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Charles Harris
Business Intelligence (BI)»

How Business Intelligence Informs Smart Decisions

Deep data analysis has come a long way, and agencies are taking full advantage.

Karen D. Schwartz

posted July 30, 2012 | Appears in the Summer 2012 issue of *FedTech Magazine*.

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As the Coast Guard works to keep its fleet of more than 200 aircraft — dedicated to search and rescue, law enforcement and other missions — in the air, its Aviation Logistics Center (ALC) faces a daunting challenge: making sure that all the aircraft are maintained properly, and that the right parts are always available if something goes wrong.

The center relies on a complex set of data and business intelligence tools to create order from potential chaos. The underlying data about the ALC's financial transactions, aircraft status, spare parts and maintenance records resides in a local data repository, which acts as the backbone of the Asset Logistics Management Information System (ALMIS). About 10 years ago, the Coast Guard added several business intelligence tools to provide better analysis. The suite of tools continues to expand as ALMIS transitions to the Coast Guard Logistics Information Management System (CGLIMS).

“The business intelligence component allows us to get more efficiency out of our supply chain, ordering and asset management, but most important, it increases the quality of our decisions,” says Lt. Cmdr. Chad Long, chief of the Aviation Logistics Center's Information Systems Division. “When combined with the major process improvements being conducted by the Aviation Logistics Center's analysts, the Coast Guard will have the resources in place to respond to any distress call or natural disaster.”

The Coast Guard is attempting to capitalize on its business intelligence capabilities in an effort to reduce the operating cost for fleet aircraft. Analysts in the ALC's Engineering Support division use the business intelligence tools to examine whether the maintenance intervals of various aircraft components are consistent with manufacturers' standards. If the parts hold up longer than the manufacturer expects, the tools bring that to light, allowing the division to adjust maintenance intervals, which reduces the cost of maintaining the aircraft. A change in inspection criteria for the MH-65 helicopter's main gearbox, for example, saved the Coast Guard 4,000 maintenance hours per year, reducing costs by \$1.7 million annually.

Long recalls another situation where business intelligence delivered great value.

“When Hurricane Katrina hit, many of our aircraft responded to the disaster from all over the country, and we

used the opportunity to analyze how our demand for spare parts changed with this extreme event.” That way, the Coast Guard could optimize aircraft availability and performance for the next natural disaster, he says. “We used this knowledge as we adjusted local supply levels for our response to the Deepwater Horizon oil spill.”

188%

The average return on investment during the initial phases of implementing a business intelligence solution

SOURCE: Nucleus Research, 2012

Expanding the Use of BI

The sophisticated analysis that the Coast Guard and other federal agencies are performing today is possible because of the maturation of business intelligence tools, says Michael Lock, a research director at Aberdeen Group.

“Business intelligence used to mean data professionals mining data, but the technology has matured, and it’s applicable to more users and different areas of an organization,” he says. “Today, business intelligence is anything that involves transforming raw data into some form of deliverable insight, and its use has expanded from the traditional sales, marketing and financial functions to areas like workforce analytics, talent management and supply chain.”

What’s more, business intelligence is gaining steam in the public sector. According to a May report from the Aberdeen Group, about 35 percent of public-sector organizations plan to invest in business intelligence this year.

Early Adopters

The Department of Homeland Security has long embraced business intelligence. DHS considered BI to be the best way to corral the chaos that occurred when the department was first formed, using it to consolidate legacy systems, databases, data standards and business processes from 22 different agencies. The department used business intelligence software to gain a view into each line of business, both horizontally and vertically.

“Before the department began using business intelligence software, much of the data that was available to DHS leadership was generated primarily through data calls, which is labor-intensive and can produce inaccurate or incomplete data,” says Peggy Sherry, the department’s deputy chief financial officer. “Business intelligence allows us to collect, store, manage, analyze and share data from legacy and current systems.”

Once the first stage of business intelligence had produced some order from the chaos, the next step was to take BI to the cloud. Not only would that satisfy the government’s “cloud first” and shared services initiatives, but it would enable even greater integration across components. What’s more, officials thought it could generate significant cost savings and improve security.

“We didn’t want to continue to have each individual line of business purchase their own business intelligence software and customize it with their own unique standards,” Sherry says. “It was an ideal way to coordinate business intelligence initiatives and systems across all lines of business to make sure they were all on the same platform.”

Business Intelligence @

Learn how the Marine Corps uses BI for retail operations at fedtechmagazine.com/MarinesBI.

Taking It to the Cloud

With the cloud-based business intelligence model, implemented at the end of fiscal year 2011, DHS can now access business intelligence functionality in a software as a service model via a private cloud, paying only for the resources it uses. The department is still rolling out its use of the cloud-based model, but Sherry says DHS is already reaping big benefits in many areas.

One is acquisitions. DHS manages billions of dollars of acquisitions across hundreds of projects. In the past, program managers were required to populate their information in various databases, but there was no good way to visualize the information in the system. Over the past few years, DHS has developed the capability to pull information from various acquisitions systems to produce relevant charts and graphs. Decision-makers can now use the business intelligence tool to access valuable information on trends related to cost, schedule and performance.

“Rather than waiting until we would do a review on a major acquisition program that would show that a program was behind schedule or over budget, we can use the BI tool to monitor on a regular basis how programs are doing on cost, performance and schedule,” Sherry explains. “That allows us to be proactive; rather than waiting for a program to get into trouble, we can course-correct when necessary.”

The ultimate goal, Sherry says, is to provide faster and better access to key data in the form of a comprehensive dashboard that will enable DHS leaders to view enterprise-level information on all activities and components across the department. Using that information, leaders will be able to make more-strategic business decisions.

“We want to get to the point where there is standardization across all lines of business, where executives will be able to consult an overall dashboard for important metrics and get a holistic view of whatever data they need,” she says.

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