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Newsletter Theme: Business Intelligence

Want to know what products, customers and markets are most profitable? Fine-tune a complex supply chain? Use both your own and external data to boost marketing? Good BI is the ticket!

Business Intelligence (BI), which briefly means putting relevant, adequate and timely information and analytics into the hands of management at all levels, is an area which grows strongly and is at the top of the agenda not least for PE portfolio companies.

Firms spend billions on BI projects (translating into billions in sales for BI software vendors and consultants), but many initiatives fail outright or deliver much less value than expected.

In spite of, or perhaps just because, Advince does not have hundreds of BI consultants but rather only some 5 senior BI experts, we are repeatedly quoted in industry newspapers and appear as speakers on major BI events. See “Advince in Media”, page 3.

Advince likes to stress 3 Key Factors to BI Success:

1. User Involvement is crucial. Only the users can establish what KPI:s are important and how they are to be defined.
2. Don't start with talking or shopping technology. In fact, you probably have most of what you need.
3. Use external expertise sparsely. A requirement expert and a Data Warehouse architect are usually sufficient.

Want to know more? Download Advince OnePager on BI: <http://tinyurl.com/cddbee9>

For a good, not-to-technical tutorial on BI, look at a Wiki book at: <http://tinyurl.com/cf7xyr9>

Featured BI Case Stories

Many of Advince's Business Intelligence projects have been covered in previous newsletter, such as:

- Specialty steel manufacturer Ovako, owned by Triton – Spring 2012
- Office Depot, partly owned by BC Partners – Fall 2012
- Paper wholesaler Papyrus, owned by Triton and Altor – Spring 2010

The head of the unit Strategy and Control at a Scandinavian Private Equity firm comments on the BI related projects Advince has delivered: “BI projects tend to start with selecting and purchasing technology. I agree with Advince that this is the wrong way to start. Instead, management on all levels – and we as owners – must start with defining what metrics and KPI:s are necessary to extract and

calculate. And this has nothing to do with IT technology. In addition, in my experience, firms usually have the IT tools they need to set up good management reporting and should be careful when traditional BI consulting firms claim that their toolboxes or consulting teams is the ticket to superior performance management - which must be built by own experts”.

Filip Ekstrand, Advince, adds: “We look forward to continue assisting PE firms and their portfolio companies in securing cost-effective, easy-to-use, timely and relevant management reporting for all levels of management and board of directors.”

Cloud-based ERP on the move – not only for small firms!

A service company with 50 M € in sales with business in many European countries and North America was assisted by Advince when replacing an old Lotus Notes- and AX-based IT package with a new, standard ERP application suite. The company, which wishes to remain anonymous, is based in northern Sweden and employs some 200 staff. And this firm did not go with the traditional ERP packages like Jeeves or Visma running on an own IT infrastructure. Instead, they were recommended by Advince to take the step to cloud-based ERP by signing the vendor NetSuite and their entirely web-based ERP package. The firm is one of the largest so far to take this step.

“Not only do we get low lifecycle cost, we also need not to worry about the ERP operations or infrastructure. Working in the ERP system will be like securely surf to any website” says the CEO. “One day all ERP installations will be like ours”, he thinks.

Martin Grysell, Advince project manager: “What we see is the next wave of ERP transition. First came comparatively cheap packages like Navision, AX and Visma, based on Microsoft client/server technology and ate the lunch for SAP, Movex, IBS and the likes. Now they will taste their own dog-food and be attacked from below themselves. If a firm of this size goes cloud 2013, Fortune 500 will soon follow. There are so many advantages besides low cost”, concludes Martin Grysell.

IT Due Diligence – an Advince expert area

When looking at potential companies to invest in, the legal, commercial and financial areas are thoroughly covered by the Due Diligence process, often utilizing expert teams from law & audit firms. But surprisingly often, the IT situation is not scrutinized very closely – sometimes not at all. Here Advince can make a difference!

Advince has participated in many IT Due Diligence projects. Considering that time is critical, the important thing is to spend time wisely and look “deeply enough”. Tasks include to find out any hidden bombs e g ERP projects gone berserk, old and bespoke systems depending on individuals and/or insufficient solutions for management reporting.

Each IT DD is unique, but the common denominator is to position the company along a line between two extremes:

- “Don’t worry, be happy”. IT works just fine, supports the business well, costs are under control, no major investments are currently necessary.
- IT will require large investments and needs lots of management attention due to some combination of the following: old technology, misfit business processes – IT applications, data residing in different silos, high costs, bad IT governance, and problem-stricken projects.

“Even if the IT situation does not constitute a ShowStopper, we always want to know how much investments and attention will be needed to get IT in shape”, says Hans Karlander, co-founder of Karnell Kapital, who have used Advince both for Due Diligence and when developing their portfolio companies.

Advince in Media

As this newsletter has a Business Intelligence theme, please find below some press clipping with BI theme:

- Advince holds a BI seminar in Bangkok in association with Sweden-Thai Chamber of Commerce: <http://tinyurl.com/cchnq76>

Interviews / stories with Advince BI experts on BI issues: (In Swedish)

- On why data quality is a key factor to successful BI, and why Excel sometimes is called Spread Shit: <http://tinyurl.com/bmyqprn>
- On why many firms wrongly start looking at expensive BI technology when they in fact usually don't need to buy any at all: <http://tinyurl.com/dyawxey>

Ice Hockey Events

On Jan 29th, the VIP section of Scaniarinken, Södertälje was occupied by Advince and 3 Step IT, a firm some Advince clients rely on for financing IT projects and infrastructure. The game was SSK–Djurgårdens IF, two teams with long traditions, and ended with SSK defeating Djurgården 4–3 after a penalty shot out. Prior to this game, staff and clients from both 3 Step IT and Advince played an ice hockey game themselves, revealing certain needs for going to the gym somewhat more often, loose a few kilos, or indeed both ☺

Pictures from the event: <http://tinyurl.com/dx9ogk5>

More information on 3 Step IT: <http://www.3stepit.com>

Athletic Achievements, Musical Notes and Sundries

Martin Grysell finished 210 out of 450 participants in the *Stockholm Ski Marathon* on Jan 27th. Martin has also secured a place in next year's classic *Vasa ski race*, not bad considering that the 15.800 places flew of the web in less than 10 minutes ...

Ice hockey team Viggbyholms IK Veterans, where Filip Ekstrand plays Right Defense, has played its first road game on March 18th, defeating Österåker Jurassic with 6-4. See the team on: <http://tinyurl.com/cecobka> (Filip Ekstrand is in the back row, 5th from right).

For Nils Bergel the past year included scriptwriting and arrangements for the 50th anniversary annual surprise concert production "Caprice" with the male choir *Orphei Drängar*. The show was broadcasted by SVT. He also followed out his tenth cross-country race *Lidingöloppet*, 30 km.

Carlolof Borgudd with crew in [S/Y Advince, a Dufour GL 385](#), participated in the largest flotilla sailing event in Europe with only boats from Dufour Yachts. The flotilla was held on September 15th 2012 in the Stockholm archipelago. The launch took place at Nacka Strand, Stockholm City and ended in the Swedish sailing metropolis Sandhamn around 30 Nm from the start. Great weather, maybe a little light wind but a wonderful day with the spinnakers/ gennakers set on many of the boats.

Filip Ekstrand participated in the Stockholm Poulenc Ensemble (www.poulenc.se) Christmas concert, for the 6th time. Traditionally, all funds raised went to the charity Stadsmissionen, helping Stockholm's homeless to share the joy of Christmas.

On March 5th, Martin Grysell and his wife Christine gave birth to a daughter weighing 3848 g and 50 cm tall at Huddinge hospital.