



Salient Editorial

DM Review – August 2008

Beyond the Dashboard to the Bottom Line

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Why Dashboards Often Disappoint

Dashboards that indicate where your organization stands in terms of top-line performance, or those based on organizational KPI metrics, are dramatically different than those designed to use corporate performance information to continuously improve the bottom line. In reality, the objective of any solution to measure business performance needs to have the additional objectives around enabling improvement of that performance or an organization is likely to have little or no return on investment resulting from their efforts.

Dashboards can be a useful summary view of performance; however, without immediate access to the underlying facts, a dashboard provides only a shallow view into the reality of business activity. Often, companies invest significant dollars and resources to create a dashboard, but, ultimately, never get to see the root cause of the factors that have an impact on their bottom line. The most effective way to truly improve profitability is through the use of a solution that allows managers and executives to easily access the data they need to draw conclusions and take action, helping them make informed business decisions.

The Second Issue that Arises

Many of our clients have also shared a second issue after implementing dashboards from various vendors: lack of flexibility. Drill-down views offering precise facts and details around transactions are often pre-determined and fixed, and are not easily modified as business conditions change.

Our Recommendation

At Salient Corporation, we recommend that businesses and organizations look beyond the initial “beauty” of many dashboard solutions—which are often not much more than attractive reports—and consider a methodology that could help their knowledge workers continuously improve results. The Salient solution delivers this by connecting employees’ daily decisions with the organization’s bottom line, both in terms of financial performance and overall productivity and efficiency.



Retail Industry Example

For example, in the retail industry, Salient UXT—the world's most advanced performance management system—delivers actionable feedback to managers and executives that provides a deeper understanding of the important relationships between sales and other activities, including capital spending, merchandising, marketing, store execution, and supply chain operations. Data collected from the multiple dimensions of a retail operation—people, assets, products, vendors, space, contracts, and more—can be combined to form a top-to-bottom model of the entire retail enterprise that can be explored quickly, easily, and thoroughly. Unit productivity, including P&L, growth, efficiency, and constraint, can be tracked from any or all points of view—per unit of space, per ring, per operating hour, per head count, per customer, per dollar of payroll, or operating expense.

This enables a retailer to optimize several aspects of its operations, including merchandising and category management, store execution management, marketing, and its inventory and supply chain. The performance information identified in Salient's UXT solution helps managers determine which categories and which products are over- and under-performing, and the reasons behind each case. UXT can join transactional data to plan-o-gram, display, and other spatial data to deliver productivity measures per unit of space.

Salient's UXT system provides valuable insight into the effectiveness of marketing strategies for retailers. Expenses such as television, radio, newspaper, billboard, coupons, and point-of-sale materials can be compared directly with sales and profit at SKU, category, store, territory, and enterprise levels. Salient also draws on information provided by census and customer loyalty cards to allow retailers to graphically compare destinations of marketing expenses with sources of revenue. The information is presented in a variety of formats, including geospatial presentation to show the facts from many geographical perspectives, and thematic mapping, which shows averages and totals for distinct areas within the map. Users can set performance criteria and then instantly map locations that pass or fail, and then drill into individual locations for deeper analysis.

Retailers can also see inventory details in a way that makes it easier to see the flow of a product from the supplier to the customer. It computes ratios of inventory and supply chain constraints to volume, and in turn, helps improve re-stocking and re-order timing.

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More on Salient UXT

Salient Corporation's UXT is an activity-based performance management solution that helps businesses and government entities measure and improve overall productivity and performance. It supports most modern management methodologies—including Continuous Audit/Continuous Monitoring (CA/CM), ABM without the ABC overhead, and Lean Six Sigma—by automatically scoring the value added by every person, place, and thing to quantify quality and identify waste in near real time.

At its core, UXT has two parts working together to provide a new way to measure the value added by activity throughout an organization, and drive this knowledge back into the process to make a difference in business outcomes. The first part is Salient's Automatic Value Scoring (AVS) engine, which measures how day-to-day business activities affect the net economic value of individual persons, products, assets, and business relationships. The second part is the Salient Interactive Miner™ (SIM). This enables non-technical persons to easily and quickly search for information and perform analyses without technical support.

Where to Start in What Can Seem Like an Overwhelming Endeavor

Salient offers a solution called Margin Minder® for businesses that are starting to address business performance management and need to begin with the basics. Margin Minder delivers everything that sales professionals and executives need to control the drivers of top-line performance: sales, revenue, cost, discount, margin, and allowance. It automatically draws activity facts from existing corporate systems, then computes the net value added by sales activity—revenue, costs, margins, adjustments—which is then made available for interactive interrogation and exploitation. Embedded expert analytics let business managers quickly locate the short lists of problems and opportunities they can attack immediately and monitor continuously.

Conclusion

Salient's solution provides a coherent and transparent view of all of an organization's activities and data, allowing for control and accountability, and giving people the information they need to make sound, informed decisions in near real time that will positively impact the bottom line. Salient's solution delivers access to precise daily detail with speed-of-thought response times, and is able to scale up to handle billions of annual transactions.



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Salient is in active use today in 53 countries by more than 35,000 business and government managers. Today, several Fortune 500 companies use Margin Minder as a vital part of their sales operations and strategic competitive advantage.

UXT's features work together to truly offer users the holistic intelligence they need to make business decisions. With regular access to meaningful facts, people have a coherent picture of where spending works and where it doesn't, and they have the power to make changes. This performance management system allows users to truly visualize the data they are collecting, providing quick and easy access to information that provides a durable and sustainable business solution that helps organizations operate at peak levels of performance.

Salient Corporation offers services and technology to transform large and complex organizations to a fact based, value oriented and knowledge driven management method.

Our service is to enable every manager to leverage corporate performance facts to drive greater value continuously. In this business, dashboards are the window to helping organizations see their data at work and allowing managers to make important business decisions.

About Salient

Salient Corporation makes very large scale in-memory intelligence technology for ad hoc data interrogation, visualization and root cause analysis. The company provides continuous audit, performance monitoring and forensic applications for business, health care, education and government.

