

## Intelligent Data Mining and Decision System for Commercial Decision Making

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### Abstract

Information system and data mining are important resources for the investors to make decisions. Information theory pointed that the information is increasing all the time, when the corporations build their millions of databases in order to improve the efficiency. Database technology caters to the needs of fully developing the information resources. This essay discusses the problem of decision making support system and the application of business data mining in commercial decision making. It is recommended that the intelligent decision support system should be built. Besides, the business information used in the commercial decision making must follow the framework of a whole system under guideline, which should be designed by the company.

**Keywords:** artificial intelligent, decision support system, data mining, Chinese perspective

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### 1. Introduction

Since the computer applying in the payroll processing in 1954, the computer processing has developed fast. It is believed that the information processing experiences several stages, which includes data processing system, management information service, and decision support system [1]. The information processing develops from the centralized pattern to the distributed one, the isolated system to the integrated system, and the functional management departments to the whole corporate decision support. In 1971, it is the first wording of decision support system that begins the research on the decision support theory [2]. With the development of relational database in 1980s, the decision support research focused on the three library structure or four library structure. After 1980s, the decision support system integrates with the expert system, which raises the interests on the intelligent decision system of the academic area. The basic frame of the decision support system should include the database, the data warehouse management module, the data mining tools, the knowledge base and the knowledge discovery module, and the HCI module [3] acquiring the information and collecting them to the database aim at analyzing and integrating the data in the database. Data mining is an effective tool to help people with extracting the data mode, the general relation of data and other potential characteristics.

This essay discusses the application of intelligent decision support system and data mining. It is improved that this essay applies the data analysis in the specific financial investment decision making process. Decision support system is connected with the database management. After the user sends the decision order, the related database management module is triggered to acquire the needed data. Comparing to the former papers, the contribution of this essay is the application of the data analysis in specific investment decision making.

### 2. Combination of Intelligent Decision Support System and Knowledge

The corporate strategy of Burberry is to combine five themes in order to get the

sustainable and profitable growth. The five themes are to leverage the franchise, to intensify non-apparel, to accelerate retail- led growth, invest in under- penetrated markets and pursue operational excellence [4]. The corporate strategy leads the company to the expected future, which should consider the interest of the stakeholders. In fact, the corporate strategy is the key focus of the potential investor. Financial results are attractive to the short term investors. However, the long term investors pay more attention to the long term strategy, which is the guideline blueprint for the future of the company [5].

### **2.1. Five Themes of Corporate Strategy**

Firstly, leverage the franchise. Burberry, a luxury retailer majored company, has a high reputation in the industry. The sales in Burberry aim at creative channel to spread the culture and brand effect [4]. The customers can be in touch with the high speeding updated commodity by the Internet. In fact, the E-commerce has been the most popular channels to reach the customers in recent years [6-9]. Burberry finds its way to attract the customers with creative sales experience cite on the Internet. In addition, the Burberry Bespoke publishes the iconic Trench by digital, which enable to share the design of the trench with its clients. Besides, the replenishment planning support helps the products of Burberry to improve its connection with the customers. According to the report in 2012, the company claimed that the coat products accounted for half sales in all its products [5]. The coat, or trench, is the staple item in the sales and the powerful growth momentum. To be specific, Burberry tries to reorganize the sales outlets under the brand in order to integrate the brand value. The franchise of Burberry, which represents the brand value of a special long historic corporation in Britain, is one of the most invaluable assets in the company.

Secondly, intensify non-apparel. The non-apparel section is the biggest product section in the company during 2011 to 2012, which contributes to 39% of wholes sales and reaches a new record by 22% increase. In the report of 2012, the company explained that the large leather supported the non- apparel section with its 50% proportion [5]. To be specific, the men's accessories, soft accessories and global licenses are main sub non-apparel categories. Each of them has performed well in 2012 based on the announcement of the management in 2013 [10]. In fact, the company aims at intensifying and concentrating on the market share in the industry of low share. By taking advantage of the brand effect of Burberry, the brand value is strengthened and intensified. In reality, the non- apparel sales increase in sequent six years after 2008. Even in the background of financial crisis in 2009, the non- apparels still made an excellent performance in sales by 12% increase [5]. Burberry expands its products from basic accessories to fragrance and beauty products. Interparfums, Fossil and Luxottica are global licenses under the brand of Burberry. Burberry should cooperate with these partners to obey the rules between the parties in order to gain profitability [11].

Thirdly, accelerate retail- led growth. The company claims that it has transfer the static wholesale model to the dynamic one, which is not confined in the outlets operation, but also comprises the fundamental shifts. Burberry tried to expand the retailer sales by improving the propaganda to promote the productivity [4]. Besides, the customer oriented strategy connects the buyers with the company, which is confirmed by opening new outlets in Asian, especially in China. The new shopping center is located in Shanghai, which reveals the importance of the Chinese market.

Fourthly, invest in under- penetrated market. Burberry has invested in the Asian market, focusing on the Chinese and other developing countries, which have potential for increasing in the expected future [4]. Assigning the franchises to the local retailers, the company can balance the risk and profits because the local retailers are informed of the specific scenario. The new outlets in Macao and Taiwan reveal the importance attached by the management from Burberry.

At last, pursue operational excellence. Burberry improves the business operation, especially in the area of sales, supply chain and information technology. To begin with, the company focuses on the technological investment in order to improve the merchandising [12]. Replenishment and planning are based on the effective supply chain. Because the Trench serious products are manufactured in UK and the customers are global, the supply chain should enable to satisfy the needs from the worldwide merchandising.

## 2.2. Strength and Weakness of the Strategy

From the claims of the corporate strategies by Burberry, the strength of the strategy can provide the company with clear targets and guideline for the expected future.

On the one hand, it is obvious that Burberry sticks to its original loyalty and noble tradition. The company does won the recognition of royal background and long history in Britain. According to the financial report of Burberry, the brand of the group company has been voted to be the fourth fastest growing brand in the globe by Interbrand and WPP/Brandz, just behind the position of Apple, Google and Amazon [4, 5]. And Burberry has won the prize of Inspiring Luxury Loyalty by Luxury Briefing. It is explained in the report that the engine for the development of the brand, the creativity of sales and the excellent products support the successful performance of Burberry. For example, Burberry World, a way to agglomerate the effects of the Burberry brand, has been always unifying the designs and retailers of all the items in the group. By combining the companies in local area, Burberry increases into a larger but still concentrative group company [13]. As a result, the brand delivers the information of luxury for higher class, which attracts the target customers by expanding the influence in public.

On the other hand, the target market begins to transfer to some developing countries, such as China, which is the most important move in the corporate strategies. Investing in the under-penetrated market is an important challenge for Burberry. The traditional market countries have become weak because the customer group has been fixed. However, the potential for the new market still waits for development, such as the emerging market of China [12]. The luxury industry in China has been initially formed, leaving much room for further development. Besides, for the increasing stakeholders in China, expanding the Chinese market is a preferred action in Burberry. The investors in China will be pleased to see the importance attached to Chinese market by the management in Burberry.

## 3. Commercial Decision Making Process: Evaluation of the Financial Performance

Information analysis is the foundation to make investment decisions. Data in this essay is collected by reading the financial reports these five years. Data mining can be applied in the financial analysis to support the view of mine. The financial year of 2011 to 2012 is excellent for Burberry because of its attractive performance. In fact, the corporate performances in successive four years are improving according to the financial reports in these five years.

Some special accounting policies cannot be ignored. The financial year of Burberry begins in the April 1st, and ends at March 31st in the second year. The latest financial report published is the year of 2011 to 2012. As a result, this paper collects the data from the financial year of March 31st 2008to March 31st 2012.

The financial performance analysis should be explained in several aspects, which includes the solvency, operational capacity, profitability and price-value analysis.

### 3.1. Solvency of Burberry

The solvency represents the risk of default for the corporation. If the company has a high risk of default, it is hard to cover the maturing debt with enough cash payback [14]. Under this circumstance, the creditor is likely to ask for legal help, such as enforcement, restricting, or even bankruptcy. The pressure of payback encourages the management to keep a healthy and fairly appropriate financial position. The solvency of Burberry should be revealed in two aspects, the short term solvency and the long term solvency.

The short term solvency explains the capacity of payback of the maturing debt. According to the financial information published in these straight five years, Burberry improves its financial position from short term perspective. The working capital represents the margin of current assets surpassing the current liabilities, which means more working capital reveals lower risk of default in short term [15]. The current ratio is the ratio of current assets comparing to current liabilities. And the cash flow ratio is the ratio of cash flow comparing to the current liabilities as well. The current ratio and cash flow ratio explain the capacity of paying the short debts [16]. From the financial analysis in short term solvency, the management of Burberry did have improved the corporate solvency well. The working capital is increasing during 2008 to 2012 [4]. However, in total, the current ratio and cash flow ratio are increasing, but the year of 2008 is slightly special. Chances are that the financial crisis beginning in 2008 had an inevitable effect on the liquidity of the company in 2008, which depressed the cash flow of Burberry in this

year [12]. Except for the financial depression in 2008, the company enjoys a steady and better financial position from the short term perspective. Table 1 gives the evaluation of the financial performance.

Table 1. Evaluation of the financial performance

| Short-term solvency              | 2012  | 2011  | 2010  | 2009 | 2008  |
|----------------------------------|-------|-------|-------|------|-------|
| Working capital (million pounds) | 380.7 | 323.4 | 285.8 | 283  | 197.8 |
| Current Ratio                    | 1.70  | 1.60  | 1.53  | 1.36 | 1.61  |
| Cash Flow Ratio                  | 0.63  | 0.50  | 0.74  | 0.38 | 0.12  |

The long term perspective also shows the same result. After the devastating year of 2008, the financial position of long term has been improved dramatically. The asset-liability ratio reveals that the equity of the corporation has got an increase since 2009, which means Burberry adds more value for the shareholders. Besides, the interest coverage performs the same changes. It is clear that the company concentrates more on the value of equity instead of expanding the business at the cost of increasing the debt. As a result, the interest coverage jumps from -0.25 in 2009 to 102.83 of 2012 [4]. This is doubled in hundreds of times during simply three years. The increasing equity reveals the confidence of Burberry and better financial position in the long run. Table 2 lists the evaluation of the financial performance-long term.

Table 2. Evaluation of the financial performance-long term

| Long-term solvency    | 2012   | 2011  | 2010  | 2009  | 2008  |
|-----------------------|--------|-------|-------|-------|-------|
| Asset-liability ratio | 0.37   | 0.39  | 0.47  | 0.52  | 0.48  |
| Interest coverage     | 102.83 | 58.98 | 27.77 | -0.25 | 17.73 |

The decreasing risk of default explains the financial strategy since 2009. Going through the depressing year of 2009, the company realized the importance of consolidating the core capital. It is obvious that the cost of liabilities is smaller than that of equity, but the debts can also bring in unexpected problems. The property of shareholders is the ultimate foundation of the company, which should be reinforced. The financial crisis beginning in 2008 impressed the corporations with the fear of breakdown, which was the contribution of the stingy and harsh banks and other creditors. The companies started to realize that the shareholders, is the true owner of the company, which stood with the company with happiness or sorrow. Besides, strengthening the voice of shareholders in company also enables the management centralization, which is for the sake of the company development. It is known that the bank or other creditors only care about the risk of default, in fear of the fact that the company cannot pay back the loan in time. As a result, they show no sympathy on the business operation unless it hurts the interest of the creditors. It is common that the creditors constrain the application of the liabilities, setting rules from overspending or investing in the program with high risk, which blocks the way to improve profitability for the company [4]

In addition, the luxury industry has experienced a harsh winter in 2009, which increases the difficulty of borrowings from the creditors. It is no doubt that the financial crisis has a negative effect on all the business areas. But the luxury related business received a disastrous impact from the financial depression. People lost their confidence, contributing to cutting down the consumption on the luxury productions at the first place. Luxury is always the first victim before necessity for a tight financial budget. From this point of view, the luxury manufacturers should be a full aware of preparation of backup plan, which is strengthening the power of shareholders instead of that from the creditors. Under this circumstance, the transition of the power is revealed in the financial balance of power. And Burberry chooses the interest of the shareholders before the creditors.

In conclusion, the financial position of Burberry is improved both from the short term and the long term perspective.

### 3.2. Operational Capacity

The operation of Burberry reveals the management in the company. The corporate strategy reveals the goal and direction of its development in the predictable future, and the financial information tests the performance of the management in the company. It is easy to measure the performance of the management by the internal materials. The unpublished information can make a judgment about the operational capacity. However, the internal information is inaccessible for the external stakeholders, especially for the investors. For the external investors, the operational capacity is explained by the ratios calculated from the financial reports.

It is unforgettable in the year of 2009 when the consumers lost their faith in the business area. Especially for the luxury, the financial crush leaves more than just hurt currently but makes a deep injury for the long run. When it comes to the budget constraint, the luxury is the first one to cut down in order to conserve the necessity. Off the shopping list is a horrible thing for the luxury related companies, which means the loss of both customers and profitability. Even though the financial crisis leaves, the shadow is hurting and impressive to keep people from spending on the expensive items as before in a short time. The financial disaster is still looming and haunting around, which reminds the management of Burberry of the curse in 2009. As a result, the financial information reveals that the management of Burberry does have made an effort to improve the operation after the financial crush. Table 3 lists the financial information of Burberry after the financial crush.

Table 3. The financial information of Burberry after the financial crush

| Operational capacity           | 2012  | 2011  | 2010 | 2009 | 2008 |
|--------------------------------|-------|-------|------|------|------|
| Accounts receivable turnover   | 12.79 | 11.33 | 9.97 | 6.42 | 5.88 |
| Inventory turnover             | 5.97  | 6.06  | 7.67 | 4.58 | 3.71 |
| Working capital turnover ratio | 4.43  | 4.66  | 4.83 | 6.14 | 4.45 |
| Total Assets Turnover          | 1.15  | 1.10  | 1.12 | 1.07 | 1.04 |

It is proved that the operational capacity is strengthened in the straight five years. on the one hand, the most impressive result is that the accounts receivable turnover is speeding up, which is approximately doubled from 5.88 in 2008 to 12.79 in 2012 [4]. For the sake of the company, the accounts receivable slows down the cash flow, increasing the risk of exhaustion of cash. The accounts receivable collected faster, it is better for the company to make the best of the monetary resource. In fact, the luxury sales take form of cash trade, which is advantageous for the company to recover the money. Comparing to other business area, the luxury companies face smaller risk of collecting the accounts receivable. On the other hand, other items of turnover ratios perform worse than that in the receivable. The inventory turnover keeps practically steady but still a little improved in these years. It is thoughtful that the luxury goods experienced a harsh period after 2008, but the inventory turnover was faster [12]. One explanation is that the company shrinks the inventory since 2008 to cope with the constraint of sales. Another reason is that Burberry expands the market which is un-penetrated, which gathers huge potential for sales increase, such as China and other new emerging countries. The working capital turnover even decreases these years, which is explained by the decrease of sales and increase of working capital. The total assets turnover keeps steady, which means the sales grow with the total assets [17]. The management of Burberry has been tested by the financial crisis since 2008, and the test will be continuous for a long time.

### 3.3. Profitability

The profitability of a company is the most attractive aspect for the investors. The investors, including the potential investors, care about the capacity of gaining profits. The financial results. Table 4 lists the financial interest of investors.

Table 4. The financial interest of investors

| Profitability                  | 2012   | 2011   | 2010   | 2009   | 2008   |
|--------------------------------|--------|--------|--------|--------|--------|
| Sales margin                   | 14.27% | 13.74% | 6.42%  | -0.42% | 13.58% |
| Total assets-Net profit margin | 16.46% | 15.12% | 7.21%  | -0.45% | 14.18% |
| Earnings per share             | 61.60  | 48.90  | 35.10  | 30.20  | 31.60  |
| EBIT                           | 370.20 | 300.80 | 172.20 | -3.3   | 207.4  |

It can be revealed that the profitability of Burberry changes a lot in these five years. The unfavorable sales cut down the profitability in 2009 and 2010 [5]. The most devastating financial performance is year 2009, which produces a financial loss for the shareholders. The unexpected financial result came with a sign, which was the low inventory turnover ratio in 2008. In fact, the unsalable goods hindered the profitability, but the result would emerge in the next year. The weak sales pull back the sales margin in 2009 and 2010. But the situation has been better since 2011, which is almost doubled from 6.42% to 13.74% [4]. The total assets- net profit margin performs the same trend according to the financial reports these years. It is obvious that the after 2011, the profitability recovers, back to the level of 2008, which is before the financial crisis [4].

As an old historical company, Burberry has a sustainable profitability instead of a dramatically increasing one. The company has a mature capacity to bring the value to the shareholders. It is no doubt that the company has recovered to its original profitability, which can be revealed in the sales margin. But according to the earnings per share, the year of 2012 contributes a lot to the shareholders, by adding the value to the corporation. The earnings per share arrive at an unprecedentedly high level, and the EBIT is almost doubled in three years since 2010 [4]. Chances are that the newly developed market brings in the profits for the company. It is understandable that the luxury industry has been developed and will last for a long time, rather than ceases in a short time. The consumption of luxury goods is always the choice of thousands of rich people. The society regards the luxury consumption as the symbol of wealth and success, which shelters the luxury related companies from being out of date, because they should always lead the fashion. However, the most worrisome thing for the luxury goods companies is that people lose faith in social economy or the corporation itself loses the reputation. The consumer confidence and economic prosperity can bring in the consumption for luxury goods all the time. As a result, the company should pay more attention on the presage for the financial depression and prepare for the harsh days.

The profitability of Burberry has been at least recovered from the financial reports in 2012. With more sight on the un- penetrated market, Burberry expects to profit from exploiting new customers and cultivating their faith in the brand. As for the segmental profitability, the Asian market contributes the most to the group sales revenue. According to the financial reports in 2012, the Asia Pacific destination's revenue jumps from 457.1 million pounds in 2011 to 652.5 million pounds in 2012, with 42.75% increase in single one year [4]. For the investors, this corporate strategy indeed works to produce the good result.

### 3.4. Price-Value Analysis

Data is critical important in price value analysis. Data mining is also applied in the evaluation of a company. The price of the company changes all the time, accumulating overwhelming connotation by years. Price of single day is less valuable than the average. As a result, the essay applies the average price in the year to analyze the price and value of the company. The market price of the company reveals the perspective from the investors. The price of the company can be revealed in the stock market every day. The value of a company, from the perspective of the investors, can be viewed as the current stock price and the future value. In theory, the current market value represents the future value in an effective market. The effective market theory presumes that all the parties in the market are informed of the messages, which means there is no secret information in the market. All the dealers are economic rational. Besides, no transaction fee blocks the way of stock trade. The cost of trade can be ignored in order to keep the trade smooth. Table 5 lists the earning ability of Burberry.

Table 5. The earning ability of Burberry

| Price ratio      | 2012  | 2011  | 2010  | 2009  | 2008  |
|------------------|-------|-------|-------|-------|-------|
| PE               | 4.54  | 3.27  | 3.13  | 4.12  | 5.34  |
| PB               | 14.91 | 20.55 | 19.01 | 13.64 | 10.57 |
| Equity per share | 0.89  | 0.73  | 0.60  | 0.54  | 0.50  |

The price ratio in these five years can be explained by price to earnings ratio (PE) ratio and price to book ratio (PB) ratio. On the one hand, the PE explains the importance of profit attached to the investment company by the investors. Price means the cost of the investment, and the earnings always refer to the payback. PE is higher; the cost of investment is higher, either. However, it is common that the price is also viewed as the confidence and expectation from the market towards the company [13]. Higher price means larger confidence from the market. On the other hand, the price to earnings ratio reveals the times of price to the earnings, which is regarded as the view of the investors. If the investors have confidence in the company, the PB is higher. However, excessive PE means bubbles because the investors overestimate the true value of the company, which is likely to lead to irrational investment.

Under this circumstance, Burberry has a comparably steady level of PE and PB. Even though the yield in 2009 is depressing, the investors still regard the company as a mature and solid investee [4]. In another word, the market is rational all the time. The market reaction towards the financial crisis is still sustainable according to the stable PE. The financial result is bad in 2009, and the market price gets low to be consistent with the earnings.

#### 4. Understanding of the Decision Making Process: Investment Appraisal Models

##### 4.1. Investment Decision Making Models

Based on the data, the investors can make a decision. The investment appraisal models are mainly four, which are net present value (NPV), internal rate of return (IRR), payback period and accounting rate of return (ARR) [17]. Besides, the discounted cash flow model is also applied in the investment decision making. Each of the models has their own advantages and flaws.

The NPV, which is based on the discounted cash flow model, is one of the most widely used in the investment decision making models. The calculation of the net present value needs to discount the revenue and the costs in every period during the investment project [15]. The margin of the costs and income is the annual cash flow. The net present value can be used to make a judgment on which project should be invested. If the net discounted value is positive, the project can be invested because the project can bring more profits than costs. But if net present value is negative, the company should dump the investment because the project may ruin the current profitability. Moreover, several projects can be measured by the net present value by comparing the net value of each project [18].

The present value is the discounted revenue in the future for the company, which takes the form of discounted cash flow. The value of the project is revealed by the future inflow, which highlights the importance of the discounted cash flow model to value an investment project. However, the net present value has some flaws without doubt. The net present value is an absolute value, which means the comparison of two different projects of different scales is hard to assess [19]. For example, the net present value of project A is higher than that of project B. But the project A needs more investment fund, and brings slightly little more than costs. The project B can bring fat profits at the cost of little costs. Under this circumstance, it is clearly that the project B is better than the project A. In addition, if the corporation wants to get repayment in short time, the net present value method is hard to measure the period of getting repaid. It is clearly that the net present value ignores the time value [1].

As a result, the net present value should be carefully applied in the investment decision making [8]. The appraisal of the cash flow during the period needs an accurate expectation of the management of the company. Besides, the discounted rate can be the capital costs of the company or the rate of return in the market. It is depended on the tone of the management in the corporation.

On the one hand, the accounting rate of return (ARR) is another important investment appraisal model. It is widely used because of its advantages. The most important advantage of the accounting rate of return is that the method is easy [19]. The method of accounting rate of return requires information that is available in the financial statements. The accounting rate of return can be easy to interpret. The higher accounting rate of return means the project is worthy to be invested. Moreover, the accounting rate of return considers the whole period of profitability of the project. Besides, the accounting rate of return informs the management of the expected financial statements in the future, which can help the managers to make judgment of the investment. In addition, the different projects in different scales can be measure in one time, because the accounting rate of return is a relative value indicator. The measurement of different projects is available by the expectation of the financial statements from the managers.

On the other hand, the flaws of the accounting rate of return cannot be ignored. It is obvious that the accounting rate of return considers only the information of the financial statements. In consequence, it is ignored that the depreciation has inevitable effect on the cash flow [10]. Besides, the most fatal flaw is the overlook of the time value.

In conclusion, the two main investment decision making methods have their own characters, which needs the managers to choose depending on different investment projects. In the end, the appraisal of the projects is based on the profits brought to the shareholders. The net present value considers the absolute profits brought by the project, which is based on the shareholders' requirement for improving profitability. The accounting rate of return stands on the side of the management, which is easy to interpret and apply. The financial statements are also available and expected if the project is taken. In consequence, the appraisal models should be considered depending on the specific situations and scenarios. But the ultimate goal of the investment is to improving the profitability of the corporation, which should not be ignored.

#### **4.2. Dividend Policy of Burberry**

The dividend of the company is also the attraction of the potential investors, especially for the long term investors.

The topic on whether the dividend will have an effect on the corporate value deserves discussion. Dividends irrelevance theory and dividend related theory are two main thoughts on the dividend policy [20]. On the one hand, the dividend irrelevance theory views that the dividend policy will not affect the corporate value. The opinion of dividend irrelevance theory is the suggestion of MM theory. The dividend irrelevance theory deems that the investors care nothing about the corporate dividend policy. If the company conserves the dividend, the investors can sell out the stocks to get cash. Besides, the dividend payout ratio is indifferent with the corporate value either. As a result, the company can make dividend policy without considering the reaction from the investors [21]. On the other hand, the dividend related theory deems that the dividend policy will affect the corporate value. The existence of tax and transaction fee increases the costs of shareholders [22]. The preference of the shareholders is various. Some shareholders prefer the high dividend payout ratio, but others tend to preserve the dividend in the company. The agent theory believes that the high payout ratio can constrain the room for misbehavior of management with the cash in the company. Under this circumstance, the high ratio is preferred for the shareholders. The signal theory also highlights that the dividend policy delivers information, which will influence the corporate value. The basis of this theory is the existence of information asymmetry. More dividend payout, more free cash flow is in the company (Jensen, 1986). Consequently, the company will pay more for the dividend to show out the excellent financial position. However, too much dividend also means no investment in the future [18]. In another word, the investors are alarmed of the signal that the company is unsustainable for future development. In conclusion, most companies prefer the comparably steady dividend payout policy with a little increase.

The dividend policy can be various by different companies. The presumption of dividend irrelevance theory is full information, no tax, no transaction fee and no agent fee, which reveals the full market theory. The residual dividend policy, fixed dividend payout ratio policy and sustainable dividend payout ratio policy are three main dividend policies in the current. The specific policy should be appropriate with the scenario of the companies [1]. Nowadays, most listed companies stick to the fixed dividend policy with sustainable increase to comfort the shareholders and attract the potential investment.

According to the financial policy of Burberry, it is recommended that a final dividend is 18.0 pennies per ordinary share in 2012, which is 15.0 pennies per share in 2011 [4]. Besides, the interim dividend is 7 pennies per ordinary share in 2012, which is 5 pennies in the last year. The aggregate dividends paid in respect of the year to 31st March 2012 are total 109.5 million pounds, which is 87.1 million pounds in 2011 [4]. Increasing the dividend shows that the corporation has faith in itself in future development.

### 4.3. Discussion and Suggestion

Burberry is a historical luxury company with British heritage, which has been accepted by consumers in the globe. As the investors in China, the company deserves consideration. Based on the data collected, some suggestions can be given.

More attention on the Chinese market shows the importance attached to the new unpenetrated market by the management of Burberry, which is advantageous for the sake of Chinese shareholders. In order to get sustainable development, the management begins to focus on the profits in China, which is a newly developing luxury market. With more people getting rich and accepting the Burberry brand, the company gains profitability, even though it has just been financial depression in the world. The powerful increase of sales in the new market brings the company back from the depressing financial disaster two years ago. The corporate strategy reveals the new direction of Burberry, and the financial result confirms the success of the strategy [23]. Exploiting the new market to gain new power to develop is a good way to get revitalized for a luxury company with a long history.

Both the impressive financial management from the internal and the deep acceptance of the corporate reputation from the external shareholders makes the investment in Burberry a good choice for the Chinese investors. The financial information explains the result of operational management [24]. Recovery from the financial crisis in a short time means the company has righteous business commercial mode for its own, which is the support for the future development. Besides, the external brand recognition is either the help for profitability. The franchise is one of the most profitable business sections for the company, which needs the accumulation of the reputation and faith from the customers.

### 4. Conclusion

Decision support system is a complex system program. The application of database technology in commercial decision making is discussed in this essay. It is confirmed that the decision support system gives suggestions on the semi-structured decision and some unstructured ones. It is the decision maker involved in man-machine dialogue that controls the data to perform the decision progress. The commercial decision making, including the investment decisions, refers to the unstructured problems under the most circumstance. Especially in some complex environment, the information and knowledge is limited, and people's behavior is not the rational reasoning. In fact, the unstructured problem solving needs to apply the information support and deploy the data mining to collect the basis of the decision. In conclusion, the commercial decision maker should make the best of the data by systematic collection instead of simply one directional way, which is data- information- knowledge. On the contrary, the collection of the data to support the decision needs cycle or mesh relations around the data- information- knowledge- data. By various and diverse application of intelligent decision support system, the decision makers will be more informed of the decision progress clearly to reach a more preferred and reasonable result.

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