The Accenture Enterprise Metrics Management Solution
The challenge of managing consistent metrics for decision making

For companies in any industry, the journey to high performance can be a difficult one if they cannot tell how fast they are moving or how far they have traveled. Metrics: it’s an area with which nearly every organization struggles. In certain industries, such as financial services, automated tools are capable of giving executives almost real-time insight into the status of a market or particular operation. For most everyone else, the management of enterprise metrics is daunting in a number of ways:

- No consistent framework of essential metrics exists. What are the essential measurements for a company, department or line of business? How are these indexed and aggregated to produce meaningful information to support decision making?
- Analysis of data interrelationships, so vital to decision making, is difficult. Sure, many smart people are providing analyses on automated spreadsheets. But executives need to know whether certain measurements are a trend, or simply an isolated event. To do so, they require more detailed information about relations among metrics, as well as cumulative historical tracking. Yet this functionality is rarely available to them.
- Visibility into metrics is uneven. Organizations usually do not have the capability to access a single information repository, available to everyone from any location, for easy and ad hoc access to organizational metrics.
- Metrics are a moving target. Many measurement initiatives are driven by sheer force of a single personality who controls budgets and plans. But if that person moves on, or is drawn into other matters, momentum stalls. The next person driving such an initiative may have a different mindset and objectives. In short, sustainability of metrics programs is often an issue.

Certainly, metrics programs are in place in most every organization: balanced scorecards, identification of critical key performance indicators (KPIs), and so forth. Yet few organizations have focused on overall effective metrics management. Or, if they have, they often try to “boil the ocean.” That is, they attempt a completely automated solution that requires no manual data input. Very quickly, they encounter enterprise application integration issues and a host of other challenges. The result: a lingering death to the entire metrics initiative.

An Accenture solution to translate insight into action

Based on deep domain experience across IT, supply chain, finance, HR and a host of other functions—and on a number of pioneering implementations, collaborating with leading companies to develop measurement frameworks and management systems—Accenture has developed the Accenture Enterprise Metrics Management Solution. Organizations implementing the Accenture solution are finding that it provides them with higher-quality, higher-frequency information, which in turn leads to choosing the right actions that translate into improved business performance.

The solution leverages comprehensive metrics frameworks and automated management capabilities, providing easily-understood performance tracking gauges that hide robust analytics. The solution is also adaptable, accommodating change and multiple metrics requirements. In sum, this innovative and proven Accenture offering enables companies to translate insight into action, which Accenture research has identified as an important characteristic of a high-performance business.
Components of a powerful, cutting-edge metrics solution

The Accenture Enterprise Metrics Management solution delivers powerful capabilities based on three important components: comprehensive metrics frameworks, a metrics management system, and an application support and maintenance solution so that we can team with our clients to support their metrics efforts in the long term.

**Metrics frameworks**

Accenture research into the characteristics of high-performance organizations points to the importance of a more inclusive scorecard for performance measurement as a key part of the performance anatomy of the high-performance organization. That is, effective metrics management requires more than a list of KPIs. It's the *interrelationships* of those metrics that actually delivers meaningful information for decision making. An effective metrics framework defines what the crucial metrics are, given a particular organization's industry, strategies, go-to-market strategy and regulatory environment. The framework also provides the structure for rolling up data into meaningful reports and qualitative performance indicators, and for selecting indices and how they should be calculated, and for whom.

Based on extensive experience teaming with organizations across multiple industries, Accenture has established metrics frameworks applicable to numerous industry-relevant domains. A metrics inventory performed with each client creates flexible, configurable thresholds as well as indexing and assimilation. The inventory also enables rapid gap analyses and the creation of the framework that ultimately will deliver the qualitative reports necessary for success.

At a leading automotive company, for example, Accenture worked with several production units to implement an automated performance management solution based on a Balanced Scorecard® metrics framework. By tracking the actual activities performed against a balanced set of KPIs, leaders can track progress and also be more proactive in addressing performance issues as they arise. The balanced approach also means that they can weigh both financial and non-financial measures, and not stress one at the expense of the other.

**Metrics management system**

A comprehensive metrics framework must go hand-in-hand with the system that manages the metrics, tracks them, automates the translation of data inputs into meaningful reports, and integrates with other enterprise systems. A logical structure of data relationships, found in the framework, as well as effective technology, are both critical aspects of an effective metrics program.

The Accenture solution can be adapted to two types of metrics management systems:

- A tactical solution developed by Accenture that can be customized quickly and inexpensively for different domains or functions. Based on Microsoft technology, it addresses the needs of particular departments or groups in an organization, and has been used effectively by Accenture clients in industries such as telecommunications, automotive, aerospace and resources.

- A strategic solution delivers more robust capabilities on an enterprise scale, taking into account the complex integration issues behind more automated systems. A strategic metrics management system can also be integrated with existing corporate portals to provide intuitive performance visibility for executives, stakeholders, suppliers and customers.

The choice to implement one type of system versus another depends on many factors, as Accenture works closely with a client team. How mature is the existing metrics framework? How quickly must a solution be deployed? What integration issues exist with legacy systems? One important benefit of the Accenture
solution is that manual inputs (such as those found in a typical automated spreadsheet solution) can be used in these management systems, and automated calculations can then do the analyses needed to provide reports and information that are considerably more robust than in the spreadsheet solution alone.

A benefit of the Accenture metrics management system is that it delivers insights about the performance of business units without being unnecessarily complex. At a major pharmaceutical company, for example, Accenture designed a web-based performance manager tool—delivered in less than two weeks—with KPIs specifically tailored to the needs of executive decision makers. The solution includes interfaces to the company’s ERP system to gather the data defined as most critical by company executives, but also allows for manual input of relevant data. Performance information is presented visually in a series of gauges, color coded (in this case, red-yellow-green) to provide an immediate snapshot of performance. Executives can also drill down in specific areas to get more detailed information.

Ongoing support
As part of the Accenture Enterprise Metrics Management Solution, Accenture can also take responsibility for ongoing management of the metrics management system, as an application service provider. Application support and maintenance may be managed either in-house, by an Accenture support center, or a mixture of the two. Clients taking advantage of this option find that they can transfer many of the ongoing costs of technology change and maintenance involved with metrics programs. They also reduce their risk of their measurement program foundering through uneven take-up, or of cycling through its lifespan at an overly-aggressive rate, and dying a premature death.

Criteria for success
The Accenture Enterprise Metrics Management Solution delivers on five important success criteria for any measurement initiative:

1. Relevancy: The metrics defined and analyzed are correct for critical strategic objectives and provide information in a way that supports those objectives.
2. Visibility: All stakeholders have easy, ad hoc access to organizational metrics. The graphical user interface (GUI) for the reporting system can be customized for different users, and for an existing image strategy.
3. Leverage: Effective metrics and reporting means you have information you can understand quickly and leverage to advantage. After all, when you’re driving a car you just want to look at the speedometer, not the mechanical system driving the gauge.
4. Sustainability: Collection and reporting tasks are distributed, minimizing the impact of any one individual. With the Accenture solution, metrics collection is increasingly automated over time.
5. Adaptability: An effective solution accommodates all metrics—old and new, corporate metrics as well as metrics from a particular line of business.
Key metrics program success criteria

High performance delivered

The Accenture Enterprise Metrics Management Solution can enable high performance in the enterprise in several ways:

- Cost savings and revenue generation. In many instances, controlling costs depends on the ability to see small problems before they escalate into large and expensive ones. Better enterprise metrics management can deliver ongoing efficiencies and continuous improvement, which in turn can result in new or improved services to generate revenue.
- Better customer service. Any supply chain involves a complex network of interdependencies. This Accenture solution identifies metrics that indicate problems in the supply chain that could result in missed deadlines or deliveries to important customers. By enabling proactive steps to correct problems, customer satisfaction and retention can increase.
- Earlier identification of improvements that can drive better performance. “If only I had known sooner” is a phrase too often heard. Effective enterprise metrics management capabilities can jumpstart an organization to realize benefits sooner.
- Compliance. Government regulations such as Sarbanes-Oxley and Basel II have many organizations scrambling to develop more effective means to monitor compliance. These regulatory needs can be designed into the Accenture metrics management solution, enabling executives to monitor the overall compliance health of the organization.
Jumpstart your metrics program

Accenture's metrics management platform provides our clients with a significant head start in achieving an effective metrics program and using it to drive high performance. Accenture assets ready to use immediately include:

- Preconfigured metrics management solutions
- Index and base metric inventories for key domains
- A defined application architecture
- A reusable Accenture methodology for development of metrics management systems
- Solution delivery centers for rapid prototyping and for delivering a solution faster, at less cost and risk.

The Accenture Enterprise Metrics Management Solution also draws on extensive Accenture experience in change management, training and development, and leadership programs. For a metrics initiative to work, essential human performance issues must be addressed. Successful metrics programs are driven from the top down, but must also be owned from the bottom up. Metrics programs are too often implemented in a way that creates distrust and resistance from a workforce. Accenture can team with your organization to help ensure that measurement capabilities are deployed to understand the business, not necessarily to deliver qualitative judgments about individuals. The point is to use this leading-edge and innovative solution from Accenture to "steer" the organization more effectively on its journey to high performance.

Contact

For more information on how Accenture can help you drive high performance with the Accenture Enterprise Metrics Management Solution, contact:

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About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilize the right people, skills and technologies to help clients improve their performance. With more than 100,000 people in 48 countries, the company generated net revenues of US$13.67 billion for the fiscal year ended August 31, 2004. Its home page is www.accenture.com.

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Accenture helps link strategy and performance at a leading automotive company

Effective performance management tools sometimes have a bigger impact on overall business performance when they are delivered as part of other business-critical initiatives. Accenture worked with one of the divisions at a leading automotive company on a sweeping business process reengineering project to help the company achieve high performance—from organization design to actual production planning and replenishment. The work also included development of an integrated leadership development program.

The company division had been experiencing an issue not untypical for major companies: leadership was in place in terms of defining necessary business strategies, but the organization could not adequately track the activities necessary to actually implement and realize the benefits of those strategies.

Accenture worked with division managers to develop an automated performance management tool, based on a balanced scorecard approach, which would help the company define, track and measure the activities necessary to implement strategy. This online tool gathers relevant data and then presents only the performance information relevant to an executive's needs, with common KPIs defined across production units. The tool is implemented at all levels of the plants—from the executive level to the teams working in production.

Although extremely robust and high-tech performance analysis tools are available in the marketplace today—tools that are appropriate in some situations—these solutions are often too complex for the needs of some business units. The innovative Accenture solution has the merits of being delivered rapidly, and at less cost, while also providing a balanced and rich, yet simplified, set of data that gives the division's executives and managers what they need to take action.

According to the company's project manager, “With this performance management solution, Accenture has helped us to be more proactive in addressing our most important performance issues before they can become more problematic for us. And, because we can see our current performance clearly, in both financial and non-financial terms, we do not over-measure one side of things at the expense of the other.”

Since the Accenture solution was implemented, the division has enjoyed a large increase in volume, and has increased productivity significantly. Executives believe the new performance management capabilities delivered by Accenture have been an important factor in being able to manage optimally over the last couple of years.
Accenture helps pharmaceutical company advance toward high performance

Following a period of cost-cutting to realize efficiency gains, one of the world’s leading pharmaceutical companies had acquired a number of new plants, and was now focusing on the best way to use these acquisitions to help the company grow. A critical need was to help these new plants become more goal-oriented and focused on operational excellence.

Company executives asked Accenture to work with them at these plants to implement a performance management solution that would, first, define a metrics framework customized to their needs and, second, take a web-based, automated approach to gathering, analyzing and presenting the most relevant information necessary to track performance.

The Accenture Enterprise Metrics Management Solution was just what the company needed. Accenture worked closely with company managers to define business goals, and to establish the actions and KPIS that would measure progress toward those goals. The metrics framework, based on a balanced scorecard approach, provides interfaces to whatever ERP system is in place at a company, but also permits manual input of data. This combination of automated and manual data entry was particular attractive to the company’s managers.

Thanks to this innovative metrics solution from Accenture, decision makers at this pharmaceutical company now have readily available to them an online presentation of performance information tailored to their needs, refreshed at whatever time period they want, and then presented in an easily-understandable set of gauges color-coded to indicate what is going well, what is not and what may need attention. The Accenture solution has been a significant factor in propelling the company forward on the road to high performance.

"This solution has allowed our entire organization to focus on the most important activities and performance information we need to be successful," according to one of the company’s executives. "We now work together to agree on the key performance indicators most relevant to us, across business units, and this allows our entire organization to move forward in the same direction, focused on common goals."