

## **Maximize Business Performance: Companies Now Choosing BPM with Growth Path in Mind**

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What are the catalysts today for companies to adopt business performance management (BPM)? Through our annual BPM Pulse survey (see [www.bmppartners.com](http://www.bmppartners.com)), there is a clear picture of intentions among finance and IT managers. There's also another way to identify catalysts, which is less scientific but quite compelling: look at the companies that recently started down the path to define their BPM requirements and select software vendors. The problems they seek to address, and their priorities and BPM path, give strong indications. First, let's examine some of these companies, then draw some conclusions.

The clinical research and development team of a major publicly listed biotechnology company recruited us for requirements definition and vendor evaluation, with a rather unique twist: they seek a dashboard reporting solution with completely nonfinancial performance indicators. Instead, all the key performance indicators (KPIs) will focus on project management, testing milestones and statistics, statistics on patients enrolled in drug studies and other operational aspects. These nonfinancial measures are core to their business success, and a great example of how BPM addresses operational as well as financial performance improvement opportunities.

A subsidiary of a public Japanese company dedicated to leasing refrigerated shipping containers needs to plan and track major capital investments. Recently, this subsidiary merged with a sister company. For years it has relied on Hyperion Pillar and Essbase, but gradually it moved to using Pillar as a data collection tool. This company set a prerequisite that its new planning and reporting solution must work on top of Essbase, its legacy analytic system. This is a great example of how organizations approach their BPM project with their legacy systems as an integral part of their future direction and how they can build on top of good work that is already complete.

Another large subsidiary of a public Japanese firm manufactures OEM parts for automakers. This company has long relied on Excel for planning and budgeting. It sends operating results to the parent company, which handles statutory reporting, but needs to improve its internal reporting capabilities. This company is keen to capture both financial and operational data in the BPM solution it selects. It has a clear path defined: after addressing planning and budgeting, it will tackle consolidation and reporting. We often see companies tackling planning and budgeting issues as a first step, but with a goal in mind of incorporating larger consolidation, reporting or scorecarding activities in future steps.

A leading cost management company in the healthcare industry, with more than 1,000 employees, has depended on an elaborate Excel model combined with Microsoft Access for business analysis. As management has been requesting new types of reports and much more frequent reports including monthly revenue forecasts, this company collided with familiar problems. Their desktop tools are not robust enough for the more demanding analysis, and many days are spent tinkering with Excel in a labor-intensive mode to generate the new reports. This company wants to focus on revenue analysis, taking it to a very granular level. This company sent a request for information to 15 vendors. With no supporting detail, every vendor had every feature this company sought. We helped them better define requirements, recommended additional vendors and guided the vendor evaluation process.

Many companies today regard BPM as the answer to their urgent planning and budgeting issues. Their struggle is how to transition from reliance on Excel or historic legacy tools. They do not seek limited-purpose BI tools. They want systems that effectively address strategic planning and forecasting today - and will accommodate the BPM growth path they have laid out. The organizations mentioned in this article turned to expert help to frame their business issues, define requirements and guide vendor choice and are now on the fast track to get significant business benefits from their BPM initiatives.

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