

### Gauging Success

With dashboards, what you see is only part of what you get.

[Doug Bartholomew](#), CFO IT

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When business-performance dashboards began to appear a few years ago, they were positioned as a way to put key business data into executives' and managers' hands, a neat approach to presenting the analysis that business-intelligence (BI) software packages had produced. Graphs, charts, and other forms of data visualization were gathered into a single, summarized view, replacing the usual rows-and-columns presentation style of a typical BI report.

Since then, dashboards have become more flexible and useful, providing an ever-widening range of at-a-glance reality checks, a quick way to gauge everything from the performance of individual employees to the financial or operational health of a business unit. (For an example, see "[BI Dashboards at a Glance](#).") What's more, managers are taking advantage of the interactive capability of dashboards to drill down and study the root causes behind an anomalous trend. And, analysts say, adoption of the technology is accelerating as users become more aware of its capabilities.

One driving force behind dashboards is the desire to put BI functionality — the ability to sort through data from various sources and arrive at actionable conclusions — into the hands of workers who are not trained business analysts or computer power users. Doctors, for example. "Our staff is able to rely on predefined targets and thresholds to see where they are falling short," says Jonathan Rothman, director of data management at Emergency Medical Associates (EMA), a physician-owned medical group that manages emergency rooms for hospitals in New York and New Jersey. *See* is the operative word there, as the system that Rothman describes presents physicians with bar-code graphs of daily, week-to-date, and month-to-date information. By simply clicking on certain components of that visual presentation, users can, as Rothman says, "get a more interactive view of the data. That way, a physician can figure out why he or she didn't reach certain performance goals."

As an example, Rothman cites a performance measure called "left without being seen." In hospital parlance, this means the patient came to the emergency room and waited, but finally left the facility, presumably to seek care elsewhere. "Some people arrive, get frustrated with the wait, and walk out the door," he says. Not surprisingly, the rates at which people leave without being seen vary according to the type of facility — urban

versus rural. Thus, the target threshold may vary. "In some cases, if two percent walk out, you're happy," says Rothman. "But elsewhere, it may be that you're unhappy if half a percent walk out. Knowing the location of the facility makes the metrics more meaningful."

Simply having this measure at their fingertips helps EMA's physicians be more effective, he adds. If a facility exceeds its threshold for the number of patients who left without being seen, it means the service at that location is too slow and changes must be made. Physicians at that facility automatically receive E-mail messages alerting them that the facility has fallen below the performance threshold. "I used to have to sit down with doctors and review the data," explains Rothman. The dashboard data and the alert, of course, are only a first step when it comes to achieving a certain performance level. "People must be able to see why the facility missed the threshold," he says, "and what they should change to achieve our goals."

"Dashboards allow you to manage by exception, yet avoid being deluged by data," says Eric Rogge, vice president and research director for business intelligence and data integration at Ventana Research. "Dashboards offer a very compelling concept — to be able to sift down through the data automatically and focus on the most important things." The idea of managing by exception is nothing new, but performance-management dashboards take that concept a step further, allowing business decision-makers to instantly connect with the data behind the numbers to determine the cause of the exception and take appropriate action.

It's a fine line between exception and disaster, and one of the most popular features of a dashboard is its alert capability. When things are going south in a hurry, executives and line managers need to know. "Frequent or significant surprises are the absolute bane of business today," says Randy Littleson, vice president of marketing at Kinaxis, formerly Webplan, a software firm that specializes in applications for manufacturing. "From a CFO's perspective, dashboards are all about trying to reduce surprises."

If a shipment of parts is going to be late, for example, the supplier can enter that information into RapidResponse, providing immediate updates to the manufacturer, which can then react right away. "The idea is to eliminate or at least reduce the impact of these surprises on the business," says Littleson. Kinaxis' RapidResponse software includes a performance-management dashboard, as well as the ability to perform what-if scenarios to analyze the impact of a given response.

Several factors have allowed today's dashboards to deliver where the "executive information systems" of days gone by failed. Better technology allows the systems to combine data from more sources; the Internet makes it relatively easy to grab data from various sources and roll the technology out to more employees; and the rise of key performance indicators (KPIs) and similar metrics-based approaches to management puts the technology in sync with the way companies really operate. In fact, at many

companies, the most critical decision faced when deploying dashboard technology is which metrics to present to which users. "We knew we needed to measure something, but we didn't know what things to measure," says Kyle Lambert, vice president of information solutions at John I. Haas Inc., one of the largest producers of hops used in brewing.

The company, whose business is dependent on a single harvest of hops each year, decided that the logical place to focus was on supply and demand, to ensure that adequate but not excessive inventory was available. "By using Oracle's Balanced Scorecard, we can see if we are on track with our expectations," says Lambert. "Now we know exactly how we stand on a month-to-month basis."

Haas is now taking a look at payables, with the goal of negotiating discounts from suppliers in exchange for making more-timely electronic payments. "In the near future, we plan to push the technology down through the organization, to the people who do the purchasing," adds Lambert. "When employees can see the impact of their actions on the organization, it helps bring them into alignment on how they can contribute."

Therein may lie the true strategic promise of dashboards. "We're seeing a lot of interest in dashboards as a means to help align strategy across the enterprise," says A. G. Lambert, senior director of product management at Geac, which offers dashboard technology as part of its business-performance-management suite. "The dashboard is evolving into an application in its own right, rather than being just an interface, that helps you actively manage strategy."

Companies can bring in dashboard technology a number of different ways, but it most often arrives as a bundled or add-on feature to BI software, or as a set of tools (as with Corda) specifically designed to let businesses build their own dashboards in a matter of days. Dashboards vary by ease of use and ease of customization, so it's important to understand up front who will (and may ultimately) use the technology. While dashboards are already a popular feature of BI software, many analysts believe that their true potential lies in deploying them throughout companies, even onto factory floors.