

TDWI A Decade of Excellence: Education, Research and Community (<http://www.tdwi.org>)

FlashPoint: November 3, 2005

Avoid EIS Syndrome: Make Your Dashboard Actionable

By Craig Schiff
BPM Partners

It seems everyone today either has a dashboard initiative in progress or is about to launch one. These dashboards may display corporate-level data, departmental data, or both. More often than not, dashboards sit on top of a data warehouse, acting as a highly graphical means of making sense out of all of that information.

There is just one problem with this: many of these dashboards may never see the level of use and acceptance that the project leaders expect. Why? Think back to the immediate predecessor to today's performance dashboards: the executive information system (EIS) of the 1990s. These systems were purchased in great numbers by executives everywhere. The EIS was seen as a way for senior managers to finally have easy and intuitive access to key data. I happened to be working for one of the EIS vendors at the time, and the reality was that 80 percent of our sales ended up as shelfware. The reasons were many, but it really came down to usefulness, or more specifically, relevance and the ability to take action. After all, what is the point of looking at data that is either not important to you or is of interest but is not actionable? Let's take a look at some ways to make sure today's dashboard projects don't go the way of the old EIS.

Elements of an Actionable Dashboard

The key challenge in dashboards today (once you get past the technology and data challenges) is making them actionable. What does this mean? For a dashboard to be truly useful as part of a performance management initiative, it needs to display key performance indicators (KPIs) that are tied to the company's strategy. These KPIs need to be displayed to the right people at the right time. Action plans and owners must be associated with the KPIs, so that if they diverge significantly from the company's targets, corrective measures can be put in place quickly.

A dashboard that is not actionable is really just a graphically attractive report. The key elements of actionable dashboards are:

- Measures that can be acted upon
- KPI action plans and owners
- Industry-standard portal frameworks
- Relevancy: Role-based and departmental
- Built-in collaboration
- Support for business processes and links to enterprise applications

Let's take a look at each of these.

If you measure things that you can't impact in some way, you will have a highly frustrating dashboard. For example, if you are in the trucking business, you may want to display the current cost of fuel. While this number is important to your business, it's not something you can easily change. However, if you were to measure the profitability of particular routes, that is something you can act on. If the price of fuel goes up, you may need to pass the costs on to your customers by raising prices, or choose to stop sending out trucks that are less than 75 percent full with paid shipments. By measuring and managing to profitability, you do have some control over the outcome. Therefore, this measure is actionable.

Once you have actionable KPIs, you need to have 1) action plans in place to address performance that is below target and 2) an owner to put those plans into effect. One of the worst times to try to figure out who is responsible for a KPI is when the KPI is underperforming. When you are sitting around a conference table looking at a KPI that is in the red zone, do you really think someone is going to stand up and take responsibility? This is also not the best time to figure out a plan of attack, since the crisis mode that the KPI is in may lead to knee-jerk reactions that are not well thought out.

To further enhance the ability to act on information from the dashboard, you may want to think about utilizing a product that operates in an industry-standard portal framework. The main benefit is that as you view the KPI, you can easily move to related applications that either provide more detail or enable you to initiate action based on the information you have. The shorter the path from the first sign of trouble to taking action, the better.

Relevancy is another important consideration. The more relevant the dashboard is to the users, the more they will utilize it to measure their performance. This speaks to creating dashboards by department and/or having the dashboard contents change based on the user profile. While corporate data is of interest to people throughout the company, most users need to be able to focus on local measures that they can directly impact, which in turn will feed back into the corporate KPIs.

Collaboration is key. One element of collaboration is being able to interact with other users as you view the data. Perhaps the owner of a KPI in the red zone can enter an explanation, so that everyone can better understand the reasons behind the problem and what action is being taken.

The more the dashboard embeds processes and workflows related to the way you do business, the easier it will be to learn and use. It can't be actionable if it's not being used on a regular basis.

If you keep some of these considerations in mind as you develop today's performance dashboard, it should help your initiative avoid the fate of the EIS.

Craig Schiff is CEO of BPM Partners (<http://www.bpmpartners.com>).