

BI & DASHBOARDS

Prof. Carlos J. Costa, PhD

Associate Professor of Information Systems and Operation Managment

What Are the Different Types of Decisions, and How Does the Decision Making Process Work? (1 of 2)

- Business value of improved decision making
 - Improving hundreds of thousands of "small" decisions adds up to large annual value for the business
- Types of decisions
 - Unstructured: Decision maker must provide judgment, evaluation, and insight to solve problem
 - Structured: Repetitive and routine; involve definite procedure for handling so they do not have to be treated each time as new
 - Semistructured: Only part of problem has clear-cut answer provided by accepted procedure

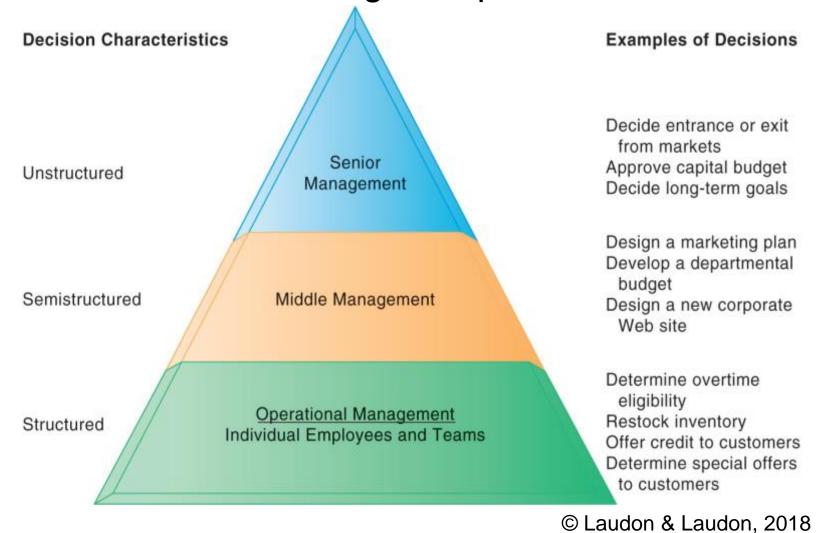


What Are the Different Types of decisions, and How Does the Decision Making Process Work? (2 of 2)

- Senior managers
 - Make many unstructured decisions
- Middle managers
 - Make more structured decisions but these may include unstructured components
- Operational managers and rank and file employees
 - Make more structured decisions



Figure 12.1: Information Requirements of Key Decision-Making Groups in a Firm

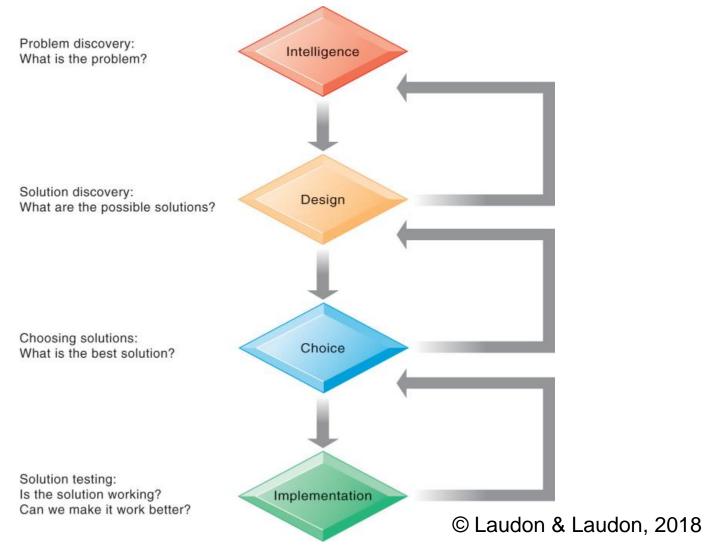


The Decision Making Process

- Intelligence
 - Discovering, identifying, and understanding the problems occurring in the organization
- Design
 - Identifying and exploring solutions to the problem
- Choice
 - Choosing among solution alternatives
- Implementation
 - Making chosen alternative work and continuing to monitor how well solution is working



Figure 12.2: Stages In Decision Making





Managerial Roles

- Information systems can only assist in some of the roles played by managers
- Classical model of management: five functions
 - Planning, organizing, coordinating, deciding, and controlling
- More contemporary behavioral models
 - Actual behavior of managers appears to be less systematic, more informal, less reflective, more reactive, and less well organized than in classical model



Mintzberg's 10 Managerial Roles

- Interpersonal roles
 - Figurehead
 - Leader
 - Liaison
- Informational roles
 - Nerve center
 - Disseminator
 - Spokesperson
- Decisional roles
 - Entrepreneur
 - Disturbance handler
 - Resource allocator
 - Negotiator



Real-World Decision Making

- Three main reasons why investments in IT do not always produce positive results
 - Information quality
 - High-quality decisions require high-quality information
 - Management filters
 - Managers have selective attention and have variety of biases that reject information that does not conform to prior conceptions
 - Organizational inertia and politics
 - Strong forces within organizations resist making decisions calling for major change



High-Velocity Automated Decision Making

- Made possible through computer algorithms precisely defining steps for a highly structured decision
 - Humans taken out of decision
- For example: High-speed computer trading programs
 - Trades executed in 30 milliseconds
- Require safeguards to ensure proper operation and regulation

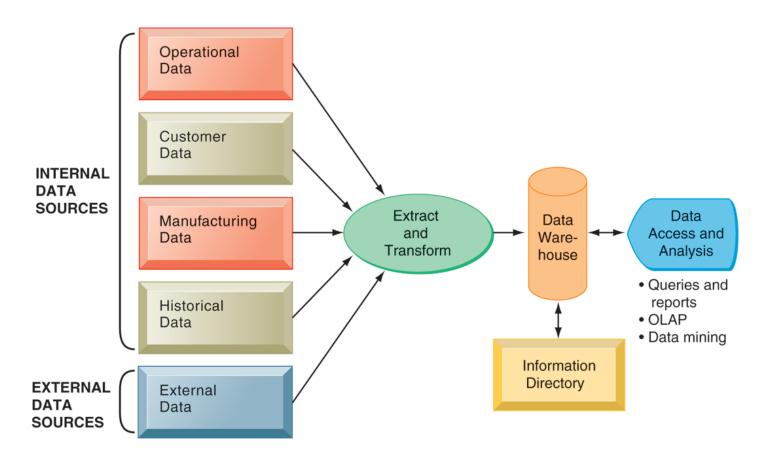


What Is Business Intelligence?

- Business intelligence
 - Infrastructure for collecting, storing, analyzing data produced by business
 - Databases, data warehouses, data marts
- Business analytics
 - Tools and techniques for analyzing data
 - OLAP, statistics, models, data mining
- Business intelligence vendors
 - Create business intelligence and analytics purchased by firms



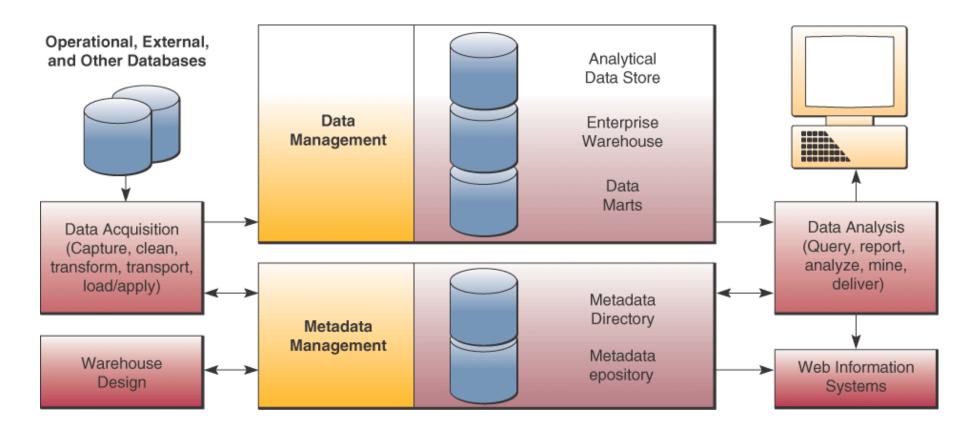
Data Warehouse Components



O'Brien e Marakas, 2011



Data Warehouse Components

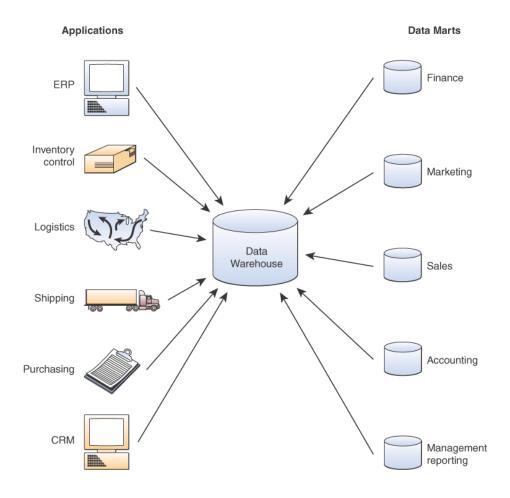


O'Brien e Marakas, 2011



13

Applications and Data Marts



O'Brien e Marakas, 2011



The Business Intelligence Environment

- Six elements in the business intelligence environment
 - Data from the business environment
 - Business intelligence infrastructure
 - Business analytics toolset
 - Managerial users and methods
 - Delivery platform—MIS, DSS, ESS
 - User interface
 - Data visualization tools



Figure 12.3: Business Intelligence and Analytics for Decision Support

Business Intelligence

Infrastructure Data from **Business Analytics** Business Databases Toolset Environment Data Warehouses Data Marts Managerial Users and Models Analytic platforms Call centers Methods Data mining Web data OLAP Reporting and query tools Mobile devices Business strategy Big Data analytics Social media data Performance management Balanced score card Stores Forecasts Suppliers User Interface Platform Governmental and Reports economic data Dashboards MIS Scorecards Desktop < DSS Mobile ESS Web portal Social media © Laudon & Laudon, 2018



Business Intelligence and Analytics Capabilities

- Goal is to deliver accurate real-time information to decision makers
- Main analytic functionalities of BI systems
 - Production reports
 - Parameterized reports
 - Dashboards/scorecards
 - Ad hoc query/search/report creation
 - Drill down
 - Forecasts, scenarios, models



Using Databases to improve Decision

- Online analytical processing (OLAP)
- Multidimenstional Model

- Data Mining
- Big Data

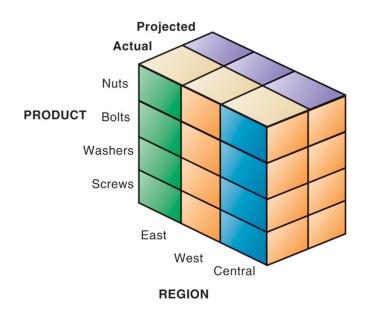




Table 12.4: Examples of Business Intelligence Predefined Production Reports

BUSINESS FUNCTIONAL AREA	PRODUCTION REPORTS
Sales	Forecast sales; sales team performance; cross-selling; sales cycle times
Service/call center	Customer satisfaction; service cost; resolution rates; churn rates
Marketing	Campaign effectiveness; loyalty and attrition; market basket analysis
Procurement and support	Direct and indirect spending; off-contract purchases; supplier performance
Supply chain	Backlog; fulfillment status; order cycle time; bill of materials analysis
Financials	General ledger; accounts receivable and payable; cash flow; profitability
Human resources	Employee productivity; compensation; workforce demographics; retention © Laudon & Laudon, 2018



Predictive Analytics

- Uses variety of data, techniques to predict future trends and behavior patterns
 - Statistical analysis
 - Data mining
 - Historical data
 - Assumptions
- Incorporated into numerous BI applications for sales, marketing, finance, fraud detection, health care
 - Credit scoring
 - Predicting responses to direct marketing campaigns



20

Big Data Analytics

- Big data: Massive datasets collected from social media, online and in-store customer data, and so on
- Help create real-time, personalized shopping experiences for major online retailers
- Smart cities
 - Public records
 - Sensors, location data from smartphones
 - Ability to evaluate effect of one service change on system



Operational Intelligence and Analytics

- Operational intelligence: Business activity monitoring
- Collection and use of data generated by sensors
- Internet of Things
 - Creating huge streams of data from web activities, sensors, and other monitoring devices
- Software for operational intelligence and analytics enable companies to analyze their big data



Location Analytics and Geographic Information Systems

- Location analytics
 - Ability to gain business insight from the location (geographic) component of data
 - Mobile phones
 - Sensors, scanning devices
 - Map data
- Geographic information systems (GIS)
 - Ties location-related data to maps
 - Example: For helping local governments calculate response times to disasters

© Laudon & Laudon, 2018

23



Interactive Session: Management: Data Drive Starbucks Location Decisions

- Class discussion
 - How important is location data to Starbucks's business strategy? Explain your answer.
 - How do location analytics help Starbucks managers make better decisions? Give examples of two decisions that the Atlas system helps support.
 - Compare Starbucks decisions about store location in 2007–2008 and 2012. What made the later decisions more successful? What management, organization, and technology factors were involved?
 - What is the value to Starbucks of a good decision about where to open a Starbucks store? Explain your answer.



Management Strategies for Developing BI and BA CapabilitieS

- One-stop integrated solution
 - Hardware firms sell software that run optimally on their hardware
 - Makes firm dependent on single vendor
- Multiple best-of-breed solution
 - Greater flexibility and independence
 - Potential difficulties in integration
 - Must deal with multiple vendors
- All Bl and BA systems bring high switching costs



Figure 12.4: Business Intelligence Users

Power Users: Producers (20% of employees)

IT developers

Super users

Business analysts

Analytical modelers

Capabilities

Production Reports

Parameterized Reports

Dashboards/Scorecards

Ad hoc queries; Drill down Search/OLAP

Forecasts; What if Analysis; statistical models Casual Users: Consumers (80% of employees)

Customers/Suppliers
Operational employees

Senior managers

Managers/Staff

Business analysts



Support for Semistructured Decisions

- Decision-support systems
 - Support for semistructured decisions
- Use mathematical or analytical models
- Allow varied types of analysis
 - "What-if" analysis
 - Sensitivity analysis
 - Backward sensitivity analysis
 - Multidimensional analysis / OLAP
 - For example: pivot tables

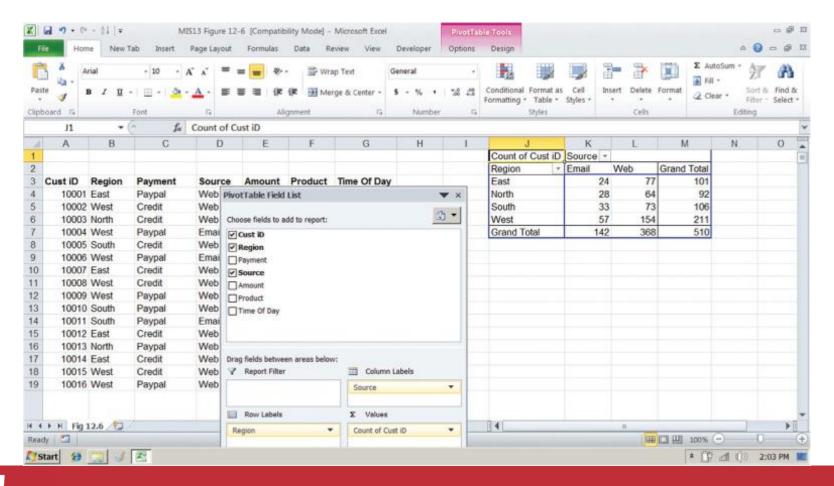


Figure 12.5: Sensitivity Analysis

Total fixed costs	19000					
Variable cost per unit	3					
Average sales price	17					
Contribution margin	14					
Break-even point	1357					
	Variable Cost per Unit					
Sales	1357	2	3	4	5	6
Price	14	1583	1727	1900	2111	2375
	15	1462	1583	1727	1900	2111
	16	1357	1462	1583	1727	1900
	17	1267	1357	1462	1583	1727
	18	1188	1267	1357	1462	1583



Figure 12.6: A Pivot Table That Examines Customer Regional Distribution and Advertising Source





Decision Support for Senior Management (1 of 2)

- ESS: decision support for senior management
 - Help executives focus on important performance information
- Balanced scorecard method
 - Measures outcomes on four dimensions
 - Financial
 - Business process
 - Customer
 - Learning and growth
 - Key performance indicators (KPIs) measure each dimension

© Laudon & Laudon, 2018



30

Figure 12.7: The Balanced Scorecard Framework





Decision Support for Senior Management (2 of 2)

- Business performance management (BPM)
 - Translates firm's strategies (e.g., differentiation, low-cost producer, scope of operation) into operational targets
 - KPIs developed to measure progress toward targets
- Data for ESS
 - Internal data from enterprise applications
 - External data such as financial market databases
 - Drill-down capabilities



Group Decision-Support Systems (GDSS)

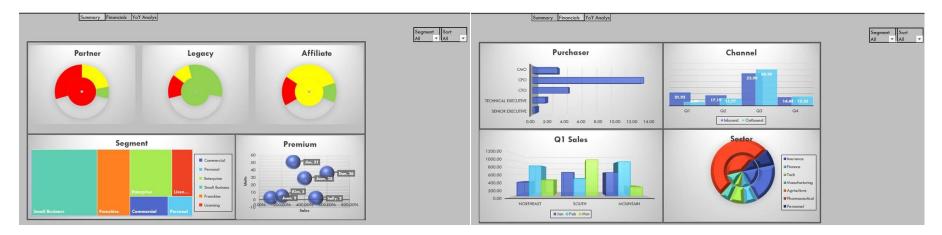
- Interactive system to facilitate solution of unstructured problems by group
- Specialized tools
 - Virtual collaboration rooms
 - Software to collect, rank, edit participant ideas and responses
- Promotes collaborative atmosphere, anonymity
- Cisco's Collaboration Meeting Rooms Hybrid (CMR)
- Skype for Business



Telling a Story using data



Some reports have problems

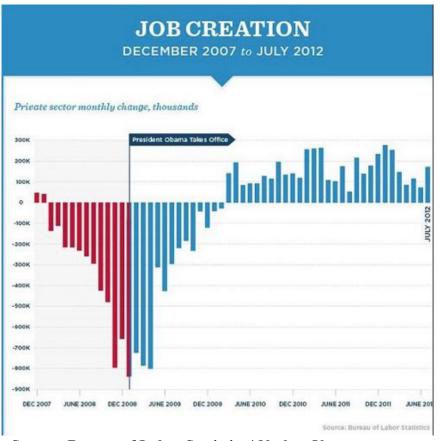


- No story
- Weak visual quality
- Shadows and 3D some times are noise
- Colour schema
- Character fonts
- Not the more adequate graphs



What is telling a story with data?





For a visual to work, they need to tell the story the author intended.

Source: Bureau of Labor Statistics | Nathan Yau



What is telling a story with data?



Are there other ways to tell a great story through data?



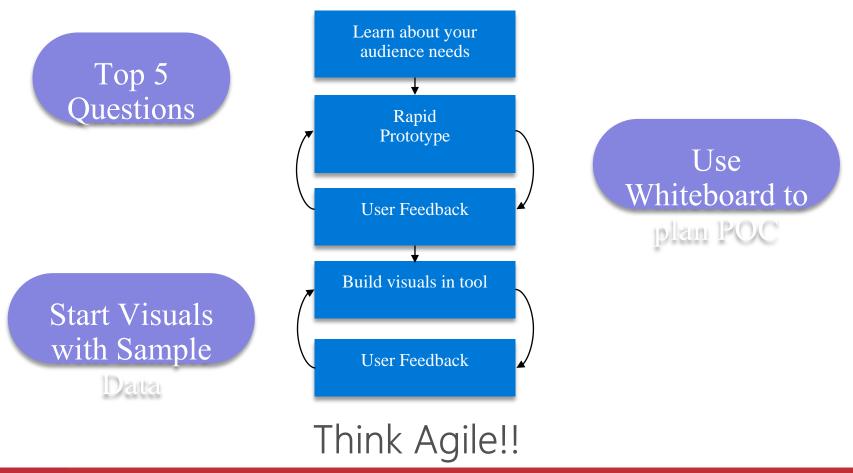
Source: The Gap minder foundation, BBC, Youtube.com

Image Source: http://img.youtube.com/vi/jbkSRLYSojo/0.jpg



What is behind Data visualization?



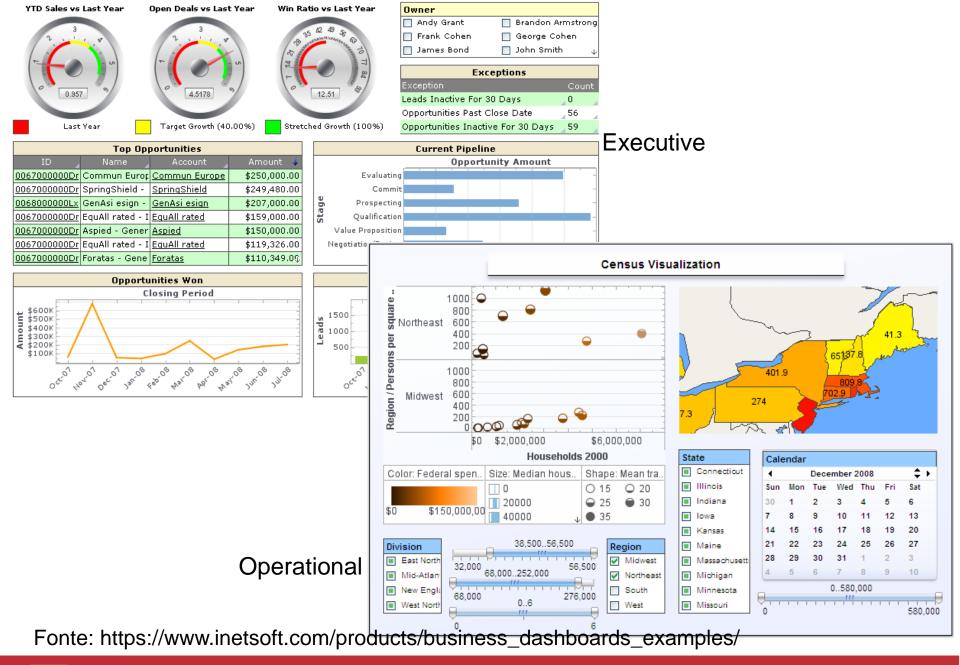




What is a Dashboard?

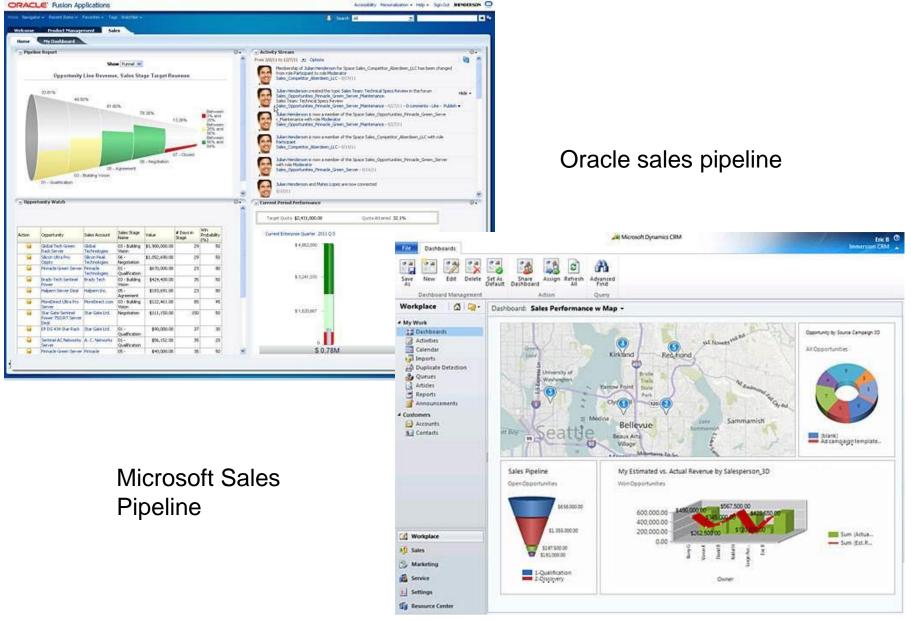
- Visual representation of the most relevant information needed to achieve one or more business objectives;
- Information presented in a consolidated and organized form on a single screen in order to be more easily monitored

Few, 2006





39



Fonte: http://searchcrm.techtarget.com/photostory/2240113011/CRM-user-interfaces-Sales-dashboard-examples/2/Microsofts-sales-dashboard

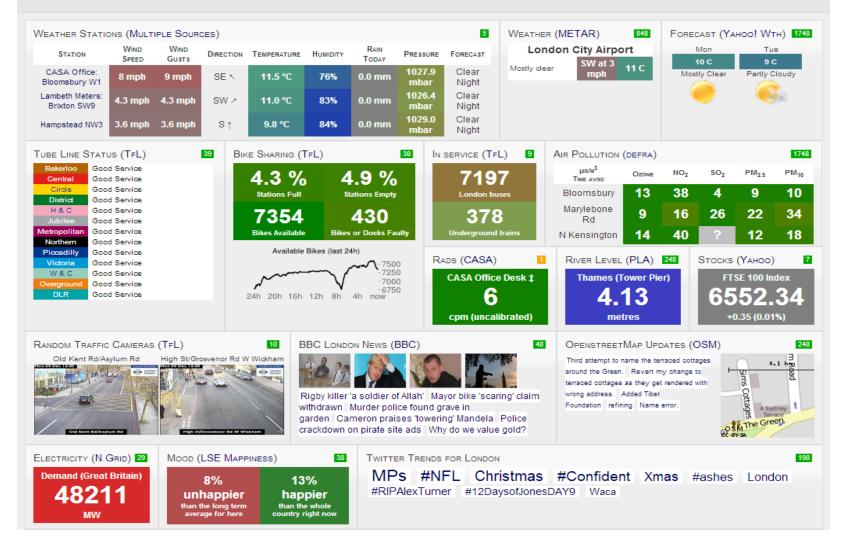


40

London 51.51 N, 0.13 W

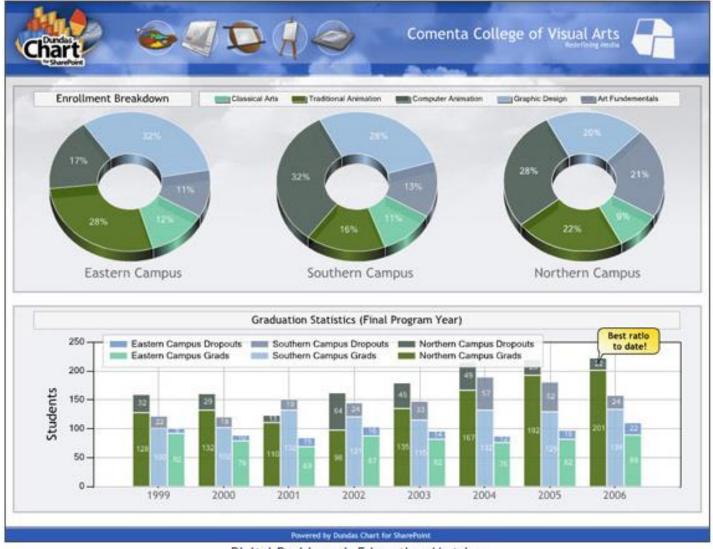
Mon 9 Dec @ 16:02:42

Go to Map - Go to Grid - Change City



https://www.matillion.com/insights/dashboard-examples-the-good-the-bad-and-the-ugly/

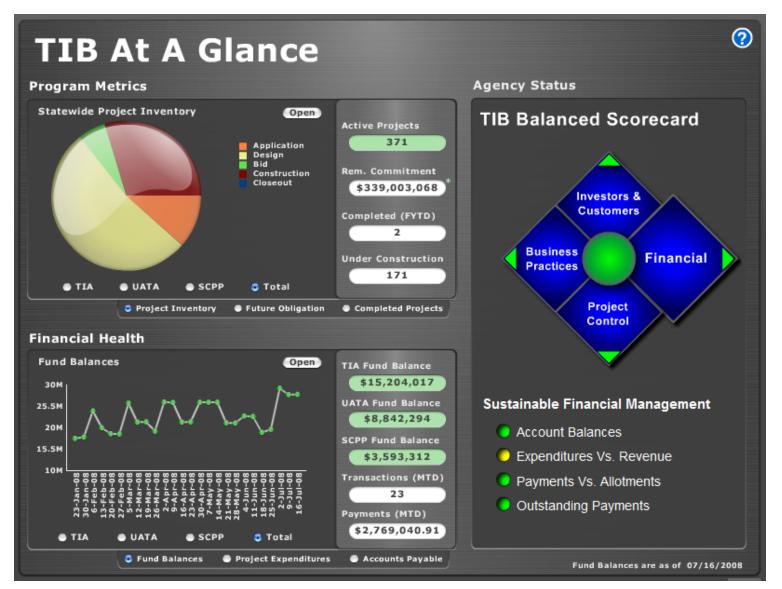




Digital Dashboard, Education Metrics

https://www.matillion.com/insights/dashboard-examples-the-good-the-bad-and-the-ugly/





https://www.matillion.com/insights/dashboard-examples-the-good-the-bad-and-the-ugly/



43

Common Pitfalls in Dashboard Design

- Pitfall #1: Exceeding the Boundaries of a Single Screen
- Pitfall #2: Supplying Inadequate Context for the Data
- Pitfall #3: Displaying Excessive Detail or Precision
- Pitfall #4: Expressing Measures Indirectly
- Pitfall #5: Choosing Inappropriate Media of Display
- 8Pitfall #6: Introducing Meaningless Variety
- Pitfall #7: Using Poorly Designed Display Media
- Pitfall #8: Encoding Quantitative Data Inaccurately
- Pitfall #9: Arranging the Data Poorly
- Pitfall #10: Ineffectively Highlighting What's Important
- Pitfall #11: Cluttering the Screen with Useless Decoration
- Pitfall #12: Misusing or Overusing Color
- Pitfall #13: Designing an Unappealing Visual Display

https://www.perceptualedge.com/articles/Whitepapers/Common_Pitfalls.pdf



Vision dominates the sensory context

- "Why should we be interested in visualization? Because the human visual system is a pattern seeker of enormous power and subtlety. (...) We can easily see patterns presented in certain ways, but if they are presented in other ways, they become invisible...The more general point is that when data is presented in certain ways, the patterns can be readily perceived. If we can understand how perception works, our knowledge can be translated into rules for displaying information. Following perception-based rules, we can present our data in such a way that the important and informative patterns stand out. If we disobey the rules, our data will be incomprehensible or misleading."
- Colin Ware, Information Visualization: Perception for Design, Second Edition (San Francisco: Morgan Kauffman, 2004), xxi

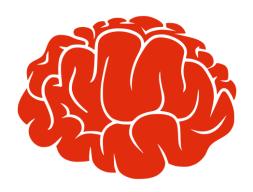


Science behind data Visualization



Our Brains – that big red thing in the middle.

We have learned to be very visual beings. We have three levels of memory to make things actual.



Iconic memory

Short Term memory

Long Term memory

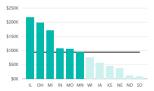


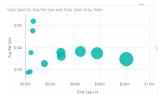
Science behind data Visualization



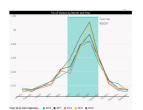
Pre-cognitive attributes

Very precise quantitative perception: 2D length and positioning

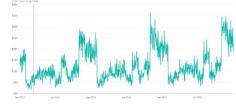




Not very precise quantitative perception: width, size, intensity, blur



Sales was up 20% YoY



Non-Quantitative Perception = Orientation, Form, Enclosure, Added Brands

Region	Total Sales M	Sales YoY
South	\$1,566,447	10.66%
MidWest	\$992,456	5.42%
NorthEast	\$931,919	11.98%
Pacific	\$758,435	13.94%
Mountain	\$283,976	27.43%
	\$133	▼ -85.34%



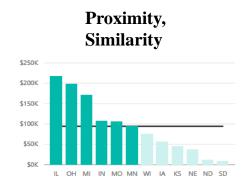
Based upon Stephen Few "Information Dashboard Design"



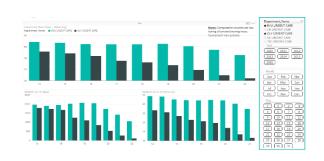
Science behind data Visualization



Gestalt Principles

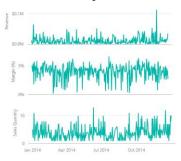


Enclosure, Symmetry



Based upon Gestalt's Principles

Continuity



Continuity and Symmetry



Figure and Ground





Visual Perception

- Organization of Visual perception
 - Color
 - Shape
 - Spacial positioning

Carlos J. Costa (ISEG)

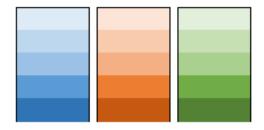
Moviment

Few, 2006



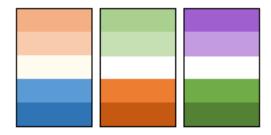


Types of Colors



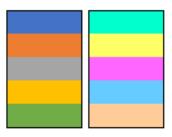
Sequencial

There is a scale



Divergent

There are two divergente spaces



Qualitative

There is no loginal organization/or der

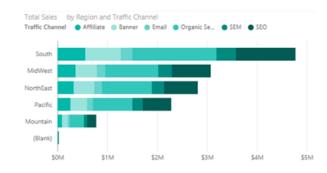


Important:

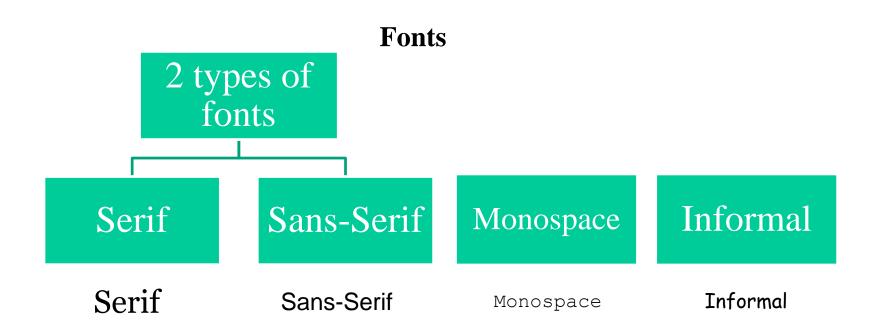
- Do not have more than 3-5 colors in a single look (think short term memory)
- The eye can not differentiate more than 5 colors from the same hue
- Try to have a semantic meaning for the colors used (Red = Bad, Green = Good)











- Sans-Serif better for Digital Media in professional context
- Ex. Segoe, Calibri, Trebuchet





You can change the font weight using three techniques

• Change the size:

Hi Power BI

- Segoe UI Light 28

Hi Power BI

- Segoe UI Light 24

• Choice of different fonts with greater weight of the same family

Hi Power BI

- Segoe UI (Body) 24

Hi Power BI

- Segoe UI Light 24

Use bold

Hi Power BI

- Segoe UI Light 24 (Bolded)

Hi Power BI

- Segoe UI Light 24 (Non-Bolded)



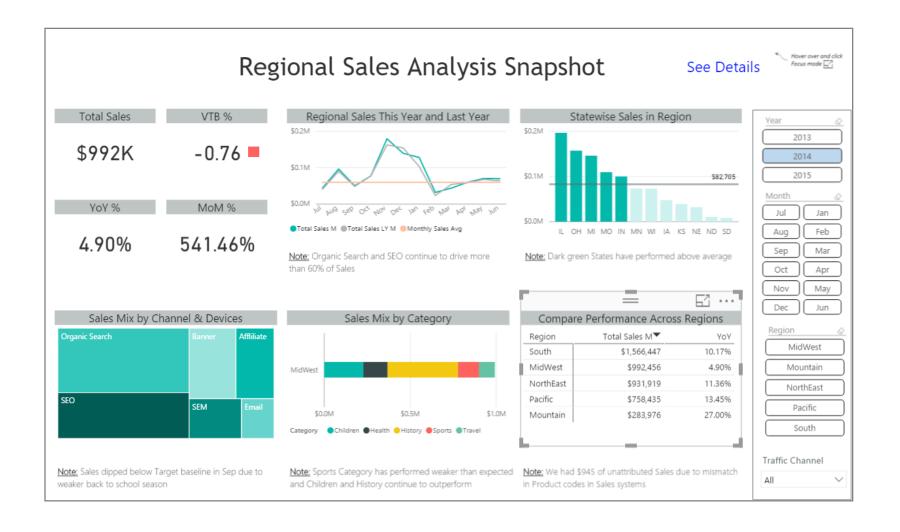
Recommendations regarding the use of fonts:

- Choose at most 2-3 font types / sizes on a report page / control panel
- Choose a lighter weight source Ex. "Segoe UI Light" for
 - Axis
 - Important Data Tags
 - Text box
 - Non-titles
- Use a larger weight font from the same family for titles instead of (bold) Ex. Segoe UI Bold



Characters and fonts





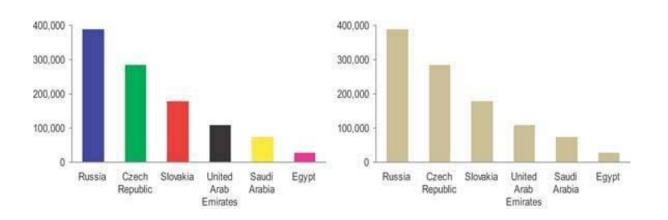


Main Challanges

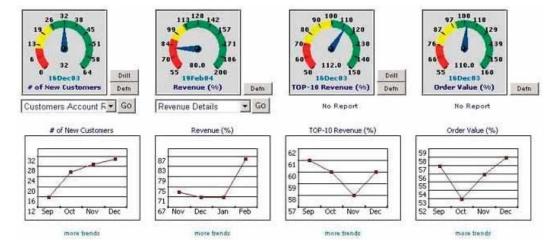
- Main challenges:
 - Placing a large volume of useful and often unrelated information in a limited space
 - Be clear
 - Choosing the right information
- Well-designed dashboards deliver information that:
 - It is exceptionally well organized
 - It is condensed, mainly in summaries and exceptions
 - It is specific and customized to audience needs and goals
 - Presented through concise means that communicate data and message clearly and directly

Few, 2006





Colours have no meaning.



Borders are useless

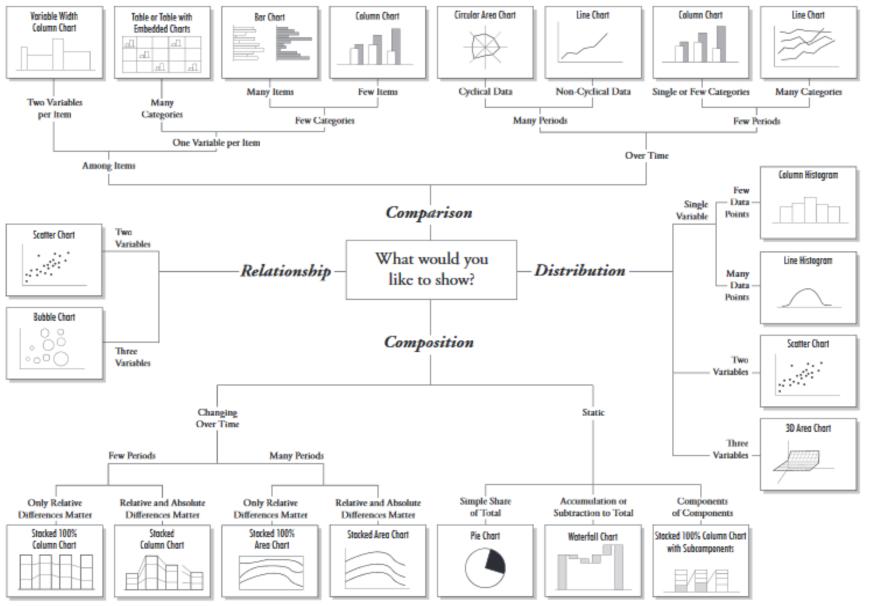


Choosing the better graphics

 http://extremepresentation.typepad.com/ blog/2006/09/choosing_a_good.html



Chart Suggestions—A Thought-Starter



Business Questions

- 1. Quais são minhas vendas totais para um ano e uma região selecionados?
- 2. Quais são as minhas vendas totais por ano?



- 3. Qual é o lucro bruto por cidade do meu país?
- 4. Como estão as minhas vendas por Canal, Dispositivo, Categoria para o Ano selecionado?
- 5. Como minhas vendas totais e crescimento anual para a região estão em comparação com outras regiões?
- 6. Quais são minhas vendas totais para o ano selecionado, mês por categorias?
- 7. Como é minha tendência de 1 mês por venda média para minhas categorias? Qual é a média mínima e máxima por venda?
- 1. What are my total sales for a selected year and region?
- 2. What are my total sales per year?
- 3. What is the gross profit per city of my country?
- 4. How are my sales by Channel, Device, Category for the selected Year?
- 5. How do my total sales and annual growth for the region compare to other regions?
- 6. What are my total sales for the selected year, month by categories?
- 7. How is my trend of 1 month per average sale for my categories? What is the minimum and maximum average per sale?



61

References

- Few, Stephen (2006) "Information Dashboard Design", O'Reilly, Italy, ISBN: 0-596-10016-7
- Parmenter, David (2010) "Key Performance Indicators, Developing, Implementing, and Using Winning KPIs", Second Edition, John Wiley & Sons, Inc. New Jersey, ISBN: 978-0-470-54515-7
- Microsoft, Power BI Advanced Visualization and Storytelling Slides
- Laudon, Kenneth e Laudon, Jane (2012). Management Information Systems Managing the Digital Firm, 12^a ed., Pearson, Harlow.
- Laudon, Kenneth e Laudon, Jane (2018). Management Information Systems – Managing the Digital Firm, 15^a ed., Pearson, Harlow. (Original slides were used in this presentation)

