

A **Theoris Software** White Paper



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Why 70% of Dashboard Initiatives Fail

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July 2008

Introduction

Dashboards are quickly becoming one of the most important management tools available for managing performance and progress toward business goals. Dashboards can be designed and used across a wide range of objectives, from monitoring an organization's global business strategy, to measuring the ability of a department achieve service-level targets.

Despite their increasing popularity in virtually every industry, dashboards can be difficult to design and implement, and often fail to achieve their objectives. Common problems include failure to align the dashboards with business goals, poorly defined objectives and organizational issues affecting design and implementation.

In fact the stark reality at the present time is that while dashboards can provide a very powerful solution to the information overload that is so common for decision makers today, the majority of dashboard implementations fail to achieve the success criteria that they set out to meet.

What Goes Wrong?

Clearly organizations set out to implement dashboards with the best of intentions fully believing that they will be successful so the question then is what goes wrong and why? As it turns out there are many reasons why dashboards fail to deliver but over time it has become clear that the vast majority of them fall into just a few categories:

- **Excessive Dependence on Data Warehousing** - Dashboard projects may too dependent on data warehouse projects that often run way over budget, are not completed on time, and may not even incorporate some of the most important information needed for the dashboard. Of course if a data warehouse exists it will present a rich source of information for a dashboard but it is critical to create the dashboard that the organization needs not the one that can be built on the existing data warehouse. As new requirements are understood it is a good idea to consider augmenting the data warehouse to include this data but if the dashboard team waits for everything to appear in the data warehouse the certain lag between when the data is

needed to support a KPI and when it becomes available will almost certainly create frustration with the dashboard leading to issues with lack of adoption.

- **Lack of Executive Sponsorship** – Performance management initiatives are not welcomed with open arms by everyone on the organization. By their nature they are intended to increase accountability and reveal opportunities for improvement in productivity. Without executive buy in, the best dashboard project may be doomed from the start.
- **Poor Design** – There is a tendency to focus too much on flashy eye-catching gauges and bouncing charts without giving adequate thought to the purpose and design of each of the KPIs. While it is important for the dashboard to be attractive, it must also display all of the required information on the screen clearly and without distraction in a manner that can be quickly examined and understood. The point here is to take the time required to create a KPI design matrix that defines comprehensive requirements for each KPI from the objective that it supports to the appropriate data source and finally the best way to represent the data graphically for easy comprehension.
- **Using the Wrong Software** – Often, when an organization decides to begin a dashboard initiative, the project team turns to an incumbent reporting vendor for dashboard software. While this may seem reasonable given that there is an existing relationship with a large business intelligence vendor, this choice very often turns out to be the single most critical factor in the project's failure. The reasons for this are not obvious at first glance but experience has shown that the large business intelligence vendors are essentially stuck in a "reporting paradigm" that seeks to collect all information into a single silo which is then accessed for creating dashboards. The problem with this approach is that dashboards are not reports. The purpose of reporting is to disseminate volumes of mostly periodic backward-looking information in more or less raw form across the organization. In contrast, a dashboard must provide very focused information about the health of the organization in the form of KPIs that must be based on the most trusted information available at any given time whether or not that information happens to be in a data warehouse. Dashboards often require information

from non-database sources such as Internet sites (think benchmarks), spreadsheets, mainframe exports, operational applications and many other sources that are not readily accessible to large reporting platforms. To accomplish this, dashboard software must be far more agile in its ability to connect to a large variety of data sources quickly and easily in addition to the ability to connect to databases.

- **Exceeding Budget** – There are many reasons why a dashboard project can run over budget and most of them are among potential pitfalls that could befall any business project. With dashboard implementations there are a couple of budget busters that bear specific mention and both are directly related to dashboard software selection. First there is the software that requires far too much up front effort to implement the dashboard. This problem is characteristic of large BI platforms that include dashboards as something of an afterthought. The issue in this case is the need to build large pieces of infrastructure within a large software stack before the first KPI appears on your dashboard. This process can literally take months of effort and often results in a dashboard that is partially obsolete when it is finally deployed. The second issue arises with software having a large incremental cost per seat. Part of the definition of success in a dashboard implementation is that it is rolled out to a large number of users so that it can serve as a tool to drive alignment with business strategy. If the software license model does not scale in a manner that allows this positive growth in usage then the project is really doomed from the start. To avoid both of these issues it is important to select a software package that provides a reasonable implementation path resulting in dashboards being rolled out in days or weeks not months and has a pricing model that allows for unimpeded growth of your dashboard community.

Summary

Having reviewed several reasons why the majority of dashboard initiatives fail to meet the success criteria established for them, it is important to understand that this certainly need not be the case if these well-established principles for designing and implementing effective dashboards are followed:

- **Well Defined KPIs-** An initial focus on business objectives enables definition of appropriate metrics - those that are meaningful to stakeholders and to the business. Effective KPIs measure results in terms of defining action and improvement, rather than merely monitoring performance. A focus on defining meaningful KPIs at the outset also avoids the problem of allowing available data rather than business objectives to drive the process. By selecting a few key metrics to begin with, organizations can obtain initial successes and add more strategic elements and complexity in subsequent phases. It is also important to choose dashboard software that supports this quick iterative approach that plays such an important role in ultimate success.
- **Executive Level Support -** Dashboard initiatives require a driver who should usually be a relatively senior executive who understands business challenges and has sufficient authority to ensure that the project has the resources and buy in required. Senior executives must remain involved to keep the initiative on track. Often dashboard projects begin with great focus but then attention shifts to other priorities and all involved tend to lose interest. Without ongoing high-level sponsorship, dashboards projects are at risk of losing momentum and becoming irrelevant.
- **Simplicity -** Dashboards should be easy to implement and use and provide actionable information with an appropriate mix of operational, financial and company specific KPIs. While an incremental approach to dashboard development is advisable, strategic dashboards that measure contribution of each function to business operations remains the overarching goal.

Dashboard initiatives often fail because of unrealistic expectations, lack of support and loss of relevance. Careful planning and having the right tools are essential.