Building Better Scorecards Using Workflow Based Data Entry

Applies to:

SAP Strategy Management version 2007 or newer.

Summary

While many organizations that have effectively implemented strategy management solutions have a solid infrastructure for uploading KPI data (actual and target values) to build their scorecards, many still struggle with the question of how best to obtain data that does not reside in a transactional data source and therefore must be entered manually by business users. This paper outlines a process and software solution that can be used to develop a secure, repeatable, workflow based methodology for allowing business users to manually enter scorecard data.

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The Challenge: Defining an Effective Process for Manual Entry of Scorecard Data

In the past few years SAP has seen tremendous growth in the number of organizations leveraging software solutions to improve how they go about defining and executing strategy. Through the use of solutions such as SAP Strategy Management organizations are more effectively able to define their organizational strategy and strategy execution plans.

However, with the use of technology there are always challenges. One challenge that we commonly see relates to the collection of scorecard data. In SAP Strategy Management the success of strategic objectives is measured by the success of its underlying KPI's. For example, the objective to Increase Market Share might be measured by the KPIs Total Revenue and Percentage of Repeat Customers.

(As an aside, by definition an effective KPI must have:

A direct relationship to a strategic objective – if it's not important, it's not worth measuring

An actual value (which goes without saying) and a target value, against which performance of the actual value is measured

Thresholds which define levels of performance. For example if our revenue target was $10M and we reach $8.5M is that very good, good, okay, poor or very poor.)

To collect the actual and target values associated with KPIs, organizations have three options: enter data manually, import data from source systems such as transactional data warehouses, or a combination of the two.

While many organizations that have effectively implemented strategy management solutions have a solid infrastructure for uploading actual and target data from, for example, transactional data warehouses and planning/budgeting systems, many still struggle with the concept of business user driven, work flow based data entry.

For example, say an organization has created the strategic objective Maximize Employee Retention which is measured by the KPI Employee Satisfaction. The actual value for the KPI Employee Satisfaction is derived from the results of an employee survey and the target value is set by the Human Resources management team. To collect and consolidate such data an organization would typically create a spreadsheet, enter the survey results, pass the spreadsheet around to multiple people for review/approval, update the spreadsheet as needed, then upload the data contained in the spreadsheet to their strategy management system.

While spreadsheets are a powerful tool for managing certain types of business information, there are many problems with the "workflow" outlined above. For starters, how does the organization:

Effectively keep track of who has updated the spreadsheet and what was changed?

Ensure that data has not been manipulated to favorably, but inaccurately reflect an individual's or group's performance?

Create a data entry workflow that is repeatable and accurate?

The Solution: SAP Strategy Management Entry and Approval

The Entry and Approval component of SAP Strategy Management offers an effective solution to the afore mentioned challenges. SAP SSM Entry and Approval allows business users to manually enter data following a secure, repeatable, workflow based methodology. The solution offers:

Distributed entry and approval

Assignments divided across different users lessen the impact on any one user and encourages a more frequent update of performance information.

Automatic notification

In conjunction with the Home tab, keeps the process moving forward by providing notification when metrics should be entered, approved or published.

Web forms or Excel templates

Enter metrics values using system-provided forms or leverage user's familiarity with Excel to encourage adoption. Switch from one interface to another without losing information.

Hybrid collection

Automating the entry of some values (actuals from source systems such as SAP BW), while still allowing for manual entry of other values (targets, forecasts, surveys), provides for more regular and accurate updates of performance information.

Audit trail

Capture user interactions, including time stamps for approval, rejection and submission, increasing compliance and providing insights into why actions were taken.

Notes

Instead of communicating via email or telephone that typically gets lost, information gets captured directly in the system for future reference or best practices.

Progress monitor

At a glance, users can get visibility into the bottlenecks in the entry, approval and publishing process.

Incorporating Entry and Approval into Your Business

Getting started with Entry and Approval requires just a few basic steps: system configuration, definition of metrics sets (i.e. data to be entered), data entry, and data loading.

System Configuration

Preparing Entry and Approval for use requires configuration of the data environment, definition of work flow steps, assignment of data entry permissions, and specification of metrics to be entered.

Data Environment - Configuration of data environment entails specifying the models to which data will be loaded, and for each model the fiscal year start, current period, and period for which data will be loaded.

Workflow Steps – Definition of workflow steps allow the user to specify the number and names of steps to be followed in the data entry process.

Data Entry Permissions – Administrators can allow system users varying levels data entry privileges.

PAS Model Metrics – The administrator must select which metrics will be available for entry using the Entry and Approval system. An administrator may not necessarily want to make all metrics available for entry by business users.

Defining Metric Sets

Once the environment has been configured, users can create sets of metrics to be entered by the business users. Creation of a metric set entails setting available dimensions, selecting metrics to be entered, and assigning owners to workflow steps,

Available Dimensions– Before specifying which metrics are to be entered, the administrator must specify which dimensions are available for the metrics to be entered. For example, in the screenshot below the administrator has specified that data can be entered for the Customer, Product, and Store dimensions.

Metrics – For each Metric Set the administrator must specify, which metrics must entered and for which dimensional combinations. For example in the screenshot below the administrator has specified that # of Repeat Customers, and COGS will both be entered for Brand Conscious Customers who purchased Designer clothes in the Andover Massachusetts store.

Workflow Step Owners – The final step in the Metric Set Definition process is to specify who within the organization is responsible for which steps. Note that not all process steps need to be specified for every metric set. If for example, a metric set did not require secondary approval, no owner would need to be specified for that step and the workflow could be completed without the secondary approval step being completed.

Executing the Process

After the environment has been configured and metric sets have been created, the system is ready for use.

The entry process begins when the metric set owner "Releases" the metric set. This is done by clicking the Release Now link that the metric set owner sees when viewing the management panel.

After the metric set is released, the person responsible for the first data entry step is notified, either by email or by an alert on their SSM home page, that they are responsible for metrics that need to be entered. The notification that the user responsible for data entry receives includes a hyperlink that takes them to the page shown below.

After data has been entered, the person entering the data then submits the data for approval and the next person in the process receives notification that a metric set is waiting for their approval. After reviewing the metric set, the approver the option to accept or reject the data. If accepted, the process moves to the next step, if rejected the data entry person is notified and must re-enter the data.

The final step in the process is to load the data model with the metrics that have been entered.

The Entry and Approval Management page allows users to see, in a single view, the status of all metric sets. On this page, one can see the clearly defined workflow steps in the data entry process, who within the organization owns each step, and where in the workflow each data set stands. For example, with the Atlanta Metric set in the screen below, Craig Brown approved the data entered but Roger Farah has sent the data set back to Craig for further review.

SAP - Entry and Approval - Microsoft Internet Explorer

SAP

User: Admin
Database: Pilot Fashions   **Period:** Apr 2007   Refresh   Release All   Load PAS Model   Create Metric Sets

My Metric Sets   Historical Data | Target Data | Approval Log

Metric Set	Setup	Entry	Preliminary Approval	Secondary Approval	Publish	Completed
Atlanta Employee Survey	Admin	Peter Brown	Craig Brown	Roger Farah	Admin	✔
Atlanta Metrics	Admin	Bob Haas	Craig Brown	↺ Roger Farah	Admin	
Boston Employee Survey	Admin	Chris Corwin	Cindy Smith	Joseph Lama	Admin	✔
Boston Metrics	Admin	Fran Philip	Cindy Smith	Joseph Lama	Admin	
Miami Employee Survey	Admin	Admin		Mark Goodman	Admin	
Miami Metrics	Admin	Trudy Sullivan		Mark Goodman	Admin	
New York Employee Survey	Admin	Maria Smith	Michelle Parks		Admin	✔
New York Metrics	Admin	Wes Card	Michelle Parks		Admin	✔

All Metric Sets   Historical Data | Target Data | Approval Log

Metric Set	Setup	Entry	Preliminary Approval	Secondary Approval	Publish	Completed
Atlanta Employee Survey	Admin	Peter Brown	Craig Brown	Roger Farah	Admin	✔
Atlanta Metrics	Admin	Bob Haas	Craig Brown	↺ Roger Farah	Admin	
Boston Employee Survey	Admin	Chris Corwin	Cindy Smith	Joseph Lama	Admin	✔
Boston Metrics	Admin	Fran Philip	Cindy Smith	Joseph Lama	Admin	
Miami Employee Survey	Admin	Admin		Mark Goodman	Admin	
Miami Metrics	Admin	Trudy Sullivan		Mark Goodman	Admin	
New York Employee Survey	Admin	Maria Smith	Michelle Parks		Admin	✔
New York Metrics	Admin	Wes Card	Michelle Parks		Admin	✔

Summary

Manual scorecard data entry by business users is often required, as scorecard data can not always be captured directly from transactional systems or other information sources. To accomplish this effectively, organizations must take precautions to ensure the right tools and methodologies are in place to ensure their data entry processes are efficient, secure, transparent throughout the organization, and repeatable.

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