CONTENTS

Preface 15

Chapter 1 Introduction to Business Intelligence 23
   Opening Vignette: Norfolk Southern Uses Business Intelligence for Decision Support to Reach Success 24
   1.1 Changing Business Environments and Computerized Decision Support 26
       The Business Pressures–Responses–Support Model 26
   1.2 A Framework for Business Intelligence (BI) 28
       Definitions of BI 28
       A Brief History of BI 29
       The Architecture of BI 30
       Styles of BI 32
       The Benefits of BI 32
       Event-Driven Alerts 35
   1.3 Intelligence Creation and Use and BI Governance 36
       A Cyclical Process of Intelligence Creation and Use 36
       Intelligence and Espionage 37
   1.4 Transaction Processing versus Analytic Processing 37
   1.5 Successful BI Implementation 38
       The Typical BI User Community 38
       Appropriate Planning and Alignment with the Business Strategy 39
       Real-Time, On-Demand BI Is Attainable 40
       Developing or Acquiring BI Systems 40
       Justification and Cost–Benefit Analysis 40
       Security and Protection of Privacy 41
       Integration of Systems and Applications 41
   1.6 Major Tools and Techniques of Business Intelligence 41
       The Tools and Techniques 41
       Selected BI Vendors 41
   1.7 Plan of the Book 42
   1.8 Resources, Links, and the Teradata University Network Connection 43
       Resources and Links 43
       Cases 43
       Vendors, Products, and Demos 44
       Periodicals 44
       The Teradata University Network Connection 44
       The Book's Web Site 44
Chapter 2 Data Warehousing 49

Opening Vignette: DirecTV Thrives with Active Data Warehousing 50

2.1 Data Warehousing Definitions and Concepts 52
   What Is a Data Warehouse? 52
   Characteristics of Data Warehousing 52
   Data Marts 53
   Operational Data Stores (ODS) 53
   Enterprise Data Warehouses (EDWs) 54
   Metadata 55

2.2 Data Warehousing Process Overview 56

2.3 Data Warehousing Architectures 58
   Alternative Data Warehousing Architectures 61
   Which Architecture Is the Best? 63

2.4 Data Integration and the Extraction, Transformation, and Load (ETL) Processes 65
   Data Integration 65
   Extraction, Transformation, and Load (ETL) 67

2.5 Data Warehouse Development 69
   Data Warehouse Vendors 72
   Data Warehouse Development Approaches 72
   Additional Data Warehouse Development Considerations 74
   Representation of Data in Data Warehouse 75
   Analysis of Data in Data Warehouse 76
   OLAP versus OLTP 77
   OLAP Operations 77

2.6 Data Warehousing Implementation Issues 80
   Massive Data Warehouses and Scalability 84

2.7 Real-Time Data Warehousing 85

2.8 Data Warehouse Administration, Security Issues, and Future Trends 90
   The Future of Data Warehousing 91

2.9 Resources, Links, and the Teradata University Network Connection 93
   Resources and Links 93
   Cases 93
   Vendors, Products, and Demos 93
Chapter 3 Business Performance Management 101

Opening Vignette: Double Down at Harrah’s 102

3.1 Business Performance Management (BPM)
  Overview 105
  BPM Defined 105
  BPM and BI Compared 105

3.2 Strategize: Where Do We Want to Go? 107
  Strategic Planning 107
  The Strategy Gap 108

3.3 Plan: How Do We Get There? 109
  Operational Planning 109
  Financial Planning and Budgeting 110

3.4 Monitor: How Are We Doing? 111
  Diagnostic Control Systems 111
  Pitfalls of Variance Analysis 112

3.5 Act and Adjust: What Do We Need to Do Differently? 115

3.6 Performance Measurement 117
  KPIs and Operational Metrics 117
  Problems with Existing Performance Measurement Systems 118
  Effective Performance Measurement 120

3.7 BPM Methodologies 123
  Balanced Scorecard (BSC) 123
  Six Sigma 126

3.8 BPM Technologies and Applications 132
  BPM Architecture 132
  Commercial BPM Suites 134
  BPM Market versus the BI Platform Market 135

3.9 Performance Dashboards and Scorecards 137
  Dashboards versus Scorecards 137
  Dashboard Design 138
  What to Look for in a Dashboard 139
  Data Visualization 139
  Chapter Highlights 142
  Key Terms 143
<table>
<thead>
<tr>
<th>Chapter 5</th>
<th>Text Mining Process</th>
<th>226</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Task 1: Establish the Corpus</td>
<td>227</td>
</tr>
<tr>
<td></td>
<td>Task 2: Create the Term–Document Matrix</td>
<td>228</td>
</tr>
<tr>
<td></td>
<td>Task 3: Extract the Knowledge</td>
<td>230</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter 5</th>
<th>Text Mining Tools</th>
<th>235</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Commercial Software Tools</td>
<td>235</td>
</tr>
<tr>
<td></td>
<td>Free Software Tools</td>
<td>236</td>
</tr>
</tbody>
</table>

| Chapter 5 | Web Mining Overview | 236 |

| Chapter 5 | Web Content Mining and Web Structure Mining | 238 |

| Chapter 5 | Web Usage Mining | 250 |

| Chapter 5 | Web Mining Success Stories | 242 |

| Chapter 6 | Business Intelligence Implementation: Integration and Emerging Trends | 251 |

| Chapter 6 | Opening Vignette: BI Eastern Mountain Sports Increases Collaboration and Productivity | 252 |

<table>
<thead>
<tr>
<th>Chapter 6</th>
<th>Implementing BI: An Overview</th>
<th>255</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BI Implementations Factors</td>
<td>255</td>
</tr>
<tr>
<td></td>
<td>Managerial Issues Related to BI Implementation</td>
<td>256</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter 6</th>
<th>BI and Integration Implementation</th>
<th>258</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Types of Integration</td>
<td>258</td>
</tr>
<tr>
<td></td>
<td>Why Integrate?</td>
<td>258</td>
</tr>
<tr>
<td></td>
<td>Levels of BI Integration</td>
<td>259</td>
</tr>
<tr>
<td></td>
<td>Embedded Intelligent Systems</td>
<td>259</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter 6</th>
<th>Connecting BI Systems to Databases and Other Enterprise Systems</th>
<th>260</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Connecting to Databases</td>
<td>260</td>
</tr>
<tr>
<td></td>
<td>Integrating BI Applications and Back-End Systems</td>
<td>260</td>
</tr>
<tr>
<td></td>
<td>Middleware</td>
<td>261</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter 6</th>
<th>On-Demand BI</th>
<th>262</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Limitations of Traditional BI</td>
<td>263</td>
</tr>
<tr>
<td></td>
<td>The On-demand Alternative</td>
<td>263</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter 6</th>
<th>Issues of Legality, Privacy, and Ethics</th>
<th>265</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Legal Issues</td>
<td>265</td>
</tr>
<tr>
<td></td>
<td>Privacy</td>
<td>265</td>
</tr>
<tr>
<td></td>
<td>Ethics in Decision Making and Support</td>
<td>267</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter 6</th>
<th>Emerging Topics in BI: An Overview</th>
<th>268</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Future of Business Intelligence</td>
<td>268</td>
</tr>
</tbody>
</table>