Scorecarding with IBM Planning Analytics

*Elevating the role of metrics in high-participation planning*

**Overview**

Scorecards can be an extremely effective tool for helping organizations define, monitor and communicate progress toward strategic objectives. The scorecarding capabilities available in IBM® Planning Analytics enable organizations to integrate their metrics and key performance indicators (KPIs) into high-participation planning, budgeting and forecasting processes. Scorecards help drive greater accountability and strategy execution.

**Linking strategy to KPIs and planning**

For many years, businesses both large and small have used scorecards to compare strategic and operational plans with actual results and show employees and managers how well corporate objectives are being met. Today, as finance and business managers drive the business forward with agile planning and exploratory analytics, organizations need to translate their strategies into tactics aligned with clear, quantifiable performance targets. Scorecards are the practical, everyday tools that teams and individuals can use to measure progress toward those targets.

Scorecards created in IBM Planning Analytics can ensure that an organization’s progress—or lack of it—is consistently understood and communicated from the corporate center to the front lines of the business. IBM Planning Analytics, which is powered by the online analytical processing (OLAP) engine of IBM TM1®, uses colorful, intuitive pie charts, bar graphs and trend lines, plus status indicators with red, yellow and green “traffic lights,” as well as strategy maps and diagrams to display an organization’s metrics and KPIs. Scorecards help managers share a common understanding of corporate strategy. They provide clarity as to what is or is not a priority. And scorecards are far more effective at getting this information across than simple rows and columns on a spreadsheet.

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**Highlights**

- Link high-participation planning, budgeting and forecasting processes to actual performance results.
- Model and deploy integrated metrics to every contributor’s workspace.
- Create and share strategy maps, impact diagrams and custom diagrams in a closed-loop performance management system.
- Deliver performance data through a variety of interfaces.
- Leverage the powerful in-memory OLAP engine of IBM TM1.
Strategy maps, impact diagrams and custom diagrams

In addition to scorecards that display metrics for dimensions such as geography, product line or time period, IBM Planning Analytics provides three types of diagrams: strategy maps, impact diagrams and custom diagrams.

- **A strategy map** is a visual tool that shows the causal relationships between an organization’s strategic objectives, the actions needed to achieve those objectives and, in many cases, the resource commitments required to execute those actions.
- **Impact diagrams** help illustrate the ripple effect that different actions or resource allocations can have throughout the organization. For example, if resources are diverted from R&D to marketing, sales may improve in the short term but the product pipeline may suffer in the longer term. Impact diagrams help bring these trade-offs into focus.
- **Custom diagrams** can display metrics and performance indicator icons overlaid on a user-defined custom image to show performance by region, process phase, and more.

Strategy maps, impact diagrams and custom diagrams all function as part of a closed loop performance management system. The organizational strategy aligns with execution through metrics that are linked to actions, which are then tied to resource allocations (see Figure 1). When used effectively, strategy maps, impact diagrams and custom diagrams are tightly connected to long-term planning and budgeting processes.

Gain time, control and confidence

The scorecarding functionality available in IBM Planning Analytics, which is powered by the in-memory, online analytical processing (OLAP) engine of IBM TM1, enables organizations to link their high-participation planning, budgeting and forecasting processes with actual performance results and present those results to decision makers. This linkage saves time in the creation of the scorecards and provides greater control over how results are presented. IBM Planning Analytics provides a single, centralized data store for metrics used in company-wide scorecarding. It helps ensure accuracy and consistency, driving greater ownership and accountability while reducing latency and uncertainty in decision making.
From discrete departmental projects to company-wide initiatives, scorecards can be managed by line-of-business users without the need for regular IT assistance. And the comprehensive, unified approach to scorecarding in IBM Planning Analytics promotes the adoption of sound strategy management throughout the enterprise.

With the powerful multidimensional technology of IBM Planning Analytics, users can:

- Model and deploy integrated metrics in the same environment used to build plans, budgets and forecasts.
- Access IBM Cognos Analytics data and display it within scorecards and dashboards.
- Measure performance relative to targets or benchmarks to help align tactics with strategic initiatives.
- Pinpoint the source of performance shortfalls.
- Display dimensions such as geography, product group or time period using a variety of graphical elements.
- Explore the impact of one metric upon another.
- Add integrated metrics to every contributor’s workspace.

Scorecards can be valuable for corporate-wide performance management, enabling executives to map out the corporate strategy and communicate it in clear, comprehensible terms. Scorecards can also be customized to display different levels of detail for different audiences. Employees and managers at the business unit or department level can use scorecards to monitor their performance against targets and users can apply security to ensure that specific metrics are accessible only to specific users, groups or roles.

The following examples show how the simple, intuitive scorecarding graphics in IBM Planning Analytics can help users evaluate performance results quickly.

![Figure 2: Scorecards make it easy to compare regional performance at a glance.](image)

![Figure 3: Intuitive “traffic lights” show the status of important metrics.](image)
Figure 4: Users can see multiple scorecards and tables at once in the IBM Planning Analytics workspace.

Figure 5: Collaboration tools can be embedded into the workspace.

Figure 6: Custom diagrams can include maps, bar graphs, tables and more.

Figure 7: Vivid charts and diagrams convey information with more impact.
IBM Planning Analytics made mobile
Scorecards help organizations speed their decision-making by presenting performance data that is easy to grasp at a glance. But what happens when key decision makers are out of the office?

IBM Planning Analytics books containing scorecards, as well as any other IBM Planning Analytics books, can be consumed by users through their Apple iPads using a Safari browser. Users can now access books containing IBM Planning Analytics data to monitor progress on plans and forecasts, contribute their data, collaborate with colleagues, and drill down into the details of key metrics. This mobile capability can dramatically improve the speed and quality of team-based decision-making.

Conclusion
Scorecards make critical information more accessible and understandable — and they help drive greater accountability throughout the organization. IBM Planning Analytics enhances the power of conventional scorecards by enabling organizations to blend scorecarding and strategy management capabilities directly into the performance management process.

With scorecards, users can assess the dynamic performance of the business quickly, using strategy maps and diagrams to pinpoint the source of performance problems and spot trends — both positive and negative — at an early stage, when corrective actions can be most effective. Scorecards help tie strategy to execution with powerful visualizations. And when KPIs and metrics are linked directly to both data and processes within the multidimensional IBM Planning Analytics platform, it closes the loop on performance management and actually transforms the way people work.

About IBM Analytics
IBM Analytics software delivers data-driven insights that help organizations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

IBM Analytics solutions enable companies to identify and visualize trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organizations can align tactical and strategic decision-making to achieve business goals. For further information please visit ibm.com/analytics

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