BETTER INSIGHTS AND ALIGNMENT WITH BUSINESS INTELLIGENCE AND SCORECARDS
Introduction

Business Intelligence systems have been helping organizations improve performance by providing better insights, better decisions and faster actions. Key Performance Indicators, or KPI’s, are measures with targets that help manage business and individual performance. Scorecards help organizations define strategy, identify goals and objectives, achieve alignment and monitor performance in context of business goals and objectives.

Organizations are increasingly using techniques like scorecards and KPI’s along with their business intelligence systems to gain better insights, achieve organizational alignment and manage performance. Traditional business intelligence systems with disconnected scorecards, KPI’s, reporting, dashboards and ad-hoc query analysis capabilities fall short at monitoring, aligning and benchmarking performance. Oracle Business Intelligence 11g with integrated reporting, dashboards, scorecards, KPI’s and ad hoc query is the only platform designed for the complex performance management challenges faced by today’s organizations.

By engineering the scorecard functionality as an extension of the business intelligence platform, Oracle delivers better insights at lower TCO and higher ROI. Scorecard objects like strategy maps, strategy trees, KPI’s and cause and effect diagrams can be surfaced anywhere within the business intelligence platform including dashboards, reports and analysis. These engineered systems ensure that every consumer of the business intelligence system has the ability to view their actions and performance in context of the overall corporate strategy, goals and objectives. Armed with this insight, employees can understand their impact on achieving success and align their actions accordingly.

This engineered system approach is equally powerful for IT. An integrated system with shared metadata, common security and a common technology platform ensures that a broad range of business intelligence capabilities are easy to develop, deploy, scale and maintain reducing cost, complexity and risk.

SCORECARDS AND DASHBOARDS COMPARED

Scorecards and dashboards represent two of the commonly used tools to manage performance. Dashboards leverage enterprise data assets to present business users with single-screen display of clear, actionable information relating to the health of the business usually represented by key metrics. Dashboards typically lack the context in which to analyze the metrics or the benchmark, internal or external, against which to measure performance. Scorecards provide strategic context around metrics by defining why a metric is important to accomplishing the corporate goal and objectives or how the metric performed against a benchmark. The ability to analyze KPI’s in the context of strategic business goals and objectives is the key differentiator between scorecards and dashboards.

The distinction can be better illustrated with an example. For illustration purposes let’s assume that an organization is interested in tracking the order fulfillment day metric. A number like 5 days for the metric without any business context, like the trend is going up or down or a benchmark like the
industry target for fulfillment day is 3 days, is meaningless. In order to gain meaningful insight from the fulfillment day metric it’s imperative to have a context like the target is 3 days and the trend is going up. Equally important for the purposes of making insights actionable and help prioritize the corporate resources is the information that high fulfillment days could lead to low customer satisfaction which in turn can lead to reduced sales, increased costs and hence poor financial results. Since scorecards and KPI’s provide the additional context like targets, trend and relevance around metrics; they are unique in their ability to provide better and actionable insights.

![Figure 1: Oracle BI platform's Strategy Maps – Providing business context around KPI's.](image)

**BETTER TOGETHER: SCORECARDS, KPI'S AND BUSINESS INTELLIGENCE FOR BETTER INSIGHTS**

Historically, scorecards and KPI’s are associated with high level corporate business optimization initiatives like Management by Objectives (MBO’s), Balanced Scorecards, Total Quality Management and many more. However, used in the broader business analytics context alongside dashboards and reports, scorecards and KPI’s are unique in their ability to provide better insights, achieve alignment and manage performance. Scorecards and KPI’s help achieve organizational alignment, bridge the strategy execution gap and help monitoring performance in context of business goals and objectives.

The fulfillment day example outlined in the previous section demonstrates how having additional context like targets, trend and relevance around metrics can deliver better and actionable insights. The above example illustrates the applicability of scorecards and KPI’s beyond strategic planning and for areas like financial and operational management.
Oracle BI 11g is designed on the premise that scorecards and KPI’s, just like dashboards and reports, are another powerful method of gaining insights and analyzing performance. So, by engineering the scorecard functionality within the BI platform, Oracle’s BI platform presents exciting new possibilities around gaining better, contextual insights and taking faster decisions. An integrated BI & Scorecard system means that scorecard objects like KPI watch list, strategy tree, strategy maps, cause and effect diagrams etc. can be created using the same metadata as the BI reports, measures, charts etc. delivering consistent definitions and faster and easier development, deployment and management through shared metadata. Moreover, dashboards can display scorecard views and KPI’s alongside BI reports, measures and charts thereby providing an integrated view of organization wide strategic and operational performance. Oracle’s engineered systems approach ensures that capabilities like scorecards, KPI’s, strategy maps and trees etc. can be used by all users of the business intelligence system to gain better, contextual insights, take faster actions and bridge the gap between strategy and execution by achieving better alignment.

ORACLE BUSINESS INTELLIGENCE FOUNDATION

Oracle Business Intelligence Foundation, Oracle’s BI platform offering is a comprehensive business intelligence solution for reporting, ad hoc query and analysis, OLAP, dashboards and scorecards. Oracle BI Foundation is based on an architecturally integrated technology foundation that provides a unified end user experience and features a Common Enterprise Information Model, with common metadata, security, query request generation, optimization, and system management.

Oracle’s BI platform empowers organizations with capabilities intended at communicating strategic goals across the organization and monitoring their progress over time. The platform provides capabilities to establish specific goals, define how to measure their success, and communicate that information down the entire organization. Armed with this insight, employees can understand their impact on achieving success and align their actions accordingly. As they use dashboards, reports, scorecards and KPI’s to measure the outcome of their actions, they can quickly make adjustments as needed to successfully achieve the goals.

Oracle BI platform enables organizations to:

• Provide a framework that organizes strategic thinking and performance measurement.
• Clarify and build consensus on strategic direction.
• Communicate strategy and measures of success.
• Align behavior and increase focus on priority initiatives.
• Support strategic planning through metric relationship analysis and organizational learning.
• Monitor progress towards achieving the desired goals and objectives
• Model scenarios and uncertainty
• Take better decisions and act on insights.
The Oracle BI platform is flexible and can be deployed to support common management frameworks like Balanced Scorecard, Six Sigma, Baldridge, and Management by Objectives and Total Quality Management. It can also be adapted to any other management framework used within organizations.

Figure 2- Strategy Management with Oracle BI platform
BI AND SCORECARDS IN ACTION

A number of customers across industries and geographies have deployed BI and Scorecards technology together and are benefiting from a closed loop integrated system that is helping them strategize, plan, execute, analyze, model and act all from a single platform.

As an illustration, Elkay Manufacturing a worldwide leader in sinks and faucets with over 3800 employees recently implemented BI and Scorecards technology together. The key benefits included successful implementation of a financial transformation strategy, market share and profitability gains. Elkay was able to successfully move away from a reactive, short term, budget focused planning process to a strategic, long term, dynamic planning cycle which is more in tune with long term strategic goals. Elkay’s market share and profitability gains despite operating in the highly challenging housing sector is testament to the benefits the customers can achieve by aligning their operations to strategy with integrated BI tools offerings including BI & Scorecard technology.

CATIC, with over 20,000 employees and revenues of over US$24 billion, is one of China’s top 20 exports and imports firm. Operating in the highly strategic aviation products and technology sector, CATIC is an important, state run organization for the People’s Republic of China. CATIC implemented BI & Scorecards to empower its management by delivering a closed loop management system which could be used for managing all aspects of the performance management lifecycle from business planning, budgeting and execution to performance monitoring and analysis. Benefits included streamlining up to 16 different business processes and a drastic reduction in project management time.

CONCLUSION

Oracle BI 11g is designed to help today’s organizations drive profitable growth, change, and many other operational and financial performance goals. Oracle BI 11g helps customers achieve this higher level of value by providing more than a comprehensive set of tools, but an integrated platform to make BI pervasive, providing insight to all employees within their normal work environment, applications and business processes.

Oracle BI 11g delivers a comprehensive set of capabilities that span ad-hoc query and analysis, OLAP analysis, interactive dashboards, scorecards, reporting, proactive intelligence and alerts, mobile analytics, and more. By engineering the KPI management functionality with the Oracle BI platform, Oracle intends to bridge the strategy-execution gap and strives to enable closed-loop, insight driven business processes with ability to monitor business metrics in context of business goals and objectives. This improved insight is extremely powerful as it empowers the consumers of the business intelligence system to better manage execution and take better business decisions.

The Oracle BI Foundation thus provides the highest value, lowest TCO of any BI solution available today.