

Scorecards and Dashboards:  
Choosing the Right Solution  
Whitepaper

## Scorecards and Dashboards: Choosing the Right Solution

Many organizations have already recognized the need for business intelligence and performance management within the enterprise. However, many of these companies are still unsure what they need their performance management technologies to do. Decisions are complicated by the daunting array of technologies now on the market – two of the most common components being scorecards and dashboards. Decoding the different capabilities of these two technologies is a challenge that must be met by those ultimately responsible for IT purchasing decisions.

Scorecards and dashboards are being recognized by the majority of organizations as critical components of a performance management solution. A Gartner analysis published January 2007 predicts that, with respect to scorecards and dashboards, the “rate of adoption is likely to increase throughout 2007 and beyond.” While the adoption of these solutions is clearly on the rise, organizations must still be thorough in understanding both the solutions and their own expectations or face costly consequences.

The dangers of implementing a solution without understanding what it does in relation to objectives can be even greater than taking no action at all. The most obvious of these dangers is choosing the wrong solution altogether. This can be the result of not understanding the organization’s needs, not having a firm grasp of available solutions, or both. The costs of this mistake include unnecessary technology spending, IT time and resources wasted on an ultimately useless implementation, and needless training time spent on technology that will not be adopted throughout the organization. Making an uninformed decision, based on poor planning and an inappropriate assessment of needs, can also lead to a messy or otherwise problematic deployment. Furthermore, these common mistakes ultimately result in a failure to see the desired or promised benefits of the solution as the business remains plagued by performance issues.

The correct solution, based on clearly defined objectives and an understanding of available technologies, can lead to visible performance benefits across the organization. This solution will be easy for a large selection of users to work with, because it is clearly aligned with the jobs they need to get done. Users will gain deeper insight into performance and influence better decisions and actions to achieve the desired results.

## Dashboards and Scorecards: What They Are and How They Are Used

A dashboard is an application that allows users to see a comprehensive version of business performance at-a-glance and explore results more deeply when necessary. Dashboards employ

visualization capabilities, such as maps, charts, and gauges, to translate metrics and key performance indicators into a rich representation that users can easily understand.

A scorecard is a tool that can be used to ensure that actions taken across the organization are in alignment with a clearly defined overall strategy. Chief strategists use scorecards to define and measure performance and consistently track it against objectives. The organization's decision makers can analyze relationships between KPIs and defined business objectives so that they can determine what needs to change and how to take action.

## Distinguishing Between Dashboards and Scorecards

Both dashboards and scorecards are capable of summarizing key information that would normally be scattered throughout numerous pages of reports. Both of these technologies address some aspect of business performance. Dashboards and scorecards cannot, however, be used interchangeably, as each delivers an exclusive set of capabilities.

Users employ dashboards to measure and understand what is happening in the business right now within a context that is relevant to them. To help build the context, these information workers can define and manipulate information pulled from a variety of sources into a single visual representation of performance trends. Dashboards are often used to alert workers to exceptional and unexpected performance results, and users can analyze business drivers and trends – though not causality – from the dashboard application. Given their relatively low barrier to entry in terms of both price and ease of deployment, dashboards are more readily adopted than scorecards.

Scorecards, on the other hand, are used to see beyond what is happening throughout the organization into the cause-and-effect relationships between performance and strategy to help define what must happen next. Scorecard applications also enable an organization's strategists to work together in defining and managing business strategy and action, and then communicate strategy and goals across the enterprise. Scorecards are a greater undertaking than dashboard solutions, and not only because they are often more expensive to acquire and implement. The deployment of a scorecard solution requires a deeper understanding of the organization's needs and KPIs from the beginning to achieve the full business benefits. For organizations already using dashboards, most scorecard solutions are not an easy addition to these existing deployments due to lack of integration. As a result, the implementation of scorecards represents a completely new project rather than a growth strategy that ultimately yields a comprehensive performance management solution.

## Requirements of Primary Users

Designing the correct solution for an organization requires more than understanding differences between dashboard and scorecard technologies - organizations must identify the overall

expectations of the solution, as well as the needs of the individual users. Being clear about these requirements from the beginning is essential to achieving the expected results.

Assessing user requirements begins with determining who the primary users are, whether that means a large set of employees, a small set of executives, or both. With an understanding of who will use the solution, organizations can then determine the functionality required by those users to see and impact performance results. Where general users will need a contextualized snapshot to measure performance, an executive will need to see the factors driving those results in order to communicate and effect any necessary changes. Another factor organizations must consider is whether the primary function of the solution is to see what is happening in the organization right now, or to help influence future action.

## Building the Solution

As a first step in building additional reporting tools into your BI infrastructure, dashboards are widely adopted technologies suitable for organizations that must extend insight to users of various levels across the entire company. These organizations need to provide users with powerful visual representations of performance measures that are easy to understand so that they can see what is happening in the business at a given time. The users who work most closely with performance measurement and management will be alerted to unusual, potentially problematic results and can create easily customizable views defined by data that is most relevant them.

Though they are more sophisticated, requiring communication and consensus around key objectives and significant performance measures, scorecards enable high-level users to define strategy. These strategists must collaborate on key business objectives, define targets that are consistently communicated across the organization, and align strategy with action. To manage the business effectively, executive users need to see causal relationships between actions taken throughout the organization, current performance measures, and enterprise objectives. From the scorecard, users can see how closely activities and results are aligned with defined objectives or implement necessary changes to get those results on track.

Whether choosing to implement dashboards or scorecards, IT decision makers must consider individual requirements and expectations. Choosing the correct solution is not always as simple as deploying dashboards instead of scorecards, or vice versa. When choosing just one of these solutions is not enough, decision makers should look to dashboard and scorecard components that tightly integrate with each other and, ultimately, a broader performance management infrastructure. IT decision makers should use this report to make more informed decisions about building and growing their organizations' performance management solutions.

## Dashboarding and Scorecarding with Panorama NovaView

Panorama Software delivers advanced Proactive Business Intelligence and performance management solutions through its integrated suite of products.

The Panorama NovaView Dashboards solution translates information from various corporate systems and data into synchronized, visually rich presentations. The dashboards are easy to integrate with your existing infrastructure and familiar products thanks to availability in the native browser or tools like Microsoft SharePoint and mySAP Portal. In addition, NovaView holds a distinct position as the only solution designed to work on either the Microsoft platform, the SAP platform, or a combination of both. With one simple version of business issues, NovaView Dashboards users gain at-a-glance understanding with guided analysis and the ability to drill-through to data sources and reports for more detail when needed. NovaView Dashboards is an affordable option for organizations that need to deliver insight and an intuitive experience to users who need a comprehensive view of information right now.

Panorama NovaView Scorecards is a comprehensive scorecard application maintaining a leading position in the performance management market. NovaView Scorecards helps business users to build and articulate business strategy themselves with powerful, intuitive scorecard wizards that are automatically connected to appropriate back-end systems, ensuring that the scorecard is a true business application rather than an IT tool. With NovaView Scorecards, users can track organizational and personal performance against objectives to help align strategy and action across the organization. Because business users work directly with the application, any strategy changes made by management are promptly reflected within the application as NovaView Scorecards automates those changes in the data layer. NovaView Scorecards are tightly integrated with other analytics and visualization tools, and even let users define, visualize and aggregate metrics into an overall score that can be published in NovaView Dashboards.

Panorama NovaView Dashboards and NovaView Scorecards are highly integrated solutions that essentially work as one product. This means that enabling NovaView Scorecards from existing deployments of NovaView Dashboards, and vice versa, is easier than with products from other vendors. While a recent Gartner report states that scorecards from other vendors carry a price tag of up to 5 times the cost of dashboards, Panorama NovaView Scorecards are available for the same price as the NovaView Dashboards offering.

### Recommended Reading

Gartner Research. "Scorecard or Dashboard: Does it Matter?" by Neil Chandler. January 2, 2007.