POLLEN

BUSINESS ANALYTICS DASHBOARD

REINVENTING THE PERFORMANCE REVIEW

INTRODUCTION

THE LIMITATION OF EXISTING DASHBOARDS

Performance Dashboards are used by organisations to gather, analyse and present back data in a way individuals can make informed decisions.

It is now common knowledge that an efficient performance review is a must have for companies seeking to run their business with agility. In this quest for having the best information at the right time, organisations can use a range of Dashboards varying in format and content.

However, most companies keep facing similar challenges, especially:
•   Visualizing the relationship between financial performances and operational performances
•   Understanding the impact from one function of the organisation to another

FILLING THE GAPS

As a company working alongside multiple businesses varying in size and industry, we came to realise that no existing tool fully addressed these challenges and that companies would strongly benefit from filling those gaps when running their business.

The lack of visibility increasing with the size of the organisation, billion-dollar businesses struggle to get an exhaustive view on their activities with the existing performance dashboards.

For these reasons, Pollen Consulting Group has invested in researching and developing a Business Analytics Dashboard that would answer those challenges while fitting any organisation size.

* This document presents a summary of our researches including the landscape of the existing solutions, the remaining challenges and the necessity for a new approach.

MOVING AWAY FROM SINGLE DIMENSION PERFORMANCE INDICATORS

Since the introduction of the Balanced Scorecard, organisations have been struggling to generate a performance review that makes co-exist 3 dimensions of their activities such as:

- Displaying performances for **different levels of the organisation** (Executive, Management, Operations)
- Providing the **cascade Top-Down / Bottom-Up** performances for each Business Category (Sales, Production, Human Resources…)
- Highlighting the **impact of performances across different functions** of the organisation

Several variations of the balanced scorecard have managed to close the gaps for one or two of those dimensions:

- Mainly used by small businesses, the Performance Pyramid displays Top-Down / Bottom-Up performances for several levels of a business category
- Latest declination of the balanced scorecard, the Performance Wheel displays vertical performances across multiple business categories

Balanced Scorecard   Performance Pyramid   Holistic Understanding

MAKING CO-EXIST 3 DIMENSIONS IN THE NEXT GENERATION OF DASHBOARDS

No matter the format, one big challenge remains: displaying cross-functional performance impacts.

A BRIEF HISTORY OF PERFORMANCE DASHBOARDS

In the early 1990s, the Balanced Scorecard became a universal way for a business performance reporting. Over the following 30 years, scorecards have evolved to integrate the relationship between different levels and functions of a business.
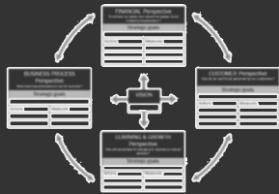
3d Century
First known use of performance indicators: the emperors of the Chinese Wei Dynasty rating the performances of the royal family

1900s
It is thought that the main cause of development of modern key performance indicators was a group of human resource managers in the 1900s
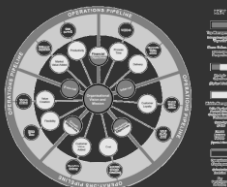
1950s
General Electric use of performance reporting dashboards

1992
Dr. Robert Kaplan of Harvard University and Dr. David Norton develop the Balanced Scorecard

2012
Watts & McNair-Connolly develop the Performance Wheel: combination of precedent representations, across multiple business categories

19th Century
Performance management and KPIs shifted to the industry, when a Scottish miller used painted cubes of wood over the desk of each of his workers.

1930s
France introduced a tableau de bord (literally, a "dashboard") for managers and c-level executives to track operational performance.

1991
Lynch and Cross introduce the Performance Pyramid which aims to display the performance across different levels of the organisation

2000
Introduction of the Performance Prism by Andy Neely, Chris Adams and Mike Kennerly which provides multiple views for both shareholders and stakeholders

2020
The next evolutions using big data and analytics........

HOW TO DO IT RIGHT?

SUMMARIZE A BILLION DOLLAR BUSINESS PERFORMANCE ON A PAGE

Performance Dashboards are meant to digest and organise large quantities of data in a way individuals can take informed decisions. When designing a performance dashboard, first step is to select the right information and connect interdependent indicators. Then, information displayed has to be organised in such a way that interdependent performances are easy to identify and to analyse.

Set the Core Drivers of the Business Performance
Categories may vary from an industry to another. However, within an industry, businesses usually share the same Core Drivers (or Categories). These are the highest level performance indicators that reflect the overall performance of the organisation such as: People, Service, Cost, and Profit. Any lower level indicator can be classified under one of those main categories.

Target the essential information that will generate actions
The key for making a billion dollar business fit on a page is to identify the right indicators, real drivers of the business performance. Also, it is important to eliminate the noise generated by the redundancy of information and similar indicators e.g. Gross Margin $, Gross Margin %, Net Margin %...

Identify interdependent indicators
The real value of the multi level performance review is to identify the interdependency of performances from the lowest level KPIs to the core business drivers. Below is an example of an Indicator cascade;

Production Cost $
- Overhead Costs $
- Material Costs $
- Labour Costs $
  - Indirect Labour $
  - Direct Labour $
  - Variance to Std $
    - Labour Rate Variance $ per hour
    - Labour Performance %
      - Productivity %
      - OEE %

⬡ Cost Driver ⬡ P&L & Financial Indicators ⬡ Management ⬡ Operational

HOW TO DO IT RIGHT?

MAKING CO-EXIST 3 DIMENSIONS OF THE ORGANISATION

Declination of the Performance Wheel developed in the early 2010's, the following dashboard representation combines 3 essential dimensions of the Performance Analysis:

1. Business Category Performance

One of the early developments of the performance review was to deliver an analysis of the main indicators of a team, or a Business Unit. Initially delivered in silo, the performance review was performed at a low level, to review performances of specific areas or activities of an organisation. Today, the same need remains. However, businesses now expect from their dashboard to provide an exhaustive view of their main business units at the same time.

2. Multi Level Indicator Cascade

Inheritance of the Performance Pyramid, latest performance dashboards provide an indicator cascade which underlines the bottom-up performance and the impact across different levels of the organisation.

3. Cross-Functional Performance

Real addition of the latest performance dashboards, displaying the link between different functions of an organisation enables to go one level deeper into the performance analysis.
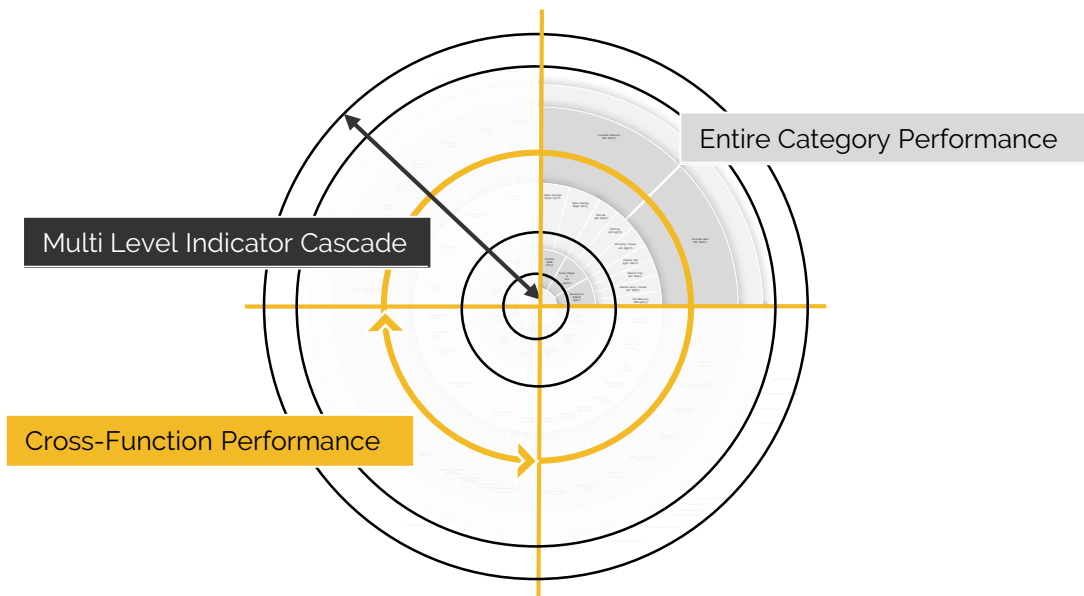
BUSINESS INTELLIGENCE TAILORED TO DECISION MAKING

Working with business leaders of tomorrow, Pollen have developed a Dashboard that addresses the biggest gaps of the existing methodologies. The circular shape of the Dashboards provides a vertical view of the performances across the main levels of the organisation, but also highlights the performance across multiple functions. The impact of low level operational KPIs to high level P&L values becomes visible, closing the gap between Sales, Costs, Services and People.

For multiple business functions, the Dashboard displays the performance of key indicators against the following conditions:

- Relationship between Business departments
- Flexible Period of Time
- Performance against various Targets
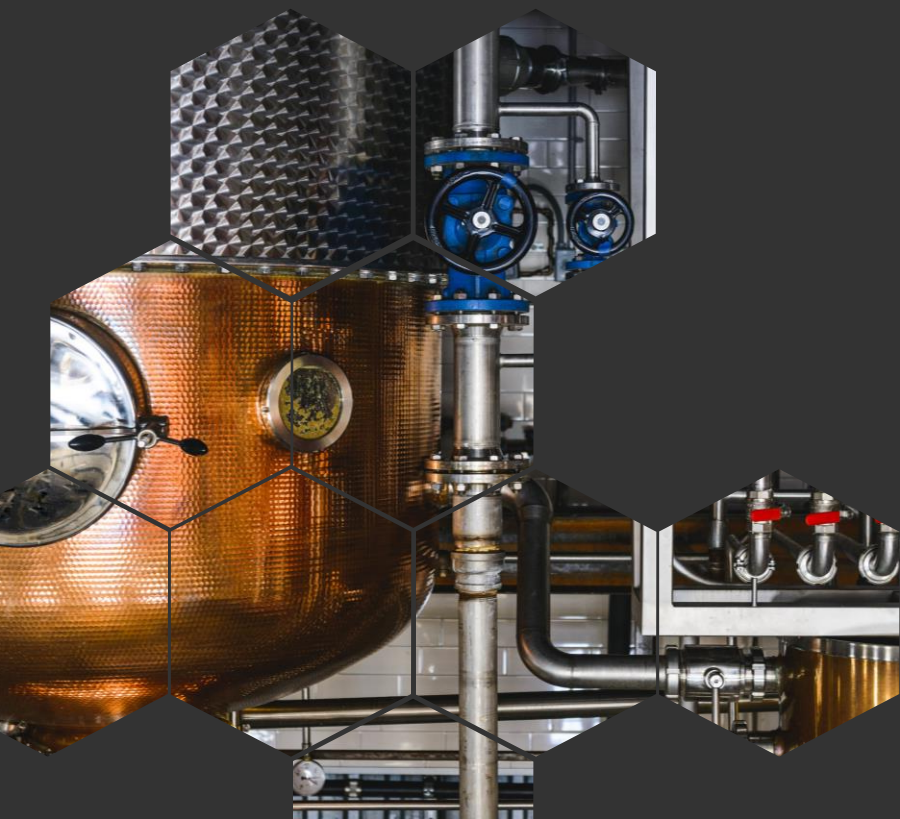
*Following pages provide a high-level presentation of the Business Analytics Dashboard and the future of Holistic Insights.

VISUALISE YOUR BUSINESS PERFORMANCE AT A GLANCE

WHAT MAKES THE BUSINESS ANALYTICS DASHBOARD DIFFERENT?

Because no existing representation provides a multi dimensional visibility. Businesses use the P&L as a performance reporting tool. Which makes decision taking process inefficient and doesn't drive the right decisions. Identifying improvement areas and understanding relational KPI's is the key to allocate your efforts and resources.
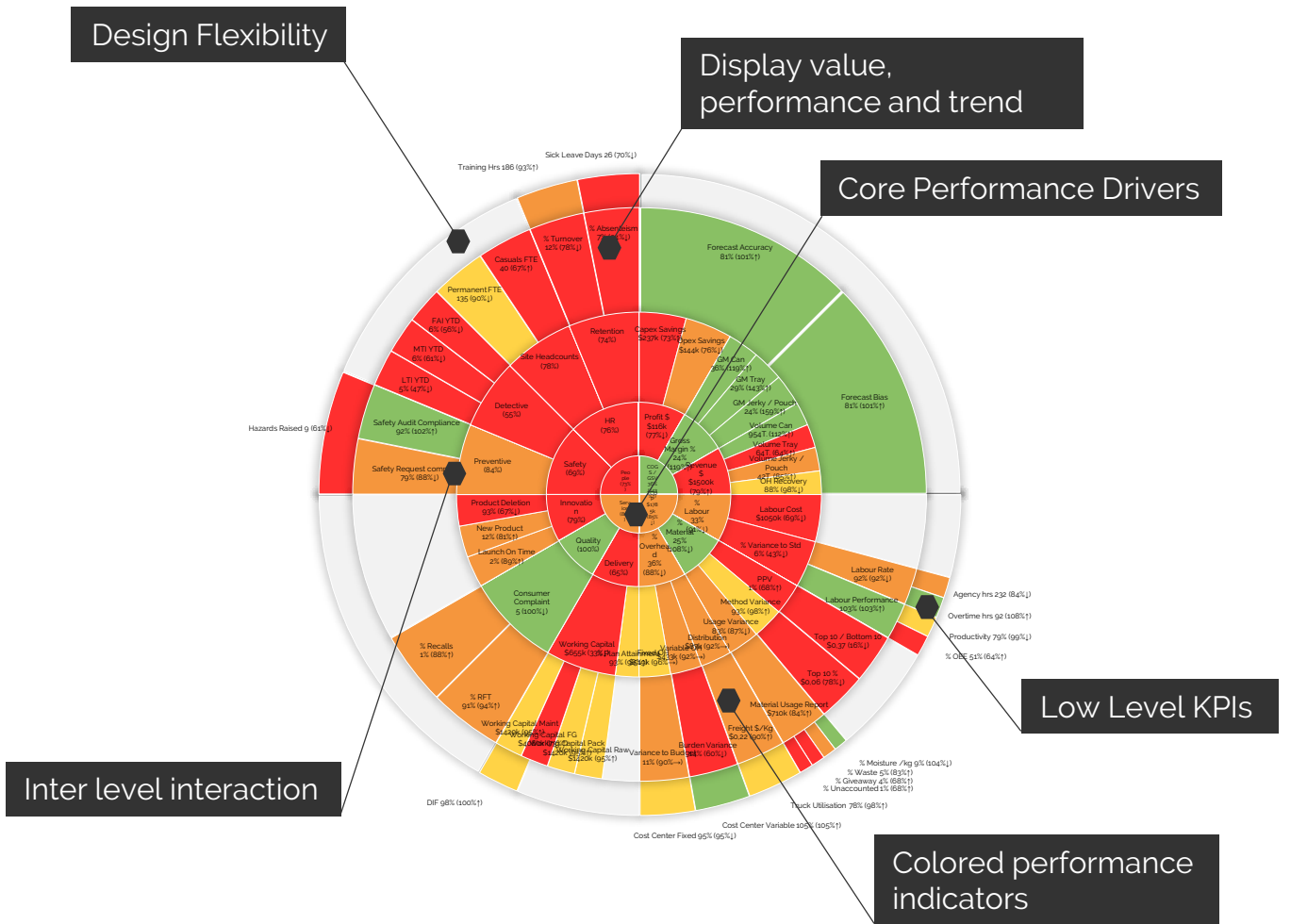
The approach is not reinventing your data capture, or building a huge IT platform, it is simply showing what you know in a way that will help you see what to do. It is the way to setup your KPI's so everything is focused on the right outcomes.
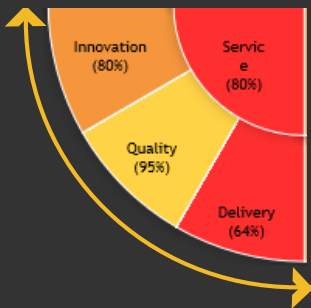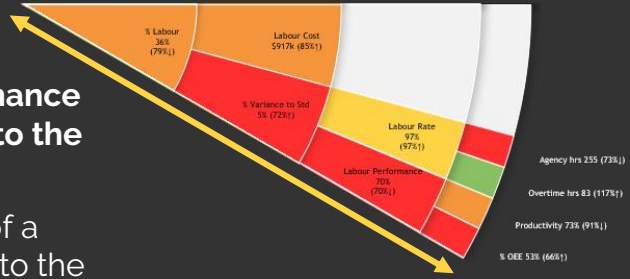
EXAMPLES OF THE POWER

Level to Level

Understanding the performance from the operational level to the P&L

Example highlights impact of a mix of low level labour KPIs to the labour performance

### Highlighting the performance across different functions

Example shows the contribution of three main functions of the business to the overall service level

Cross functional

Crossing functions and levels

Providing the complete picture of performance impact across different levels and functions

Example underlines the cascade of performance for the three main cost components (Labour, Material and Overheads) from management KPIs to the total cost of production
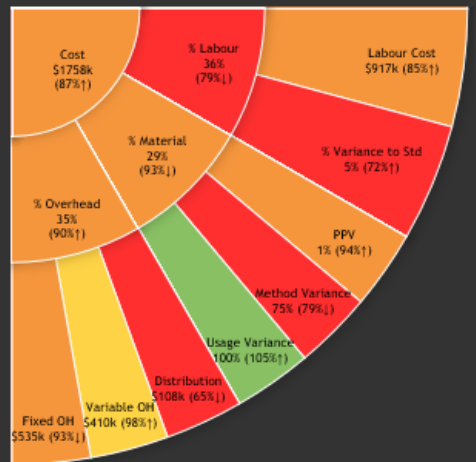
CONTACT

Why Pollen Consulting Group?

Being a fresh and new business, allows us to challenge the consultancy model, building a new level of competency. Pollen is driven to make a difference.

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