

## KPIs and Scorecards using OBIEE 11g

Mark Rittman, Rittman Mead Consulting

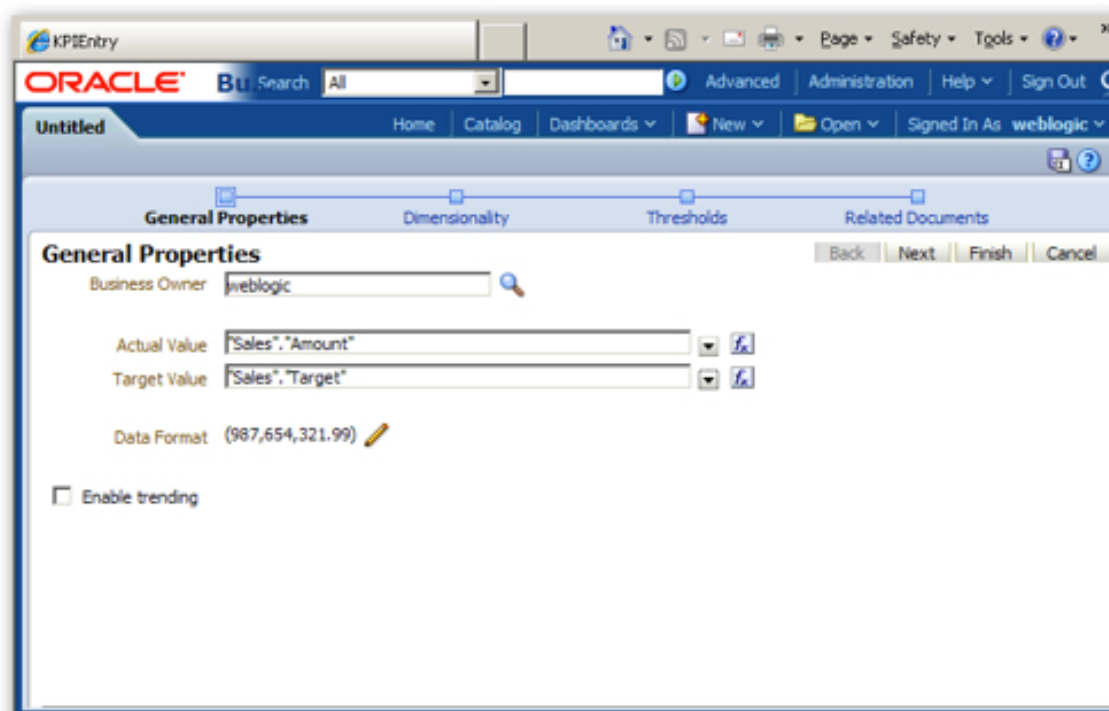
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A key new feature within Oracle Business Intelligence 11g is a new product called Oracle Scorecard and Strategy Management. Though licensed separately to core Oracle Business Intelligence 11g, it's fully integrated with the core business intelligence platform and provides key new features such as scorecards, key performance indicators and KPI watchlists. So what is Oracle Scorecard and Strategy Management, and how does it work?

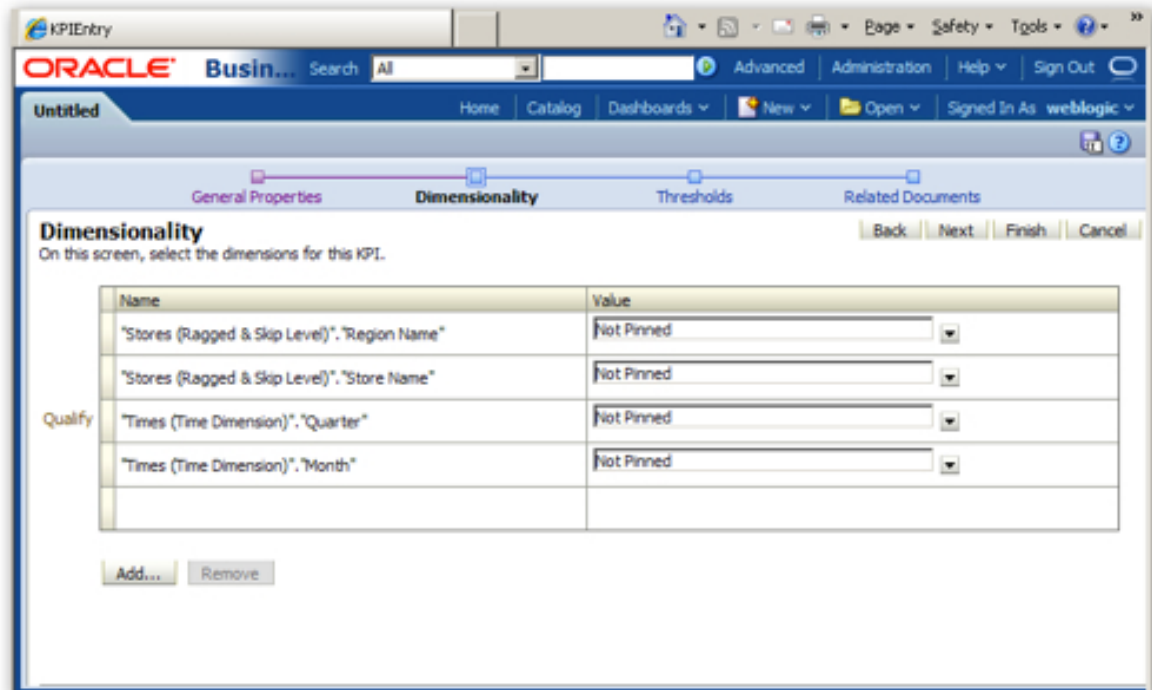
### Key Performance Indicators

The building blocks of Oracle 11g scorecards are key performance indicators (KPIs). KPIs are defined within the web catalog and are defined by taking a measure, a target measure and a set of thresholds, which can then be used either directly in dashboards (by use of another new feature called KPI Watchlists) or within a scorecard.

To take an example, consider a situation where you have a measure called Store Sales, which you wish to use together with another measure called Store Sales Target to define a KPI. To create the KPI, you first select the two measures from the BI Server semantic model, like this:

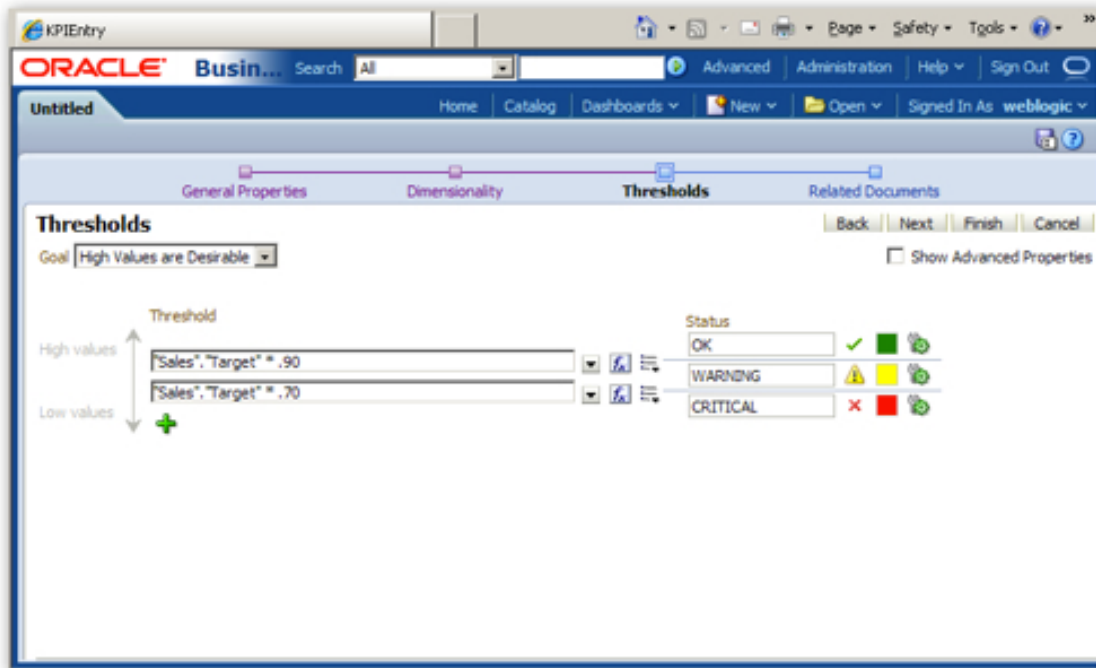


Then, you specify the dimensionality of the KPI, by for example making it analyzable by two levels in the store hierarchy, and two in the time hierarchy, like this:



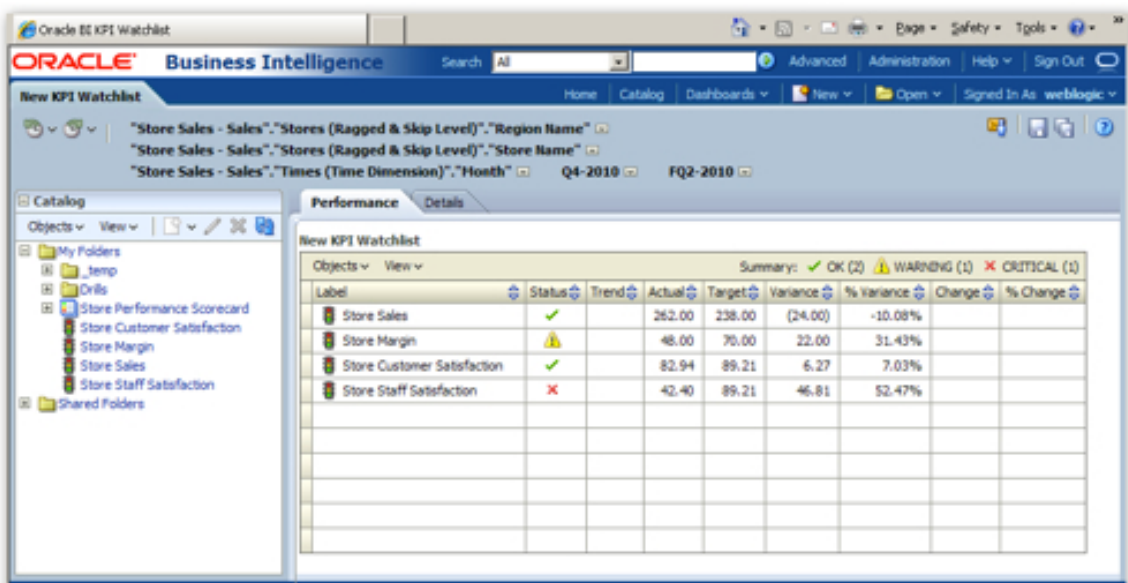
The values used for these dimensions can either be “pinned”, so that they stay static for this KPI, or they can be dynamic, allowing the user to change them to vary their “point of view”. As well as using regular “attribute” columns to define these dimensions, you can also use complete hierarchies in the form of hierarchical columns from the semantic model presentation layer.

Once the dimensionality is defined, you then set the thresholds. In the example, below, OK performance is defined as being within 90% of the threshold, with a warning being displayed between 90% and 70% of target, and amounts below 70% are marked as critical.



Once you've set this and a few other options, the KPI can be saved to the web catalog. Then, you can either display the results of the KPI in a simple table, or you can add them to a KPI Watchlist, which can be added like any other object to a user's dashboard.

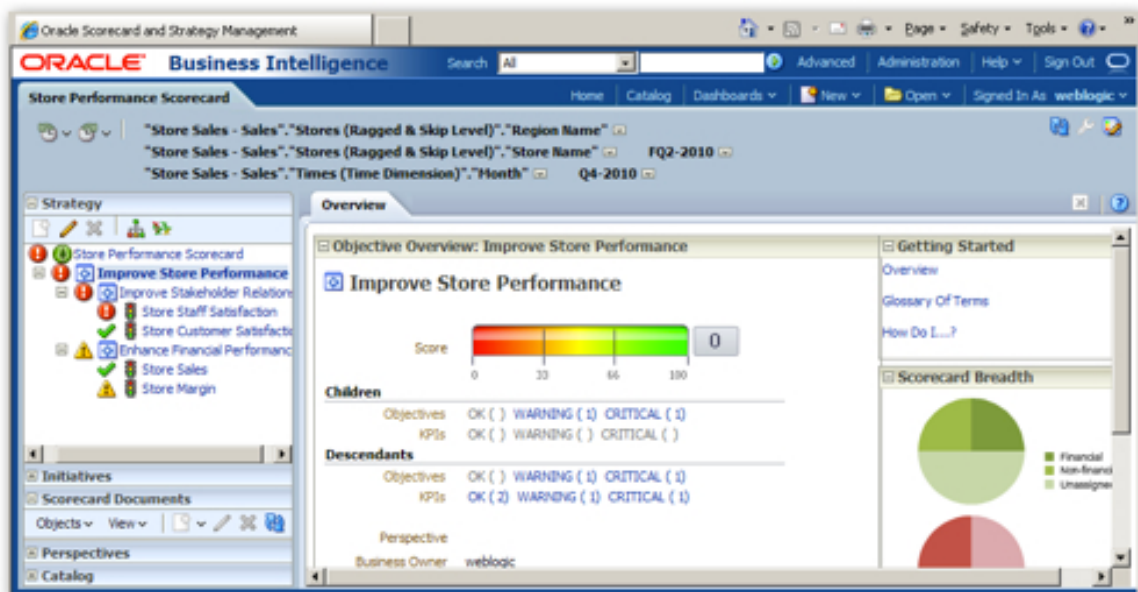
This KPI Watchlist can then be sliced and diced, using the point of view controls at the top of the watchlist, to allow the user to drill into whatever level of data they are authorized to view.



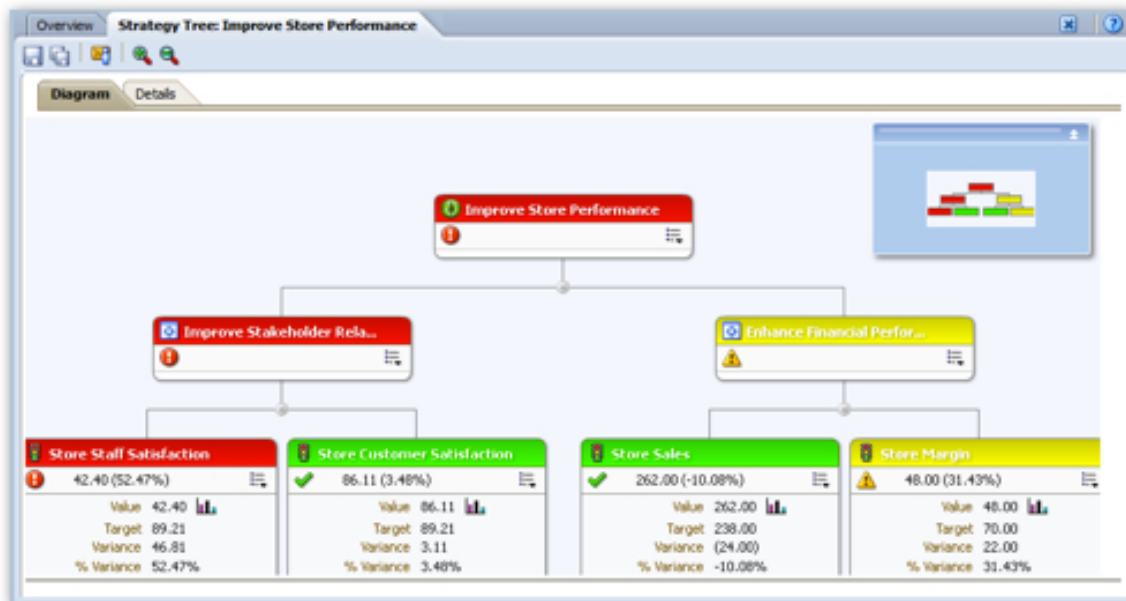
## Oracle Scorecards

The Scorecard part of Oracle Scorecard and Strategy Management builds on this foundation of KPIs to allow you to define complex, multi-part strategies using the metrics in your semantic layer.

In the scorecard below, four KPIs have been assigned into a set of objectives; one which is financially-focused and aims to improve store monetary performance, and another which is more stakeholder-focused and uses the results of satisfaction surveys.

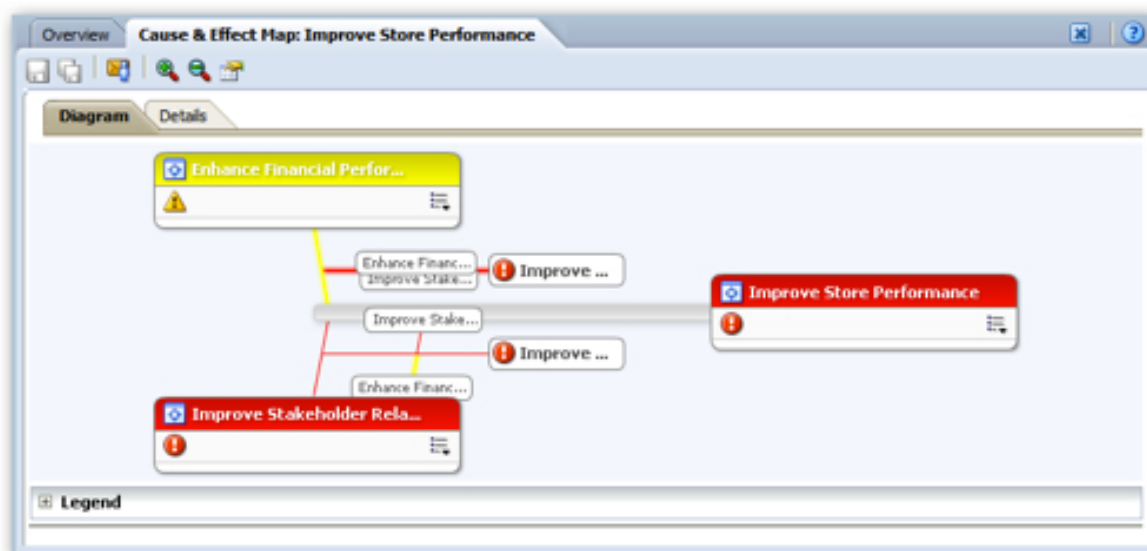


Using these objectives which are organized into a hierarchy, you can create, for example, a strategy tree diagram that shows how each objective feeds into the other. In this case of our example, our overall objective of improving store performance is made up of financial, and non-financial (stakeholder) objectives, each with their own set of KPIs.



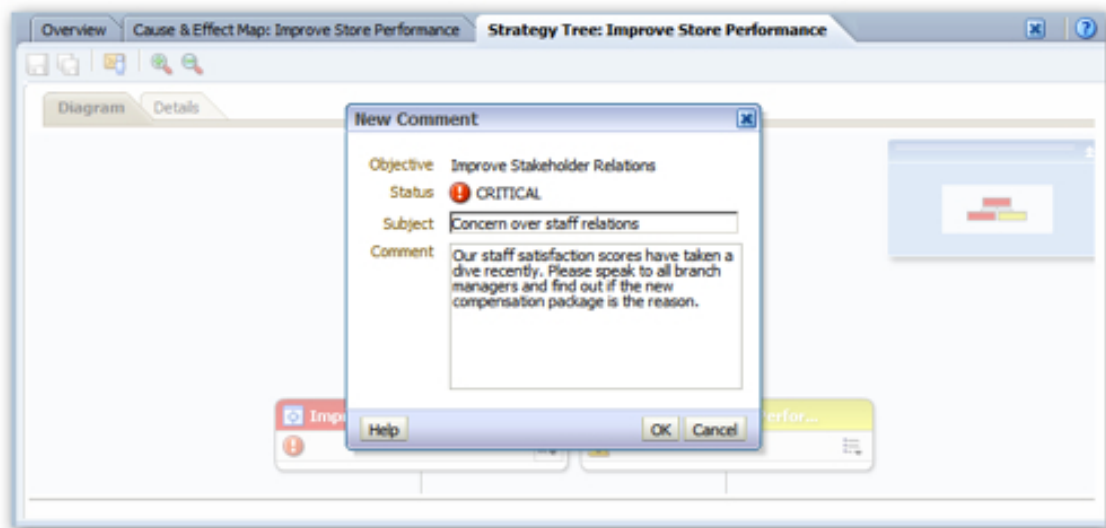
You can set how much influence each objective has on its parent objective, so that, for example, the non-financial KPIs carry less weight than the financial ones. In the example above, while store sales and store margin are good and acceptable respectively, this is outweighed by the very poor staff satisfaction scores, which overall contribute to a poor overall store performance score. This is typical of balanced scorecards, where both financial and non-financial KPIs contribute to the overall, balanced score for the organization.

You can also define cause and effect maps, showing the relationship between KPIs in a “fishbone”-type of diagram.



If you’re analyzing the scorecard and want to add commentary, there’s an ability to add annotations to KPIs, and you can also drill-out from the scorecard into Answers to look at the data in more detail – this is a key feature of the product as it brings together the executive-style overview of the business with the ability to

do more direct access, and if you combine it with the Action Framework, also new with the 11g release of Oracle Business Intelligence, you can create a “closed loop” business intelligence system.



## Summary

Organizations often use KPIs and scorecards to measure their performance towards an objective, setting targets and thresholds to enable them to measure progress across the organization. Oracle Business Intelligence 11g gives you the ability to define these objectives and strategies within your business intelligence environment, bringing this important measure of corporate performance onto the desktops of all of your team.

## About the Author

Mark Rittman is an Oracle ACE Director and co-founder of Rittman Mead Consulting, a specialist Oracle Partner working with Oracle’s BI, DW and EPM products. Mark is an executive director for ODTUG, and writes regularly for the Rittman Mead blog, at <http://www.rittmanmead.com/blog>.