The term 'Business Intelligence' has evolved from the decision support systems and gained strength with the technology and applications like data warehouses, Executive Information Systems and Online Analytical Processing (OLAP).

Business Intelligence System is basically a system used for finding patterns from existing data from operations.

**Characteristics of BIS**

- It is created by procuring data and information for use in decision-making.
- It is a combination of skills, processes, technologies, applications and practices.
- It contains background data along with the reporting tools.
- It is a combination of a set of concepts and methods strengthened by fact-based support systems.
- It is an extension of Executive Support System or Executive Information System.
- It collects, integrates, stores, analyzes, and provides access to business information.
- It is an environment in which business users get reliable, secure, consistent, comprehensible, easily manipulated and timely information.
- It provides business insights that lead to better, faster, more relevant decisions.

**Benefits of BIS**

- Improved Management Processes.
- Planning, controlling, measuring and/or applying changes that results in increased revenues and reduced costs.
- Improved business operations.
- Fraud detection, order processing, purchasing that results in increased revenues and reduced costs.
- Intelligent prediction of future.

**Approaches of BIS**

For most companies, it is not possible to implement a proactive business intelligence system at one go. The following techniques and methodologies could be taken as approaches to BIS:

- Improving reporting and analytical capabilities
- Using scorecards and dashboards
- Enterprise Reporting
- On-line Analytical Processing (OLAP) Analysis
- Advanced and Predictive Analysis
- Alerts and Proactive Notification
- Automated generation of reports with user subscriptions and "alerts" to problems and/or opportunities.

**Capabilities of BIS**
- **Data Storage and Management:**
  - Data ware house
  - Ad hoc analysis
  - Data quality
  - Data mining

- **Information Delivery**
  - Dashboard
  - Collaboration /search
  - Managed reporting
  - Visualization
  - Scorecard

- **Query, Reporting and Analysis**
  - Ad hoc Analysis
  - Production reporting
  - OLAP analysis