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## Highlights

- Link high-participation planning, budgeting and forecasting processes to actual performance results.
  - Model and deploy integrated metrics to every contributor's workspace.
  - Create and share strategy maps, impact diagrams and custom diagrams in a closed-loop performance management system.
  - Deliver performance data through a variety of interfaces.
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# Scorecarding with IBM Cognos TM1

*Elevating the role of metrics in high-participation planning*

## Overview

Scorecards can be an extremely effective tool for helping organizations define, align, monitor, steer and communicate progress toward strategic objectives. The scorecarding capabilities now available in IBM® Cognos® TM1® enable organizations to integrate their metrics and key performance indicators (KPIs) into high-participation planning, budgeting and forecasting processes to drive greater accountability and close the loop on performance management.

## Linking strategy to KPIs and planning

For many years, businesses both large and small have used scorecards to compare strategic and operational plans with actual results and show employees and managers how well corporate objectives are being met. The process of creating scorecards helps organizations define their objectives and translate strategies into tactics aligned with clear, measurable performance targets. Scorecards are the practical, everyday tools that help teams and individuals monitor the metrics and KPIs that measure progress toward those targets.

Scorecards created in Cognos TM1 can ensure that an organization's progress—or lack of it—is consistently understood and communicated from the corporate center to the front lines of the business. Using colorful, intuitive pie charts, bar graphs and trend lines, plus status indicators with red, yellow and green “traffic lights,” as well as strategy maps and diagrams, the organization's metrics and KPIs can be displayed to help managers share a common understanding of corporate strategy. Scorecards provide clarity as to what is or is not a priority. And scorecards are far more effective at getting this information across than simple rows and columns on a spreadsheet.



## Strategy maps, impact diagrams and custom diagrams

In addition to scorecards that display metrics for dimensions such as geography, product line or time period, Cognos TM1 provides three types of diagrams: strategy maps, impact diagrams and custom diagrams.

- A *strategy map* is a visual tool that shows the causal relationships between an organization's strategic objectives, the actions needed to achieve those objectives and, in many cases, the resource commitments required to execute those actions.
- *Impact diagrams* help illustrate the ripple effect that different actions or resource allocations can have throughout the organization. For example, if resources are diverted from R&D to marketing, sales may improve in the short term but the product pipeline may suffer in the longer term. Impact diagrams help bring these trade-offs into focus.
- *Custom diagrams* can displays metrics and performance indicator icons overlaid on a user-defined custom image to show performance by region, process phase, and more.

Strategy maps, impact diagrams and custom diagrams all function as part of a closed loop performance management system. The organizational strategy aligns with execution through metrics that are linked to actions, which are then tied to resource allocations (see Figure 1). When used effectively, strategy maps, impact diagrams and custom diagrams are tightly connected to long-term planning and budgeting processes.



Figure 1: Scorecarding linked to KPIs and planning.

## Gain time, control and confidence

The scorecarding functionality now available in Cognos TM1 enables organizations to link their high-participation planning, budgeting and forecasting processes with actual performance results and present those results to decision makers. This linkage saves time in the creation of the scorecards and provides greater control over how results are presented. Cognos TM1 provides a single, centralized data store for metrics used in company-wide scorecarding. It helps ensure accuracy and consistency, driving greater ownership and accountability while reducing latency and uncertainty in decision making.

From discrete departmental projects to company-wide initiatives, Cognos TM1 scorecards can be managed by line-of-business users without the need for regular IT assistance. And the comprehensive, unified approach to scorecarding in Cognos TM1 promotes the adoption of sound strategy management throughout the enterprise.

With the powerful multi-dimensional technology of Cognos TM1, users can:

- Model and deploy integrated metrics in the same environment used to build plans, budgets and forecasts.
- Access IBM Cognos Business Intelligence data and display it within scorecards and dashboards.
- Measure performance relative to targets or benchmarks to help align tactics with strategic initiatives.
- Pinpoint the source of performance shortfalls.
- Display dimensions such as geography, product group or time period using a variety of graphical elements.
- Explore the impact of one metric on another.
- Add integrated metrics to every contributor's workspace.
- Deliver performance data through a variety of interfaces, including Cognos TM1 Server, Cognos TM1 Performance Modeler, Cognos TM1 Web, Cognos TM1 Mobile Contributor, IBM Cognos Workspace, IBM Cognos Insight, and IBM Concert.

Scorecards can be valuable for corporate-wide performance management, enabling executives to map out the corporate strategy and communicate it in clear, comprehensible terms. Scorecards can also be customized to display different levels of detail for different audiences. Employees and managers at the business unit or department level can use scorecards to monitor their performance against targets and users can apply security to ensure that specific metrics are accessible only to specific users, groups or roles.

### **Choose your interface**

Cognos TM1 scorecards can be accessed through a variety of user interfaces. They can be accessed through Cognos TM1 Web for working with plans, budgets and forecasts; through Cognos Insight or Cognos Workspace for working with dashboards that allow users to combine scorecards with other reporting views; and through the Cognos TM1 Mobile Contributor application to give business executives quick access to their most important KPIs and allow them to investigate problems in detail.

The following examples show how the simple, intuitive scorecarding graphics in Cognos TM1 can help users evaluate performance results quickly.

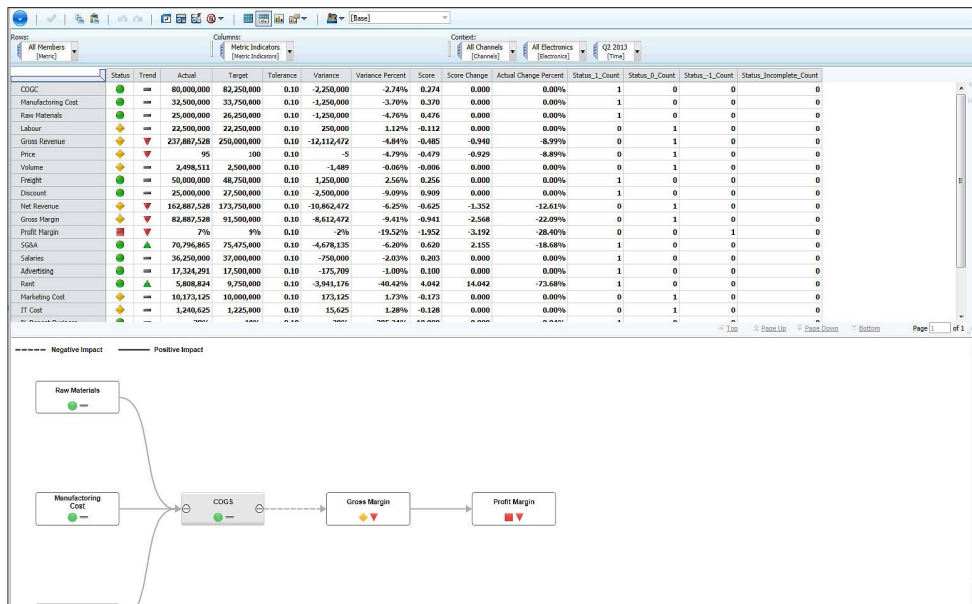


Figure 2: Impact diagrams show how changes to one variable can affect other variables.

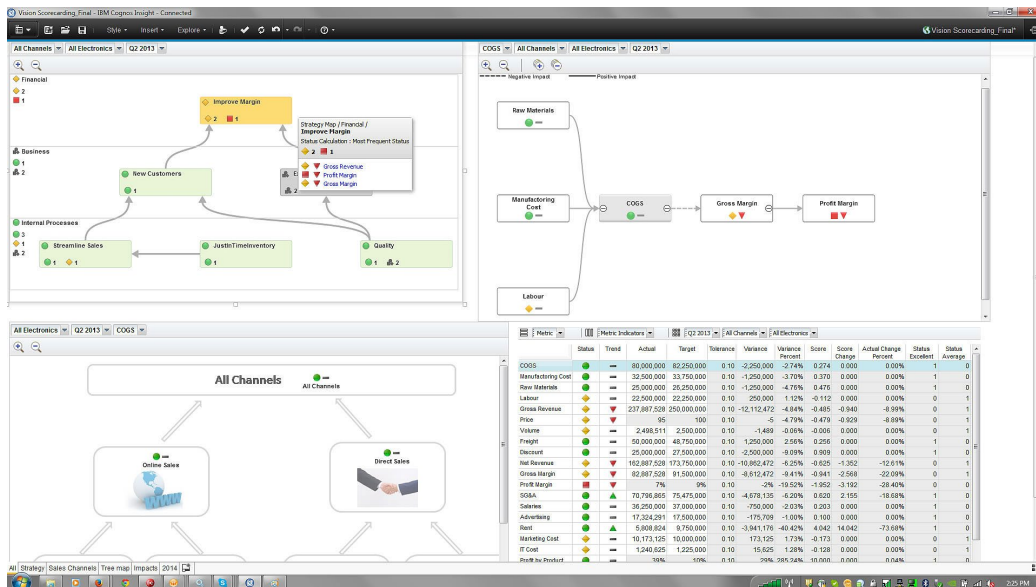


Figure 3: Viewing Cognos TM1 scorecards through the Cognos Insight interface lets users see multiple scorecards and diagrams all at once.

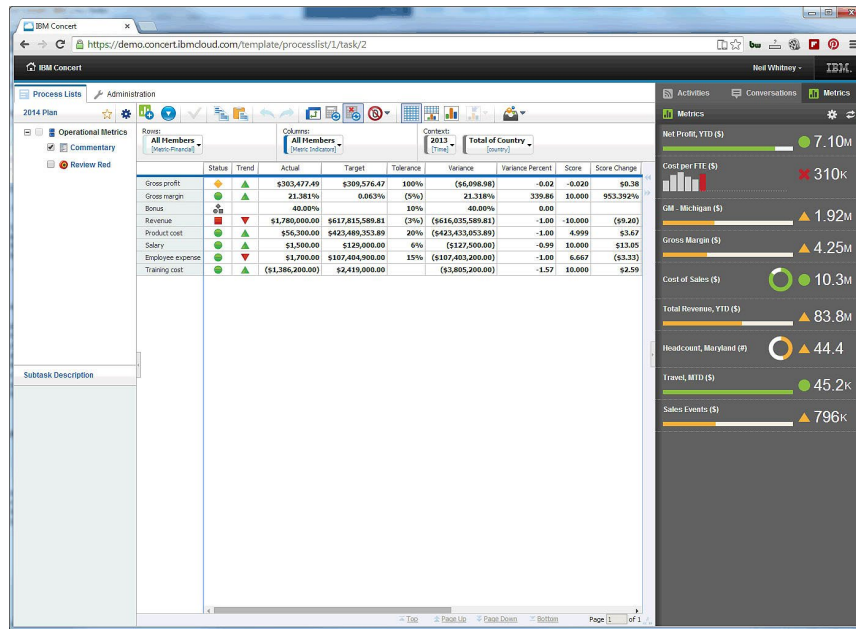


Figure 4: The Cognos TM1 Web Cube Viewer can be embedded in the main pane of the IBM Concert interface.

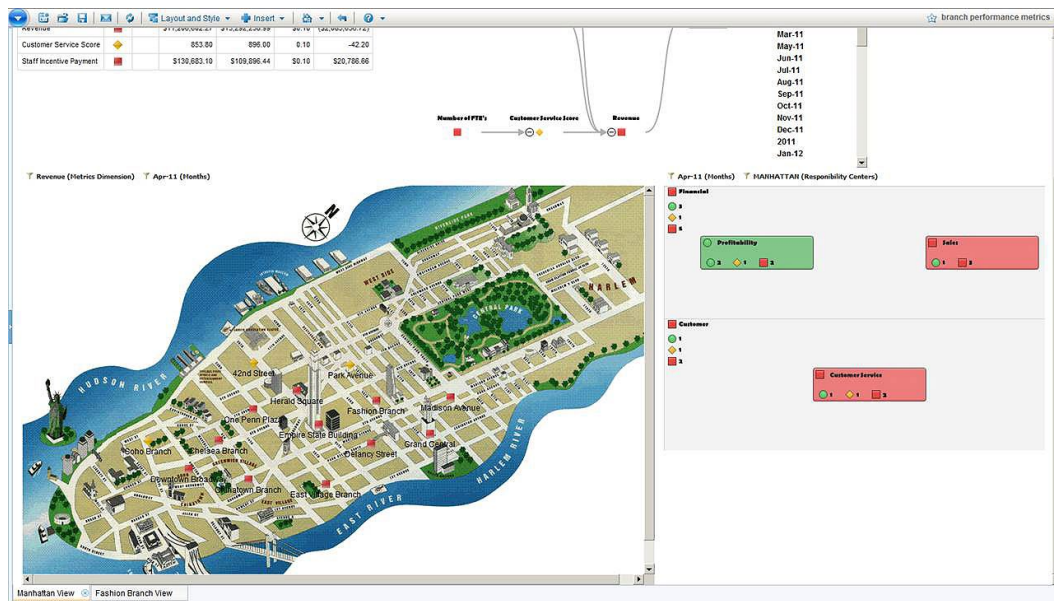


Figure 5: Vivid custom diagrams can include full-color maps of retail locations or sales territories.

### Metrics made mobile

Scorecards help organizations speed their decision-making by presenting performance data that is easy to grasp at a glance. But what happens when key decision makers are out of the office?

Cognos TM1 scorecards can be shared with users on the go through their Apple iPads. Users can access reports containing Cognos TM1 data to monitor progress on plans and forecasts, receive notifications and alerts, and drill down into the details of key metrics. This mobile capability can dramatically improve the speed and quality of team-based decision-making.

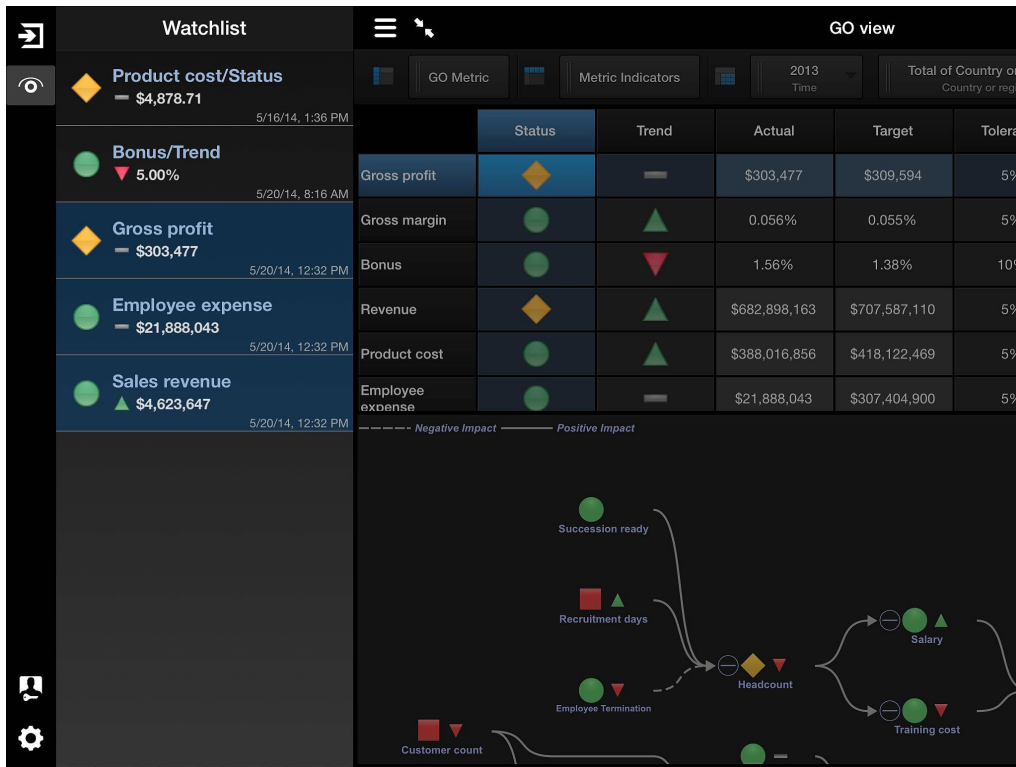


Figure 6: The Cognos TM1 mobile application includes Watchlist, which tracks selected key metrics.





Figure 7: Watchlist provides notifications to alert users to changes in metrics.

## Conclusion

Scorecards make critical information easily accessible and understandable. And they help to drive greater accountability throughout the organization. Cognos TM1 enhances the power of conventional scorecards by enabling organizations to blend scorecarding and strategy management capabilities into their performance management process.

With Cognos TM1 scorecards, users can assess the dynamic performance of the business quickly, using strategy maps and diagrams to pinpoint the source of performance problems and spot trends—both positive and negative—at the early stages, when corrective actions can be most effective. Scorecards help tie strategy to execution. And when KPIs and metrics are linked directly to both data and processes within the powerful, multi-dimensional Cognos TM1 platform, it closes the loop on performance management.

## About IBM Business Analytics

IBM Business Analytics software delivers data-driven insights that help organizations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management and risk management.

Business Analytics solutions enable companies to identify and visualize trends and patterns in such areas as customer analytics that can have a profound effect on business performance. They can compare scenarios; anticipate potential threats and opportunities; better plan, budget and forecast resources; balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organizations can align tactical and strategic decision making to achieve business goals. For more information, see [ibm.com/business-analytics](http://ibm.com/business-analytics).

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