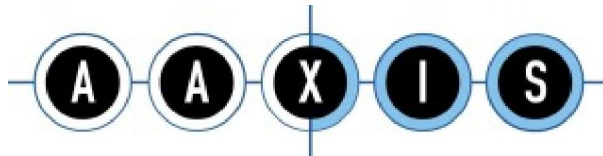


# **AAXIS Case Study: Business Intelligence Establishing an accurate view of the enterprise**

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## Establishing an accurate view of the enterprise

### CLIENT OVERVIEW

A leader and major innovator in the fitness industry. The client has millions of members that use its fitness centers across the United States and Asia.

### BUSINESS NEED AND PROJECT OBJECTIVE

Our client needed to gain a more accurate and current view to key indicators of their business. On a day-to-day basis, decisions were driven off of these key indicators which include revenue, costs, and other operational metrics. One problem was that there was no consistency in defining these metrics. Different business units would rely on different sources and methods to identify the metrics. In certain cases, it would require significant manual effort to derive the metrics. Another issue was the timeliness of data; the business was not always getting the relevant information in time to make appropriate decisions. The ultimate vision was to establish one universal source of current, accurate, and available information. Better information translates to better strategic and operational decisions, which in turn translates to a better bottom-line.

#### Goals:

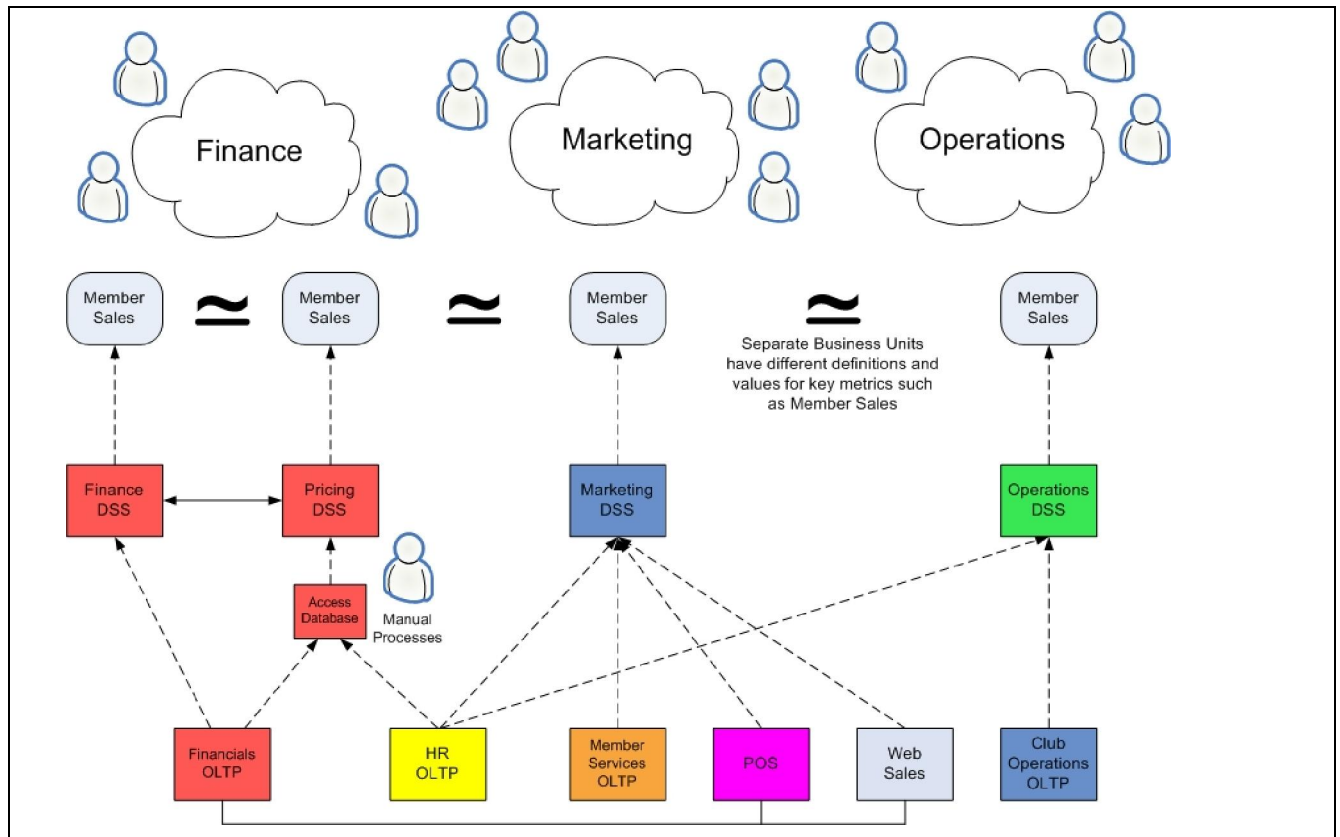
- § Establish one universal source of current, accurate, and available information to make better business decisions. Better decisions translate to a better bottom-line from operational and strategic perspectives.
- § Identify business definitions that would be consistent and universally accepted across the enterprise.
- § Build a single BI platform for information and analyses

### CHALLENGES/ REQUIREMENTS

One of the core challenges for this project was to identify the "truth" in the information. Different business units would have different definitions for the same business concepts. Key business measures such as Member Sales would yield different interpretations and values depending upon the business unit. (see diagram A) There was no single "truth" to these key measures. It would take parallel efforts to define, identify, and obtain agreement for the proper data. This project scope required initiatives at all tiers of the business.

#### Key Challenges:

- § Work with different business units to establish a single enterprise-wide definition for each key business measure
- § Data was siloed among disparate and non-integrated transaction systems. Data integration was critical.
- § Customer source transactional systems were in a state of flux. Major efforts were underway to re-platform and change existing systems.
- § Work closely and efficiently with business units on a proof-of-concept BI implementation.



*Diagram A*

## ROLE OF AAXIS

AAXIS engaged with the client at different levels. At a strategic level, we worked on chartering the BI project and driving towards a BI roadmap. From a business perspective, we worked with the different units to gather requirements and to gain consensus on business definitions. At an implementation level, we worked on building the EDW and BI capability.

### § Strategic efforts

- Worked with executive management to establish a Business Intelligence roadmap
- Worked to establish a client-based BI practice
- Worked with executive management to drive BI efforts and alignment with business units

### § Business efforts

- Worked with business teams to understand the client business-lifecycle
- Worked with business teams to identify the key business measures
- Worked with all relevant business teams to define agreed-upon universal definitions of key business measures
- Worked with business teams to prioritize BI initiatives

### § Implementation efforts

- Architected data-model to support short and long-term data requirements
- Worked with different technical teams to map and integrate data from different source systems (Informatica)
- Configured and developed enterprise reporting (MicroStrategy)
- Worked with customer to integrate a dual-shore model to scale development resources

## RESULTS

The BI initiative has provided significant value and quantifiable ROI for our client. The BI platform allows our client to integrate, report, and deliver critical business information throughout their enterprise. A better informed organization can make better operational and strategic decisions. Better decisions translate to more efficient processes, better customer satisfaction, and an improved bottom-line.

One example that illustrates how BI has provided value to our customer is the case of member segmentation. The lifetime spending of a member is a very important measure for our client. Members could be bucketed into different sets or segments based on this measure. The business may have different strategies to increase customer satisfaction and retention based on their segment. The strategy would vary between a high-value member that has been a member for years and works out every day versus a member that hasn't worked out in months. Free guest passes may be a good perk for the high-value member, but free personal training sessions may re-engage a member who hasn't been around in a while.

The impact of BI can be traced throughout the business lifecycle, from converting new members, to deciding on a marketing campaign, to identifying which divisions are performing well, to how many towels will be required at a particular club for a given day. One of the compelling benefits of a BI platform is the standardization of information. With the new platform, each business unit can view one universal value for each of their fundamental KPIs (Key Performance Indicators) such as Member Sales, Retail Product Sales, and Fitness Training Sessions Sold. Prior to the BI effort, different business units would have different values for Member Sales and other KPIs. Each business unit would have a different source systems and different methods to deriving numbers. Some business units would not have visibility to certain metrics. With the BI platform, all KPIs exist within an Enterprise KPI Catalog (see diagram B). These KPIs have a single and consistent definition and can be leveraged across the enterprise.

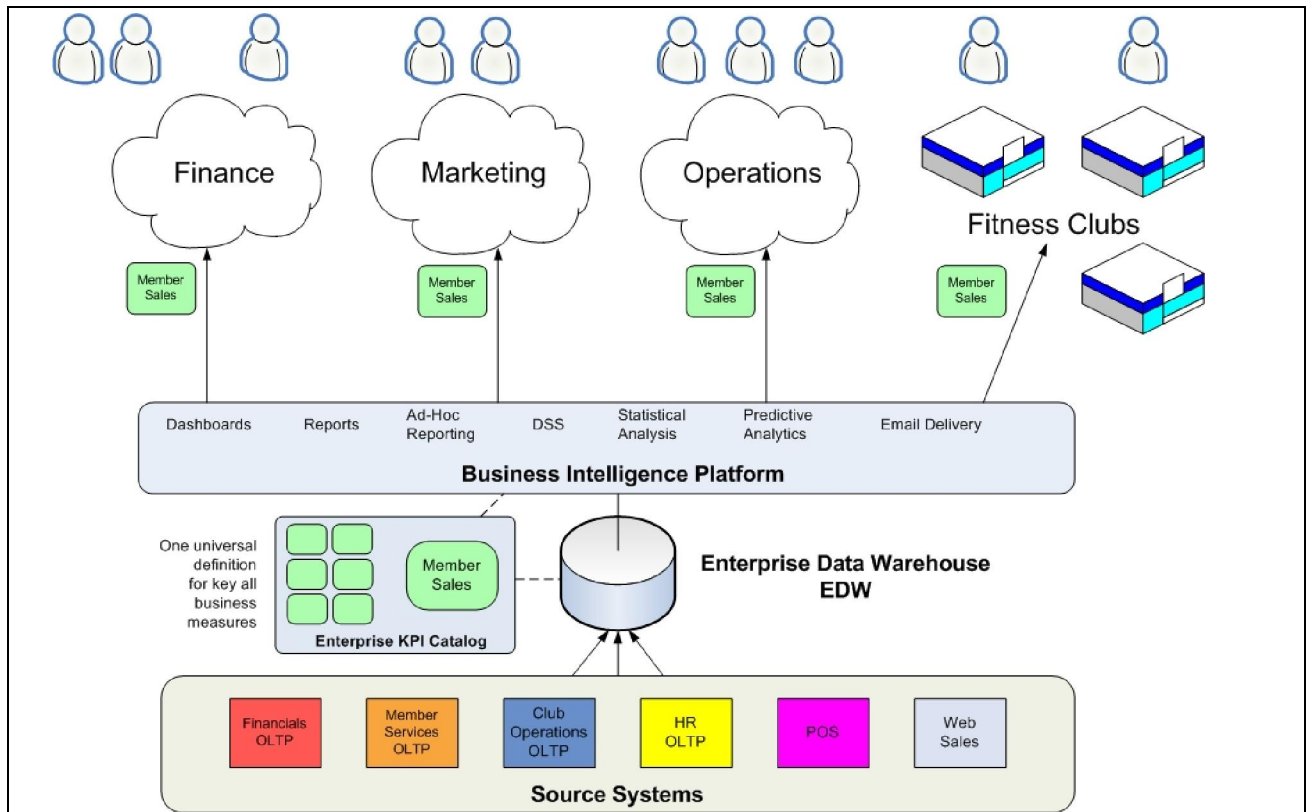
Availability and access to the data is also critical. A BI system is of no value if its data becomes available too late for action to be taken. The establishment of an Enterprise Data Warehouse (EDW) centralizes the data (see diagram B). Data integration loads this data into the EDW. This integration automates the processing of data so that individual business units minimize manual processes. Reports that have taken individual teams days to prepare can now be successfully automated to be generated within an hour. Information required for task and operational management is automatically generated nightly and distributed to each club. The BI platform also offers a consistent set of tools to secure, query, analyze, and deliver enterprise data.

BI has had strategic impact in both acquiring new members as well as retaining existing members. Our client has better information and the tools to make strategic pricing changes across their markets. This improves their lead conversion rates and thus the number of new members. Now, they can also make targeted marketing promotions based on specific member information. Thus, the new BI system has had an impact in attracting new members as well as keeping existing members.

BI continues to provide value for our client. Initiated as a proof-of-concept, this effort quickly gained momentum and has expanded to provide value to more and more areas of their business.

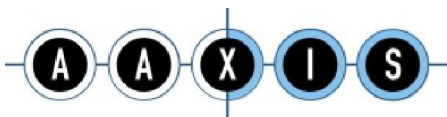
#### § Key results:

- The client has one consolidated "view" into key business measures. The EDW provides this platform for the integration, analysis, and delivery of key information.
- Key operational and task management data is available on a daily basis before peak times. This helps the fitness clubs run efficiently. The club staff is armed with information to plan workflow management (as in how many instructors are needed) and inventory management on a given day.
- The client now has the ability to make better strategic pricing decisions. This has enabled them to keep conversions of prospects to new members strong.
- Marketing promotions are more targeted and therefore more successful. The marketing team has a better means to engage the customer and maintain good customer retention rates.



**Diagram B**

For details on any of our services or to inquire how AAXIS can assist your organization, contact [sales@aaxisgroup.com](mailto:sales@aaxisgroup.com)



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