

Business Intelligence: Turning Knowledge into Power



By Krista Endsley

All types of organizations, including schools, are facing funding uncertainties. Staff members are under mounting pressure to do more with fewer resources while providing more transparency and greater accountability to board members and stakeholders.

Departments have systems in place to help meet these challenges. Staff members enter, manage, analyze, and report on data to ensure the organization runs efficiently. But it can be difficult to quickly pull together snapshots of progress to make midyear, midsemester, or midquarter modifications.

Today, many school districts are turning to business intelligence tools to retrieve, organize, and share knowledge for faster analysis and more effective, guided decision making.

Understanding Business Intelligence

Business intelligence (BI) tools are the technologies and applications that gather and report information to help an organization's leaders make better decisions. BI tools allow school leaders to drill down, up, across, and into specific trends; monitor budgets and stay abreast of spending trends; conduct up-to-the-minute analyses; use fast-access critical decision tools; and gain insight into organizational performance.

One example of a BI tool is a dashboard, which converts complex data into easy-to-understand graphic representations. Business dashboards are similar to automobile dashboards in that they provide a real-time snapshot of how the organization is running.

"Schools, like governments, are budget-conscious," says Michael Golub, CPA, the president and founder of

Riverside, California–based NP Solutions Inc., a non-profit consulting firm. “It’s imperative that schools know exactly where they stand regarding budget.”

As school business managers know, demonstrating both stewardship and value to stakeholders is critical.

In addition to providing a quick view of where schools and districts stand at any moment and alerting management to potential problems, Golub adds, BI tools can help with cash flow and trend analysis. “With the ever-shifting budget landscape, being able to move quickly with the changing economic picture is one of the most important items for school administrators to pay attention to.”

Strengthening Stewardship

As school business managers know, demonstrating both stewardship and value to stakeholders is critical. Here are a few ways that BI can strengthen stewardship and organizational performance.

Track key performance indicators. With dashboards, school leaders have access to data that can help them make timely tactical and strategic decisions. Access to up-to-the-minute information about actual expenses vis-à-vis budgets means administrators need not wait for end-of-month reports to see where finances stand.

BI tools also allow school administrators to interact with key performance indicator data in real time. Slicing, dicing, and drilling up, down, and across information segments to fully analyze financial trends can help uncover potential opportunities and pitfalls.

Improve communications and information sharing. Because BI tools provide access to timely data, school administrators and board members get a complete view of operations. Even better, they can share information through graphs and charts, which simplifies reporting and analysis.

Staff members and stakeholders don’t need to be financial experts, or even involved in day-to-day finance activities, to see how the organization is performing. BI tools allow everyone to be fully engaged.

Breed agility with visibility. Information truly is power. Administrators can make more informed decisions about everything from academic programs to staffing and fund raising when they have quick, easy access to information.

Identify wasted resources and hidden costs. Administrators can use BI tools to quickly identify the

hidden costs of organizational programs and to get a clear understanding of where funds are coming from, and where and when they’re being spent. Based on that information, school business officials can allocate resources to strengthen core programs or eliminate activities that no longer benefit students.

Demonstrate transparency. With the legislative changes and increased government oversight set forth in the recent economic stimulus package, ensuring compliance with stringent fiscal accountability regulations poses a new set of challenges for districts in line to receive a share of those earmarked funds.

Districts that receive American Recovery and Reinvestment Act funding can expect specific reporting and accountability requirements to ensure compliance. For example, ARRA funds should be clearly segmented from non-ARRA funds for reporting expenditures, program activities, outcome measures, and jobs created or retained. Using BI tools, business officials can track expenses for various programs separately and monitor results for each line item.

Demonstrating transparency not only improves administrators’ ability to react to changes quickly, it also engenders trust from funders and stakeholders. BI tools simplify a district’s ability to demonstrate success with clearly defined, measurable results.

Beyond the Finances

BI tools can also help schools track a wide range of performance measures, from test scores to attendance.

Susan Campbell, chair for the Augusta (Maine) Board of Education’s finance committee and vice president of Falmouth, Maine–based Soft Trac LLC, a consulting firm specializing in nonprofit technology, says BI tools can help schools prove they are meeting state and federal academic standards.

“BI tools can not only enable schools to report on a variety of statistics, such as how students are measuring up against the required standards and how they compare against other groups, they can also allow administrators to drill down into the specifics of the data,” Campbell says. “Drilling down can help them further determine where they’re succeeding and where they need to improve.”

By having precise, up-to-date information at their fingertips, education administrators at every level can gain deeper insight for strengthening stewardship, improving agility, and, ultimately, securing the success of their institution and its students.

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