

Customer Intelligence: Business Performance Management: What is Working and What is Not?

By Lawrence F. Goldman

I often hear the following comments from executives trying to manage change or launch new strategic initiatives such as customer relationship management: *"My problem is not getting reports or getting enough reports (the executive points to towers of paper beside his desk). My problem is being able to put the multitude of reports that I do get into a coherent picture of what is going on in my organization. In the end, I really just want to know what my biggest problems are. Additionally, of all the new initiatives we have in place, which do I continue to invest in and which do I decommission?"*

BPM enables executives to answer these questions. It is being widely embraced by organizations that want to solve some of their more difficult infrastructure issues such as data integration, data quality and ad hoc reporting. Whether through portals, dashboards, cockpits or scorecards, BPM provides companies with the capabilities to graphically display very focused groups of metrics by their most key attributes. This enables them to determine what is working and what is not and then make quick decisions to change and modify their business strategies.

Key Attributes of BPM

The power of BPM is in its ability to quickly show managers the weak and strong areas in their organization. Executives want to know *what* is right or wrong. Managers want to know *where* the problems may exist. BPM applications require minimal user navigation, little interpretation of the impact of what they are seeing and provide the ability to filter the universe of issues, metrics and reports down to the world the user is living in.

Consequently, BPM applications have a different set of characteristics than a standard reporting or online analytical processing (OLAP) application. The key attributes of a BPM application are described in the following paragraphs.

Visual representation: Rows and columns are nice and necessary, but when a manager wants to know if there is a problem at a glance, different visual cues must be used. New BPM tools use metaphors such as speedometers, thermometers, stoplights, and standard charts and graphs to flag weak and strong areas. For example, a red stoplight might signal that sales are weaker than expected for a specific region, and a speedometer or pie chart may show the results of a marketing campaign versus forecasts.

Personalization: Customizations such as "My Yahoo!" allow BPM users to structure their desktops in a way that is intuitive for them. It enables users to hide metrics that are not relevant and display the ones that are in a manner and place that makes sense to them. This increases the adoption rate and usefulness of BPM technology.

Subscriptions: Subscriptions provide teams with proactive notification when there is new information and guarantees that they are viewing and sharing the same information. For example, if the vice president of customer service wants to see all new reports, metrics and information regarding cross-selling, a simple subscription can allow him/her to see all

current work (reports, metrics, documents, presentations) in the area as well as new work that may be introduced. Additionally, managers can subscribe to information for their lieutenants.

Search: Creating queries from a list of database fields and tables is a complex exercise for most information-hungry people, even if the complexity of the database has been hidden by the use of business names and terms. Criteria used for searches such as Yahoo! and Google are now being embedded into enterprise software. For example, if the vice president of marketing wants to know everything about the "Back to School" campaign, he/she can enter the slogan and receive reports, advertising and promotional creative documents as well as the original document proposing the campaign.

Words and Numbers: Analysis has moved beyond simple rows and columns of numbers. It now leverages all of the textual information found in Web sites, e-mails, procedures and policies, presentations and documents. For example, a retailer can view daily sales reports and compare them to his/her competitors' promotional material, asking questions such as, "Are sales numbers down because of a sale by the competition?"

Leveraging BPM Applications

To leverage new BPM applications, organizations are creating dashboards that allow them to "take the pulse" of their customer relationship management (CRM) initiatives. They design the dashboards by grouping key metrics and information by four of the main dimensions of customer intelligence. A simplified version of a CRM dashboard home page is shown in Figure 1.

Figure 1: The Model Dashboard Tracking CRM Through Four Dimensions

Organization: Organizational insight is found in dashboards by tracking areas such as:

- Number of users competent in a new business process or strategy.
- Adoption velocity or how fast different types of employees are adopting new CRM paradigms.
- Employee satisfaction, which highly links to corporate profits.
- How efficiently newly redesigned processes are performing.

These metrics show whether or not the organization is accepting new initiatives. For example, sales managers may want to know how happy the sales force is with its new sales force automation technology and whether it is causing the compression of sales timelines.

Corporate: The corporate section of the dashboard typically addresses the strategic insight components of customer intelligence and helps determine whether or not a company's customer strategy is positively influencing corporate financial metrics. It displays key metrics influencing corporate performance such as profits, revenue, retention and customer conversion.

Project: Though not a key corporate indicator, the project section of the dashboard tracks the total cost of ownership of the multiple CRM projects that may be underway. For

example, companies may have a vendor scorecard that indicates the quality of work from hardware vendors, software companies and service providers involved with their CRM initiatives.

Customer: The customer section of the dashboard addresses the customer and experience insight components of customer intelligence. It reviews statistics such as segment performance and profitability, campaign performance, service and satisfaction statistics, sales investments and buying patterns per channel. It also typically reveals the timeline and plan for new offers and programs that are going to market.

BPM is a powerful step toward fact-based decision making and becoming a customer-sensitive and reactive organization. As companies use the next 12 to 18 months to try bold new customer interaction and communication strategies, the need to quickly understand what is working and what is not will be imperative. BPM helps companies rapidly detect issues, solve problems, invest in high-performance initiatives and de-invest in low performing ones.

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