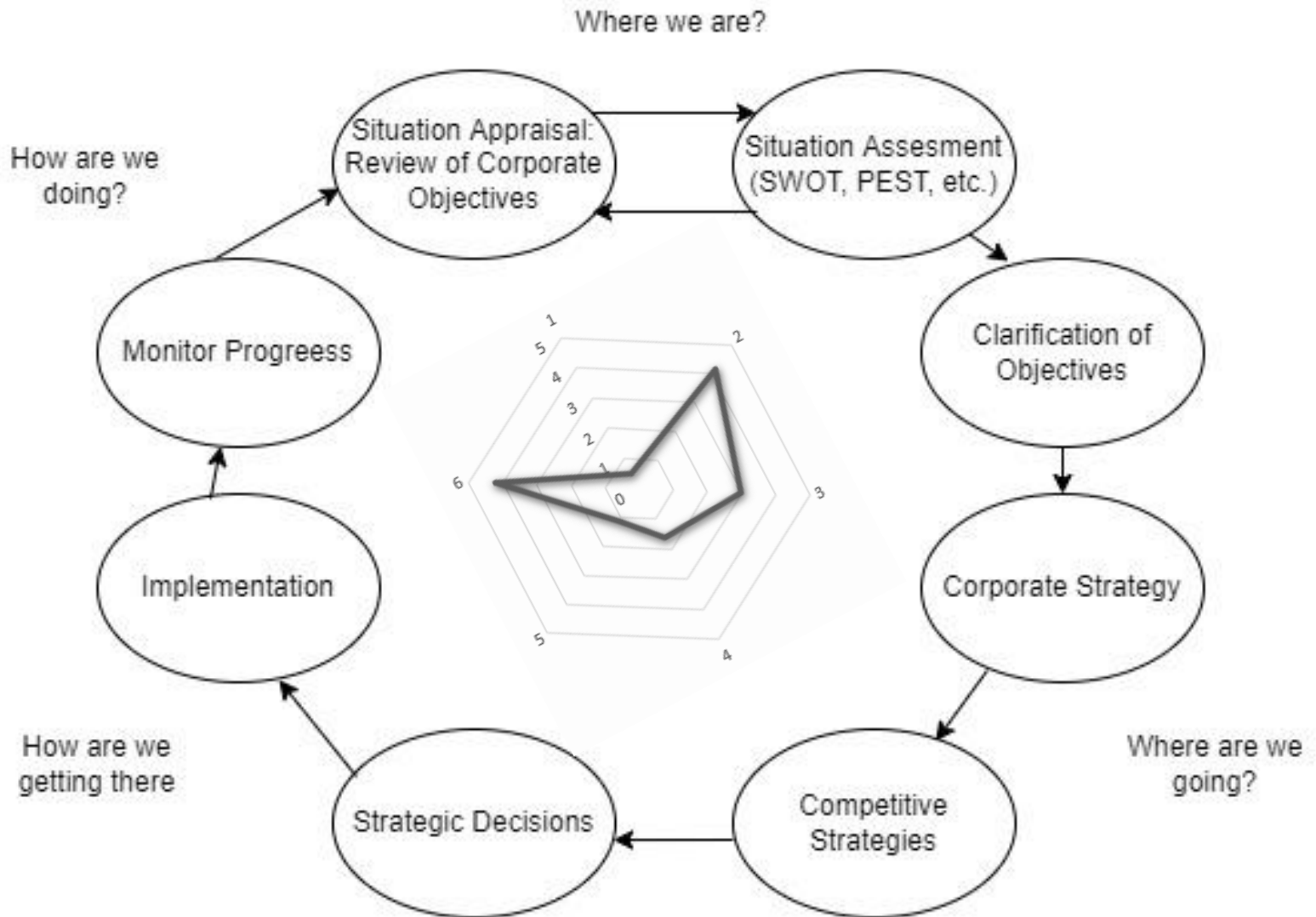
# Research results

## Utilization of business intelligence in individual phases



Source: own processing





Source: own processing



# Conclusion

Key application:

- **Where we are?**
- **How are we doing?**
- **Where are we going?**

Next steps:

- Addressing experts to consult determined utilization rates
- To compile results to own scheme to be used in theoretical sphere

# Thank you for your attention!

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