



GUIDED BY DASHBOARDS

PERFORMANCE DASHBOARDS HELP COMPANIES **TRACK BUSINESS METRICS** AT A GLANCE.

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By

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ou probably wouldn't even think about taking your car out on the freeway without a working dashboard. Without knowing how fast you were going, how much fuel you had, or whether the car was overheating, you'd be putting yourself, your passengers, and other drivers at significant risk.

Today's technology consultants think the same can be said of running a successful company—take it out without a dashboard, and you might have trouble reaching the destination you seek, or at least doing so without considerable trouble along the way.

The "dashboards" these consultants refer to are not attached to automobiles, but rather to corporate data systems and information networks. Also referred to as visual intelligence, business intelligence, performance management, or even the grandiloquently polysyllabic enterprise data visualization application—a performance dashboard in a business sense describes a computer screen that displays a collection of gauges, measurements, and data. It gives an executive a current and accurate at-a-glance view of how his or her business is performing, using any of a number of key corporate metrics.

A dashboard might, for in-

stance, show daily, weekly, or monthly sales figures, sorted and displayed by region, customer, or salesperson. It could present this data on a speedometer- or odometer-type graph that shows sales-to-date as a percentage of total sales goals for the period. Another set of graphs or gauges might show financial statistics such as the business development portion of operating expenses, the number of days remaining to pay invoices, profit per hour, and net inventory in dollars. Another chart or graph could track strategic initiatives, estimating completion dates. A bar chart might show inventory levels, particularly if the tracking of inventory is a leading indicator of business health for the company. A dashboard, in other words, presents critical data an executive needs to get an up-to-the minute picture of overall business health.

Time For a Tune-Up?

➔ The best performance dashboards, in fact, look pretty much like the dashboard you might have in your car: Popular graphics on a performance dashboard include gauges with sliders (picture a fuel gauge, showing both "full" and "empty" and a needle that shows the amount "left in the tank" or left to go), thermome-

ters or barometers with sliders (as sales grow and accumulate, the "temperature" rises), and any type of graph, chart, tickers, or maps. As with a vehicle dashboard, the goal is to give the driver—in this case an executive—a chance to see what is happening without taking their eyes off the road (in the business sense, digging through voluminous reports).

"You want to get a quick overview of the status or health of your business and get some idea of what needs to be addressed," says Dave Vernon, a partner at JDB Associates, an IT consulting firm in Maple Grove. "The dashboard should contain factors that are key to the business. If these factors get better, the business gets better."

The key to performance dashboard success is making sure the right indicators are chosen, Vernon says. "The executives have to decide, 'What business are we in, and what is critical to our business?'" he says. "They need to list, in order, a finite number of things to track. Ten is probably too many, and seven is a lot. I would say you should have five to seven key things you can glance at to get a picture of where you're going and where you are today."

Dan Wisniewski, vice president

and managing director for IT consulting firm Fujitsu Consulting in Minnetonka, calls these factors key performance indicators. "You need to keep it at a high enough level so that you are not trying to manage every detail," Wisniewski says. "The question should be, 'Do I have a problem with my inventory?' rather than 'Which specific order has not come in yet?'" Wisniewski says executives may need to monitor specific order details as well, and that can be accomplished by drilling down from a dashboard into a data store or, alternatively, by creating a separate dashboard to track order-specific information. However, limiting dashboard elements to high-level information keeps the screen from being too cluttered and avoids executives getting lost in too many details, Wisniewski notes.

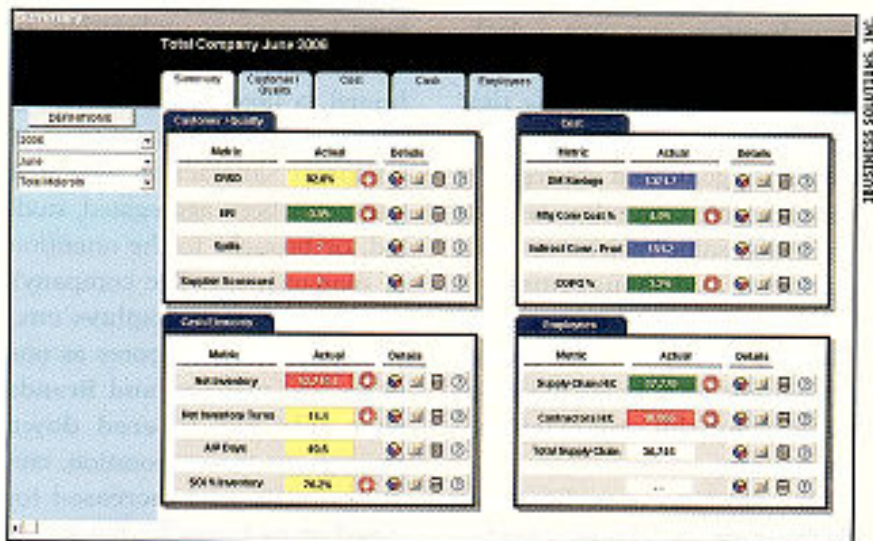
Getting a Clear Picture

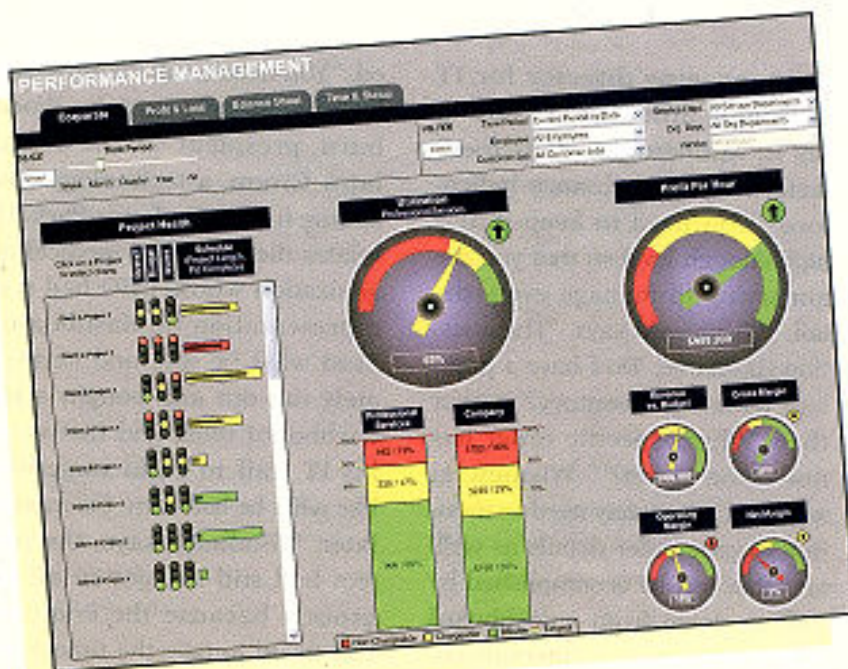
➔ A good dashboard is only as good as the data it draws from and represents. The best dashboards are tied directly into data stores or data warehouses that are comprehensive, accurate, and continually updat-

ed. "You need a full data-to-dashboard strategy" says John Woodburn, president of The Woodburn Group, a technology consulting firm in St. Louis Park. He relates the story of a medical organization whose CEO had seen a presentation on dashboards, liked what he saw, and immediately ran out and bought a few dashboard tools and instructed his IT staff to build something like what he had seen. Six months later, Woodburn says, the project had still not gotten off the ground because the company had failed to take the time to accurately define the data needed to feed the dashboard. "You need a data quality strategy, data integrity rules, and security structures," Woodburn says.

"The number one thing that is going to determine whether a dashboard will thrive or languish is the data that is underneath it," says Timothy Brands, president of iBusiness Solutions in Bloomington, a provider of data warehousing services and performance management dashboards. "The second most important thing is that it has to have executive sponsorship. Our most wild-

Dashboards like this CEO "scorecard" help to align the goals of operations, management, and executive teams, according to Timothy Brands, iBusiness Solutions, Inc.





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ly successful projects in dashboarding have the highest-level-possible sponsorship."

That high-level sponsorship, Brands notes, can turn a dashboard from a corporate instrument panel to something that does more: a tool that helps align corporate goals and strategy. "If the executive committee is looking at the same metrics as management, and management is looking at information that is fed up from operations, that creates alignment and accountability throughout the organization," Brands says.

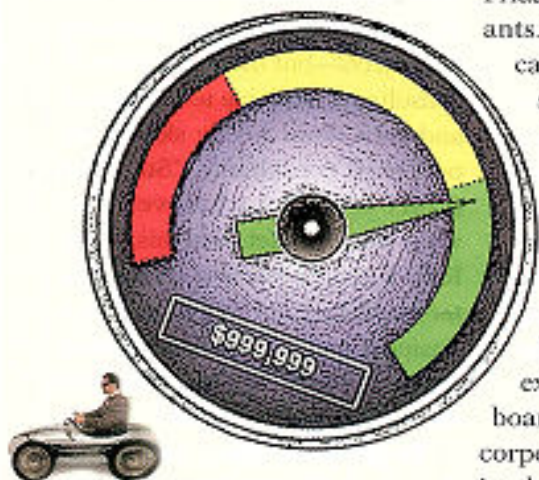
He also talks of performance dashboards as "change agents,"

explaining that the process of identifying key performance metrics can lead a company to examine critical data it may have been ignoring or underusing. In the process of building a dashboard, a large retail client of iBusiness found it had a trove of customer satisfaction data that had never been aggregated, studied, or brought to the attention of management. The company's dashboard now displays customer satisfaction scores as one of its key metrics, and Brands says this has filtered down throughout the corporation, creating a new and increased focus on customer feedback.

Everyone Benefits

Overall dashboard costs and timelines are difficult to define, mostly because each organization will have its own process for determining key metrics. Each will also have differing levels of expertise and internal or external resources upon which to draw. That said, a simple executive dashboard, if all the underlying data is available and in good shape, can be created for several thousand dollars and can be done in a few weeks to a month or two. Most projects will probably require more than that, including time with outside consultants and an IT staff to define the data, map out the dashboard, program the system, and train users.

Woodburn says one of his clients spent about \$25,000 over a six-month period to create a dashboard for use by a core team of two or three people. That project has been so successful that it is now being rolled out to a base of 50 to 75 users, and will eventually be available to 200 to 300 of the company's executives and managers nationwide.



Although performance dashboards can benefit a business of any size, they appear to be most prevalent among mid-to-large sized companies. "Eighty percent of Fortune 500 companies do some form of dashboarding," Vernon estimates. "Most com-

panies of \$50 million to \$100 million and up in sales will have a need to check their metrics on a regular basis."

The structure of an organization may also lend itself to dashboarding. Companies that have widely distributed operations or have numerous levels of management may be particularly well suited. "If you're located in the Midwest or on the East Coast, [a dashboard] can be a good way to find out, at a glance, what your West Coast operations are doing," Vernon notes.

Brands says various kinds of businesses can benefit from using a dashboard. He lists a large national retail organization, an international high-tech manufacturing firm, a mid-market b-to-b healthcare organization, and several public sector and educational institutions as among his dashboard clients. Practicing what he preaches, Brands uses an internal company dashboard regularly—each Monday morning he checks his dashboard for net profit, profit per hour, and other key metrics based on timecards entered each Friday by employees and consultants. During the week, Brands can call up the same data to see how the company is doing on a month-to-date, year-to-date, or project-by-project basis.

"I have never heard anyone say, 'This is not the right thing to do,'" Woodburn says. "From an executive standpoint, a dashboard is your way of aligning corporate strategy and leveraging key business metrics so that you can communicate effectively through the whole organization, on strategic, tactical, or operational levels. What executive does not want to do that?" **TCB**

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