>> 5 Performance Management Challenges to Overcome

Tips for implementing performance management as a strategy and a tool. By Sandra Gittlen

Faster project cycles, increased visibility into business processes, cost efficiencies and rapid decision making. These are just some of the benefits that performance management (PM) tools can deliver to enterprises large and small. So why are some IT managers hitting a wall in achieving these results?

According to a recent *Computerworld* survey of IT professionals, only 14% of respondents consider their PM efforts to be at the top of the maturity scale, leaving a full 86%, who admit to making significant investments in PM, lagging behind. They cite a lack of time, budget and resources; other initiatives taking higher priority; and organizational resistance to change as challenges.

"If deployed properly, performance management solutions can give individual workers and line-of-business managers the visibility they need to make an organization more profitable on their own—without day-to-day help from IT," says David O'Connell, senior analyst at Nucleus Research.

The following tips address some common PM obstacles:

1. Complexity of Performance Management

PM is a strategy that must be phased in. Trying to implement it across all disciplines at once is setting up a possibility of failure. Instead, apply PM to a particular process into which you would like to gain better visibility. "Don't build up too fast, and don't try to go enterprisewide at once," O'Connell says.

Chris Sorensen, team leader for data management at Calgary-based WestJet Airlines Ltd., says his team made the mistake of trying to go all-in at the start of their PM initiative and had to quickly downsize to a few key, specific business processes, such as how to measure bookings and profitability. This significantly reduced the complexity of the rollout and increased the chance for success.

2. IT Workload and Time

While experts admit that PM does take an investment in IT resources up front, once deployed, the software automates a lot of the day-to-day tasks that required IT assistance. For instance, users can create search queries, generate reports, and set thresholds for alerts regarding critical data.

This leaves the IT team free to expand the PM initiative or work on other revenue-generating projects. In fact, IT can move on to the challenge of how to blend structured and unstructured data as well as improve the PM tool through additional collaboration technologies, according to Forrest Palmer, an executive with IBM Cognos' Business Intelligence and Management Group.

3. Lack of Executive or Business Leader Buy-in

In these tough economic times, it's especially important to have a PM task force, otherwise known as a Business Intelligence Competency Center (BICC), to champion your effort and frequently update stakeholders on progress. The BICC can gather initial support by showing the areas that will benefit from PM, such as budgeting and forecasting. The task force should also show that IT will be collaborating with business units through the BICC to ensure the efficiency and positive outcome of the PM project (see "Recipe for Performance Management Success"). Demonstrating IT value and business value is the key to gaining buy-in.

4. Unreliable Results from the PM System

When organizations dive right into their PM deployments without considering the quality of the data they are pulling, disaster can strike. "We did not pay enough attention to the quality of the data that we staged from our source system, which stopped our initial rollout dead in its tracks, and delayed implementation by two months," WestJet's Sorensen says. He recommends spending time up front to evaluate the quality of the data.

5. Reluctant Users

Too often, the biggest obstacles to PM success are the users themselves. O'Connell attributes this to a lack of communication by IT. Where PM has flourished, IT teams have collaborated with business users to set requirements, and develop, deploy and improve PM systems. Users had a vested interest in the outcome and were rife with feedback. He says interactive training sessions and mentoring groups are also good ways to keep users upbeat and involved. IBM Cognos' Palmer advises companies to create a council that engages power users and report authors from the business side to test, critique and cheerlead performance management efforts.

For more information on best practices for championing a BI or PM initiative, visit www.ibm.com/cognos/champion.