



ZS ASSOCIATES

SALES & MARKETING INSIGHTS

## Effective Decision Making: Leveraging Dashboards

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At their most powerful, dashboards provide businesses with integrated, distilled information that enhances decision making. However, not all dashboards fulfill the task for which they were built and, in some cases, may actually harm the companies using them.

We have found that in order to be successful, dashboards must integrate and distill data, present information visually in a clear manner and empower leaders to steer their businesses in the right direction. Without all of these attributes, dashboards are likely to fail.

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## Introduction

Sales and marketing executives are besieged with data: sales, competitive information, segment performance, promotional activities and many other pieces of information. Buried in this thicket of information are insights that can help executives steer their businesses toward achieving their corporate goals. They are seeking ways to improve the quality of their decisions in support of their companies' strategies. Yet many executives are not taking advantage of this opportunity because they lack an effective, essential platform for distilling, integrating and presenting relevant information: the dashboard.

Of course, many companies have dashboards, which are visual displays of vital corporate information distilled from raw data. However, in our experience, dashboards often fail to live up to their promise—or companies do not have them at all.

Take a typical example. "John," the newly appointed executive vice president of sales at a struggling company, has been charged with boosting sales quickly, and he needs immediate access to information that will help him understand his company's market. John hopes that the company will have the information readily available in its dashboards, but he is in for a rude awakening.

On his first day on the job, John asks all of his direct reports and colleagues for the company's market share. The director of sales operations says it is 15% and falling, the company's marketing dashboard says 18% and rising, and the national sales dashboard indicates market share is 13% and holding steady.

Upon further investigation with the company's director of business intelligence, the EVP discovers that during the past 18 months, sales operations has built its own ad hoc dashboards. In fact, the BI director has been building dashboards for several departments. He knows they need a way to consolidate this reporting proliferation, but the director of BI is unsure how to do it. John fears he will never consistently receive the accurate market information he desperately needs to do his job.

When the CEO stops by and asks the new executive for basic information about sales by customer segment, market share and trends, the

EVP can only say, “Uh, I’m not sure—everybody seems to have different numbers.” The CEO, under extreme pressure himself to perform, reminds John that he was hired specifically to increase market share. John is suddenly enveloped by dread. Consistent, high-quality, integrated dashboards would allow him to see where the company stands and target the greatest opportunities. Unfortunately, the company’s dashboards cannot indicate how the enterprise is actually doing—much less where problems lie and what to do about them.

This example illustrates the importance of accurate and consistent dashboards. As dashboards have become a ubiquitous corporate presence, we have found that three things differentiate great dashboards from mediocre or bad ones:

- Dashboards must *distill and integrate data* in order to present a complete view of the right information;
- Dashboards need to *present information visually* in ways that are *clear and obvious* at first glance;
- Dashboards must *empower users to steer the business* in the right direction.

It has been our experience that many dashboards lack these three attributes. If the executive vice president can’t view key metrics that are accurate and consistent and answer basic questions on key performance indicators (as in Figure 1)—he will be doing his job blindly.

Figure 1. Understanding key business drivers is critical to diagnosing performance.



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In this paper, we will examine real-life examples of three companies that reflect the essentials on dashboards.

In the cases below, we worked with companies to help build or strengthen their dashboards. Each company needed dashboards to empower its employees to make quick, decisive decisions, and overcame internal obstacles to fully incorporate elements that allowed their dashboards—and decision making—to excel. As our experience illustrates, executives trying to cope with greater competition are finding that dashboards can help them make better decisions and maximize the value of their limited resources.

## **A Biotech Learns How to Integrate Customer Information and Steer Sales**

We recently partnered with a small U.S. biotechnology company that faced problems similar to the example above. The company was struggling to increase the rate of growth of its key cardiovascular product, but executives were at a loss to understand why and what to do about it. Unfortunately, the company relied upon dozens of reports to track information on sales, marketing and operations, and did not integrate and distill information in order to display it in a manner that allowed senior management to make quick, informed decisions.

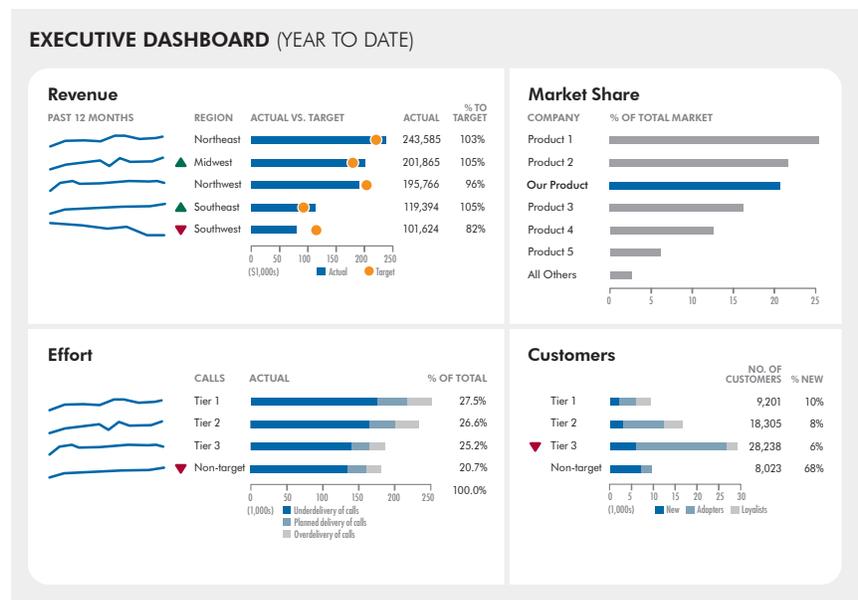
Executives pulled information from various reports, but the exercise was very time consuming. When the company's board of directors asked management why the sales growth rate was declining, neither the CEO nor executive vice president of sales and marketing had a precise answer. The company then decided to make dashboards a priority.

Building and implementing dashboards turned out to be harder than the executives had anticipated. The company had to first clarify and understand its business objectives, and had to define the activities needed to meet these objectives. As a result, the team conducted meetings with senior contributors from sales, marketing, finance and operations. Only after numerous meetings with stakeholders and by clarifying their business objectives could company officials determine the precise metrics the dashboard needed to display, design a dashboard layout and build the back-end IT infrastructure.

Once it was able to overcome the hurdles with defining and clarifying its business objectives, as well as define new metrics, the company was able to build its dashboards within six weeks. The effort had an immediate payoff: The company could see that a small number of customers accounted for most of its early sales growth, and that there were large segments of underserved potential.

The company was careful to build its dashboard with strong visual elements that aided decision making. The dashboard identified and color-coded customer segments, showing customer acquisition in each of the customer segments (see Figure 2).

Figure 2. Executive dashboards should be organized around key performance metrics.



Executives prioritized and immediately rethought the company's sales and marketing efforts, improved targeting and evaluated sales representatives' efficiency. Senior management reprioritized efforts, instructing the company's regional managers to optimize its deployment for different customer segments. The result? The product sales growth rate increased 20%, helping set up the company for future success.

Without the new executive dashboards, the company may never have recognized the need or direction for changes.

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## A Technology Reseller Transforms Its Sales Strategy Through Dashboards

Unlike the company above, a technology distributor we worked with was a large organization; like the biotech, the larger company was in a growth slump and wanted to change its sales strategy.

The company had been built on a successful model of consumer telesales and corporate representative sales. When growth slowed, senior management decided to increase its cross-selling efforts to large corporations and acquire small corporate accounts. However, company leaders realized they could not actually implement the strategy. Lacking distilled information presented clearly and with visual acuity, executives could not make business decisions quickly.

The enormity of the project was daunting. Because the company took thousands of consumer and corporate orders per day, it generated massive amounts of information and reports. But the company could not discern what information was most relevant to sales strategy. Making matters worse, the data infrastructure to integrate all this information simply did not exist.

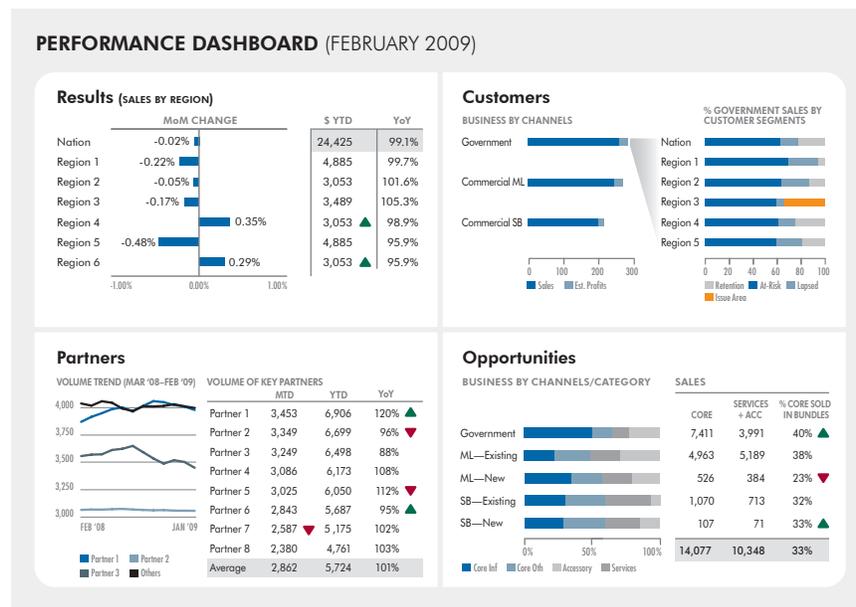
Company officials realized that there were simply too many layers between reports and dashboards. There was no distillation of information and no conformity of information across the firm; stakeholders lacked the most basic definitions of what represented a new account or customer.

To build its new dashboards, the company first gained consensus across the organization about what metrics it needed to convey in dashboards, and how these metrics would be conveyed. To enable execution of the new sales strategy, the company surveyed senior sales, marketing and sales operations management to clarify and understand business objectives. Although defining business objectives proved to be an arduous task—made none the easier by the company's entrepreneurial sales culture. It was only after doing so that the company could identify the right information it needed for decision making and performance management. In collaboration with our team, the company designed performance dashboards and supporting reports.

The process was intense, but once the dashboards were functional, company executives had access to information and insight they had previously lacked. The dashboards clearly showed buying patterns and trends, giving executives opportunities previously unseen.

The visual representation of the data helped executives notice this buying pattern (see Figure 3), because it was organized and presented graphically in a way that immediately pointed to important buying patterns. For instance, when the technology distributor saw one corporate customer buying two separate products, it bundled the products as a single sale, ensuring that the customer would not go elsewhere in the future.

Figure 3. Performance dashboards give visibility into customer and partner performance in order to illuminate business opportunities.



The company now had detailed information on its customers, products and partner performance in a single dashboard that enabled executives to steer the business. A year after implementation, sales had risen 7%, and the company projected top-line growth of greater than 20% during the next five years. The sales strategy had been extremely successful—and figuring out how to distill, present and interpret information from disparate sources greatly increased the likelihood of success.

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## A Pharmaceutical Company Uses Dashboards to Monitor Bottlenecks

Sometimes, dashboards have to fill an unexpected or specialized niche. We worked with a biotech company that acquired a new franchise critical for portfolio diversification. The franchise had particular needs—in order to launch the product, it had to follow strict FDA guidelines with all of its partners for monitoring physician and patient interaction, and the company had to monitor product distribution strategy to ensure product uptake. The strategy required tracking patients and product shipment through therapy, at points often managed by different partners. Because of these factors, the potential for bottlenecks in meeting demand was immense, and it could have a major impact on the product launch. The company needed a different sales and distribution system to ensure product success.

The biotech company would have to compile and report a great deal of information to make effective decisions. The sales force was monitoring physician and patient enrollments and shipments to ensure no interruptions in product delivery and uptake. Management required visibility into the root causes of bottlenecks and assurance that any issues would be addressed immediately; the company needed to see if its post-launch sales trajectory would track forecasts. As a result, the company required a way to track distribution effectiveness, spot bottlenecks and ensure partner compliance to distribution agreements across the business process flow. Executives needed to see how many patients were enrolled in the program, how many were in the process of receiving a shipment, how many received shipments and how many were active or discontinued on the product.

The issue boiled down to how to distill the transactional information and turn it into insight to empower business decision making. The company had to ensure that patients and physicians entering their program did not face hurdles or drop out of the program due to process inefficiencies or delays that could be easily avoided.

There was also the matter of synthesis and prioritization: In order to successfully sell the new product, the entire sales force, sales management and executive leadership needed access to additional key metrics—including number of new patients enrolled, number of shipments

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and number of days patients were waiting to receive the product—each day. This would allow them to steer business decisions and take remediating action. It would also help them enable patients to quickly initiate therapy. The company had never faced this type of challenge before.

Fortunately, executives realized the severity of the problem early on and were able to gain agreement from various stakeholders quickly across the organization. Through intensive meetings and discussions, company management agreed on the metrics they needed to track—which ones would give them tangible insights that would allow them to guide the business. They also overcame technical challenges to develop a dashboard that delivered information and insights in a manner that exposed bottlenecks and suggested ways to relieve them—visually; it presented information in a straightforward manner that gave executives immediate insight.

Through the real-time, integrated data on its dashboards, the company was able to identify, diagnose and track bottlenecks in its distribution process, and make corresponding adjustments to its distribution strategy during the first 90 days after launch.

## Conclusion

Today's markets in any industry are a stark reminder of how important making fast, accurate and effective decisions has become. Dashboards are powerful tools in this process, as they can expedite and improve managerial decision making.

In our dashboards work with companies—both in the examples above and elsewhere—we see the same three lessons: Dashboards need to distill information; provide integrated, intuitive visual representations; and empower business managers to make good business decisions. We have seen that when they incorporate each of these elements, dashboards become powerful tools in aiding decision making; lacking any one of these three attributes, dashboards cannot live up to their full expectations.

Companies must identify their essential business processes and what information a dashboard can deliver to make the processes work.

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In the case of the biotech with the new product launch, for instance, company managers needed to figure out what exactly they needed—and what they could do with it—before they could reformulate their dashboards.

Ultimately, good dashboards will make their users more effective, but a bad one (or ones) can have the opposite effect. Remember the hapless executive vice president from the introduction. If your CEO walked into your office today and asked about market share, sales growth and customer segment performance, would your dashboards give you the answers—right away? Or does even the thought of the question scare you? If you answered yes to the latter, and you feel yourself breaking into a cold sweat, your dashboards probably need to be rethought, reengineered or completely rebuilt.

## About the Authors

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## About ZS Associates

ZS Associates is a global management consulting firm specializing in sales and marketing consulting, capability building and outsourcing. The firm has more than 1,300 professionals in 19 offices around the world, and has assisted more than 700 clients in 70 countries. ZS consultants combine deep expertise in sales and marketing with rigorous, fact-based analysis to help business leaders develop and implement effective sales and marketing strategies that measurably improve performance.

As the largest global consulting firm focused on sales and marketing, ZS Associates has experience across a broad range of industries, including medical products and services, pharmaceuticals, biotechnology, high tech, telecommunications, transportation, consumer products and financial services.

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