Run simple.
Bridge the gap between strategy and execution

How SAP Strategy Management can simplify your performance management activity. Help your organisation resolve this pressing issue ensuring a clear, consistent understanding of what needs to be done and where you are on the journey to meeting your strategic objectives.

Executive Summary

SAP BusinessObjects Strategy Management (SSM) addresses today's "top requirement" identified by executives and senior managers. Successful enterprises manage in a state of flux: refining strategies to introduce new products and improve existing product and service offerings whilst continually optimising business processes and workforce productivity.

The key questions for SAP were: how can we better enable strategies and plans to be carried out effectively and in a timely way; and how can we give executives a clear, simple view of achievements, issues and results?

Most businesses face a gap between strategy and execution - and the challenge is profound and widespread. The most common reasons include:

- employees don't fully understand the organisational strategy and, therefore, don't recognise how their decisions impact other parts of the organisation;
- employee incentive systems are seldom linked to organisational strategy, so individuals' personal goals are not aligned with those of the company;
- management systems don't empower employees to make decisions independently;
- there is no systematic approach or tool linking strategic objectives to budgeting, planning, and reporting processes;
- there is no mechanism for capturing or sharing best practices across the company - processes must constantly be reinvented.

These issues cannot be addressed by providing easier access to financial data – or by widespread use of disparate indicators and other reporting metrics.

Neither does historical data forewarn on critical factors such as employee morale, customer satisfaction, and product quality. Numbers often have no real meaning to employees making day-to-day decisions, prioritising work and allocating resources.

Executives and managers need reliable current and contextual forward-looking information to determine the right strategies and where to deploy personnel and budgets.

Strategy must be communicated in detail across the enterprise – in ways that relate to individual employees' department and role. This is now seen as important as having the tools to execute properly on a day-to-day basis.

SSM can be rapidly deployed. The software empowers business users at all levels to communicate, monitor and ensure execution of strategies. It frees IT from stand alone reporting systems – and enables a shared, real-time, single version of the corporate truth. SSM is an integrated component within the SAP Enterprise Performance Management suite using the SAP standard interface for a familiar look and feel for managers and executives.

Contents

Business Intelligence is not enough

Trying to execute corporate strategies without a performance management solution is difficult and risks the organisation's future. It is akin to – but an order of magnitude harder than - managing complex, long-term, and business-critical projects without collaborative project management software.

"Standalone" dashboards, scorecards, and reports mean executives and line-of-business managers are often unclear about answers to fundamental questions, such as:

- What are our company's long and short term strategies?
- What plans, budgets, and initiatives do I need to undertake?
- Which departments are responsible for making sure these strategies are executed?
- How do my day-to-day decisions and actions impact corporate strategies?
- How can I allocate resources and budget for maximum impact?

Research confirms that managers are better equipped and more confident in answering these questions when a comprehensive strategy management solution is in place. Enterprise Performance Management drives alignment from top to bottom – linking department scorecards and dashboards to strategic objectives and initiatives.

Elements of a Successful Strategy Management Solution

SSM integrates the three pillars of performance management: goals, initiatives, and metrics. Only with these elements aligned can your organisation achieve its mission.

Goals – all organisations have goals and objectives. Some have formalised them into a strategic plan. All too often, only a few individuals have a consistent understanding of precisely what the goals mean - and how they should affect what they do. To improve performance, goal setting must involve all stakeholders; be interactive; updated appropriately; align with and drive operations and initiatives.

Initiatives - too often, managers and employees have no real understanding of why a project is important in the greater scheme of things. They prioritise those with the most political capital, or those that are furthest behind schedule. Project prioritisation needs insight into strategic relevance.

Metrics - dashboards and scorecards have proliferated. Organisations have gone from drowning in data to drowning in metrics. Many have hundreds or thousands of static metrics that are updated monthly, weekly, or daily. Such metrics are a resource drain – and yet are often viewed as "unreliable" and "meaningless" with local alternative versions being developed. Organisations need metrics that everyone can trust – and which can be presented in personalised views relevant to each user.

SSM connects these cornerstones of strategy management to help drive execution efficiently and effectively.

SAP BusinessObjects Strategy Management: Driving Execution across the Enterprise

SSM is an integrated Enterprise Performance Management solution. It visibly links strategy, plans, tasks, budgets, measures, performance goals, and people. It addresses the needs of the organisation and individual users. It provides tools to communicate and manage goals, initiatives, and metrics. Employees are empowered to make informed decisions that support strategies. Executives know that the strategies defined in SSM are being delivered by their line-of-business heads and information workers.
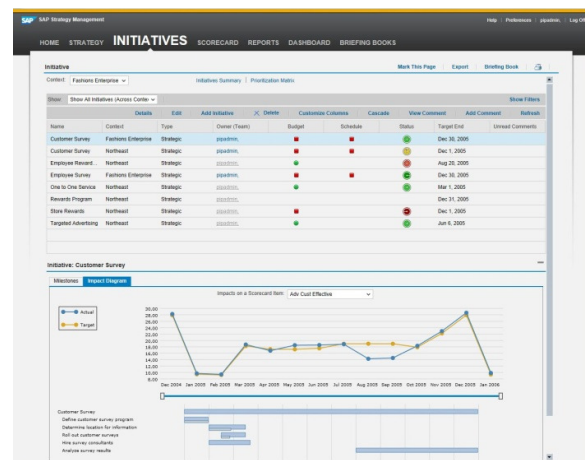
Solving the Challenges of Strategy Management and Execution

SSM bridges the gulf between strategic and operational alignment:
- Accurate, contextual dashboards, scorecards, and reports leverage the stability of the SAP NetWeaver platform. SSM consolidates data from SAP and non-SAP, structured and manually loaded sources. Business users access for themselves the data they need - personalised but in context. Transparent data sourcing means stakeholders can trust the data behind the reporting tools as they drill down for additional detail.
- Linking strategies, goals, initiatives, metrics, and tasks to drive execution at every level. SSM steps beyond traditional business intelligence reporting functions. Strategy is linked to initiatives, resource planning, budgeting. Integral progress reporting provides structure and visibility of execution. Any contextual

and operational metrics can be captured in SSM. Management are on top of performance - roadblocks and exceptions are quickly flagged.

- Flexibility and self-service for business users. SSM is an open system. IT set up direct access to structured data in core operational systems. Business users can interact and create their own views and reports.
- Taking the inconsistency out of operational review preparation. SSM performance review data is centralised, certified as accurate, and instantly available for publication. This saves costly preparation time - whilst allowing management a structured and consistent review process geared to decision making rather than a tedious recitation of results.
- Fostering collaboration and teamwork. SSM builds active communities of performance as Vice Presidents and Directors share data. The software increases transparency and visibility across the enterprise, preventing claims of "no knowledge" of other current initiatives. Users can subscribe to notifications about initiatives in other departments that impact on their activities.
- Reducing the workload behind transparency. SSM makes a self-contained package of content available for external publication via the web to share progress with a wider audience.

The result is end-to-end strategy performance management underpinning goal achievement.

Core Functions of SAP BusinessObjects Strategy Management

SSM addresses the needs of executives, line-of-business managers, and information workers across all the levels of your enterprise.

Core functions are grouped into the following categories:
- Home
- Strategy
- Initiatives
- Scorecards
- Dashboards
- Reports
- Briefing Books
- CitizenInsight
- Mobility

Features common to each category keep users informed, collaborating and working efficiently:
- threaded and searchable comments - facilitate discussion and collaboration, timely notification for problem resolution and efficient sharing of "best practices" throughout your organisation;
- notification and subscriptions – alert users to changes to goals, initiatives and metrics - or when specific action is required;

- distributed entry, approval, and publishing - streamline collation of performance management related data – including objectives, targets, metrics, KPIs, and initiatives;
- print formatting – removes the guesswork and manual effort by creating documents that are consistently formatted and easy to read.
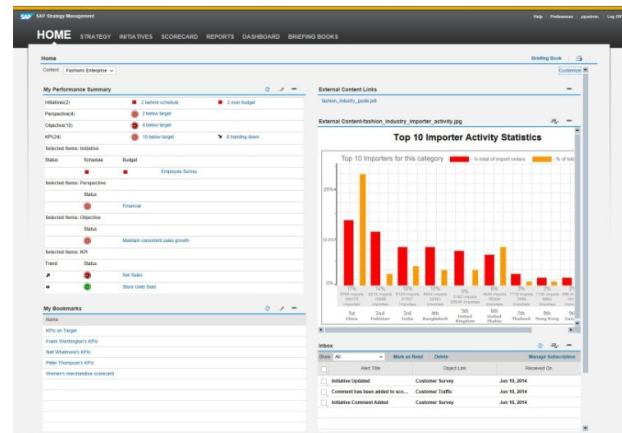
Home: Putting Information at Employees' Fingertips

SSM provides a familiar, user-friendly interface that encourages adoption and minimises implementation time. The Home screen gives an individual, personalised view into SSM. From here, users access their alerts (triggered at predetermined thresholds) and view current performance information. The features that enable this functionality:
- Personalised performance summaries – SSM allows tracking of user selected perspectives, objectives, initiatives and KPIs.
- Personalised bookmarks – users can highlight pages and views for quick access.
- Subscription-based alerts – users can 'subscribe' to alerts for instant notification of a comment on or a change to a relevant goal, initiative or metric
- Key external content – externally created content can be made available to users via their Home page

Strategy: Making It Relevant to Employees at All Levels

Achieving goals calls for people that are motivated to deliver. Stakeholders being unaware of the importance of their contribution means employees operating to their own agendas, contributing little to achieving organisational objectives.

Motivation begins with presenting stakeholders with the big picture – long and short-term goals and objectives in the context of their day-to-day activity.

"Pathways" and "strategy plans" help graphically show how your organisation seeks to deliver its mission. Pathways provide a high-level road map for the organisation. Strategy

plans show the relationship between objectives and actions.

SSM translates written plans - which are typically static, impenetrable documents with limited distribution – into living strategy documents constantly available to a wider audience. With this alignment of understanding employees can discuss, share, and update their business plans. These documents can include visualisations that drive understanding of strategic objectives. The features that make this possible are:

- Pathways - graphically depict the progressive stages in realising your organisation's long-term vision. They help everyone understand phases in the evolution of strategy and their contributory roles. Alternatively Themes deliver a cross-cutting view of Objectives and the way they interact.
- Interactive goal diagrams (strategy plans) with optional scoring - greater understanding of your organisation's goals comes as SSM creates interactive goal diagrams with one-click access to information, such as descriptions and supporting initiatives, for a better understanding of your strategy. The software shows the current status of the individual elements of a goal diagram, converting it into a living performance scorecard.
- Software-generated and user-created goal diagrams - SSM offers a choice of ways to visualise operational data – such as strategy maps, process diagrams and goal summaries. Users select the format that is most intuitive to them - or most easily understood by their target audience. These diagrams retain their interactivity (such as drill-down functionality) and links to supporting documentation (such as related documents). Users can import pre-existing graphics or use the inbuilt diagram manager to create new interactive visualisations.
- Cause and effect - users get explicit visualisation of which activities contribute to meeting objectives and the linkage of these elements each of which is scored so helping identify points of weakness. Being interactive, the user can adjust the focus or click through to investigate the particular areas of concern to them.


Initiatives: Linking Initiatives with Daily Operations

Senior executives define strategic objectives and may define benchmarks to measure performance against that objective. Initiatives are programs undertaken to achieve strategic objectives.

SSM links operational processes and the objectives that are impacted. SSM provides summary views of initiatives, functions for viewing the milestones, interdependencies, and schedule and budget status. This transparency pinpoints bottlenecks and helps visualise the impact of re-prioritising resources in the face of competing claims. The features that make this possible are:

- Initiative summaries – SSM provides users with an at-a-glance summary of the status of multiple initiatives, providing insight into how they impact goals and objectives.
- Fishbone visualisations – are intuitive "progress and dependency" highlighting the ongoing status of the initiative.
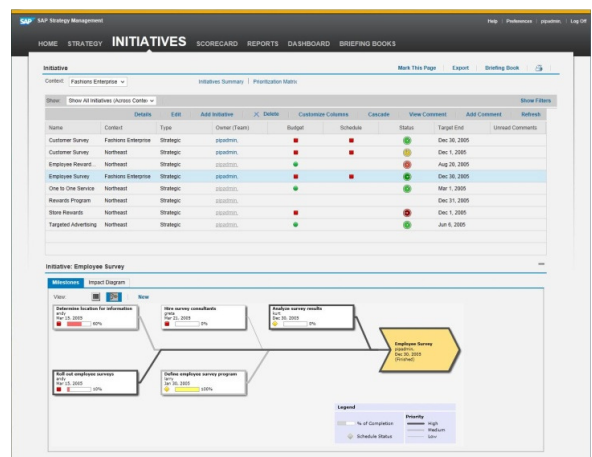

- Impact correlations – match the progress of an Initiative with the ongoing change in performance of a KPI allowing the impact of the initiative to be viewed instantly.
- Initiative prioritisation – SSM includes an innovative prioritisation matrix that provides an at-a-glance view

of initiatives' relative importance and urgency – and the dependencies between individual initiatives and milestones. This insight helps ensure that decisions support strategic objectives. Employees know what is expected of them and how their actions impact other aspects of the initiative.

- Initiative filtering - limiting display by specific properties in SSM (such as owner, initiative type, budget or schedule status) makes it easy for information workers to focus on exactly what is needed. Focus prevents employees from feeling overwhelmed and ensures that they know what to prioritise.
- Automatic notification – SSM notifies, or alerts, appropriate employees when milestones are about to slip, initiatives have changed, comments have been added, or owners are assigned new tasks. Employees receive these alerts through their "home" portals.
- Distributed ownership – SSM distributes ownership of initiatives and milestones to ensure accountability.
- Cascade Initiatives – link initiatives at different levels within the organisation so that their progress can be seen together.
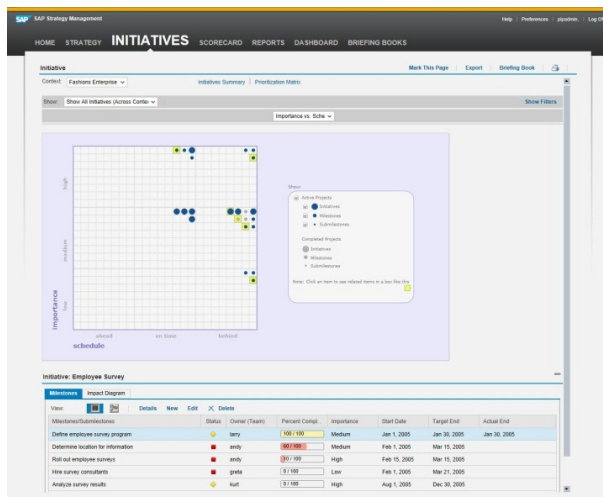
Scorecards: Giving Departments Greater Control and Visibility

All organisations need to monitor progress on a systematic basis - with mechanisms to track delivery and alert stakeholders to issues, problems, and failures – and to successes.

Tracking with "standalone" scorecards involves multiple, disconnected, reporting initiatives - each a separate IT project. IT often has no context of business needs resulting in inappropriate levels of detail and functionality. Overtaxed by requests for information, line-of-business managers tend to use different data sources, generating reports with conflicting figures – a real frustration for executives. Forcing standardisation leads to IT being perceived poorly because departments can't personalise their views.
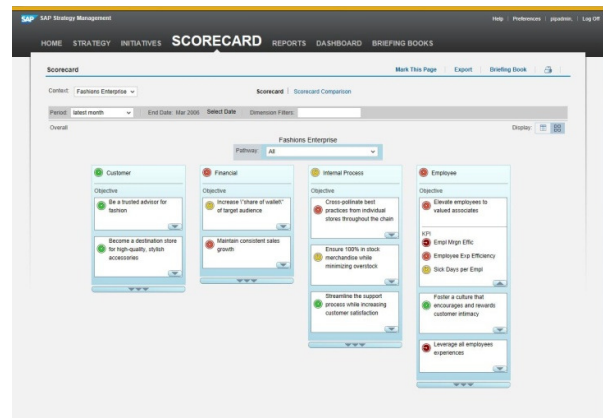

Few standalone scorecards are linked to goal setting, planning processes, or resource planning. As a result, they are rarely trusted by anyone other than the people who created them.

With SSM, context sensitive scorecards are one of several options for monitoring and tracking progress. Since all of the underlying operational data comes directly from core systems, stakeholders know where the data is coming from and how the results are generated. This is complemented by manually loaded data that follows a structured Entry and Approval path to provide clarity of provenance. The features that make this possible are:

- Objective and KPI scorecards – objective scorecards monitor performance toward goals; and a KPI scorecard consolidates key financial and operational indicators.
- Hierarchy of performance – drill through from Perspective to multiple Objective levels to the underlying KPIs to see the drivers of current status.
- Cascade Objectives – reflect the interrelationships of Objectives at different levels within the organisation.
- Combine and weight Key Performance Indicators –SSM allows your users to track multiple types of metric including; qualitative and quantitative, leading and lagging, financial and operational measures. The software also allows them to include contextual information such as; analyst reviews, customer affinity, brand effectiveness, employee satisfaction, and field feedback. Users can weight KPIs to reflect relative importance - giving meaningful views of performance.
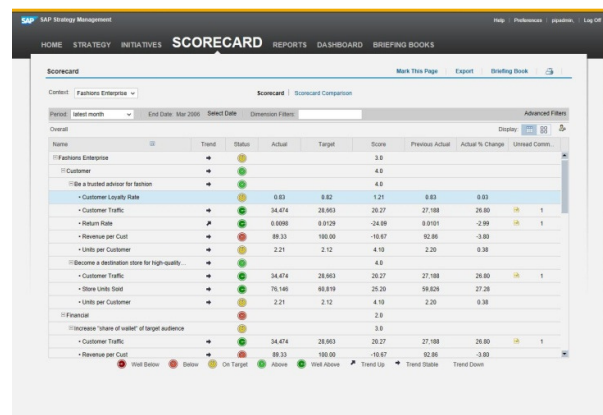
- Support for multiple comparisons against target - including budget, forecast, and benchmark – allowing comparison of actual performance against internal and external expectations.
- Flexible presentation of scoring - multiple systems such as; traffic light (red, amber, green); and graphics (analogue dial) - increase employee understanding of results and improves adoption of the software.
- Scorecard filtering and personalisation - limits display of scorecards by properties such as organisation, region, time period, or score to focus attention on issues that demand immediate attention. Users can modify the elements presented themselves to reflect their individual needs without IT involvement.
- Automatic notifications - SSM can generate annotations when objectives may be in danger of failing.
- KPI summaries - monitor the health of KPIs with description, context, gaps between actual and target figures, trends, and comments. KPI trends through time assist understanding of performance drivers.
- KPI segment analysis – drill into the different product or organisational segments within the KPI data to identify those segments causing concern and compare them with their peers
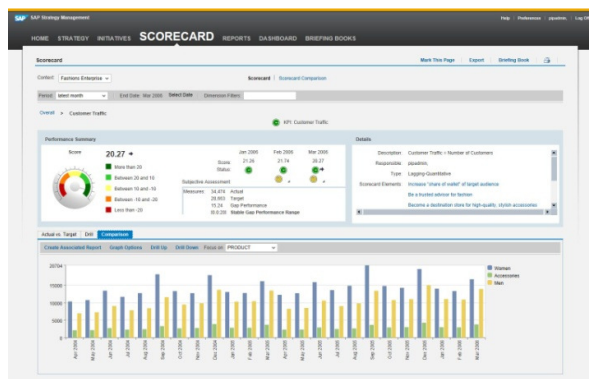
- Comparison scorecards – view performance of different business units side by side to benchmark achievement.
- Subjective assessments – sometimes the data only tells a partial story and status based purely on that data can be misleading. Subjective assessments allow the person responsible for that element to indicate what the status should be and their reasoning.

Dashboards: Flexible and Fast Access to Supporting Operational Data

SSM enables departmental dashboards created to suit particular needs. Operational data is centralised and incontestable – one version of the corporate truth. Live, role-based, dashboards allow department users to monitor their own critical input and output metrics.

SSM can be linked to underlying analyses and performance drivers. Dashboards can be profiled for everyone to view,

for a team view or only for the individual who created it. The following features make this functionality possible:

- Combine any reports into a single view – grouping report elements together concisely paints a picture of different elements of operational performance
- Multiple format dashboards – select the format of dashboard that is most appropriate for the data to be displayed
- Role-based dashboards – SSM supports the creation of multiple dashboards, tailored to role, objective or business unit. Dashboards can also be shared, restricted to a group, or kept private.
- Multiple-model dashboards - up to four different panels pull data from different data sources creating a broad view of performance.
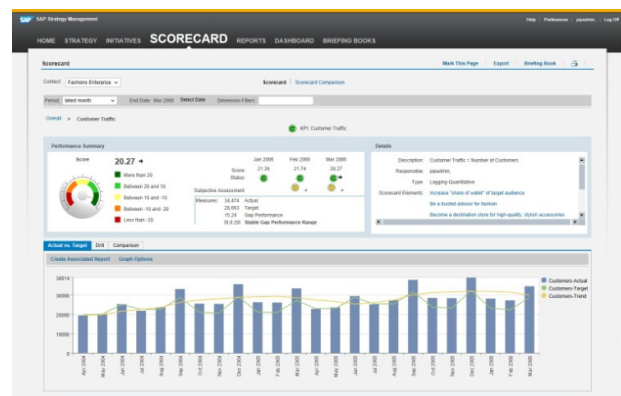
Reports: Empowering Business Users with Self-Service

SSM cuts report generation time and empowers executives, line-of-business managers and information workers to run and develop reports for themselves. Using up-to-date corporate data, the software interface enables users to monitor progress toward objectives. Unique features, such as "time intelligence" allowing the switching between periodicities and user defined hierarchies support the effective use of underlying data.

For business analysts, ad hoc analysis functions provide multiple options to get to the root of performance issues. The following features make this functionality possible:
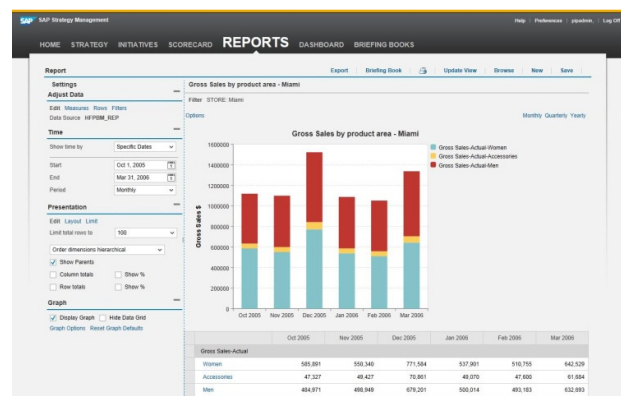
- Dynamic reports with ad hoc analysis - enable creation of dynamic reports. Integrated business intelligence enables you to drill into areas of interest. You can save reports for your personal use or share them for viewing by colleagues.
- Flexible charting – SSM gives users multiple chart options for display in reports - and to save for future use.
- Performance comparison versus previous periods - users can view progress against historical performance - comparing specific dates (user defined); relative dates (previous reporting periods).
- Report descriptions – SSM allows the report creator to add a report description to provide context to other readers; for example, a statement enlarging on the subject and its information source.

## Increasing the Efficiency and Effectiveness of Operational Reviews

Operational reviews are key to performance improvement. However, the time needed to organise data often determines their frequency - rather than business need. Without an integrated solution, organisations rely on spreadsheets, databases and third-party intelligence gathered from disparate systems for reporting. Compounding this, analysts make arbitrary decisions about what data to include, resulting in conflicting reports. Quarterly reports can take several weeks to prepare - and tie up dozens of people across the business – and then the end result is no single version of corporate truth.

SSM simplifies and formalises gathering, processing and distributing information for operational reviews. Strategies link to objectives and initiatives – and, in turn, these link to metrics, activities, people, budget, and other related data. All relevant information is rolled up into high-level reports with drill-down capabilities. Everything is captured in one system. Preparing for reviews becomes a matter of selecting, previewing and annotating the appropriate screens within SSM.

Simplifying and standardising review preparation saves thousands of hours annually in data gathering and reporting. Executives establish clear expectations for reporting during reviews. All review reporting comes from a single trusted source – SSM – addressing concerns over data accuracy and validity. Key features include:

- User-driven publishing - employees at all levels capture context-specific information within SAP Strategy Management updating "briefing books" tailored for different audiences. Executives need pages on initiatives, goals, resources, and team summaries; whilst project managers, for instance, need pages with additional layers of detail so that team members can discuss progress, dependencies and contingencies.
- Instant access – to data beyond the published briefing book during reviews and accessing the latest performance data.

- Annotations – added during the creation of the review to highlight key points and ensure that those less familiar with results know the story behind the performance data.
- Printing to PDF – save the review material as a PDF for distribution outside SSM or for archiving or publication. External PDFs can be included in the pack to provide contextual supporting information
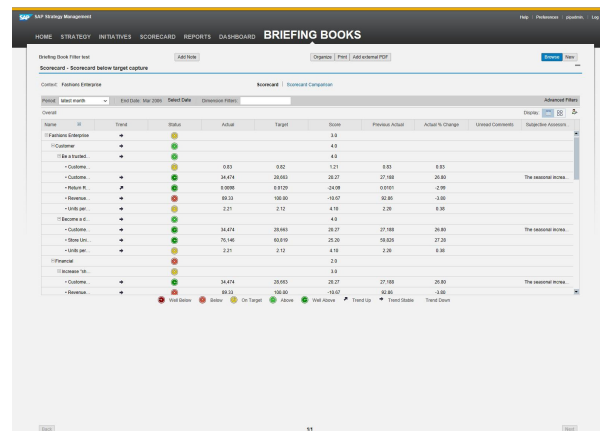
CitizenInsight: providing transparency inside and outside the organisation

There is an increasing need to communicate a view of progress and activity to a wider audience – particularly in the public sector. Within the organisation not all colleagues will have access to SSM and outside the organisation wider stakeholder groups such as citizens or shareholders are increasingly seeking to learn more how the strategic plans that have been published are being realised. Creating this content in a controlled yet effective and consistent manner can be a major drain on resources.
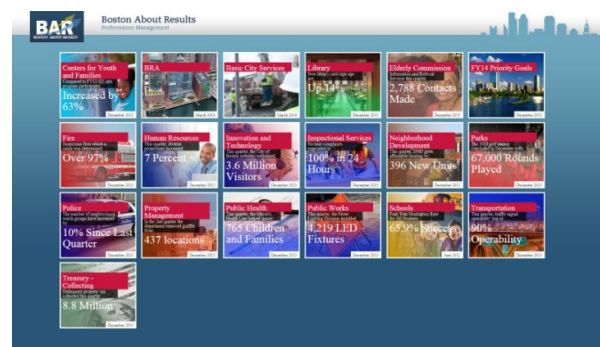
SSM streamlines this process saving significant administrative overhead and ensuring that a consistent view is made available. CitizenInsight achieves this by:

- Interactive content package – creating an interlinked content package that can then be published direct to a separate server. This package can incorporate Objectives, KPIs, Initiatives and links to further information.
- Template based content creation – an inbuilt form collects commentary, visuals and headlines that are then combined to create the content package

- Internal and external views – separate sub-sets of information can be created for publication inside the organisation and to the web so reflecting the differing needs of these groupings.
- Multiple periods – the views published each period are collated together so building a library allowing the viewer to focus on a particular period of interest.

Mobility: Access to the information you need wherever you may be

In the same way that SSM brings together data from multiple data sources so SSM's commitment to support mobility unchains performance management from the desktop allowing your users access to their current status and the latest developments wherever they may be. When cascading across the organisation and aligning understanding, there is a need to reach out to mobile colleagues so they can fully contribute to success. This collaboration needs to allow them to fully participate rather than just consuming information. Dedicated Apps are available to smooth this process.

- iPad mobile App allows users to not only view SSM on their iPad but also participate in discussions, respond to alerts and share views of the system with colleagues via email.
- Work offline using a cached view of SSM
- CitizenInsight App for iPad extends these capabilities for sharing performance achievement to citizens and stakeholders on their iPads.

Administrative Functions

SSM supports IT with features that streamline data entry and approval, and self-service functions for configuration and modelling. SSM is administered via a single web-based management console that allows responsibilities to be assigned and delegated to the appropriate personnel. The multiple Contexts, all managed from this single point cascade scorecards reflecting the organisation's structure.

Each Context can be personalised to ensure relevance to its users. The use of templates allows multiple Contexts to be created simultaneously speeding the roll-out of SSM across the multiple levels of your organisation ready to be tailored

to the individual needs of that individual Business Unit or line of business.

Data Entry and Approval Functions

SSM includes a distributed and delegated entry, approval, and publishing component, unique in the industry – streamlining the population of metrics into your performance management system. An easy-to-follow workflow provides structure for this traditionally opaque and labour-intensive process, reducing errors and time spent on metrics collection and approval. Metrics can be collected direct from multiple contributors without the need to set up a data warehouse for a few metrics. The following features make this possible:

- Distributed entry and approval - assign work to share the load and encourage update of performance information by those accountable for delivery. Different users can contribute the data they are responsible for to populate a single KPI so reflecting regional responsibilities.
- Automatic notifications - employees are prompted to enter, approve, or publish metrics through their "home" portal or via email.
- Web forms or Microsoft Excel templates - enter metrics using forms built by the software, via a Microsoft Excel template with SSM's web-based data Entry and Approval system.
- Historic and target data – input and correct historic data or load forward targets ready for viewing.
- Audit trails - automatically generated to capture user interactions, including time stamps for approvals, rejections, submissions, notes, and other related information.
- Notes - add information to the data input to inform the approver or for the rejection of the data to be explained. This rationale is retained with the data for future reference or to share best practices.
- Monitor progress – instantly see the state of progress in approval and publishing to alleviate gaps. Structured workflow helps for data entry and approval of KPIs.

Configuration and Modelling Functions

SSM distributes administrative tasks throughout your organisation. Self-service allows users to configure the application and, uniquely, to design and customise performance processes and models to their requirements. SSM can be stand-alone or be fully integrated into your existing IT environment. The following features make this functionality possible:

- Distributed administration - assign permissions and roles - such as user set up, metrics updates and initiative creation - to the appropriate employees across departments.
- Central Library – store Perspectives, Objectives and KPIs in a central library ready to the dragged and dropped into the relevant point in an individual scorecard so ensuring consistency yet still permitting a rapid response to the evolution of strategy. KPIs can be located at any level within the hierarchy. Up to 7 levels can be created within the hierarchy.
- Individual KPI configuration – performance status thresholds and trend change indicators can be individually configured to reflect the particular needs of that KPI or Context
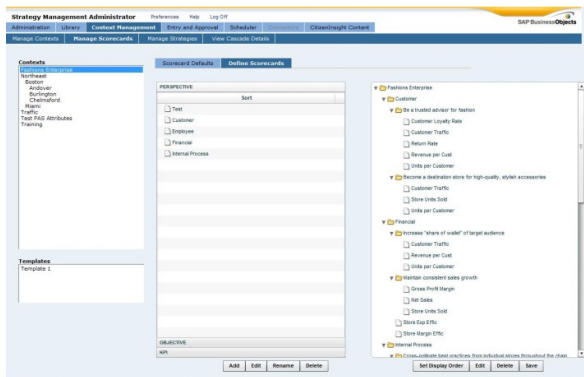
- Templated Context creation – create multiple Contexts for each business unit in a single time saving action automatically applying the relevant data filters, ensuring consistency and cascading strategy to the front line
- Manage centrally the availability of external content on Home pages
- Scheduling - automate tasks such as publishing data updates and notifications out of hours.
- Role-based security - users receive access to performance information and are assigned actions appropriate for their role.
- In-built connector to SAP BW – simplifies the access to data held in BW exposing existing queries.
- Complex data model support – complex calculations and data consolidations can be built within the data model to reflect the needs of the organisation.
- Integration with existing infrastructure - prevents duplication of user information and supports single sign-on access, importing user information from your own authentication systems.

Powered by SAP NetWeaver

SSM is powered by SAP NetWeaver. The SAP NetWeaver platform unifies technology components, reducing IT complexity leveraging IT investments. It provides a stable, battle hardened platform for your business.

SAP NetWeaver helps organisations align IT with their business – composing and enhancing business applications using enterprise services. SAP NetWeaver, the foundation for enterprise service-oriented architecture (enterprise SOA), allows IT to evolve a strategic environment that drives business change.

The NetWeaver User Management Engine manages the creation and maintenance of multiple roles and authorisations controlling the rights and access of users within SSM. Synchronising back to existing central SAP, ActiveDirectory or LDAP security infrastructures ensures consistency of approach.

Conclusion: Empower Business Users – and Free Up IT Resources

SAP BusinessObjects Strategy Management gets IT out of the reporting business – and frees staff to focus on other value-added initiatives for performance improvement. At the same time, it provides your executives and business users with a flexible, long-term solution for tracking and reporting on your organisation's performance.

SSM is rapid to deploy and can leverage current investments in core SAP business applications - such as enterprise resource planning, customer relationship management, supply chain management, budgeting, planning and consolidation.

SAP BusinessObjects Strategy Management fills the highest priority gap reported by executives and senior managers in organisations everywhere today.

ISSEL

ISSEL can help you understand your current performance status - on and offline - and help you communicate where you are aiming and how you plan to get there.

 ISSEL are specialists in the implementation of SAP BusinessObjects Strategy Management and have long experience of the development of analytic solutions in a variety of industries. Technical excellence is combined with a realistic, down-to-earth experience of the commercial world and business imperatives. Our philosophy is rooted in the belief that IT must serve the business needs to maximise impact rather than being an end in itself.