

Reprinted from

The Nolan Newsletter

People, Process, Technology

Second Quarter 2003

Tune Up Your Dashboard



By Rod Travers
Senior Vice President,
Technology
Robert E. Nolan
Company, Inc., Dallas

In order to know how well your company is performing, you must have a means of gathering relevant data and turning it into information about performance. Over the years there have been several “irrational exuberance” cycles surrounding technologies that support this need. Not one of the reporting systems I’ve seen has ever quite delivered completely on its promise, but things have evolved and today’s systems are actually quite good.

The first really big wave in this arena came with the arrival of Enterprise Information Systems, or “EIS” for short. You remember the glossy ads for those systems. The CEO of a Fortune 500 company would sit at his or her desk and use a touch screen to see how profitable the company was that day. A few pushes on the touch screen would allow drilling down to any level of detail. Those systems were nearly all a big disap-

pointment due mostly to the impossibility of tying together disparate systems in the days when systems didn’t talk to each other.

But there was another reason those systems stumbled—and that reason remains today. I’ll get to that in a moment. First though I’d like to recognize EIS as *the* technology that popularized the use of three letter acronyms to identify “must-have” systems. Now of course we have ERP, CRM, BPM, SCM and an endless list of others.

After EIS stumbled there was a lull for a while but then balanced scorecards brought a resurgence. Balanced scorecards are truly valuable but the reporting technology has generally been onerous. Dashboards are an even more recent creation and in my opinion are really just throwbacks to EIS but no one’s willing to say it. Dashboards are pretty good and have the most potential for success. They are intuitive and are typically built using off-the-shelf tools that gather existing data and display it in a format that makes sense.

Newest on the scene are Enterprise Performance Management (EPM) and Business Activity Monitoring (BAM). These are bound to be successful based on their three-letter abbreviations if

nothing else. And finally we have robust reporting capabilities built into ERP, CRM and workflow systems which give us more data that we can effectively use.

Why, then, with all this wonderful technology is the promise of enterprise performance reporting largely unfulfilled? (If you have the perfect EPM system or dashboard then you are exempt from answering.) The answer goes back to that systemic weakness I mentioned before. Most reporting systems and management processes tend to focus on *how* to report performance instead of *what to measure* and *what to do with the information* once it’s reported. This is where most reporting systems lose their effectiveness. What steps can you take to make your reporting drive action? Try these:

- **Measure what’s important to your customer.** For example, if customer surveys show that ASA is important to your call center customers, measure that. If first-call resolution is more important, measure that. In reality you will measure both but your management emphasis should be on the more important one. Customer-driven measures help you manage business proc-

esses, job design, staffing, and incentives to meet those customers' expectations and priorities.

- **Put more emphasis on measuring results and less emphasis on measuring activities.** Both are needed, but the split must be weighted toward results. Experts suggest that business processes need wiggle room to allow for improvisation and innovation. So for example, let's say someone on your IT support team occasionally works outside "the support process" but is shown to have the happiest end-users. The results speak for themselves. In fact, maybe "the process" is in need of a fresh look?
- **Define scenarios and establish accountability.** When an important measure is trending unfavorably, there must be

someone accountable for taking actions to correct it. Give that person a head start with scenario planning and build broad awareness for those scenarios.

- **Ask an expert.** You can't be the expert on everything. Perhaps there is someone in another area of your company or in a friendly peer company who has been successful with performance reporting. Seek them out and learn their secret. Or consider using outside assistance. Keep in mind you are looking for help on what to measure, not how to report it.
- **Now a caveat on how to report: Use terms that people can easily relate to.** For example, "It's a ten-minute drive to the office," instead of "It's six miles." Individuals have varying perceptions of distance, but time is universal.

A more relevant example might be, "Improving our quality ranking one percentage point raises our individual bonus compensation by \$100 per week."

- **Pilot your ideas.** It's amazing what you can prove and disprove with a well-designed spreadsheet before you spend big time and money on reporting technology.

The old rule of thumb is, "What gets measured gets done." The challenge is making sure you're measuring and reporting the right things. I would be interested in hearing your success stories about performance reporting systems. Please drop me a note at rod_travers@renolan.com.

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