



BUSINESS STRUCTURE MAPS APPLICATION EXAMPLES

Business Structure Maps are of paramount importance towards the understanding of the structure of a business. They provide a radically innovative means of exploring multi-dimensional data in a way which surpasses conventional Business Intelligence and Analytics technology, providing unprecedented insight into the intricate dynamics of a modern corporation.

A TOTALLY DIFFERENT LOOK AT DATA

EXPOSING THE STRUCTURE OF A BUSINESS

The self-rating process synthesizes the so-called Business Structure Maps. These are built based on user's raw data - see example below

| B | C | D | E | F | G |
|------------------|---------------------|---------------------|-----------------------|-------------------------|--------------------------------|
| Net Sales | Net Earnings | Total Assets | Long term debt | Number of stores | Ave Sale per trans (\$) |
| 5137.00 | 249.00 | 2510.00 | 271.00 | 174.00 | 35.13 |
| 7148.00 | 363.00 | 3932.00 | 844.00 | 214.00 | 37.73 |
| 9239.00 | 457.00 | 4701.00 | 874.00 | 264.00 | 39.13 |
| 12477.00 | 605.00 | 5778.00 | 983.00 | 340.00 | 41.29 |
| 15470.00 | 732.00 | 7354.00 | 720.00 | 423.00 | 41.78 |
| 19535.00 | 938.00 | 9342.00 | 1247.00 | 512.00 | 42.09 |
| 24156.00 | 1224.00 | 11229.00 | 1303.00 | 624.00 | 43.63 |
| 30129.00 | 1614.00 | 13465.00 | 1566.00 | 761.00 | 45.05 |

BSMs are of fundamental importance towards the understanding of the structure of a business. BSMs indicate which business parameters are related and which are particularly important. An example of a 10-parameter BSM is indicated below.

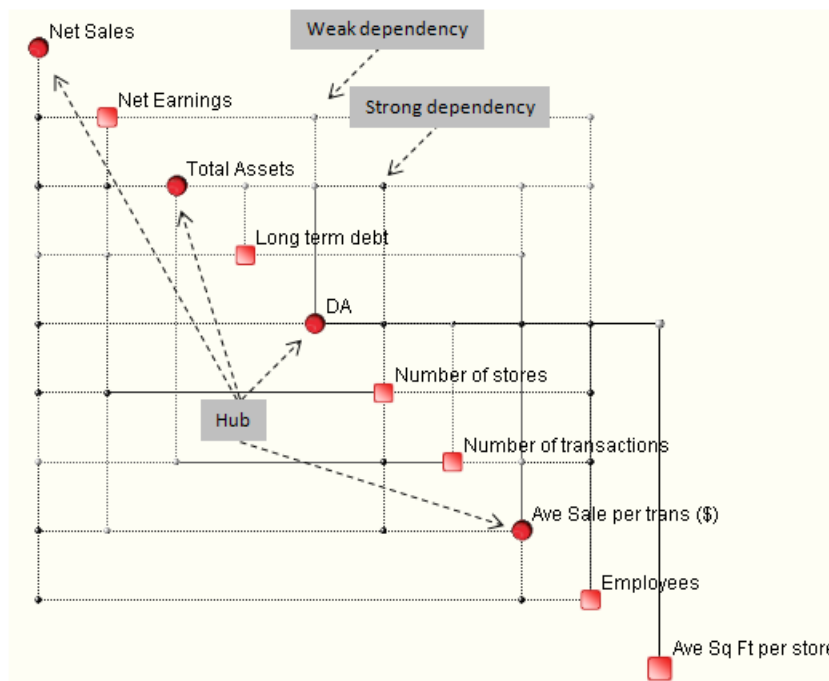


Figure 1. Business Structure Map showing its main components.

STRUCTURE AND KNOWLEDGE FROM DATA

Business Structure

Maps expose the structure of a business process based on raw performance and operational data, providing unseen insight into the interdependencies and constraints that a business really faces.

In a Business Structure Map the following components are present:

- Nodes (these are the business parameters) located along the map's diagonal and represented by red squares or discs
- Links – these are either “strong” or “weak” and are represented by black and grey connectors respectively
- Hubs – the red discs correspond to those parameters which are related to the highest number of other parameters

Understanding and BSMs is easy using the interactive MapView™ App which is available for free downloading at www.rate-a-business.com. The fundamental business characteristic which a BSM reflects is its interdependency. Being able to visually grasp which parameters within a business are related to each other is of immense value. An example is shown below. Positioning the mouse cursor over the node “Net Earnings” illuminates the paths to all the other business parameters to which that particular parameters is linked. This is illustrated in the figure below.

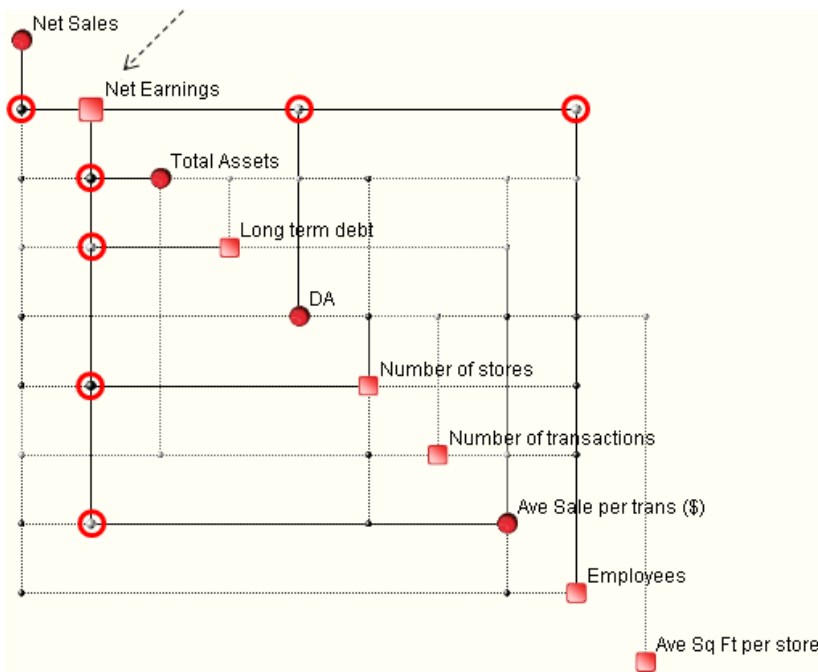


Figure 2. Business Structure Map in which paths to “Net Earnings” are highlighted.

One may note that “Net Earnings” is linked strongly to: “Net sales”, “Total assets” and “Number of stores”. It is also linked in a weaker fashion to other parameters, such as “Long-term debt” or “Employees”. What does this mean?

In the following pages a number of examples of Business Structure Maps are illustrated, reflecting how a wide variety of systems, ranging from banks to power plants may be analyzed.

BUSINESS STRUCTURE – SUPERIOR BUSINESS INTELLIGENCE

Increasing business interdependency leads to constraints. These, in turn, make it difficult to implement new strategies or to grow the business. Business Structure Maps provide superior information necessary for the formulation of realistic and feasible business goals. Quickly.

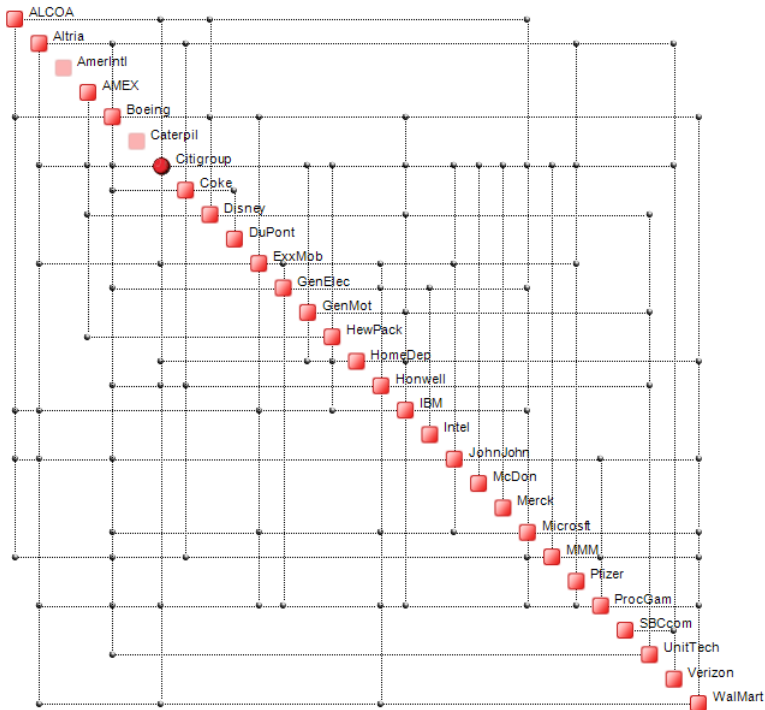


Figure 3. Example 1: The Dow Jones Industrial average Index.

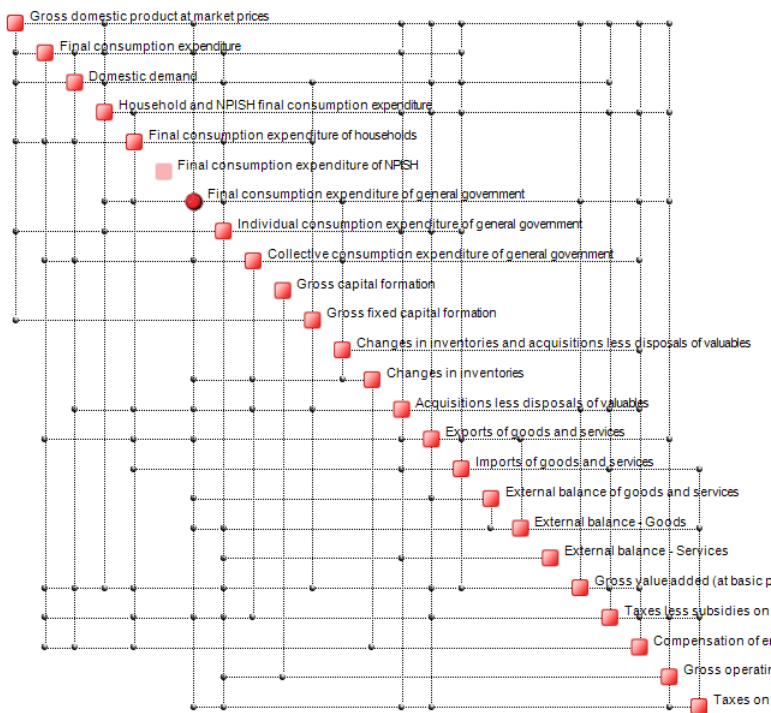


Figure 4. Example 2: The economy of an EU member state (based on Eurostat data).

THE GOAL IS A HEALTHY AND LIGHT BUSINESS STRUCTURE

Without a healthy and sound underlying structure a business is potentially fragile and exposed. Moreover, it is unable to safely face the extreme events known as Black Swans. And how many companies have actually seen the structure of their business?

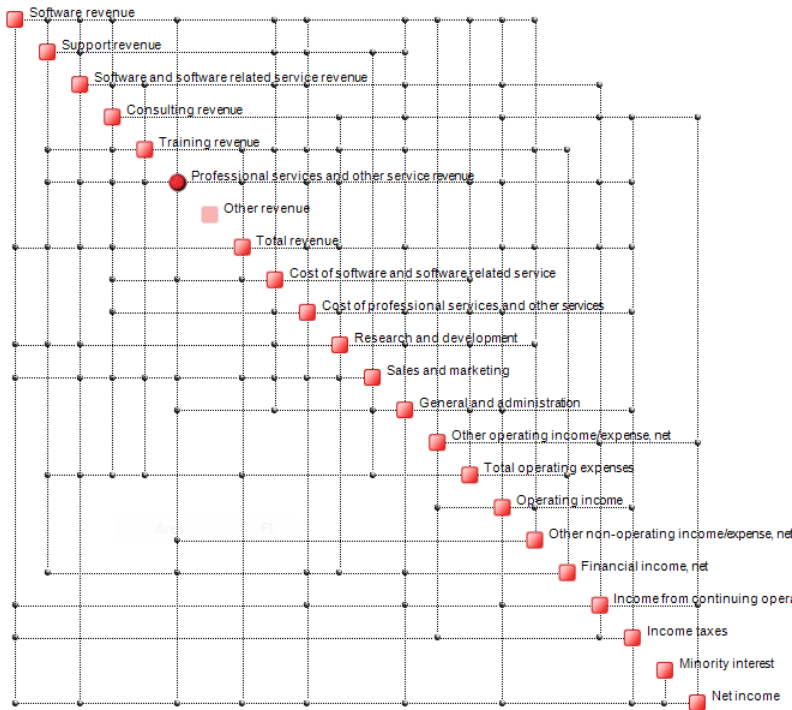


Figure 5. Example 3: Large multi-national software company.

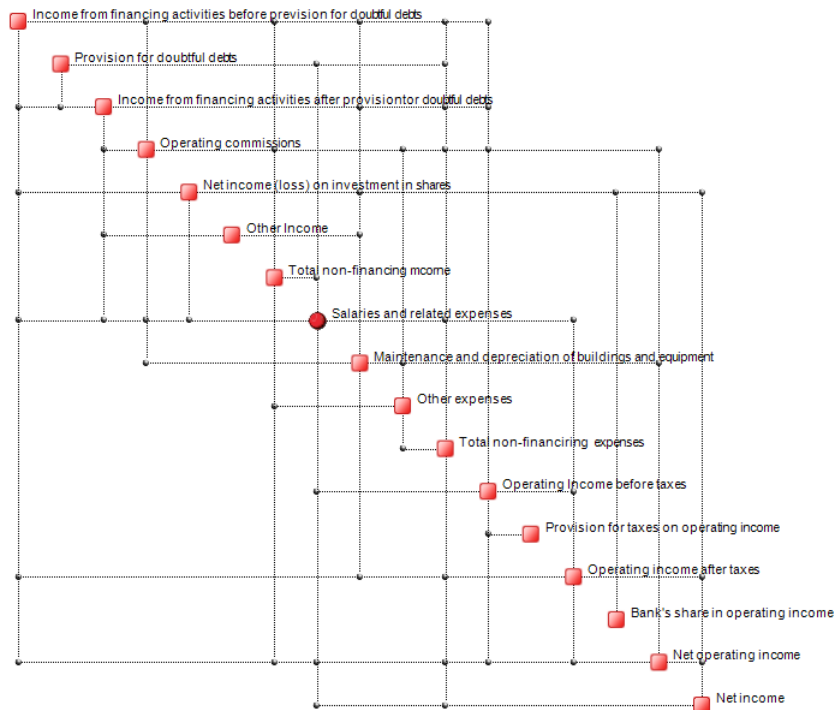


Figure 6. Example 4: Business structure of a retail bank.

TRADITIONAL PRE-CRISIS ANALYTICS ARE UNABLE TO EXPOSE THE TRUE NATURE OF COMPLEX DATA

Data-mining and analytics techniques are supposed to transform data into business intelligence, giving management an extra edge. Have they succeeded? Take a look at the state of the global economy.

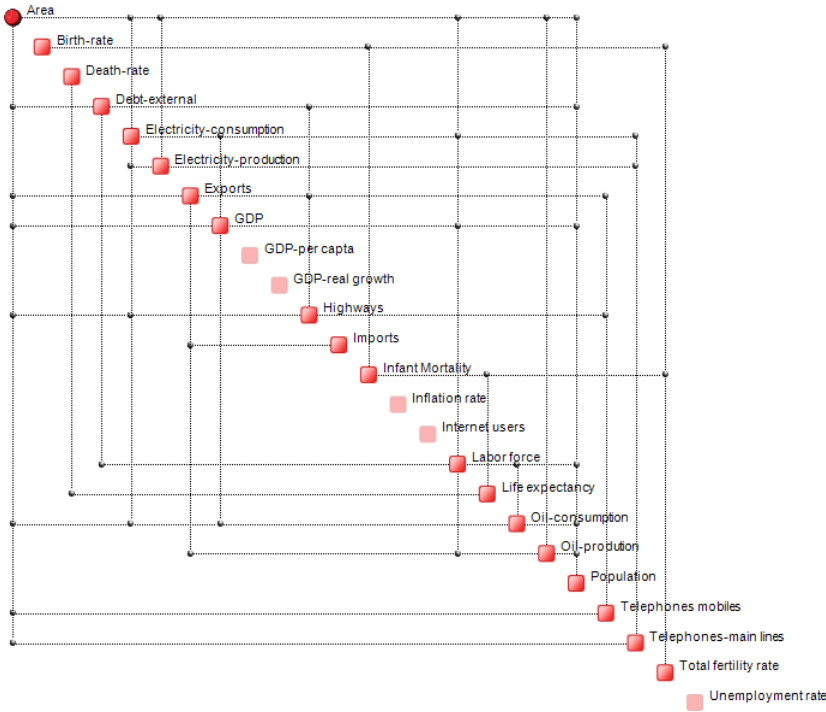


Figure 7. Example 5: The World as a system (based on CIA's World Fact Book).

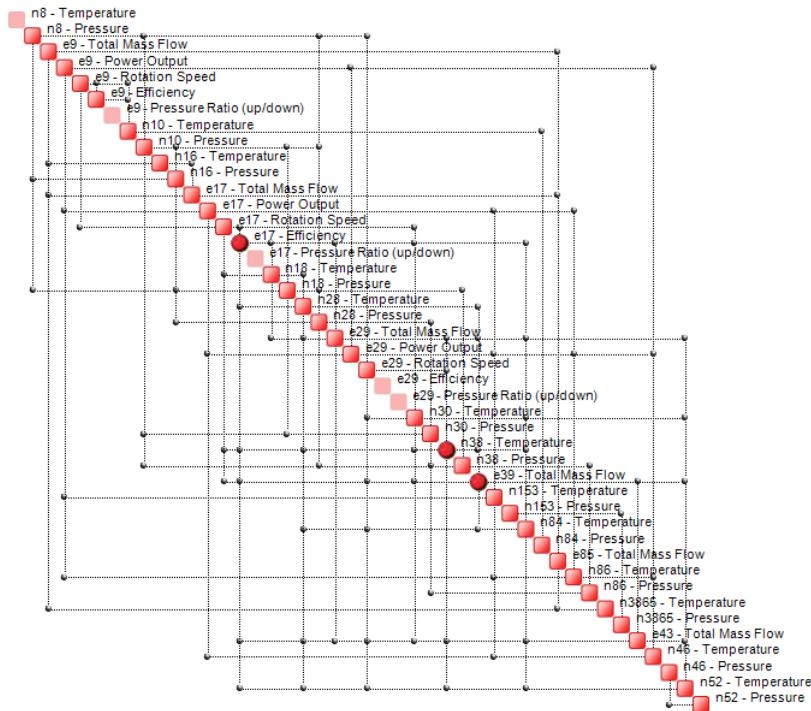


Figure 8. Example 6: A nuclear power plant.

GETTING MORE VALUE FROM DATA WHICH YOU ALREADY HAVE

Business Structure Maps not only helps expose hidden sources of fragility in a business – they also add huge value to data which you already have. Structure on just one page, not hundreds of pie-charts, curves or fancy surfaces.