

AFTER 75 YEARS, BUSINESS INTELLIGENCE DRIVES STRATEGY AND DECISION-MAKING AT PARKWAY

New IT System Pays for Itself within Two Years

What do you do when you come to a fork in the road? You could rely on your years of driving experience and navigation skills to select a route that you think will lead you to your destination, or you could consult a detailed roadmap.

Parkway Corporation chose the former for close to 75 years, and due to years of business success, they were right almost every time. But then one day, instead of coming to a fork, they came to a stop sign with five off ramps. After years of choosing the right road, the decision now became much more difficult. So what did they do? They bought an e-business roadmap: a business intelligence (BI) solution.

Parkway is a leader in designing, implementing, marketing, and managing innovative parking garages and lots. With 30,000 parking spaces throughout North America, Parkway has remained true to its tradition as a family-owned business. Several generations of Zuritsky's have made outstanding business decisions using instinct, intuition, and experience. The company has had good judgement, making it a leader in parking real estate development and operational management.

As the number of cars, parking properties, and employees substantially increased, a strong demand was being placed on reporting, planning, and evaluation. But Parkway lacked an executive information system.

The company brought in a leading IT professional services firm, RCG Information Technology (RCG IT), for advice. RCG IT proposed that a robust data warehouse (DW) and BI system be implemented.

DRIVING A MODEL T - THE ENVIRONMENT BEFORE BI

Along with Parkway's ascension to the top, came an influx of data, information, assets, and people. One of those new hires was Vice President and Chief Information Officer (CIO), John Bryer. According to Bryer, the company, although solid in management, operations, and financials, was starving for BI to help manage its aggressive growth.

"When I got to Parkway about three years ago, it had legacy systems but not a lot of reporting systems. Parkway was information and BI poor," said Bryer. "Upper management has always been very experienced, but even the best management can only go so far on doing business the old-fashioned way. There comes a time when objective, sophisticated e-business systems are needed.

"The company's Achilles heel was inadequate reporting. We had to go from system owner to system owner to get spreadsheets and information. As CIO, I had a unique opportunity to help turn things around."

RESHAPING PARKWAY

Normally, when companies decide to undertake a large-scale project such as this, they evaluate several service providers. But Bryer looked at one: RCG IT.

"I had worked with RCG IT in the past and its combination of proof-of-concept, fixed price, and results-orientation proved its value with our upper management," said Bryer. "It also showed the executive team that this was a low risk method for getting the BI implementation we needed.

"RCG IT has a track record of managing large, complex projects as well as substantial data warehouse and business intelligence experience. They interacted closely with my staff and me, making for a smooth implementation and development process," continued Bryer.

RCG IT provided end-to-end application design, development, testing, and implementation services following industry best practices. The DW was built to be fully Web-enabled and designed to run on a Microsoft NT platform, with Oracle 8i as the RDBMS. The solution also utilized Cognos BI tools. To manage this project, RCG IT implemented its proven BI methodology, which included several stages:

- Surveying existing systems, data, and capabilities

- Identifying key business drivers and data sources
- Analyzing the technology and business environment to produce a reliable, secure, and cost-effective solution
- Defining a project plan and scope
- Specifying the DW and reporting system
- Developing a logical and physical data model
- Presenting a reporting architecture
- Training end-users and system maintainers

TEST DRIVING THE SOLUTION

Before the BI implementation, Parkway had started an IT renovation by installing an Oracle ERP system. With the help of RCG IT, they built the DW on top of the Oracle database.

They chose the Cognos tools for ETL, reporting, and Web-based OLAP because they felt this gave them the greatest agility moving forward. Many Parkway employees had not been through a development process of this kind, and this ETL tool was easy-to-use and helped Bryer's IT team meet emerging business needs.

"Once we saw how the tools were being implemented, the project received unanimous support to move forward," explained Bryer. "Then, we expanded the scope of the project with RCG IT to re-express some legacy systems, greatly improving BI data quality."

SHIFTING GEARS TO BENEFITS

Bryer stated the ways in which the BI solution has played an integral part in helping re-define the corporate strategy.

"We've been spending a lot of time revitalizing our strategy over the last six months. Our BI solution has helped us make stronger analytical decisions regarding our different market segments and business practices."

Along with an improved business strategy, Parkway also realized four specific benefits from the implementation of the DW and BI solution.

- The company was able to reduce fixed labor and overhead costs associated with gathering operational information.

- The DW provided a more precise picture of revenue, profitability, operations, and trends for both individual and collective parking properties.
- Customized views of operational reports became available to suit individual users' preferences across the enterprise.
- The new BI/DW system served as justification to enhance, upgrade, and replace outdated, ineffective, and costly systems and processes.

FULLY-LOADED FEATURES

Currently, Parkway has about 800 employees: 700 around various U.S. and Canadian locations and another 100 in the corporate Philadelphia office. The primary users of the BI tool are executives in finance, accounting, and operations. They access this information via a virtual private network or VPN. Since the product is Web-enabled, customers have access to information and reports via an extranet.

RETURN ON INVESTMENT

The savings in manpower required in generating these operational reports justified nearly the entire cost of the project in just two years payback. Given that the BI/DW project is relatively new, Parkway expects to save thousands more over the application's lifetime. Still, specifying ROI for a project of this magnitude can be difficult.

"It's very hard to quantify the benefits from a system like this," said CIO Bryer. "But here is how we look at it. First, our executives used to make decisions based on intuition, experience, and 'gut' feeling; they did not rely on data, business intelligence tools, and analysis. Now, before buying a property or undertaking a new business venture, they're able to analyze reports to help determine if this business arrangement is worth undertaking. We're able to make better overall strategic decisions on acquiring what will make money, and deleting or fixing what will lose money. Overall, our decisions are now more strategic, more effective, and increase the likelihood that we'll make the right decision on buying, selling, and managing properties.

"We also continue to have more demand from users who want access to the data to be able to help them with their daily work. The owners and executives of the company clearly see the value of business intelligence, and consider this tool an indispensable item—sort of like 'look what we've been missing over the years.'"

FUTURE MODEL

Bryer plans to expand the reach of the BI tool to more people throughout the organization via the VPN. He also said that he has recently installed Cognos Upfront. This tool is beneficial for end-users who aren't comfortable with an OLAP tool. Through Upfront, users can view the DW by visiting what's called NewsBoxes, or portals for managing personal content. He expects this recent addition will help expand the usability of the BI tool throughout the enterprise. And he thinks that these additions will pave the way to a smoother road for even greater profitability at Parkway.

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JOHN BRYER'S BACKGROUND

As VP and CIO, John Bryer is responsible for all aspects of information technology at Parkway Corporation. With more than 20 years of experience in business, academic, and research settings, Mr. Bryer's work experience includes Princeton University, General Electric, CIGNA, and the University of Maine. He has published more than a dozen articles in academic and trade periodicals.

Mr. Bryer earned B.S. degrees in Business and in Forest Resources from the University of Idaho, as well as an M.S. degree in Forest Resources from the University of Maine, where he conducted original research in forest engineering and optimization. Mr. Bryer also completed a Research Fellowship at the Norwegian Forest Research Institute in Aas, Norway. Mr. Bryer is currently a member in the *Society for Information Management*, is a participant in the Philadelphia Chamber of Commerce Arts & Business Council of Greater Philadelphia's *Business Volunteers for the Arts*^(r) program, and volunteers his time making technology contributions to a number of civic organizations.