Innovation in Action Series
August 2009

How "More" Happens

Innovation Center members weigh in on increasing the ROI of their performance management deployments

Information Management

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On May 12, 2009, more than 100 members of the IBM Cognos Innovation Center for Performance Management attended an Innovation Roundtable in Orlando, Florida, as part of IBM Cognos Forum.

They had come from as far as Australia to network, share stories and discover innovative new ways to navigate the sometimes chaotic intersection of people, processes and technology in pursuit of higher performance.

Here, we present key findings resulting from the second of two questions on the agenda: How do you expand performance management beyond your original deployment?

The most effective way to expand performance management – and increase its ROI – is to accept its limitations.

A paradox, yes, and a difficult lesson to learn. But, say our members, the sooner you accept these limitations, the sooner you'll be progressing from point solutions to enterprise deployments.

First, says one member, forget about perfect data. Your data will never be perfect. There will always be more, coming from more sources more quickly than ever before. In most cases, simply having better data in key decision areas is enough to keep moving: "Get 60 percent right and identify the rest as an issue to resolve later."

Second, says another, forget about complete usage. There will always be more functionality to add and more users to bring on board. Such is the nature of focus: tackling core problems in your early days inevitably leaves related issues unresolved. And broadening your deployment means adding new parts that move at different times and rates: "It's continuous improvement," he says. "You always have to go back and re-verify with the user community that the solution is relevant. If you don't, it stagnates and you're dead."

"We're doing the predictive analysis. But we're also going back to the foundation to see if it can be better."

What is a Competency Center?
A Competency Center is an organizational structure that groups people with interrelated disciplines, domains of knowledge, experiences and skills for the purpose of promoting expertise throughout an organization.

Also known as a Centers of Excellence (COE) or Centers of Knowledge, Competency Centers can help:

- Promote and provide delivery enablement through a consistent set of skills, standards, and best practices.
- Enable repeatable successful deployments through the development and focus of people, technology and process – in ways that makes sense to an entire organization or division, rather than just a single project.

Read our White Paper to find out more

It may be discouraging to think that despite your best efforts, your deployment will always be a work in progress. But don't lose hope. Business is simply moving too quickly for it to be otherwise. And Performance management itself is a journey of continuous, incremental improvements: "Selling performance management is a journey that you repeat over and over and over and over and over," says one member. "It's not a set-it-and-forget-it thing," says another. "You have to constantly fine-tune."

As our members demonstrate below, it is indeed possible to expand your deployment in an imperfect environment. The key, they say, is to focus on the three core areas:

- **Structure:** Make the jump from individual champions to organizational capacity
- **Staffing:** Build a team with three core skills
- **Adoption:** Manage change and build trust

> "When other people see that sales people are making money, corporate finance wants in, HR wants in, everybody wants a piece."

STRUCTURE: From Champions to Competency Centers

Many members say getting to that first "Yes" requires a strong personal brand, a persuasive champion and sometimes, a few well-timed favors. Moving beyond that first project, however, demands you adopt a more scalable approach. Personnel changes, new technologies and shifting business priorities can all delay or derail your efforts to expand. "Just because you've acquired executive buy-in doesn't mean it's going to be there forever," says one member. "Successful executives often move on."

Competency Centers – whether for business intelligence (BI), performance management, or information management – are by far the most effective way to make this transition. They provide the structure you will need to build capacity and develop expertise that can survive – and evolve – to drive better decisions and performance. Members routinely identify three important ways Competency Centers help you expand your deployment:

Competency Centers show that you're serious: For many members, Competency Centers serve the same sponsorship function as did their CEO or CFO in their early days. These structures need resources to establish and maintain. In securing these resources, you're signaling to the organization that performance management has moved beyond the proof of concept or "pet project" stage.

The additional benefits here are the additional resources available for communications and evangelism on a broader scale. At one member organization, for example, the CIO sponsored a day-long discussion with managers from IT, Marketing and Finance about the benefits their deployment would deliver and the strategy they would pursue to engage the organization. With the agreed-upon strategy in-hand, the CIO then proceeded to promote the solution to his peers in Operations, Sales and Marketing Operations. These discussions led to all signing off on an enterprise data warehouse.

Competency Centers codify the IT-Finance relationship: Many Competency Centers have their own charter that defines the roles and responsibilities of each department. Charters, members say, are particularly helpful in resolving disputes that could stall or derail a deployment from within. Some members have gone so far as to establish governance structures within their Competency Centers: "We made the Steering Committee a significant force within our BICC," says one. "We met regularly and set priorities. Sometimes there were arguments, but many more times there were resolutions. It kept the momentum going and served as an avenue for constant communications."

Competency Centers can also act as windows on the broader organization, thus keeping you apprised of emerging issues to solve or new opportunities to seize. Doing so helps you keep performance management top-of-mind in other areas as a proven solution to a new business pain. "Sometimes you need to get yourselves into other structures," says one member. "If the technology is critical or users need information about it, you need to be there."

Competency Centers establish strategies and standards: A surplus of options and possible routes can lead many deployments astray. Competency Centers can act as a forum for discussions about the appropriate business strategy to follow and the technology standards your team will adhere to for long-term success.

This benefit is particularly valuable in large or diversified organizations that must manage technology lifecycles and purchasing on a global scale. Competency Centers, members say, enable you to align your objectives with these processes for a smooth, predictable expansion. One member, for example, credits his team’s Competency Center in deploying – and defending – a shared services approach that’s enabled a global roll-out: “We’ve proven over and over again that it’s a good idea. It’s cost-effective, it’s efficient and it enables release management to happen seamlessly. We’ve integrated planning and BI in a shared environment. It makes it very difficult for people to go outside the system.”

STAFFING: Three core skills

Every deployment rests on a strong foundation of IT and Finance skills. But to expand your solution you’ll need to seek out skills that aren’t apparent from your org chart. Specifically, members say, you’ll need strong communicators, problem solvers and people who continually think ahead. Finding these people means knocking on a lot of doors and hitting a lot of dead ends. But it’s worth the effort, because these skills make the difference between delivering a solution that automates some reports and one that drives continuous transformation.

Find communicators: Because everyone is an advocate

Many initial projects begin with a designated spokesperson. But adding users and capabilities means engaging new departments, educating new users and, occasionally, defusing delicate situations. No one person can perform all three tasks at once. At this stage, members say, a more effective approach is to view communications less as the responsibility of one person and more a core skill for everyone on the team.

The broadened scope of your deployment means more people in your team will be talking to more people. And the greater the exposure for your solution, the more important it will be to ensure that everyone presents it in the proper light. "Even developers have to communicate," says one member. "Even if you think they're just going to develop applications, they're also going to be in situations where if they can't communicate it'll cost you."

> "Is this person going to be a difference-maker or just a participant?"

Find problem-solvers: Because every challenge is different
Problem-solvers are essential to your expansion efforts, members say, because they're the most likely to bring unconventional perspectives to a problem, and, therefore, more likely to find innovative solutions. The more people like this you can find, the better:

"Every opportunity is different," says one member. "Your challenge might be people, politics, technology or all three. So it's important to have people who can solve problems in different ways. You want someone who can look from the top down, someone who can look from the bottom up, you want someone who is very logical and someone who is very imaginative."

The good news is that problem-solvers exist throughout your organization. The bad news is that it can take a long time to find them, if only because their current jobs may not require them to display this particular talent.

> "Aptitude over ability. Ability you can teach."

How to find them? "IT is a good place to start your search," says one member, "because they know there's more than one way to code a solution." Another tactic is to go outside your org chart: "Whether these people come from IT or Finance doesn't really matter," says one member, "just as long as they can bring a multi-faceted approach." Also, says another, ask them if they like to solve puzzles: "They're the ones who will figure things out and do what it takes."

> "Curiosity is a key attribute."

Find the forward-thinkers: Because you can't afford to wait
Finally, find the forward-thinkers. Your success – or simply your survival – is increasingly determined by your ability to anticipate change. The further out you can look, members say, the better able you'll be respond when change hits. "You need to constantly be looking ahead," says one member. "Ask yourself: 'Am I ahead of the business? Am I selling ideas and concepts before the business knows it needs them?' It can be frustrating because people won't always understand, but if you wait for work orders you can't move fast enough."

> "Find those visionaries that keep the big picture in mind. Think two years down the road even though you're delivering in two months."

USER ADOPTION: Getting users to click
User adoption is often the "last mile" of any deployment. The ideal scenario, members say, is to have self-sufficient users who take ownership of the solution. But like the old adage about leading horses to water, you can lead users to browsers, but you can't make them click. In some cases, your challenge will be to wean them off old habits. In others, it will be to establish productive new ones.

In either case, your adoption strategy must address two specific questions users will ask of your solution:

Am I comfortable with the tools? Members often remark that users – including C-level executives – prefer to use sub-par tools they're familiar with rather than seek out something new. Even if the numbers are familiar, seeing them in an unfamiliar context (for example, online) can cause many users discomfort. Be prepared to help them through the shock of the new.

Do I trust the data? Whether you've automated a process or introduced a new application, users will have their doubts about data accuracy. This can erode their confidence in their decision-making ability and, consequently, their willingness to buy in. Be prepared to explain where the new data comes from, how it was calculated and why it's better than what they had before.

The example below provides a perfect illustration of how one member solved both problems. Having first built a new dashboard for her CEO, her next challenge was to bring financial analysts on board to explain the numbers that fed into it. The main sticking point? A reliance on spreadsheets and slideware:

"It was all about control – it was their data. They wanted to make sure that when it went up in a meeting, that they knew exactly what was going to be shown so they could answer questions.

The problem was that building the slides took too long. They didn't have time to analyze the data, so they couldn't answer the questions. That's not what you want to be doing in a monthly meeting. You want to be there showing the data, saying 'This is what happened, this is why and this is what we're going to do about it.'"

> "Empowering other people to be confident and understand the tools is so important."

Her solution? A collaborative three-step process that made the analysts feel comfortable with the data, opened their eyes to the value of the new solution and ultimately transformed them into power users.

The first step was to replicate the look of the analysts' familiar PowerPoint slides in IBM Cognos PowerPlay®: "That gave them confidence that the data was right."

The second step was to ask the question: "Does this data really help drive a decision? Does it show you want you want?" Putting the data in this context, she says, opened the analysts' eyes to the increased value of the new approach. From there, the final step was simply asking the follow-on question: "How can we tell a story with this data?"

> "When the level of grumbling goes down, we know we're good to go. Silence is good."

It was in this final step, she says, that the analysts made the transition from skeptics to supporters: "Once I had them into a team things really started coming together. Now that they're comfortable with the tools they can go in and make the enhancements. They can stand behind the data and how it's being presented."

Collaboration was key to success in all three stages, she says, for one simple reason: the greater the analysts' input, the greater their sense of ownership of the result: "I knew these were people who could say 'I hate this,' but it's not really smart to say you don't like something when you're part of the process."

Paper to Web: Clearing the first hurdle

The move from printed to online reports can be a major hurdle, particularly if you're making your first expansions past your initial deployment or if your organization is still unfamiliar with performance management.

Our members have found two diametrically opposite approaches to solving this problem. For some, the answer lies in extensive, hands-on training that walks new users through the solution click-by-click. "We did a lot of one-one-one training," says one member. "It was very important to sit down individually with each person so they didn't start to undermine our roll-out."

Another member took training one step further, helping new users understand the impact of the decisions they would be making with their new data and the business strategies they should be putting in place as a result. "Training was the keystone of success all along."

> "As soon as something's developed, we train our users so they're in there right away."

The opposite approach is simply to stop creating paper reports altogether. A jarring tactic, no doubt, but one that when matched with executive support can be equally effective: "The first report we automated was a monthly report we called the 'blue book'," says one member. "People were scared when we stopped printing it. But our CEO had said 'This is how it's going to be.' We told people they could go online and print out whatever they needed – they didn't need all 70 pages."

This "cold turkey" approach, members say, achieves two important goals: first, it boosts system efficiency by reducing the amount of information traveling through your network. "Our IT team wasn't happy about the huge PDF files clogging up the email servers," says one member. Second, it keeps the solution relevant to your users by encouraging them to specify the information they need, rather than asking for everything "just in case."

"We stopped mailing out reports and just waited until somebody asked, 'Where's my information?'," says one member. "We've really tied to get things into a pull-oriented system where people are going and getting what they need."

> "Auditing the system lets you eliminate older reports, streamline and see who needs to be brought up to speed. It allows you to build what users need, not what you think they need."

Hands-on training, on the other hand, is resource-intensive and usually slow. But members appreciate the way it can win over the skeptics: "You always have a handful of people who are going to be difficult," says one member. "We sat down with them to make sure they were OK and understood what they had to do. Then we had the best advocates for the project in the whole company. That smoothed our rollout of the whole process."

A hybrid approach

Other members have found success using a hybrid approach. One member discovered her executives were ignoring the Web portal her team had built and instead were asking their assistants to print off the reports. So she combined the familiarity of paper with the promise of more data online:

"We gave them the report they'd always had, but said, 'On the portal, there's drill-down information. If something here doesn't make sense and you want to understand why, click on this link, go to this report and get more out of it.' Suddenly, they thought 'Wow, we can understand what's behind the problem.'"

> "Don't overwhelm new users with options. Don't ask them about the business model. Just show them how they can find the answer quickly."

Put some "skin in the game"

An altogether different approach for you is to use the same solution as your users. Showing you have "skin in the game" demonstrates your commitment to the solution and to their own success. Also, says one member, it helps you avoid creating the perception that the solution is being imposed from upon high: "We got the sales directors to say, 'Here are the 15 reports that we're all going to use. We're not shoving them down your throats. They're coming from me.'"

> "Our users didn't want unfettered access to the data. They wanted a guided path to the answers."

From adoption to ownership

For organizations further along their performance management journeys, the challenge is less about users trusting the tools as it is taking ownership of them. The greater their sense of ownership, members say, the greater their sense of accountability for results: "We've actually turned our development environment over to our end users," says one member. "We teach them how to build their own scorecards. Suddenly they really care about what's happening."

> "It's becoming a more organic environment – a lot less 'Thou shalt do it.'"

In these situations, your task will be to fill in the gaps left open during your original roll-out. If your deployment began in the C-suite for example, look for ways to connect users on the frontlines. "We're trying to make things a lot closer to home, more departmentally focused," says one member. "We've tried to build more accountability and do more things more bottom-up instead of top-down."

If you began on a smaller scale, your challenge will be to find an advocate who can bring the benefits to an executive's attention: "We had good bottom up buy-in, but no initial executive sponsorship," says one member. "We'd been working on it for three years but couldn't get any resources until our CEO said 'I really wish I could have this.'"

Make the solution relevant
Building a successful adoption strategy means making your solution as relevant to your users' daily tasks and decisions as possible. But which approach should you choose? There is no "right" answer, but members do agree that need to understand your users' desire for change before you can convince them of the benefits of your solution. "Only do or change as much as the business can absorb," says one member. "Do a little at a time." You also need to understand the reasons why adoption rates are low. Building users' comfort with and trust of the tools will be essential. But with patience and persistence even your most ardent opponents can become your strongest supporters.

> "Embrace creative destruction: Somebody is going to come up with a new way of doing things, so it might as well be you making a profit from it, even if that means throwing away the stuff you've already done. We do it all the time. If you don't, you're going to lose that competitive advantage."

CONCLUSION

Every performance management deployment is a journey of continuous incremental improvements. And as Innovation Center members have demonstrated, it is indeed possible to achieve them within a dynamic business environment. The key is to focus on three core areas: establishing a Competency Center to build organizational capacity; securing the right talent that can solve problems in different ways and to drive adoption in ways that lead users to discover the benefits of your approach.

About the IBM Cognos Innovation Center for Performance Management

The IBM Cognos Innovation Center was established in North America and Europe to advance the understanding of proven planning and performance management techniques, technologies, and practices. The Innovation Center is dedicated to transforming routine performance management practices into "next practices" that help cut costs, streamline processes, boost productivity, enable rapid response to opportunity, and increase management visibility.

Staffed globally by experts in planning, technology, and performance and strategy management, the Innovation Center partners with more than 600 IBM Cognos customers, academics, industry leaders, and others seeking to accelerate adoption, reduce risk, and maximize the impact of technology-enabled performance management practices.

http://www-01.ibm.com/software/data/cognos/innovation-center/

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IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

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IBM Canada
3755 Riverside Drive
Ottawa, ON, Canada K1G 4K9

Produced in Canada
August 2009

IBM Cognos
Innovation Center
for Performance Management

IML14191-CAEN-00