

- Introduction to workshop topic
- Objectives of the workshop
- Agenda



## Focus Workshop: "Moving to KPI-based Decision Support/ Business Intelligence Services"

Juergen H. Daum,  
Chief Solution Architect,  
Business Solution Architects Group, SAP

15-16 October 2008, Dublin, Ireland, at the offices of Bank of Ireland

# The basic idea of KPI-based decision support/ business intelligence services



**Purpose: Enabling for  
good „Business Navigation“**

**Means: Providing  
relevant & action  
oriented Information**

# Why *Management Cockpit*?



**Patrick M. Georges**, senior neurosurgeon at a University hospital in Belgium, professor in management at H.E.C., Paris, and inventor of the Management Cockpit War Room concept

“One of the major problems [managers and management teams] are facing is to overcome the information overload they are experiencing everyday.

Scientific studies are demonstrating, that the human brain can cope effectively with an information stream, which corresponds to up to 800 characters per minute. According to our studies, managers receive on average 4,000 characters per minute. [...]

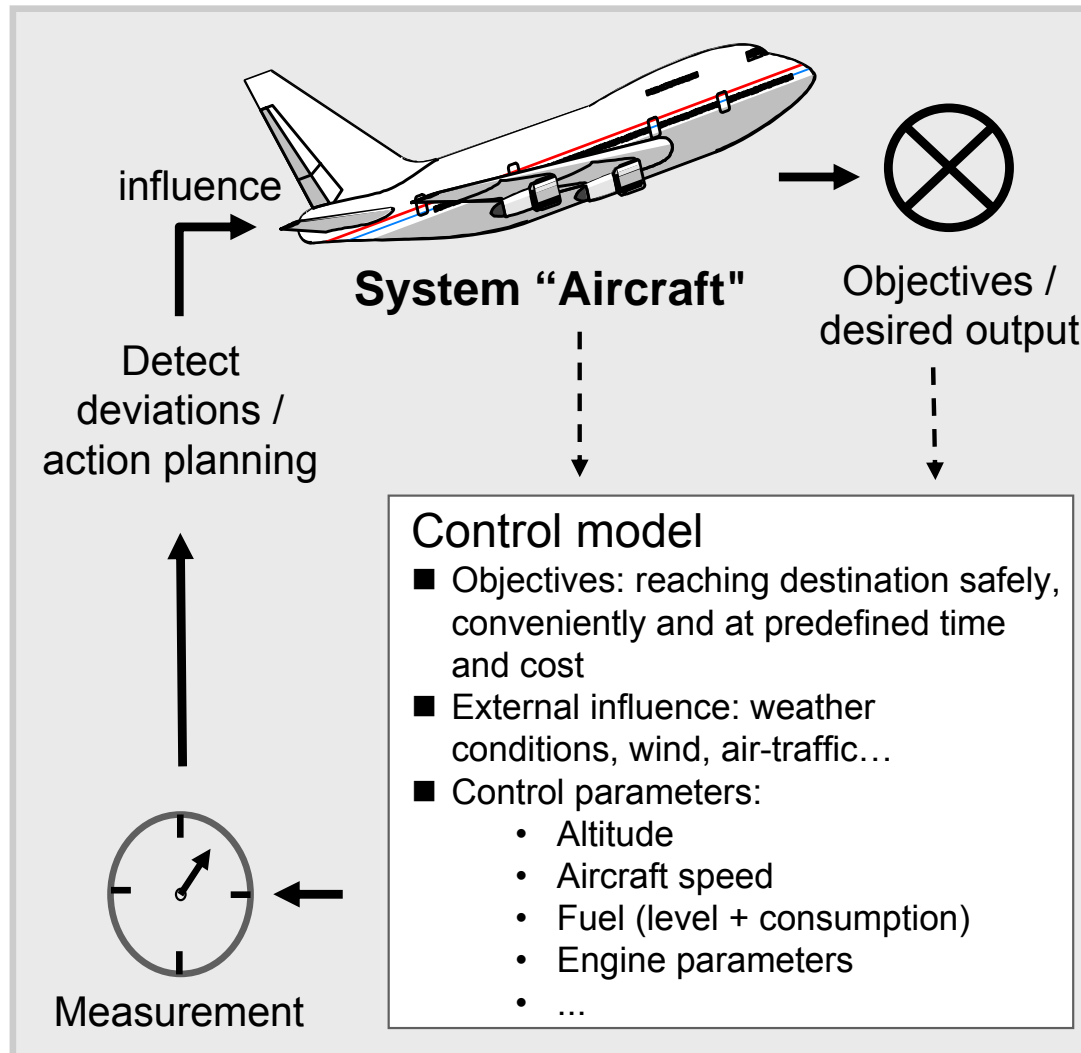
**So one element of the solution has to be the intelligent reduction of information overload.”\***



**The solution:**  
**‘Cockpits’ or ‘dashboards’ for managers / decision makers to track their Key Performance Indicators (KPIs)**

\*Source: Interview with Patrick M. Georges in: Daum, J.H., Intangible Assets and Value Creation, John Wiley & Sons 2003) pp. 412-417 (available also at: [http://www.juergendaum.com/news/12\\_29\\_2004.htm](http://www.juergendaum.com/news/12_29_2004.htm) )

## 1. Modeling the 'Business Control Model'



## 2. Modeling the 'Cockpit Model'



**Purpose: Enabling for good „Business Navigation“ by means of:**

**Monitoring support:**

- ▶ Are we on track?
- ▶ Where do we have to make changes (i.e. have to take decisions?)

**Decision support:**

- ▶ Help to make good trade-off decisions to achieve optimal results (in terms of customer satisfaction + profitability)
- ▶ Track results of decisions/action plans

# Example: Arla Food's Vision for Management Reporting and Decision Support Self Service (Mock-Up)



**KEY FINANCIAL FIGURES**

Division Denmark, AFD (MDKK)	Direction			Actual		Trend		Trend Indicators		
	LY	Target FY	Est. FY	YTD Act	LY Act YTD	Est vs. Target	YTD vs. LY YTD	Est - Target	LY YTD	YTD YTD
2004-Oct-01										
Turnover										
Production cost										
Contribution margin 1										
Marketing cost										
Marketing Contribution										
Capacity cost										
Contribution margin 2										
Secondary items										
Net Result	208.446	194.085	194.085	186.312	208.446	0	-7.134	→	→	→

**KEY PERFORMANCE INDICATORS**

Division Denmark, AFD	Direction		Actual		Trend		Trend Indicators			
	LY	Target FY	Est. FY	YTD Act	LY Act YTD	Est vs. Target	YTD vs. LY YTD	Est - Target	LY YTD	YTD YTD
2004-Oct-01										
Milk price (DKK)	2,80	2,72	2,72	2,71	2,77	0	-0,06	→	→	→
Sales volume cheese (per product category) % of tot. sales volume	7,10	8,00								
Capacity utilisation (%)	78	83								
Market share cheese (per product category) (%)	70	72								
Brand % of total contribution	80	76								
Private label % of total contribution	9	10								
Marketing Contribution (MDKK)	1100	1200								
Customer satisfaction (1 - 7)	4	5								
Employee satisfaction (%)	60	65								

**ACTION PLAN 2004-Oct-01 AFD**

Action	Objective	Comment	Status	Date
Expand cream cheese portfolio	Increase		🟡	2004-04-01
Outsource administration of service function A	Reduce MDKK		🟡	2004-04-01
Marketing campaign: the value of Danish milk	Protect		🟡	2004-04-01
New Contract with SuperGros	Status		🟡	2004-04-01

**Links to performance reporting**

Financial Performance	Sales Performance	Production Performance	Other
<ul style="list-style-type: none"> <li>P/L for organisational units</li> <li>Cost control accounts/ cost internal order</li> <li>Balance sheet reporting</li> </ul>	<ul style="list-style-type: none"> <li>Sales CM split on utilisation prices</li> </ul>	<ul style="list-style-type: none"> <li>Variance reporting</li> </ul>	<ul style="list-style-type: none"> <li>Logistics performance</li> </ul>

Monitoring achievement of objectives

Monitoring control parameters

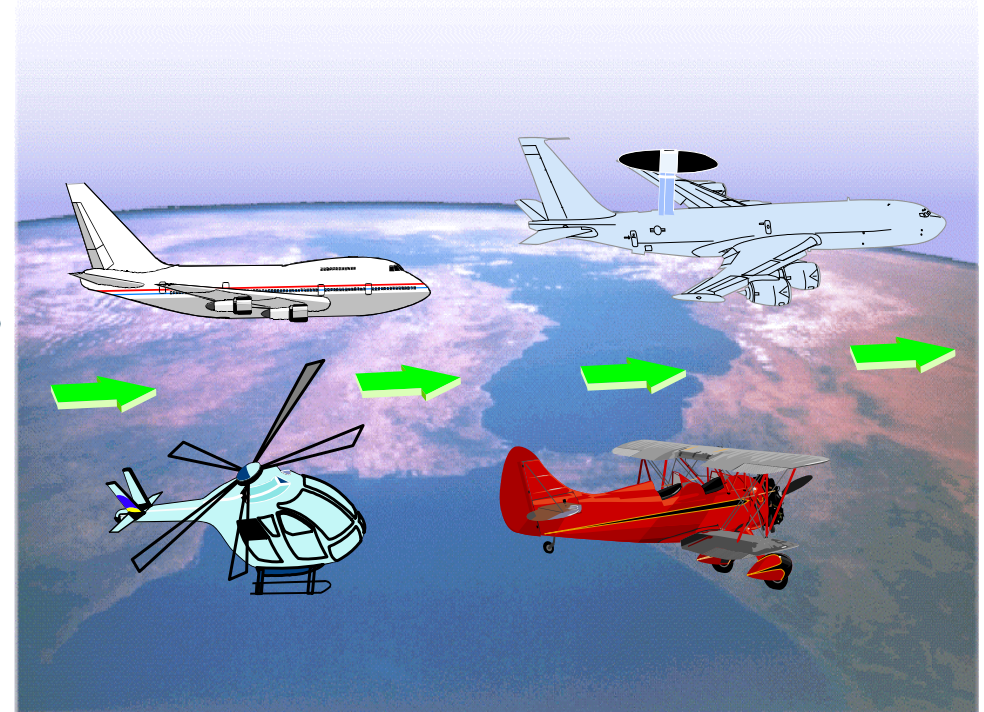
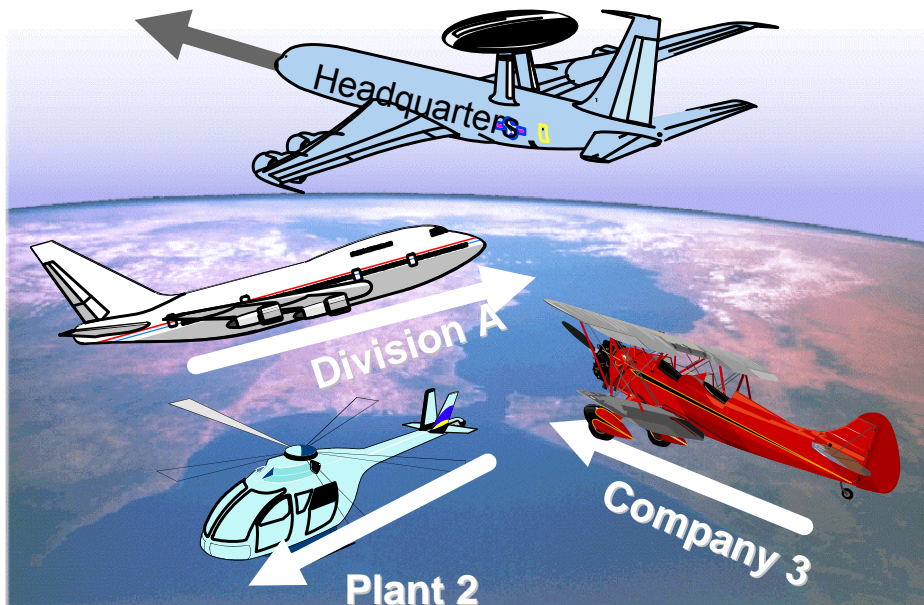
Monitoring results of past decisions

Decision support

- Comments
- Analysis of Estimate/Target development
- Trend analysis on Actuals
- Drill down (organisational)

Source: presentation of Lars Kudsk, Business Controller, Arla Foods, at the SAP Finance Best Practice Workshop, 10. March 2005 in Hamburg/Germany

# A major challenge: How to align cockpits to one cockpit system?



**To be avoided: Optimizing that all units move into different directions**

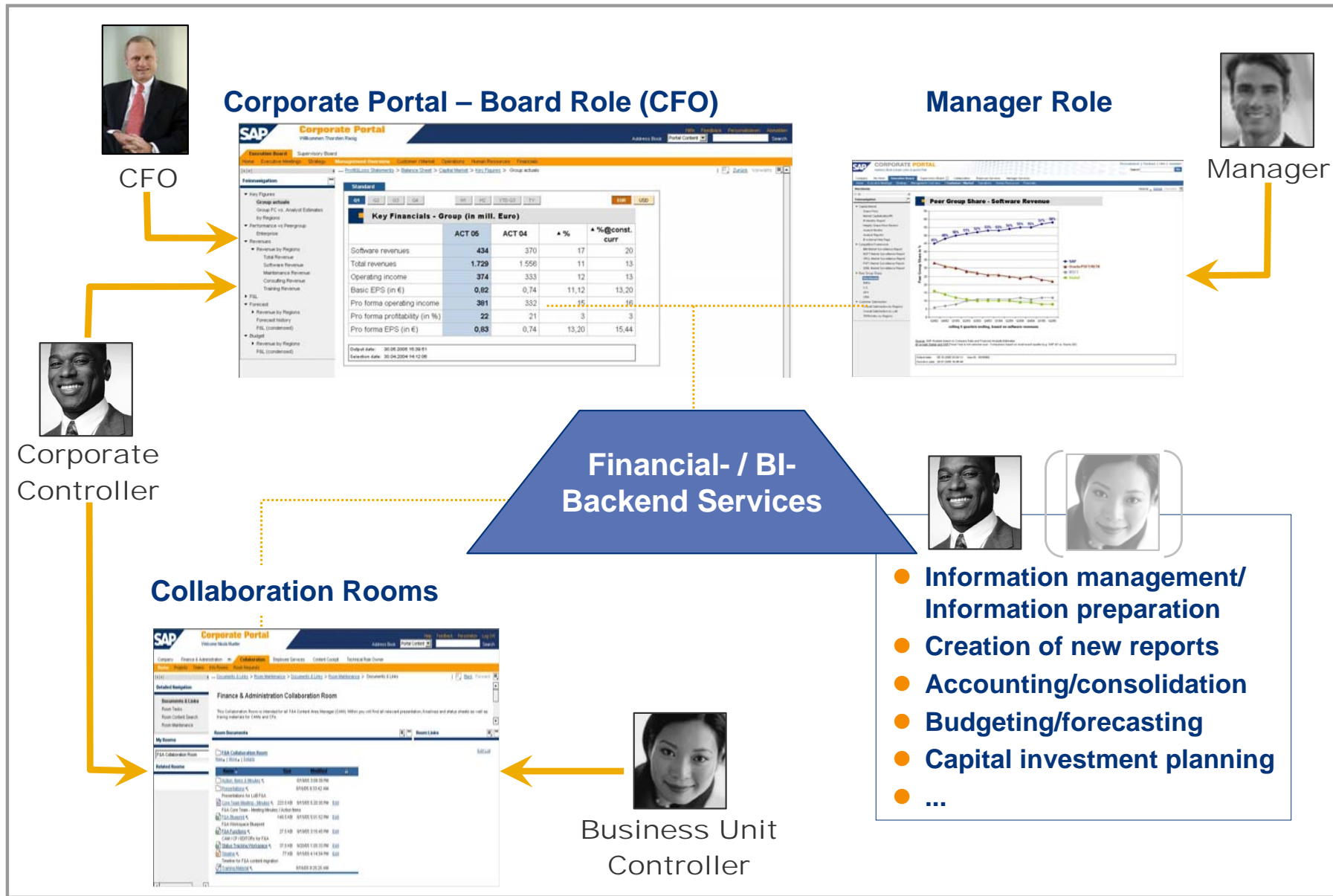
**What we want to stimulate: all units moving towards the same goal**

**Required: Not just single, isolated cockpits, but a „cockpit system“ that aligns management units with the organization’s overall goals and that provides “one version of the truth”**

## Objectives of KPI-based decision support / business intelligence services:

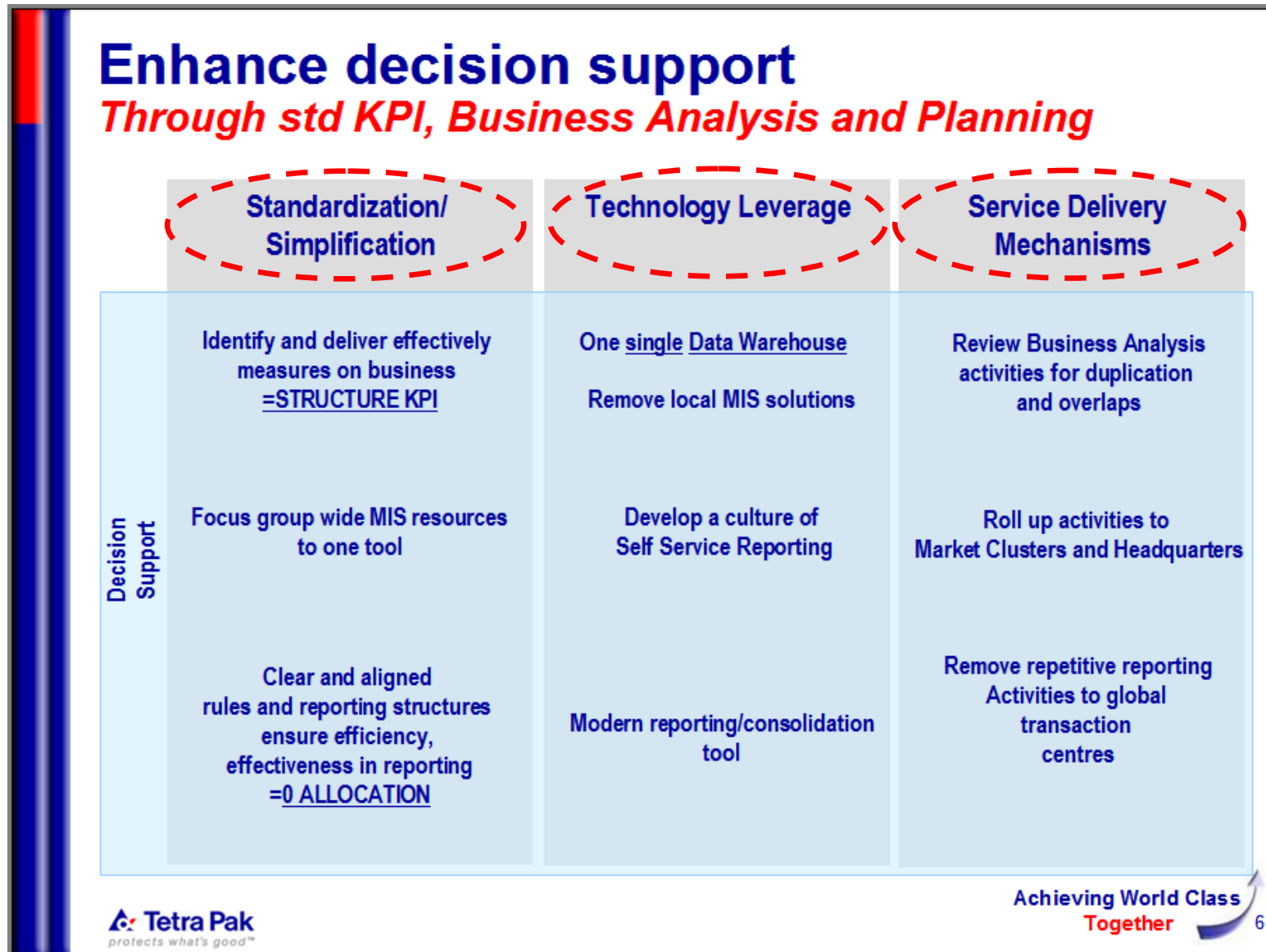
- Provide individual managers / decision makers with a holistic view on all relevant information for “business navigation”
- Provide self-services / eliminate unproductive support tasks
- Create alignment throughout the organization / enforce standards
- Enable and facilitate effective communication and collaboration

# The foundation: Effective DS-/BI-services infrastructure - Example of SAP



Source: presentation of Dr. Werner Brandt, CFO of SAP AG, at the 6th Annual CFO Technology Forum, London, October 12th, 2005

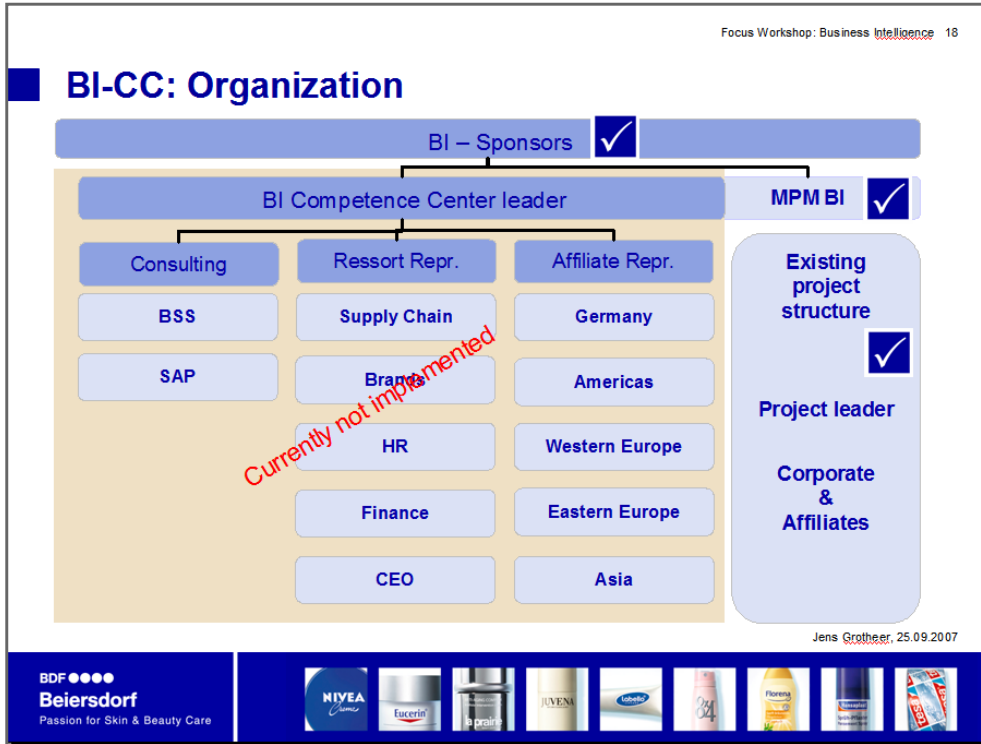
# The foundation: Effective DS-/BI-services infrastructure - Example of Tetra Pak



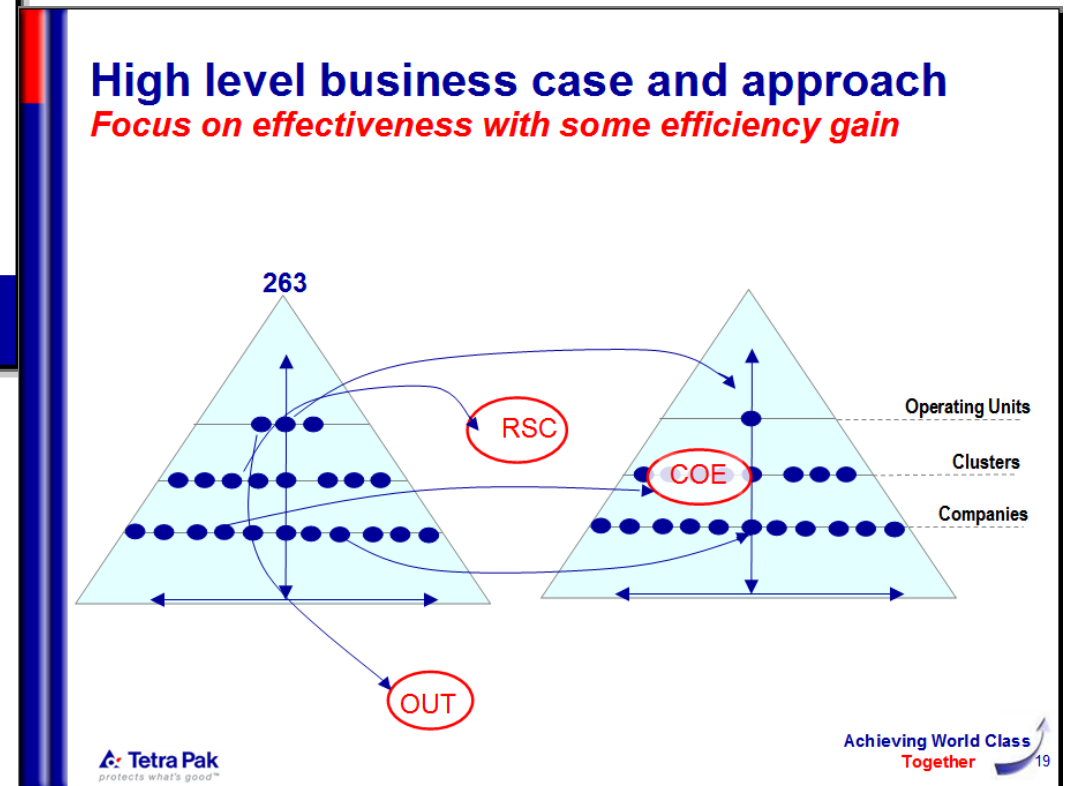
Source: presentation of Philippe Perrodin, VP Group Financial Control, at the SAP Finance Best Practice Workshop', 27-29 Febr. 2008 in Zurich, CH

# Service Delivery Mechanism: role of BI-CC/CoE

## - Example of Baiersdorf and Tetra Pak



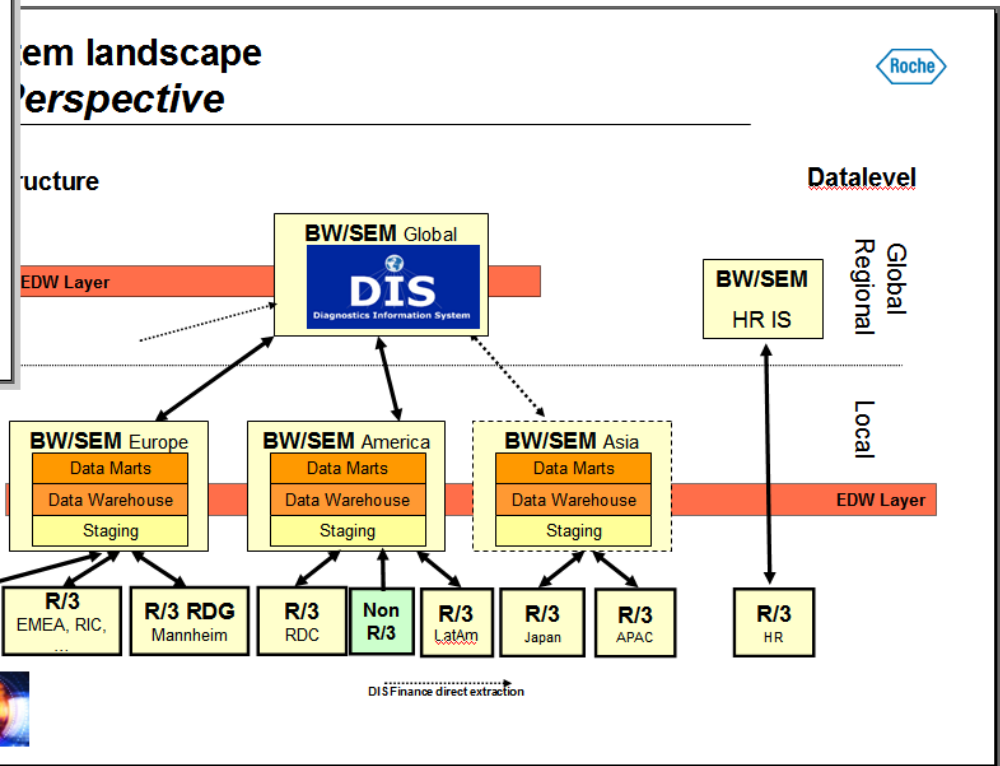
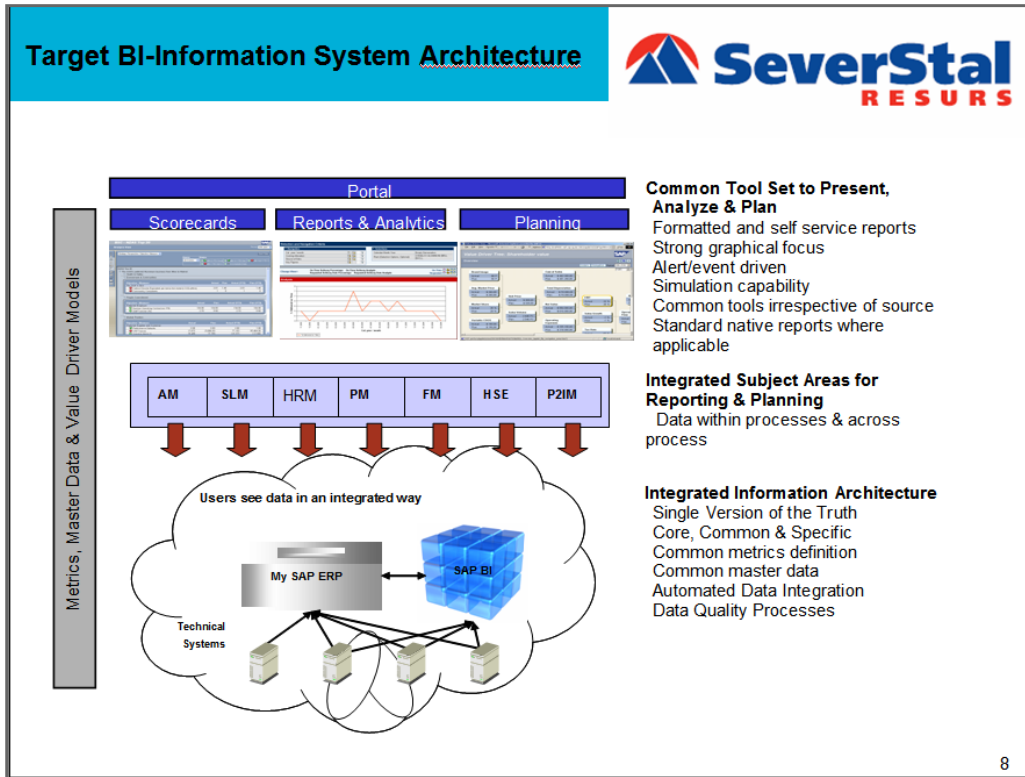
Source: presentation of Jens Grotheer, Multi Project Manager BI, Beiersdorf AG, at the Focus Workshop 'Business Intelligence', 25-26 Sept. 2007 in Cham, CH



Source: presentation of Philippe Perrodin, VP Group Financial Control, at the SAP Finance Best Practice Workshop', 27-29 Febr. 2008 in Zurich, CH

# Effective and efficient Decision Support- / BI-Information System architecture

## - Example of Roche Diagnostics and SeverStal-Resurs



Source: presentation of Yury Shekhovtsov, ERP Project Director, SeverStal-Resurs, at the Focus Workshop 'Business Intelligence', 25-26 Sept. 2007 in Cham, CH

Source: presentation of Annette Karth, Roche Diagnostics, at the Focus Workshop 'Business Intelligence', 25-26 Sept. 2007 in Cham, CH

## The Objective: more effective (i.e. more flexible and adaptive) and efficient (i.e. automated / simpler) performance management processes:

- ▶ Create “one version of the truth” (through standardized information)
- ▶ Automated reporting and planning processes / simplify and speed-up decision process
- ▶ Enable for setting ambitious and relative targets
- ▶ Move to dynamic resource allocation
- ▶ Create more accurate forecasts
- ▶ Enable for enterprise-wide effective cost management
- ▶ More effective management processes
- ▶ Introduce Decision Support Self Services / Analytic Self Services

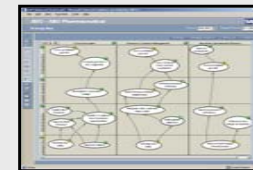
### Management's Enterprise Performance Management Vision



efficient & effective management processes that support dynamic performance management



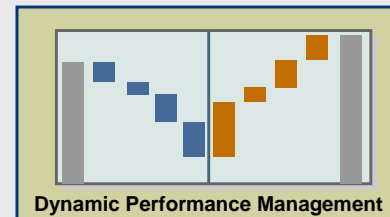
### Finance & Control Vision



From Scenarios to strategy mapping + (mid term) business plans with top down targets



Trade-Off Management



Rolling Forecasting / Risk & Opportunity Assessment



Flash Reporting & Self-Services (as hoc analysis & simulation)

# Questions to be discussed

(summary from workshop preparation calls with participants)



- How to improve Management-reporting / decision support and to move to a true KPI-based approach (beyond the financials)? What are the major challenges? What is best practice?
- How to select the right KPIs for specific managerial tasks, responsibility areas etc.?  
How to design good dashboards/cockpits?
- How to ensure data and information governance across functions, business areas, i.e. how to ensure data and information integrity and quality beyond the financials?
- How to establish a common corporate standard for working with management information in analysis, decision making and in management processes?
- What is the best way to move to DS/BI self-services? How far can you go with self-services?  
How to reach out to users outside finance/control: how to really reach and attract managers for the self-service? (what is the right report content / layout for it)?
- What is the role of finance? What is the role of a a cross-functional Business Intelligence Competence Center / of a central Decision Support Center of Expertise?
- How to manage the cultural change involved with moving from a traditional, P&L-bound reporting that has excluded non-financial information?  
How to handle the change management challenges: on the manager side, on the controller side and on the information system infrastructure side to drive adoption of self-services?
- How to define an effective integrated BI-information system architecture across a complex organizational structure and across a SAP- and Non-SAP system landscape?  
What type of front-end tool do we need to gain acceptance among end users?  
How to best use the SAP / Business Objects tools?

**This Focus Workshop should allow participants to exchange about their challenges in and experiences with ‘making KPI-based decision support / BI services work’. Structure of workshop / workshop blocks:**

- I. Context, Objectives and Status of the Projects of the Participating Companies:**  
Exchange on their strategies + about motivation/ purpose, objectives, challenges and the current status in moving to KPI-based decision support / BI services
- II. Management Information Management Process and Organizational Aspects:**  
Exchange on how to organize data and information governance across functions, how to move to one standard for KPIs, report content and look and feel + on who is in charge for what in providing the new KPI-based Decision Support/Business Intelligence service? What is the role of finance?  
What could be the role of a ‘BI-Competence Center’ / ‘Decision Support CoE’?
- III. Change Management:**  
Exchange on how to manage the journey. How to organize change management in the business (managers), in finance (controllers), in IS (role of BI / IT people)?
- IV. Information Systems:**  
Exchange on the effective integrated BI-Information System architecture + how to best use the SAP Tools (SAP BI, Business Objects etc.)

## Welcome

<b>10:00</b>	<b>Welcome to Bank of Ireland</b> <i>Peter Dunne, Head of Finance Systems and Control, Bank of Ireland</i>
<b>10:10</b>	<b>Objective of the meeting / introduction to the workshop topic</b> <i>Juergen H. Daum, Chief Solution Architect, BSAG, SAP</i>

## Workshop Block I: Project Context, Objectives and Status

<b>10:30</b>	<b>Introduction of the participating individuals and of their companies and projects: Context, objectives, and status of the projects of the participating companies for moving to KPI-based decision support / BI services</b> <i>All (each company 10 min.)</i>
<b>11:20</b>	<b>The 1Finance project at Bank of Ireland</b> <i>Peter Dunne, Head of Finance Systems and Control, Bank of Ireland</i>
<b>11:50</b>	<b>Break</b>
<b>12:20</b>	<b>Discussion: Identification of issues / discussion points for this workshop</b>
<b>13:00</b>	<b>Lunch</b>

## Workshop Block II: Management Information Management Process and Org. (I)

14:00	<b>Intro: Management information management and the self-service concept</b> <i>Juergen H. Daum</i>
14:20	<b>Group Reporting at Allianz:</b> <b>Status and way ahead in moving to finance world class – from data governance, via Value Driver Tree, to comprehensive steering metric scorecards</b> <i>Dr. Christian Mayer, Head of Group Master Data, Allianz</i>
14:50	<b>How we organize at Tetra Pak to drive standard content for KPI-based decision support and BI self services</b> <i>Zahira Munoz, Manager Business Information Management, Tetra Pak</i>
15:20	<b>Break</b>
15:50	<b>BI for OTC at DHL EXPRESS: The RAT – Revenue Assurance Tool</b> <i>Elias Michelioudakis, Head of Domain OTC – Express Europe IT, DHL</i>
16:20	<b>Business Intelligence Competence Center: What is it? Who owns it?</b> <b>Decisions facing the BOI Group</b> <i>Eugene Leddy, Bank of Ireland</i>
16:50	<b>Discussion / summary of workshop block II</b> <i>moderated by Juergen H. Daum</i>
18:00	<b>End of workshop session day 1</b>
19:00	<b>Dinner in the Unicorn Restaurant</b>



## Recap of day 1 / introduction to day 2

08:30	<b>Recap from day 1 / introduction to workshop day 2</b> <i>Juergen H. Daum</i>
08:40	<b>Open issues from day 1 / discussion</b> <i>All</i>

## Workshop Block III: Change Management

09:10	<b>Intro: Change Management</b> <i>Juergen H. Daum</i>
09:30	<b>Implementing New KPIs. Cost Reporting in BOI – A Case Study</b> <i>Eugene McCarthy, Project Manager Business Performance Measurement, Bank of Ireland</i>
10:00	<b>Break</b>
10:30	<b>Change management challenges in moving to KPI-based decision support / managerial self services: in the business (managers), in finance (controllers), in IS/IT</b> <i>Zahira Munoz, Manager Business Information Management, Tetra Pak</i>
11:00	<b>Discussion / summary of workshop block III,</b> <i>All</i>
12:00	<b>Lunch</b>

## Workshop Block IV: Information Systems

12:45	<b>Intro</b> <i>Juergen H. Daum</i>
12:50	<b>Global Reporting Infrastructure as the enabler for streamlined Business Intelligence</b> <i>Anja Kracht, Group Masta Data &amp; Reporting., Allianz</i>
13:15	<b>BI Information System Architecture and Tools at Tetra Pak: Status and Challenges</b> <i>Zahira Munoz, Manager Business Information Management, Tetra Pak</i>
13:45	<b>SAP and Business Objects: Update on Product Strategy</b> <i>Martin McCann, Business Development EMEA Enterprise Management, SAP</i>
14:30	<b>Discussion / summary of workshop block IV, All</b>
15:00	<b>Break</b>

## Summary and feedback

15:15	<b>Summary of workshop and feedback from the participants, All</b>
15:45	<b>End of Workshop</b>

# About the Workshop Organizer and Moderator: Juergen H. Daum



- ▶ **CFO adviser and Chief Solution Architect, Business Solutions Architects Group at SAP EMEA**
- ▶ **Author, lecturer and trainer in enterprise management, finance transformation, innovation management and entrepreneurship.**
- ▶ **Founder of the International Institute of Enterprise – Heidelberg (IIOE)**

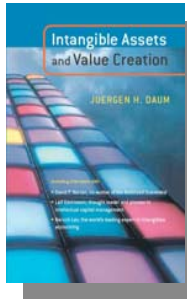
## Career background:

- ▶ CFO in a mid-sized German company before joining SAP in 1992
- ▶ Five years in SAP's field organization in Germany and Europe: sales, consulting, product management with the focus on financials and enterprise management
- ▶ Five years in SAP's product development: Product Manager SAP R/3 EC and Strategic Enterprise Management (SEM), Program Director for mySAP Financials
- ▶ Since 2002: advising CFOs, and finance professionals of European companies - current focus on finance transformation & enterprise performance management
- ▶ Frequently publishing and speaking on enterprise management, finance transformation and other management topics; author of the books "Intangible Assets and Value Creation" (2003) and "Beyond Budgeting" (2005)  
- more at <http://www.juergendaum.com>

# Publications (selection)



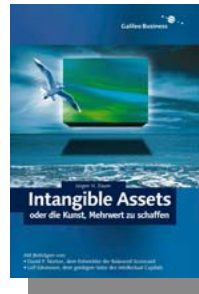
## Books:



### Intangible Assets and Value Creation by Juergen H. Daum

John Wiley & Sons, Chichester, 2003  
ISBN 04708455120

More information at <http://www.juergendaum.com/mybook.htm>



### Intangible Assets oder die Kunst, Mehrwert zu schaffen von Jürgen H. Daum

Galileo Press, Bonn, 2002  
ISBN 3-89842-112-0

Mehr Informationen unter: [http://www.juergendaum.de/mybook\\_d.htm](http://www.juergendaum.de/mybook_d.htm)



### Beyond Budgeting

von Jürgen H. Daum (Hg.)

Martin Meidenbauer Verlag, München, 2005,  
ISBN 3-89975-533-2

Mehr Informationen unter: [http://www.beyondbudgeting.de/bb-buch\\_d/bb\\_buch\\_d.htm](http://www.beyondbudgeting.de/bb-buch_d/bb_buch_d.htm)

## Upcoming:



### Finance Transformation – Der CFO als Business Partner

von Jürgen H. Daum (Hg.)

Martin Meidenbauer Verlag, München,  
ISBN 978-3-89975-105-5

## Contribution to book's of others (selection):



### The CFO as Business Integrator

by Cedric Read and Dieter Scheuermann

John Wiley & Sons, Chichester, 2003  
ISBN 047085149X



### Intangibles in der Unternehmenssteuerung

von Peter Horváth und Klaus Möller (Hrsg.)

Vahlen, München, 2004  
ISBN 3-8006-3035-4



### Neugestaltung der Unternehmensplanung

von Peter Horváth und Ronald Gleich (Hrsg.)

Schäffer-Poeschel, Stuttgart, 2004  
ISBN 3791021079

### Business Performance Measurement – An Introduction

by Shyam Sunder Kamberhammettu (ed.),

Le Magnus University Press, Hyderabad, 2005  
ISBN 81-89333-00-3

For the complete publication list see: <http://www.juergendaum.com/publications.htm>

Thank you for participating  
in this workshop!

**Juergen H. Daum**  
**Chief Solutions Architect**  
**Business Solutions Architects Group, SAP EMEA**

