

Buried in paper, CFO takes the lead on business intelligence strategy

Linda Tucci, Senior News Writer



Published: 18 May 2011

Japs-Olson Co. has been in the printing business for 104 years, so churning out paper reports isn't exactly a challenge for the St. Louis Park, Minn.-based business. But a ream and a half of paper every morning just to keep departments up to date on the previous day's transactions isn't a viable [business intelligence strategy](#), said Gary Petrangelo, CFO at Japs-Olson, with about \$135 million in revenue this year and 565 employees.

"The larger the size of the department, the bigger the report. Our mailing department could have 200 pages to page through if a discrepancy showed up in the bottom line," Petrangelo said. Collating, printing and distributing those reports can take an hour a day.

"To me it just seemed senseless, with all the technology we have. We should be able to generate that in electronic format," Petrangelo said.

The company's legacy business intelligence (BI) reporting tools, put in place in 1995, had not kept pace with its expanded operations. When Japs-Olson's printing process consisted of presses and stitchers and inserters, business stakeholders knew what they needed to look for in their business information reports, Petrangelo said. The addition of new equipment in recent years, from mail-sorting machines to "inline on the press" processes, called for different and more sophisticated reporting.

"Anytime we want to create a new report, I have to get the IS group involved," Petrangelo said.

The IT department, however, was between IS managers and intensely occupied with choosing a new ERP system, the largest IT investment the management-owned business had ever made. With a tech-savvy president pushing for dynamic reports and a CEO relying on calls to finance for on-the-fly updates of key performance indicators, Petrangelo took it upon himself to craft a new business intelligence strategy and launched a search for BI tools, independent of IT.

Business users calling the shots on BI strategy, tools

Japs-Olson's protocol for choosing major software may be a little unusual, given that it had a massive ERP project under way and an IT function overseen by the printing company's president. Petrangelo, however, is hardly unique in his decision to take the company's business intelligence strategy by the horns.

Business users and executives are increasingly calling the shots on BI purchases, according to Gartner Inc.'s 2011 Magic Quadrant, the Stamford, Conn.-based consulting firm's annual take on the landscape of BI vendors. In defiance of IT departments, business users are opting in some cases for easier-to-use, analytics-rich [data discovery](#) tools rather than the traditional large-enterprise BI platforms favored by IT, even at the risk of creating more data silos than ever. They want interfaces that are simple and fun to use, and mobile-ready. For the first time in Gartner's research (based on 1,225 responses from vendor customers), ease of use surpassed functionality as the dominant buying criterion for BI platforms. (Visit SearchCIO.com's blog for a quick take on Gartner's advice to CIOs on [business user involvement in BI](#).)

Nor is it surprising that IT departments are hard-pressed to keep up with BI demand -- or that other parts of the enterprise are controlling IT budget money. Business analysis skills top the global CIO wish list in the newly published [CIO survey](#) from London-based IT recruiting firm Harvey Nash PLC. The annual survey also found that more than half of global CIOs have up to 10% of their IT budgets controlled by managers outside the IT function. A further 21% of respondents reported that up to 2% of their budget was managed outside their control, and more than one in 10 global CIOs manage less than 50% of their own IT budgets -- a factor that can throw a monkey wrench in the planning process at those organizations, said Robert Miano, president and CEO of Harvey Nash's USA.

From desktop dashboards to mobile BI

After a couple of years of research and delays caused by the [ERP project](#), Petrangelo pulled the trigger in October, choosing a solution from Berwyn, Pa.-based arcplan Inc. His first goal is getting all the desktop dashboards up for the eight executive shareholders. "Right now, they have to ask me for it or I have to proactively distribute it," he said.

The next step is creating individualized dashboards for the production managers, with their pertinent numbers popping up on their screens, rather than sorting through reams of data on paper. They can drill down for more data, and, if they choose, print out prices they need or export them into Excel.

Petrangelo said the vendor has "bent over backwards" to tie into Jap-Olson's data to create customized reports, an initial challenge, ultimately tapping into a SQL Server production database that also held transactional data. He pegs his investment at about \$70,000, small potatoes compared with the new ERP system, but one that he believes will yield big dividends. Such as?

"I spent the last week and a half generating a multitude of different reports, trying to get to the bottom of a category that looked off compared to last year. I just kept thinking, 'Oh, I wish we had all these reports set up in Arcplan so that we could have generated this report at a push of a button,'" he said. The \$600,000 discrepancy was finally tracked down to certain transactions that were coded properly but being pushed into the wrong general ledgers. With the new business intelligence strategy?

"It would have saved probably a week of my time, plus staff time, and that of the production manager," he said

For more information on arcplan, please visit www.arcplan.com.