

HOW TO: USE A BUSINESS DASHBOARD

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Imagine piloting your car through a busy road without the handy dashboard — no fuel gauge to indicate how much fuel is left; no speedometer to tell you how fast you're going, not to forget the alerts of low oil or high temperatures. There is a similar tool for business owners, called a business dashboard. This powerful tool takes all data in multiple systems within a business, and provides, at a glance, the key metrics that impact business. It gives a bird's eye view of the entire business by making sense of all the information. These may be current figures of sales per region or expenses per item head, presented in slick visuals over a few screens—and quite unlike a voluminous business report. Think you could do with a tool like this? Read on to learn more.

By Charu Bahri

1 Why use a business dashboard?

Better and faster decision-making: The basic attribute of a Business Intelligence (BI) dashboard is that the information it presents is useful and precise—and not just compilation of data. Unlike copious and intimidating business reports, this data requires no further processing, and can give a clear perspective of how the business is faring. A dashboard, you could say, operates on the four principles of effective business communication— accuracy, brevity, clarity and completeness. To be truly effective, however, it must be fed multiple streams of current business data.

A dashboard is meant for harried business owners, who don't have the time to go through reams of paper, and yet need to make informed decisions. "A dashboard takes guesswork out of decision-making. It does away with the need to distil the essence of lengthy business reports, and makes the process of taking decisions much faster and easier," feels MAIA's Mehta.

For years, Shankar Vailaya, director, operations, Sharekhan, relied on trusty spreadsheets to track client data. Now, he swears by his dashboard. "Having a snapshot view of client-related data saves a lot of time that was earlier spent in pulling out information from multiple databases. Our dashboards have helped improve our response time to clients," he says.

More control over information: The father-son duo of Praful and Chanakya Contractor believe in doing whatever it takes to stay in control and meet their business goals—whether pertaining to sales targets over several product lines, or accounts receivables, and so on. But their business, Remik Trading Company, a chemicals marketing and distributing company with a pan-India presence, is engaged in many verticals. Therefore, it is not easy to continuously monitor budgeted versus actual sales, or inventory levels, to name a few key areas. It probably would have been even more difficult had Chanakya not been able to tame all this data through his BI dashboards. "We have continuous access to updated data showing how different divisions are faring. So, we can make swift interventions when any of our product verticals appears to be plunging into the red," he says.

Doing more: Prashanth Pereira, vice president, business solutions group & technology, Edelweiss Capital, encourages extensive use of dashboard displays at various levels across the various lines of business. According to him, dashboards extend the span of control of business managers as they ensure managers have all the salient data they need at their fingertips. "The relevant information," he quips, "quite literally, stares at them in the face". Armed with these dashboards, business heads can easily summon up an endless supply of performance metrics and do a whole lot more with them.

2 Choosing the right dashboard

Experts recommend dashboards for businesses with a turnover in excess of Rs. 50 crore, or a workforce where more than 50 employees use computers. Once the decision to implement a BI dashboard is taken, next comes the choice of which one to buy. Several comprehensive ERP (Enterprise Resource Planning) solutions have a dashboard built in. Alternatively, you can buy a dashboard solution offthe- shelf, like any other proprietary software solution or get on customised to your business needs. According to Vailaya, it is best to acquire a dashboard that integrates well with your existing business solution. "Why should you waste time, effort and money in upgrading your existing business suite, if it adequately serves your needs? Besides, it would be simpler to teach only the senior staff the workings of a dashboard, instead of trying to orient every single data entry operator to a new ERP," he argues.

Of course, in-built dashboards have another advantage. As Prabhakar VS, Head of IT, south region, Religare Pharmacy, points out: “They seamlessly integrate with business data, so there is no need to update the underlying data feeding the dashboard.”

A readymade dashboard that will ride on your existing database is likely to be less expensive and quicker to roll out. According to Mehta, the options range from offerings by multinational corporations, such as IBM’s Cognos, to home-grown solutions such as those offered by his firm. The latter are cheaper than the former. Given that even MAIA Intelligence’s plug-and-play BI Solution for finance companies costs anywhere between Rs 4 lakh and Rs 50 lakh, your budget will be a critical factor in the selection process.

3 Implementing a dashboard

Every dashboard operates by tracking a set of Key Performance Indicators (KPIs), which may be related to sales, orexpenses, or recoveries, or inventory levels—depending on the type of business. MAIA Intelligence’s offering for finance companies, for instance, measures 70 standard KPIs typically tracked by the sector. The process of identifying KPIs precedes the installation of a dashboard, which is designed to present a centralised view of these indices on a single screen. Hence, before you go hunting for dashboard software, identify the key parameters that you need to monitor. If you finally do take the plunge for a readymade dashboard, scan the KPIs or parameters the solution tracks to ensure that these match the indices you have identified for your business.

Sanjay Shah, CEO, Navia Asia, recalls having multiple discussions with his senior managers to determine the first set of KPIs the BI dashboards would follow. “We had to put our heads together to decide how the dashboard would help us solve day-to-day problems. The first set of KPIs identified during this process, which represented the first few deliverables from the solution, were forwarded to our vendors. We will send more at a later stage.”

Lastly, as with car dashboards, the business ones too come in glitzy designs replete with fancy gimmicks and a liberal dash of bling. The important thing is not to get blinded by the bling, which is a common enough mistake made by first-time users. The focus should be to find a dashboard design that delivers visualisation, containing meaningful, actionable data appropriate to the audience. Buyers need to take a hard look at what the little gadgets and widgets are saying.

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