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## Using Business Intelligence for IT Project Prioritization

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### Abstract

In this paper we investigate how business intelligence can be used to support project prioritization processes in an IT development organization. The case setting is the IT development organization of a large Scandinavian financial institution where we study the relationship between business intelligence and actual organizational decisions to find ways to support organizational decisions by using business intelligence. The results show that in project portfolio choices, due to the poor business intelligence they receive, the managers make decisions based mainly on intuition and bargaining and less on business intelligence. According to the interviewed managers this leads to an inefficient process as they use a considerable amount of time in the negotiation and bargaining process, which they feel leads to suboptimal project choices. Whether this perception is justified is an open issue, as the chosen projects with rare exceptions lead to expected business value and as negotiations, e.g. based on power issues might also be necessary when a better information is available.

**Keywords:** Business Intelligence, Project Prioritization, Decision-Making

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## ABSTRACT

The latest financial crisis revealed not only a need for business efficiency but more than ever a need for effectiveness. Wrong or poor decisions could easily threaten a company's survival in this fragile environment. Hence, managers are required to make high quality decisions that will drive businesses out of the crisis and thrive. To support decision making humanity has developed processes, techniques and tools of collecting and analyzing intelligence from ancient time, especially, during wars (Gilad & Gilad 1986; Kinsinger 2008). In the 1970s, a new era began for decision support, the first decision support system were developed based on the premise that access to better information and knowledge would lead to better decisions (Shim et al. 2002; Davenport 2010). However, as information systems pervaded organizations a new need for collecting and integrating data and information from different IT systems became obvious. In recent years, business intelligence has acquired a wide recognition in the business world, due its capacity of collecting, analyzing and transforming large amount of data into information and information into knowledge.

This is the background for the study reported in this paper where we investigate in *how business intelligence can be used to support project prioritization processes in an IT development organization*. The case setting is the IT development organization of a large Scandinavian financial institution where we study the relationship between business intelligence and actual organizational decisions to find ways to support organizational decisions by using business intelligence. Specifically, we follow the project prioritization process and analyze how projects are selected and prioritized, how and what business intelligence is used in this process and what business intelligence is missing. Ultimately we seek to develop a BI framework that will help IT managers to make better, informed decisions when prioritizing projects.

Our research approach is that of engaged scholarship where we as part of an interpretive case study have interviewed 15 IT managers, development directors, development managers, and business representatives and extensively studied company documents. Our study uncovered a process in which BI only plays a minor role. Decisions concerning project prioritization are prepared 4 times every year in specific meetings of what the organization calls System Steering Groups (SSGs). The organization has a large number, namely 21 of these steering groups, each consisting of representatives of the interviewed stakeholder groups. In the System Steering Group meetings, the meeting participants need data and facts in order to make proposals to the organization's final approval body. The interviewees report, that to manage, prioritize and evaluate projects they need information from different domains. However, the information they currently receive it is not organized, nor systematic or holistic. Because the information is scattered in different static reports e.g. in the form of excel sheets format or power point slides it is difficult for them to see the impact of their project portfolio choices and decisions towards the organizational objectives. The results show that in project portfolio choices, due to the poor business intelligence they receive, the managers make decisions based mainly on intuition and bargaining and less on business intelligence. According to the interviewed managers this leads to an inefficient process as they use a considerable amount of time in the negotiation and bargaining process, which they feel leads to suboptimal project choices. Whether this perception is justified is an open issue, as the chosen projects with rare exceptions lead to expected business value and as negotiations, e.g. based on power issues might also be necessary when 'better information' is available.

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