

HP Executive Scorecard software:

Demonstrating Control through effective IT Performance Management

Problem introduction and background

As far back as 2005 Forrester Research noted that “most IT organizations remain focused on the tactical as opposed to the strategic, especially when it comes to measurement. Despite all of the pressures on IT to align itself with the business, demonstrate value, improve quality of services, reduce costs, and ensure compliance; only one out of three IT organizations are rigorously measuring performance.”¹ Unfortunately this is largely still as true today as it was in 2005, not because of any lack of effort from IT leaders, but because this is a hard problem to solve.

We now live in an information society, and more than ever IT managers are inundated with data. For managers to make the best possible decisions in the shortest amount of time, it is essential to turn data into structured information and then present this information to them in a format that is easy to read and that supports analysis. When it comes to measurement, IT organizations have historically ended up creating dozens or even hundreds of low level operational reports which do not demonstrate control of IT strategy and operations levers. According to Derek Abell of Harvard University, “control is different than reporting in that it implies the possibility for management intervention if and when things go out of control. Control implies feedback in which management is actively involved. Reporting in contrast is passive. For control to be effective, therefore, data must be timely and provided at intervals that allow effective intervention²”

¹ Craig Symons, Trends In IT Performance Management, Forrester, December 2005

² Managing with Dual Strategies, Derek Abell, The Free Press, 1993

“Their budgets have been cut, their work's been outsourced, their staff's been downsized, and they've been pushed off the executive team. Their status within the enterprise has suffered. That's dumb. And for CIOs, not fighting back would be dumber.”¹

The quote is from 2003 but still seems very relevant to the plight of CIOs today. According to the CIO magazine the average tenure of a CIO is just three years. While we know there are exceptional CIOs that move into more senior roles in their companies based upon their management of IT; that seems to be the exception rather than the rule. The reasons for this are many but there is increasing agreement that CIOs need to go beyond a focus on or cost reduction. IT leaders are increasingly in a position where they can directly influence their organization's success and to do this they need to establish a performance-driven culture and be able to demonstrate tangible benefit to those outside IT.

At the same time, increased business reliance on IT 'ups the ante' for the need for such control. Something Forrester wrote back in 2005³ is still very relevant today when they said that “today's business environment has created a perfect storm around IT, requiring more accountability and transparency on the part of IT's decision-making and operations, because:

1. Effective IT governance is no longer optional
2. IT is critical to most business processes
3. IT spending is a huge capital and operating expense
4. Regulatory and compliance issues mount”

The HP perspective is that the need to demonstrate control of IT in the context of ever-increasing dependence on IT for multiple facets of the business is driving the need for a new level of maturity in IT performance management, based on a formal performance management system. This is the kind of system other business managers have been using for years but which have proved less-than-ideal for IT managers.

An effective deployment of an appropriately configured balanced scorecard within an organization can dramatically reduce the need for individual financial and operational reports. It can also support better decision-making and ultimately help improve performance. Mid-sized and large companies typically have hundreds of different reports coming out of their accounting systems and their operational databases, and creating and maintaining such reports comes at a significant cost. In addition, because the consumers of the reports typically do not have the skills or the access rights to the reporting tools used to create or modify report templates, they often end up exporting them to Microsoft Excel spreadsheets to make adjustments and to add graphics and formatting, among other things. This diminishes governance and adds to the cost and the pain involved in keeping reports up to date and validated.

³ Craig Symons, Trends In IT Performance Management, December 2005

For IT the problem is compounded by the variety of information sources that can provide performance data. This leads to significant effort going into pulling the data together resulting in information being available to managers only after some time has passed rather than being able to manage in real time. A further problem is how performance can be communicated beyond IT in non-technical terms. IT data may talk about server upgrades but the business wants to know about service improvements.

Executive Scorecard – Visual representations of information organized in such a way (e.g. by individual, department, and business unit) to ensure a focus on business goals. Summary data usually funnels vast quantities of enterprise data over larger intervals and measures against baselines (e.g. prior years) and benchmarks (e.g. industry performance).

Establishing a Performance Management System involves developing a set of goals that derive from strategy and then, in support of those goals setting measurable objectives composed of milestones and targets. Implementing the system requires measuring performance against the milestones and targets in a consistent but evolving manner and using the results to exert control: making course corrections, setting higher bars, quantifying rewards and continuously communicating the results.

Balanced Scorecard

Perhaps the most famous instantiation of a performance management system is the balanced scorecard introduced by Robert Kaplan and David Norton in 1992. “Kaplan and Norton advocated (in their seminal papers in Harvard Business Review) measuring at the highest levels of the organization a number of key performance indicators that go beyond the traditional financial measures of revenue and profitability.”⁴

Balanced Scorecard Applied to IT

“If I had six hours to chop down a tree, I'd spend the first hour sharpening the ax.”

Abraham Lincoln

⁴ eBusiness Intelligence, Bernard Liautaud, McGraw Hill, 2001

The Balanced Scorecard is how you manage the execution of your strategic plan. The level of your organization's success depends upon how well you implement it. For good implementation, you have to have a good foundation, and that foundation depends both upon your Balanced Scorecard's purpose and upon your levels of planning and commitment. In dialogs with customers, we have found that IT organizations often interchangeably use the words scorecard and dashboard. According to Robert Handler, "the word scorecard implies measurement against goals and targets. Unlike dashboards that monitor progress and key indicators on an ongoing basis, balanced scorecard acts as lenses for seeing targets and navigating the best course of action."⁵

The Balanced Scorecard will create change in your organization, and few organizations change easily. To make that change happen, and to keep the organization from reverting back to old ways, the CEO and executive team must make a strong case for change and then communicate it and live it continually.

The lack of understanding stems often from a lack of realizing the importance of strategic measurement and management. "The problem with many IT organizations today is not that they are not measuring things, but that they aren't measuring the right things. IT is too busy measuring the low level technical and tactical things and not measuring the right things like value creation, strategic alignment, human capital readiness, and other important measures of successful strategy execution. Too often, measures are chosen because they are easily understood or the data to produce them is readily available or because they have always been measured in the past. If a strategic objective is to improve customer satisfaction, then measures must be chosen that can drive improved customer satisfaction such as performance on service-level agreements or first-call resolution rates."⁶

There are four reasons you need to create a Strategy Map, even if you never build a Balanced Scorecard.

1. Early versions of Balanced Scorecards had a low success rate because the metrics they monitored were often chosen from the metrics currently in use, which may not have been the metrics that drove strategy.
2. In most organizations few managers and employees have a clear and concise concept of their organization's strategy. In fact, research shows that less than 10

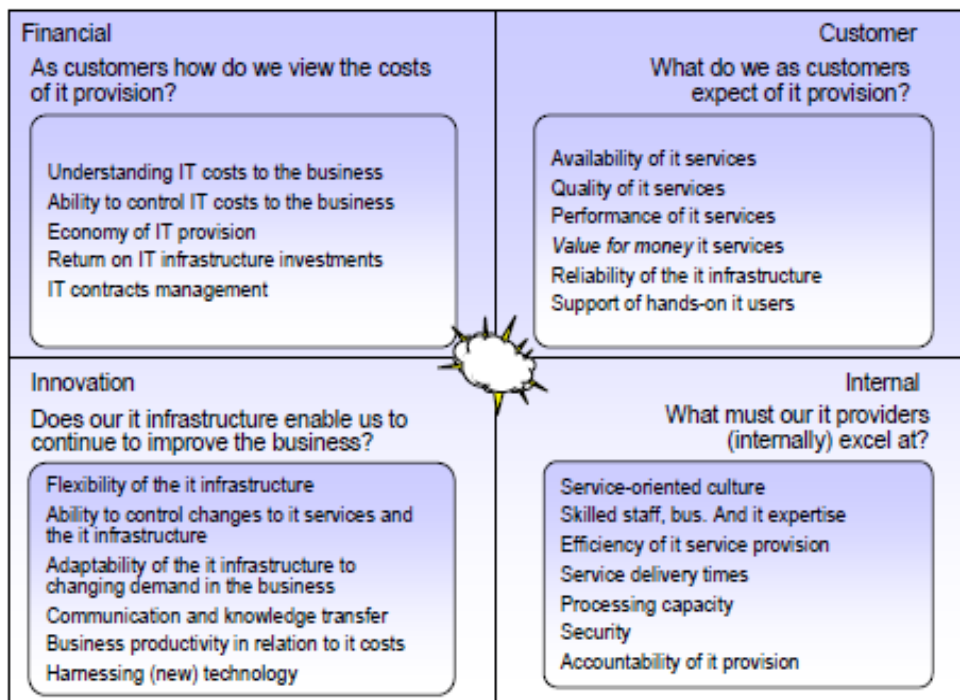
⁵ IT Portfolio Management, Robert Handler, John Wiley & Sons, 2005

⁶ ITIL Version 3 Draft, Service Strategy Book

percent of employees have a clear understanding of their organization's strategy, and 50 percent of executives spend virtually no time on strategic discussion^{7, 1}.

3. Without a clear, concise model of what drives your strategy, you have no feedback about which drivers are working and which ones are not.
4. When the objectives on the Strategy Map are broken down into initiatives and projects, it makes it easy to identify strategic funding during the budget process.

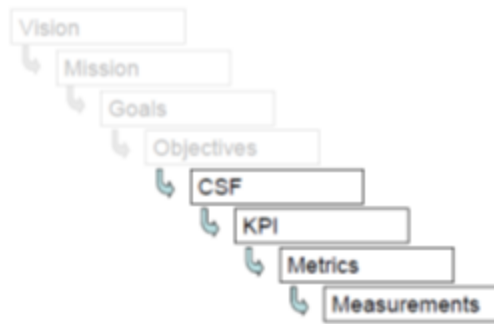
The ITIL Version 3.0 authors also wrote that “the Balanced Scorecard is not simply a measurement system but a management system that enables organizations to clarify their vision, mission, goals, objectives and strategies and to translate them into action. When fully deployed, the Balanced Scorecard transforms strategic planning from an academic exercise into the nerve center of an enterprise. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results.⁸” Here is a scorecard example provided in the ITIL Book.



The ITIL Authors suggest the following framework for relating the components of an Executive Scorecard:

⁷ R. Kaplan and D. Norton, The Execution Premium: Linking Strategy to Operations for Competitive Advantage, Boston, Massachusetts: Harvard Business Press, 2008

⁸ ITIL Version 3 Draft, Continuous Service Improvement Book



In this model, everything starts corporate visions and mission. These are in turn translated into IT/Business Goals and Objectives. The bridge to quantitative measurements is a critical success factor (CSF). A CSF represents a critical factor or activity required for ensuring the success of the IT organization.

An example of an objective in this model could be improving customer satisfaction. This objective could be tied to a CSF for improved IT responsiveness to customers. This in turn could be tied to several key performance indicators (KPIs). An example in this scenario of relevant KPIs might include the following:

Average response rate for request of x days

Change success rates greater than 90%

Metrics in turn represent a system of analysis for creating the data needed to determine the state of a KPI and for analyzing the reasons for a performance failure, or better yet provide an early warning of impending failure in time to make course corrections. They answer the “by” question. For example, average response rate by location, by request type, by date, etc. And support metrics are measures or facts; the quantitative pieces of data.

Commitment from the senior executive for the business unit implementing the Balanced Scorecard is paramount. Without that commitment, the Balanced Scorecard will almost certainly fail.

IT Performance Management Systems: the art of the possible

The balanced scorecard is not just a tool of performance management. It is a tool to translate strategy into action, to remove silos, and to promote a culture of high performance. It is as much about people and process as it is about tools, but tools can capture best practice and help automate time-consuming tasks.

A barrier to widespread implementation of IT Performance Management Systems, despite the advocacy of ITIL and others, has been the complexity of the IT environment. It is not unusual in large organizations to find that there are as many IT management systems as

there are business applications, and they follow the same complexity curve: new ones are often acquired in bulk following an acquisition, for example.

This fragmentation often means that the aggregation of data is a manual process, which trends to be both costly and inconsistent over time. The better alternative of automated integration looks beyond the art of the possible to most organizations given the time, cost and skillset required to specify and design it let alone implement it, starting with a tough challenge of a common data model.

While these may not be good reasons for failing to define a performance management system for IT in an organization, they form a significant barrier to implementing one with consistent and comprehensive measurement, without which the demonstration of control of IT lacks credibility.

HP Executive Scorecard: a new state of the art

You know where you want to go. You've got your vision and Strategic Destination Statement completed, and now you face translating your strategy into action. The first step in translating strategy into action, the HP Executive Scorecard, is a major advancement upon the state of the art of IT management because it is the first IT balanced scorecard that can automate the full process of pulling data into the scorecard by taking direct advantage of underlying data source management. This makes the information and source data more timely and actionable. Even more important, it allows the scorecard to serve as a true performance management solution rather than a dressed-up historical report. While using the automation layer is not required to get started, it is a major advantage in terms of providing a consistent performance management view and a significant way to take out IT cost. In the rest of this section, we will review key functionality for the scorecard.

*Perhaps our abilities to
make sense of the
present depend not
only on what we have
accomplished in the
past, but also what we
are committed to
accomplish in the
future*

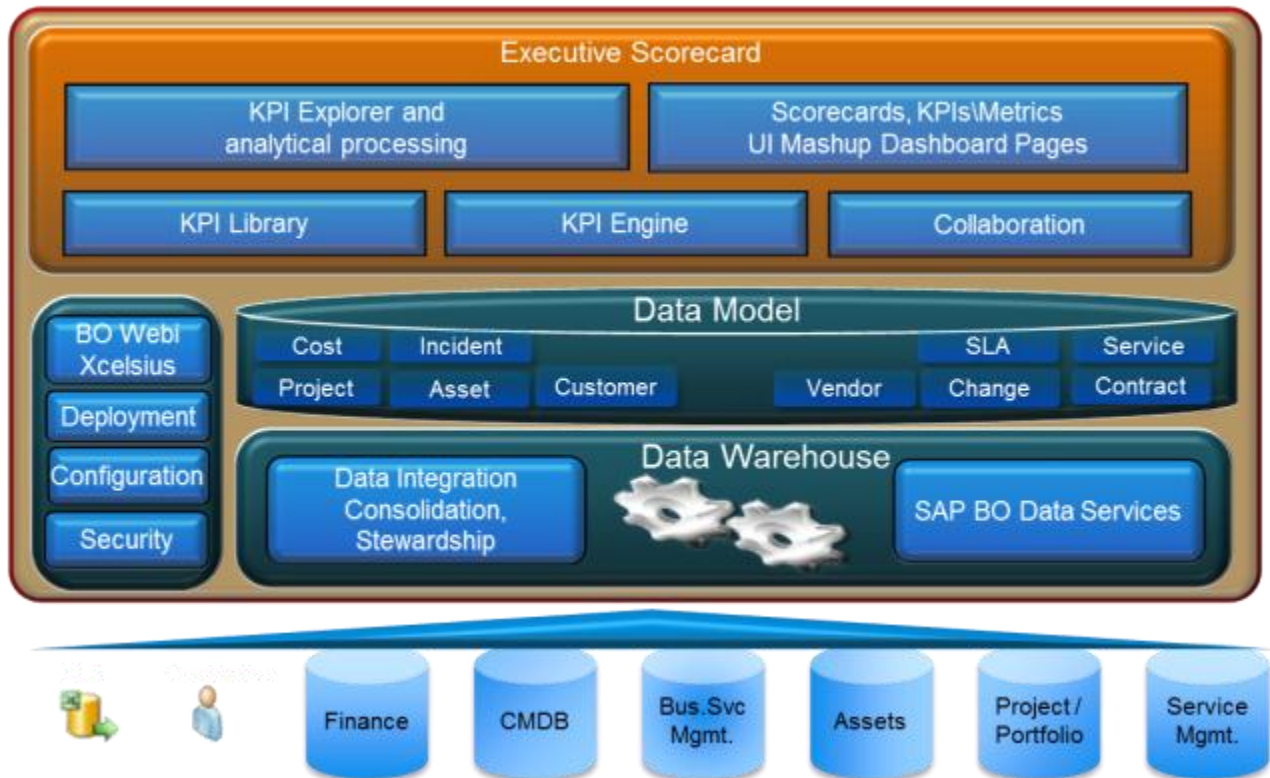
Fred Alan Wolf,
*Parallel Universes: The
Search for Other
Worlds* (New York:
Simon and Schuster,
1988): 308.

Business Intelligence and HP Data Model Foundation

The HP Executive Scorecard is built upon a proven business intelligence platform at every level. To end users, this means that the scorecard is not just a results summary, but also the starting point for an analysis journey, and is capable of supporting projections as well as history.

The business intelligence capabilities of this solution start with the integration layer. At this layer, information is extracted, transformed, and loaded from multiple sources into the data warehouse built on the HP IT Data Model. From this data, the system creates metrics (the systems of analysis) and key performance indicators. Out of the box integration is provided to Microsoft Excel for pushing manually produced data into the data warehouse, and integration to grab automatically data from HP Supported Sources and load it into the data warehouse. Supported sources will grow as HP reaches across its entire software suite and beyond through work with partners. So a great deal of functionality is built into the integration layers. However, it should be clear that only a small part of the integration covers the connection to HP sources. This means that trained personnel in the field can change the integration relatively easily and point them at non-HP sources.

*Change is the law of life.
And those who look only
to the past or present are
certain to miss the future.
John F. Kennedy -- U.S.
President, b1917-d1963*



Executive Scorecard architecture, Data Model and Scope of Data Warehouse

On top of the integration layer, the HP solution consists of subject oriented data-marts/Business Objects Universes. The data marts/Universes all conform out of the box to the HP BTO Data Model which over time aims to force consistency in metadata usage across the HP Software Performance Suite. The beauty of the out of the box Universes is that they make the creation of new reports a drag-and-drop and visualization selection exercise. This makes it is easy for those with administrative rights to create new reports. In addition, the scorecard itself can be extended so that end users can drill directly from the scorecard into these reports. In addition, for those preferring reports to be delivered to them, SAP Business Objects provides facilities to automatically publish them.

Successful strategies flow like water; they are shaped by the circumstances of the conflict. When water flows, it avoids the high ground and seeks the low ground. Successful strategies likewise avoid difficult methods and find easy ones.
 —Donald G. Krause, *The Art of War for Executives* (New York: Penguin Putnum, Inc, 1995)

KPI Library

The KPI Library is truly where the magic happens in the HP Executive Scorecard. It is where metrics are turned into Key Performance Indicators (KPIs) and then related to each other.

KPIs need to be "SMART" (Specific, Measurable, Achievable, Result-oriented, and Time-bound), and this is a good rule of thumb to go by when evaluating new KPIs to use in a dashboard.

As described earlier, a metric is a system of analysis. An example of a relevant metric to the Executive Scorecard is Change Success Rate. This metric consists of a set of facts called change success rate per period. The system of analysis can show why change success rate moved. It answers the "by" question—i.e. change success rate by organization, change success rate by service, change success rate by change type, etc. The change success rate metric is turned into a KPI by associating it with a goal. A good goal for this KPI is that 90% of changes are successful first time through. This KPI in turn could relate to other goals around operational excellence or customer satisfaction; in fact, change success rate probably applies to both of these.

The reason that relating KPIs to each other is important is that most scorecards in management information systems limit the scorecard quadrants to four and quadrant KPIs to 4 or less. This means that a scorecard version can consist of a total of 16 KPIs. Since there are more things that can be measured and have goals associated with them, these 16 KPIs become weighted indexes for many more KPIs.

To be more specific, an index of customer satisfaction could include KPIs in it such as change success rate, request response rate, and customer satisfaction survey. Setting up an index involves creating a weighted average score against multiple source KPIs. As long as the index relates well to the source KPIs and the critical success factor then it allows many metrics to be consolidated for managerial analysis.

Out of the box the Executive Scorecard comes with over 50 KPIs. This provides a great starting point for quickly building an initial set of scorecards. The chart provides some different perspectives on some of the provided KPIs.

Out of the box KPIs

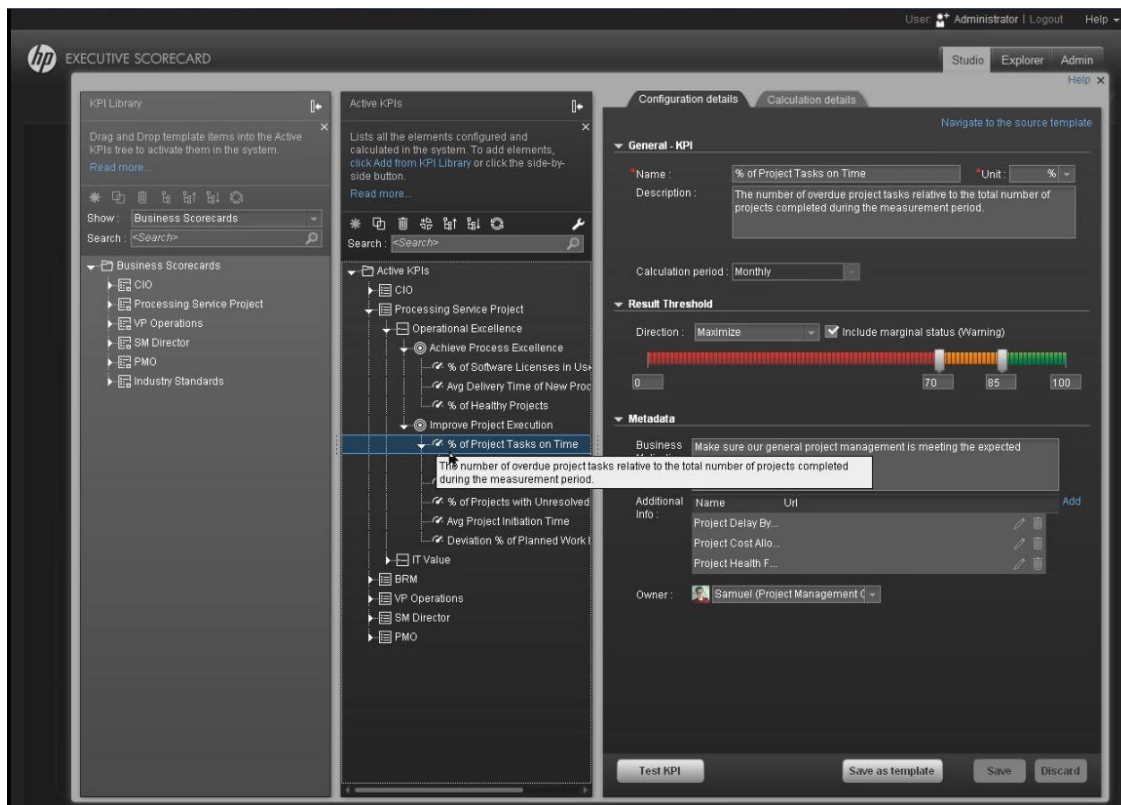
CIO Edition Standard

LEGEND

PPM	FPA	AM	SM
	BSM		

IT Value	Reduce cost	% software licenses in use	% Business service cost reduction	% projects cost reduction	% change in asset costs	% IT Cost vs. Total Revenue	% Actual vs. Planned Project Costs				
	Stewardship of IT investment	% unhealthy projects budget risk	% variance actual vs. planned costs	Avg. cost of IT delivery per customer	% IT POR vs. total revenue						
	Alignment with business strategy	% projects associated with business objectives	CAPEX vs. OPEX	Innovation delivery	% Time Invested in Strategic Projects						
Customers	Improve service delivery performance	% of Service Availability	% Service performance met	Downtime % of SLAs	MTR	MTBF	% SLA expirations	% Incident Response Conforms to SLA	Average Interaction Closure Duration		
	Improve customer satisfaction	% of met SLAs	% of met SLOs for IT process activities	Average incident outage duration	% of satisfied customers	Change Success Rate	Change Backlog Size	Average Time to Procure Hardware	% of Assets Returned to Supplier		
	Improve project execution	% of project tasks on time	% of projects on time	% projects with unresolved urgent issues	% of deviation of planned hours	% of healthy projects	Average Delivery of New Products				
Operational Excellence	Improve responsiveness	Time-to-market: new products / services	Avg. project initiation time	% interactions in backlog	% incident aging	Avg. time to procure	% of FCR	Number of Opened Incident	Incident backlog size	Number of Closed Incidents	Incident Resolution Time
	Achieve process excellence	% reopened incidents	% escalated incidents	% emergency changes	% unauthorized implemented changes	% changes resulted in outage	% of unplanned changes	Number of Completed Changes	% assets in maintenance	Avg. age of hardware assets	
Future Orientation	Improve staff satisfaction										
	Improve staff effectiveness	% project effort by external resources									

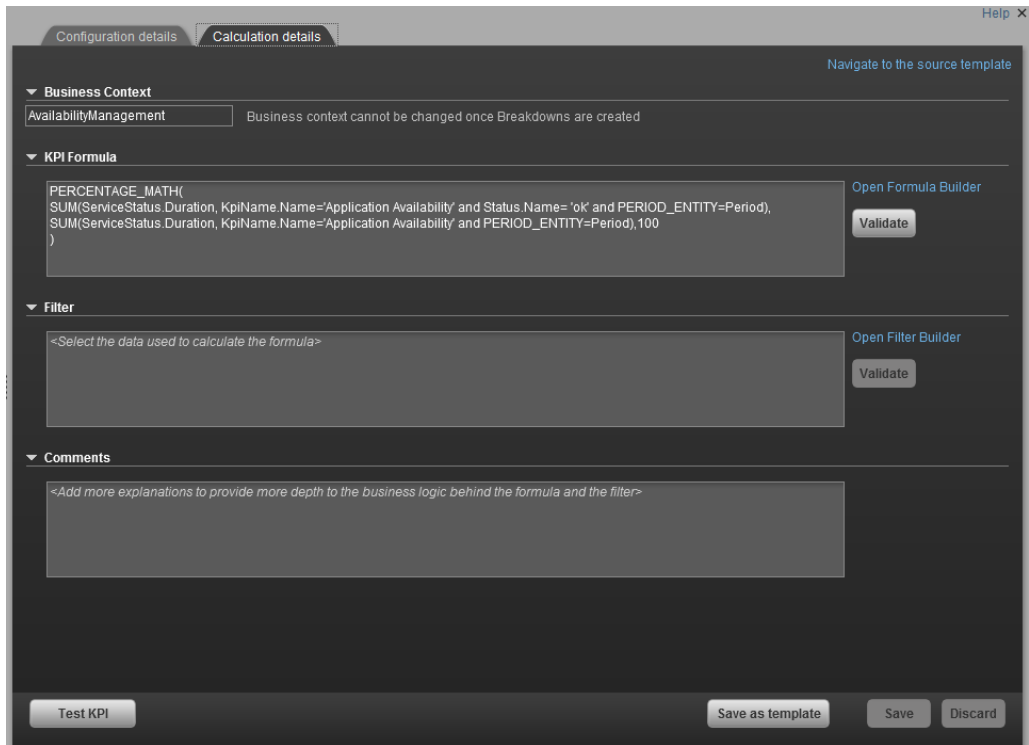
In the screen shot below, you can see the user modifying an out-of-the-box goal to reflect the user's company process or technology maturity. It is as simple as moving the threshold levels to either reset a goal or to change the thresholds for a KPI.



Another key element of the KPI library is the ability to add a new KPI to the existing library. This can be accomplished in one of three ways:

- 1) An existing data warehouse metric is added to the KPI List. For this example, let's add a KPI for financial variance. This is an existing metric from Financial Planning Analysis. In the screen below, we could add the KPI by pointing at the Universe and then setting a goal for Financial Variance. In the screen above, you see the first portion of creating a new KPI. This includes establishing a KPI name and description, setting thresholds, and metadata for identifying the KPI. The next part of KPI definition is handled in the calculations detail screen shown below. Here, the user starts by identifying the metric or fact that will be the data source for KPI definition and then creates a formula which will create the value of the KPI. Finally, a filter condition can be used to limit the range of data on which the KPI is to be calculated.

Once the initial list of desired KPIs has been selected, further "testing" of the KPIs can be done to ensure that each one is optimal before final selection and deployment into dashboards. The screenshot below gives a suggested set of formula, filters and comments.

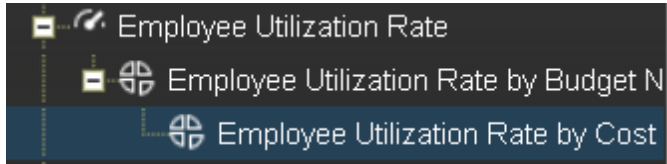


- 2) Adding new KPIs for which data does not exist in the out-of-the-box Universe, can be accomplished by extending the data warehouse data mart/universe structure with new metrics and then going through the same process shown above to add them as KPIs to the KPI library. It should be clear that the data warehouse source code is openly provided so customers have full ability to extend the default implementation to support additional IT strategies and goals.
- 3) The final method is similar to the previous one but is based on creating a manual entry metric/KPI and extending the data mart/universe structure. In this method, a Microsoft Excel spreadsheet is populated with metric data and then uploaded to the KPI library. Here a goal can be set against the manually uploaded metric in the same manner discussed above.

In the screen below, you can see a screenshot of the manual process for loading new metric data to the data warehouse.

The final stage in the process of creating a scorecard is to relate critical success factors to KPI breakdowns and in turn supporting KPIs. In the below screen shot, you see an index being created. It consists of several KPIs. You can also see the weighting being associated for each KPI. For example, the Attrition Rate KPI for the whole company is composed of the attrition rates for each organization in the company, and those are

composed of the attrition rates of each group in the organization. The Attrition rate KPI is calculated using the number of employees in the company and the number of employees who have left the company to pursue other interests or who have retired.



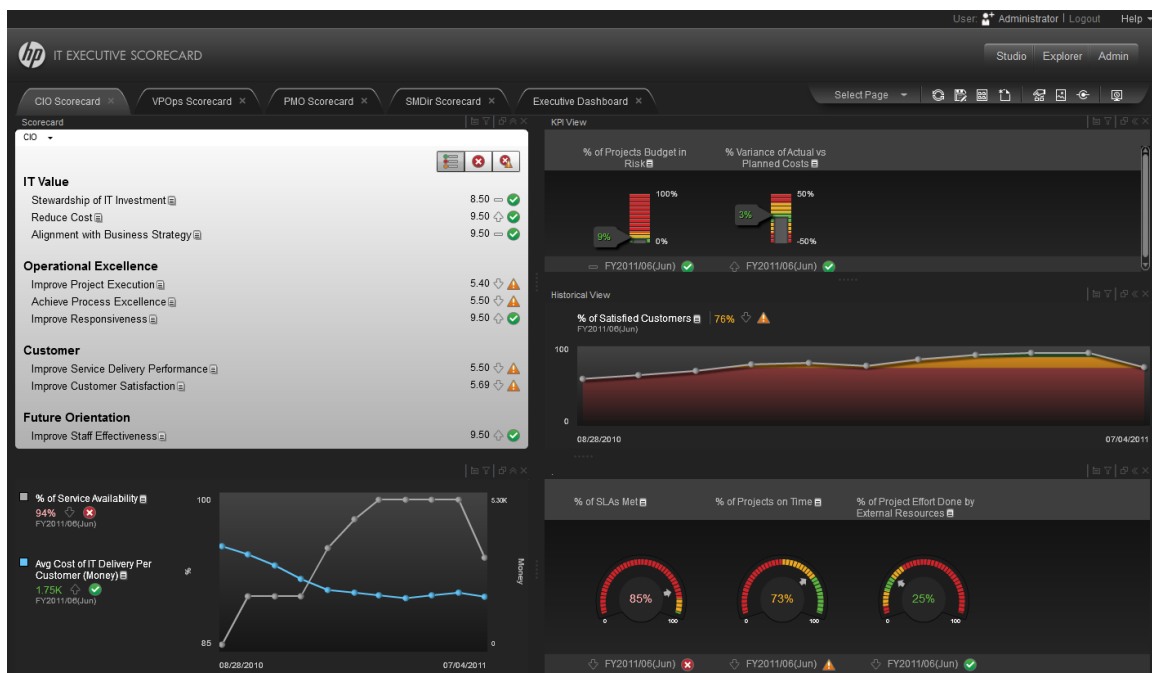
Out of the box Scorecards

Management is a set of processes that can keep a complicated system of people and technology running smoothly.... Leadership defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles.

John P. Kotter, *Leading Change* (Boston: Harvard Business School Press, 1996)


In the latest version of the HP Executive Scorecard, scorecards, dashboard, KPIs etc. re provided for the following personas: the CIO, the VP of Operations, the Service Manager, and the Business Relationship Manager. The plan is to add the future more of the Application and Quality side metrics and KPIs. Shown here are some screenshots for the CIO and Vice President of Operations.

CIO Scorecard



For the CIO, we show all four quadrants of the scorecard—financial, customer, internal business processes, and learn and grow. A key thing to observe here (which is true for all scorecards) is the ability to track the number of KPIs that are associated with a KPI index. See the number next to the KPI results. The symbol next to the number is the icon for trend.

Up arrow  =Improving change in performance

Straight Line  =No change in performance

Down arrow  =Degrading performance

A graphical view of the trend is shown to the right of the scorecard.

VP Operations Scorecard

A second scorecard version is for the Vice Presidents of Operations. In this Version as for the Service Manager Director Version, the overarching strategies remain in lock step with the business and the CIO; however, the controllable items differ because of the responsibilities of these roles. Here, more emphasis is placed on operational excellence. According to Craig Symons, “with as much as 70% of the total IT budget going to maintaining the status quo, there is an increased focus on the part of executive management and the board of directors to understand the value of and performance improvement expected from this enormous investment — and the use of Balanced Scorecard methodologies is one of the indicators of IT’s maturation.” . Craig goes onto say, “It is very possible that a number of the metrics in an operations scorecard are the same as metrics in the higher-level management scorecard — but represented from the operations perspective. For example, in the IT value perspective, each may have a budget metric; however, the management scorecard will measure the entire IT budget, while the operations scorecard only measures the operations portion of the IT budget. In the same way, a future orientation metric about competency levels would encompass the entire IT organization in the management scorecard but only operations staff in the operations scorecard.”⁹

This is what we see below. This scorecard version focuses on the value that IT provides through operations and operations improvement. Operations clearly are focused on things that actually improve service delivery. Additionally, this version is focused upon the execution of operational strategy and operational improvement programs.

⁹ What Are The Components Of An IT Operations Scorecard?, Craig Symons, Forrester Research, June 2005



Scorecard Cascading

The ultimate goal of cascading is the demonstration by all groups within your organization of how their actions lead to overall strategic success. To make this contribution, each group must ask the question of how they might influence the objectives and measures appearing on higher-level Balanced Scorecards. It all begins with your highest-level Scorecard, what some would refer to as the corporate-level or organization-wide Scorecard. The objectives and measures appearing on this Scorecard represent what you consider to be the critical variables driving your success. Therefore, every Scorecard subsequently created, at all levels of the organization, should link back to this document.

Scorecard Cascading is one of two ways to drill into the supporting KPI data provided in the Executive Scorecard. The other is KPI explorer which will be described in the next section. Cascading is fundamental to most balanced scorecards. As one CIO put it “I want to know within three clicks who to yell at for a performance issue”. What he really wanted was a way to hold people accountable for a lack of performance against their goals. Scorecard cascading allows strategies and KPIs to be linked from the CIO to their management team. If a KPI doesn’t look right the CIO can be given the ability drill down

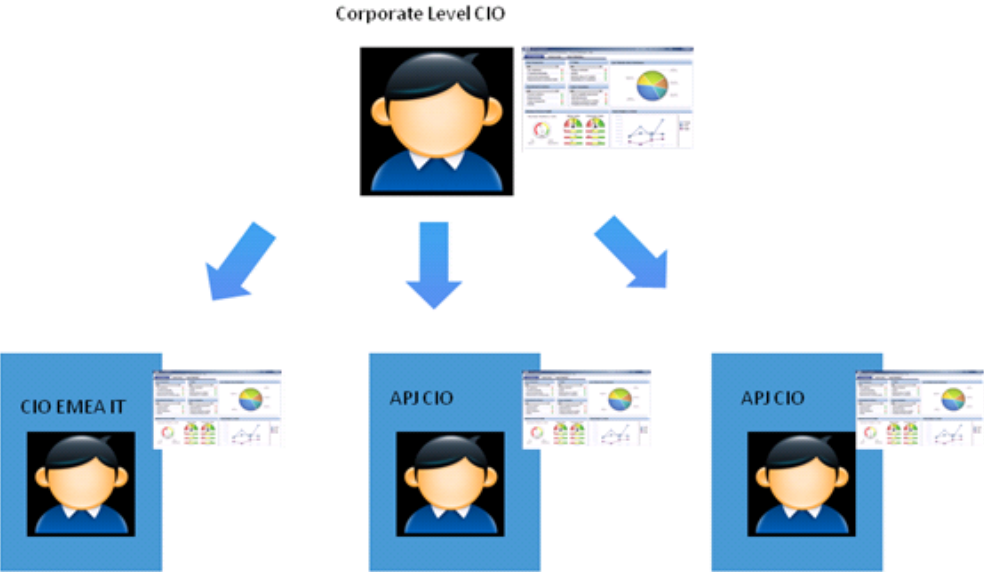
to a subordinate scorecard to find more detail about the issue. This way a miss in a CIO goal can be attributed to a miss within a specific subordinate's goals. Cascading, therefore, makes the key leaders in IT accountable and by linkage to the CIO KPIs creates visibility to who has caused a goal to be missed.

So cascading refers to the process of adding Balanced Scorecards at the lower levels of your business. These Scorecards align with your organization's highest-level Scorecard by identifying the strategic objectives and measures lower-level business units, departments, and groups will use to track their progress in contributing to overall company goals. While some of the measures used may be the same throughout the entire organization, in most cases the lower-level Scorecards will include measures reflecting the specific opportunities and challenges faced at that level or perhaps specific to a region.

Cascading is also the ability of the Scorecard to track performance measurement in a top-down approach based on Scorecard objective ownership. This allows executives to measure their direct reports' performance by cascading from their Scorecard to the Scorecard of their direct report Scorecard objectives.

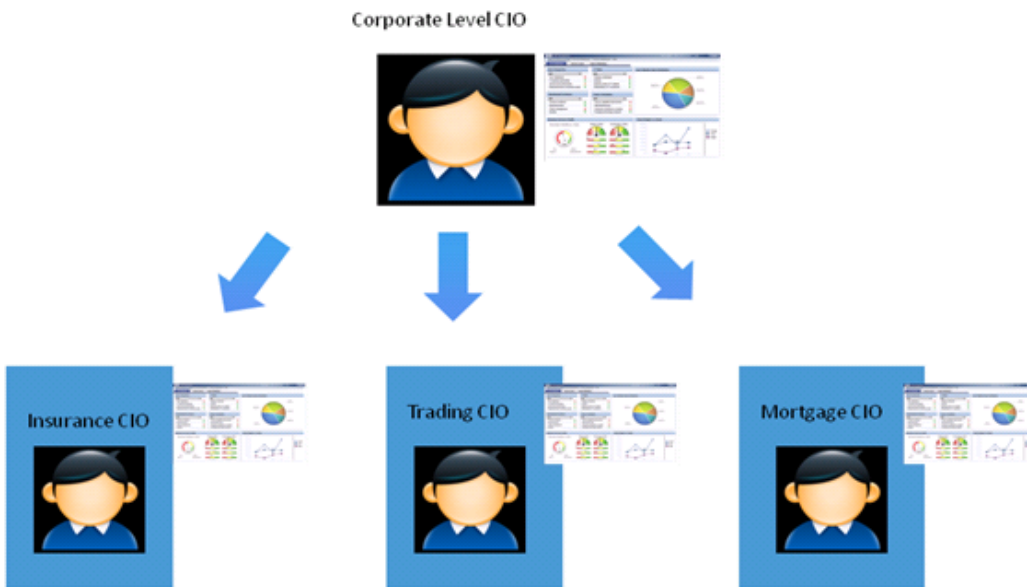
Geographical Distribution

In large organizations, the role of the CIO is often extended across divisions or branches of the company with some centralized IT functions and some functions distributed among the departments.



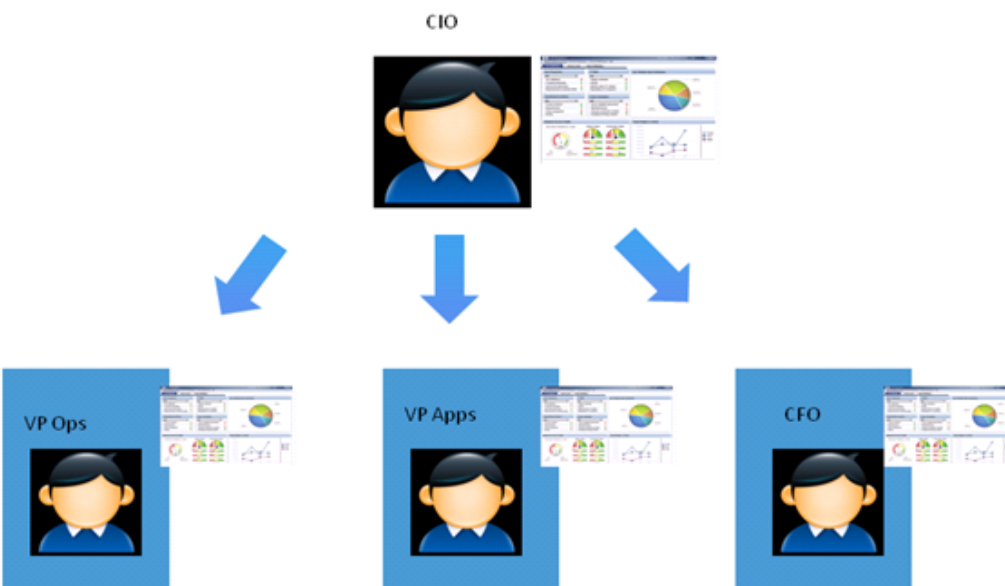
Functional Distribution of IT

A company with many large divisions may have a single “Office of the CIO” at the corporate level coupled with “Divisional CIOs” having dual reporting responsibilities to the Business Unit GM and the Corporate CIO.



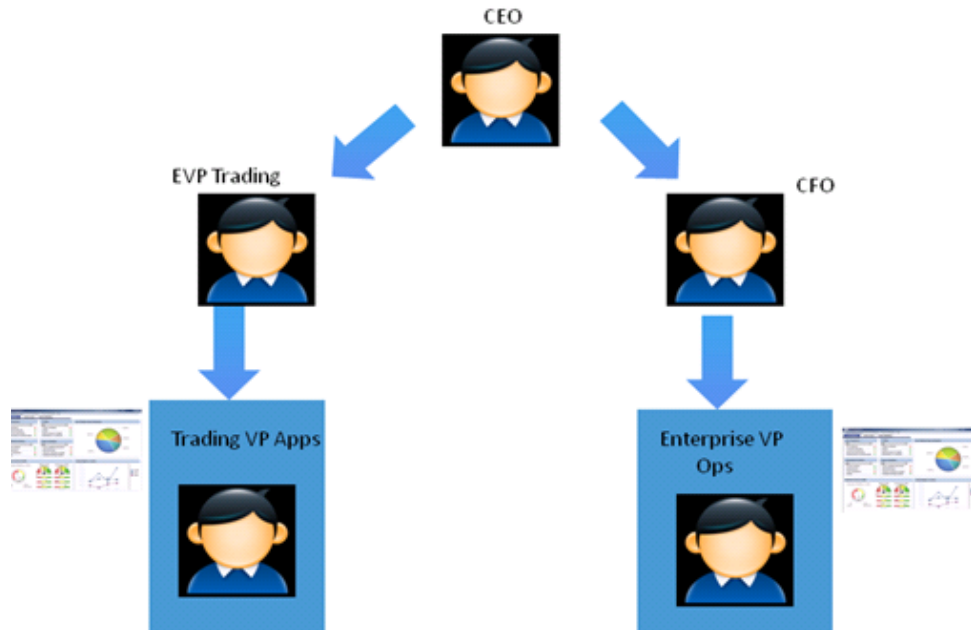
Organizational Distribution of IT

The CIO can measure his direct reports (VP applications, Head of infrastructure and operations).



Decentralized Distribution of IT

A common model in US Financial Service and Media is decentralized IT function with Infrastructure/Operations shared services, sometimes with no Enterprise-level CIO.



Just as a simple checkup with your doctor can alleviate the possibility of severe pain and suffering down the road, in a similar way reviewing cascaded Scorecards is a diagnostic exercise that is sure to pay benefits in enhanced focus, alignment, and understanding of corporate strategy.

KPI Explorer

KPI explorer answers the opposite question of cascading. It answers why a miss to a KPI has happened. For example, a KPI target could be that greater than 90% of Service Level Agreements are met. When 90% is not obtained, KPI explorer will show all SLAs not meeting the goal for analysis. This way the root cause of KPI miss can be derived.



Key Benefits for Executive Scorecard

There are many business benefits to establishing a balanced scorecard project. They include the following:

- Consistent performance management
- Demonstrate value of IT leadership
- Move from 'rear-view mirror' reporting to performance management
- Continuous improvement culture
- Breaking down of silos and the sharing of information, plans, challenges, etc.
- Provide a disciplined approach to agreeing on what is most important to the organization and developing consensus on how to measure it
- Provide an opportunity to functional heads to explain over/under achievement and identify measures to improve
- Opportunity for Continuous improvements
- Employees now understand targets

These have all been extensively written about in the business literature and IT management literature. Heretofore, most IT organizations have only succeeded in doing Scorecards as part of a yearly analyst review or as part of quarterly business review.

The problem has to some measure been the inability to get performance data. However, we believe that the biggest limiter here has been the ability to automate the collection of existing data into the scorecard. The fact that most IT scorecards have data a quarter or longer old turns a scorecard into a report rather than a performance management system.

This is where the HP executive scorecard is a game-changer. By being able to see when a goal is starting to be missed in real time enables managers to create a remediation plan. And by being able to associate a miss with a key performer in the organization, the IT organization can truly take responsibility for its performance. We believe, given that most of the rest of the business already uses some form of performance management system, that this change will transform the relationship between IT and the rest of the business. Why? IT can show with an Executive Scorecard that it is playing to the same strategy and being measured just like the rest of management. And finally, by allowing IT leadership to show that they have affected performance, perhaps the rate of IT leadership turnover can be reduced. Put simply, having a scorecard is a critical step to IT aligning with the rest of the business.

Why buy from HP?

Existing solutions are manual, lack governance, and report infrequently. As a result, where they are being used, the data is out of date. This means that there is limited data to help make real business decisions. The HP solution, for the first time, automates; it provides a single pane of glass for overall IT performance. This saves time and can allow IT shops to focus resources spent in reporting onto continual improvement projects.

In summary then, here are the key advantages of buying from HP.

- 1) **Eliminate the man years of cost as well as on-going staffing.** Building an Executive Scorecard from scratch and the supporting team to keep it running is a huge undertaking. The HP solution is pre-plumbed to work with HP transactional toolsets. As well, its integration layer can be changed to support other sources. This means the lowest starting cost and lowest TCO.
- 2) **Eliminate manual collection effort.** Reporting and executive presentation at most companies is a manual effort absorbing teams of experts and often senior

managers directly. Manual pulls and data collating and aggregation can be largely eliminated with the HP Executive Scorecard.

- 3) **Show immediate time to value.** For many organizations, management wants to see what they are going to get even before the automation layer is running. And there will always be some metrics and KPIs like surveys that will need to be captured manually. The HP solution solves this by also providing a Microsoft Excel load integration layer.
- 4) **Proven, Extendible Business Intelligence Layer.** The Integration layer, Data Marts, Universes, Dashboards, and Scorecard are built upon a proven Business Intelligence product that is open and readily extensible to bring in additional facts, dimensions, and metrics.
- 5) **KPI Library makes it easy.** The KPI library makes it easy to extend the out of the box KPI library with additional measurements of people, process, and technology improvement.
- 6) **Compelling User Interface.** The HP Executive Scorecard User Interface makes issues and relationships pop right out of the screen. This makes finding issues easier and information more actionable.

In summary, the HP Executive Scorecard is the right tool to reposition today's IT organization for an improved relationship with their business customers and for driving a performance driven culture.