

## **Whitepaper**

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# **Building Effective Dashboards: Measuring for Success**

# The Fast Lane to BI

An increasing number of managers yearn for data to help them make major decisions in the organization, so a dashboard that utilizes valuable metrics has become critical for any successful company. When designed correctly, a good dashboard can help a company track strengths and weaknesses, show performance and direct future planning.

Unfortunately many dashboards are based on flawed metrics or use ineffective reporting tools that ultimately confuse the viewers rather than accurately direct future success. Selecting the metrics that matter and building dashboards based on these metrics deliver actionable insight and drive company growth.

We'll walk you through the building blocks that comprise a dashboard and the importance of metrics and KPIs. Then, we'll outline 5 actionable take-aways that you can use to create powerful and effective dashboards.

## Where to Begin

Selecting the scope of the data covers your first two tips and explains the difference between breadth and depth of data and the power of the data source mash-up. Having independence to adapt and evolve your reports without IT intervention will give you the flexibility and agility you need to be responsive to market and organizational need. Using presentation tips and accessibility and interactivity will keep your dashboards alive long after they are taken out of the conference room.

## What Is a Dashboard?

A dashboard should be considered your company's single source of truth. Any employee can look at it and immediately get a sense of how the company is doing and where it stands in relation to its own goals, its competitors and overall market.

A dashboard is a business tool that visualizes the most important information needed to achieve a business's objectives displayed in real-time and extracted from one or more data sources. Dashboards are interactive, allowing users to investigate particular aspects of the data or switch between data views in order to focus their attention on a specific area.

Elements incorporated on a dashboard include performance indicators (PIs), key performance indicators (KPI) and any other information relevant for the business user. Dashboards indicators are represented by a variety of data visualization tools like charts, grids, gauges and maps. KPIs need special consideration because they are high-level measurements of how well an organization is doing in achieving its goals.

## The Importance of Metrics and KPIs

All businesses strive to optimize business processes, become more efficient and increase productivity. The challenge is understanding where improvements can be made that will impact a company's bottom line. To keep executives calm and teams focused, you need a dashboard based on key metrics that is used as the foundation for all decision making.

Depending on the field of your choice, you will need to find the set of metrics that represent success. Here are some examples for metrics relevant for marketing and sales departments regardless of industry. Extrapolate this information to find the relevant metrics for your industry and department.

1. Exposure metrics – This is simply how many people have been exposed to your company’s brand and products. This is the most basic metric and often as far as metrics go. In the online world, this can be measured



relatively easily by using free tools such as Google Analytics.

Common metrics would be page views, time on page, click through rate or downloads. This can be slightly more challenging for offline campaigns but can be measured by in-store visits, in-bound phone calls etc.

2. Financial metrics - These indicators give a complete, historical picture of financial health as well as an accurate prediction of future performance. Privately-held or publicly-traded companies use different sets of metrics and every industry will have its own sets as well. Some examples include real revenue growth, operating expenditure, cash flow, cost of capital, etc.

See this example of a dashboard created for a venture capital firm to help determine which investments were most effective broken down by investors, start-ups, date of investment and location.



location. [Venture Capital Dashboard](#)

- Social metrics - In today's social environment, many businesses are monitoring Social or Sharing metrics to measure how recognizable your company is or how viral your campaign or content is. This can be measured by the sheer size of your social audience or by measuring how often your viewers are sharing it with their friends and colleagues.

Most relevant for online campaigns, sharing metrics can be measured by looking at the shares, likes and tweets your content is getting. TIP: Sharing metrics are often overrated. While they might make you look more successful, if these shares aren't converting to your end goal, this could just be a lot of hype.

*Social Metrics Dashboard*

Metrics That Count

[Show All Posts](#)
[Show All Pages](#)
 Filter by category 
 Filter by date

Title	Twitter	Facebook	Google +1	Google Buzz	LinkedIn
Refinishing Our Dresser: Before and After Photos	Tweet { 1	Like	+1 { 0	Buzz { 0	Share { 1
Today, we are all Mary	Tweet { 0	Like { 2	+1 { 0	Buzz { 0	Share { 1
On Gossamer Wings and Pretty Things	Tweet { 1	Like	+1 { 0	Buzz { 0	Share { 1

## The Ability to Drill Down & Zoom Out

Agreeing to and measuring a relevant set of metrics is fundamental to understanding the success or failure of a business initiative.

Dashboards that are accessible to all team members, as well as to management, become the lifeblood of the company. But how often have you presented and agreed upon dashboard only to be asked for additional data points or for a dissection of the data in ways you hadn't anticipated?

The true powers of metrics and dashboards is the confidence of having a single source of truth and the ability to drill down or step back to view a big picture perspective of the data. You will need to develop a more valuable and insightful dashboard that can be used to optimize performance and make actionable decisions. This kind of dashboard needs to provide an accurate summary of the key metrics and KPIs that quantify the overall impact the initiative is having on the business.

## Practical Dashboard Building Tips

### **I. Go Deep – History is Everything**

We are collecting more data than ever and reporting on it, which is good. Less positive is the way we are often forced to look at the end metrics rather than the velocity or time based metrics.

According to Denis Pombriant of Social Methods, over two thirds of managers do not have the data on hand to be able to measure trends. Due to storage space limitations most data is stored as a single point in time rather than tracking change over time. Instead of saving an additional data point for each update, most new data overwrites old data losing the precious ability to measure velocity and change.

The issue is that as data sets get larger and more complex, many tools start slowing down or failing completely. If you are part of the one third of managers who are actually saving all these data points, you don't want to be limited by the strength of your analytics tool when it comes time to crunch those numbers and view trends at decision time.

## **2. Go Wide – Mash-up as Many Data Sources as Relevant**

In today's business environment, where everything can and is being measured, we need to be able to juggle multiple tools to collect the relevant campaign data we need to run our day-to-day business. According to Kelton Research as reported by eMarketer, the average marketer uses 5-6 marketing tool to execute and measure a typical marketing campaign, and that is just in the marketing department. Consolidating data from all these data sources in a comprehensive manner is no easy task considering most of these tools come from

different vendors and integration of the data across platforms can be complicated or often impossible.

Think about the types and masses of data you are collecting on a daily basis. A marketing example would be measuring marketing performance from lead to cash analysis. Using sources such as Google Analytics, Google Adwords, and Salesforce.com, this dashboard measures the success of a marketing campaign by the amount of revenue directly attributed to it. This enables the marketing team to isolate campaigns that generate leads but no real value and focus their budgets on campaigns, or even specific search phrases that yield the highest profits. See the [Marketing Performance, Lead To Cash Analysis Dashboard](#).

With this much data available it would be virtually impossible to define in advance all the angles you will want to investigate. You need an analytics tool that will give you the flexibility to look at the data from every perspective without needing to recompile the data.

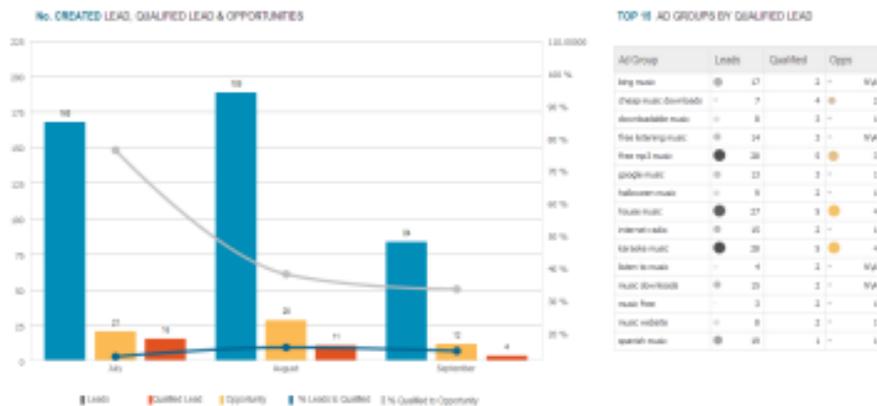


Diagram 2.1: This SiSense dashboard integrates data from Adwords and Salesforce to be able to see a clear picture from lead generation to opportunity close.

### **3. Stay Independent – Don't Depend on IT Resources**

Businesses today move at a staggering speed. When an opportunity arises it often needs to be acted on immediately to be effective. Any delay in immediate action can be the difference between success and failure.

Let's say you want to create a new dashboard that proves to management that attending weekly webinars has a positive effect on the sales cycle. First, figure out a way to get your webinar attendance data to mash-up with your lead and sales CRM database. If the two platforms aren't already integrated you'd have to go to the IT department and request development time, get added to the task queue and wait...

What if you could just click and drag a new data source and mash it up with your current database with no IT interference? This would give you the flexibility and agility to respond quickly to marketing needs and stay a step ahead of your competitors. Being dependent on an IT department will cripple your ability to execute.

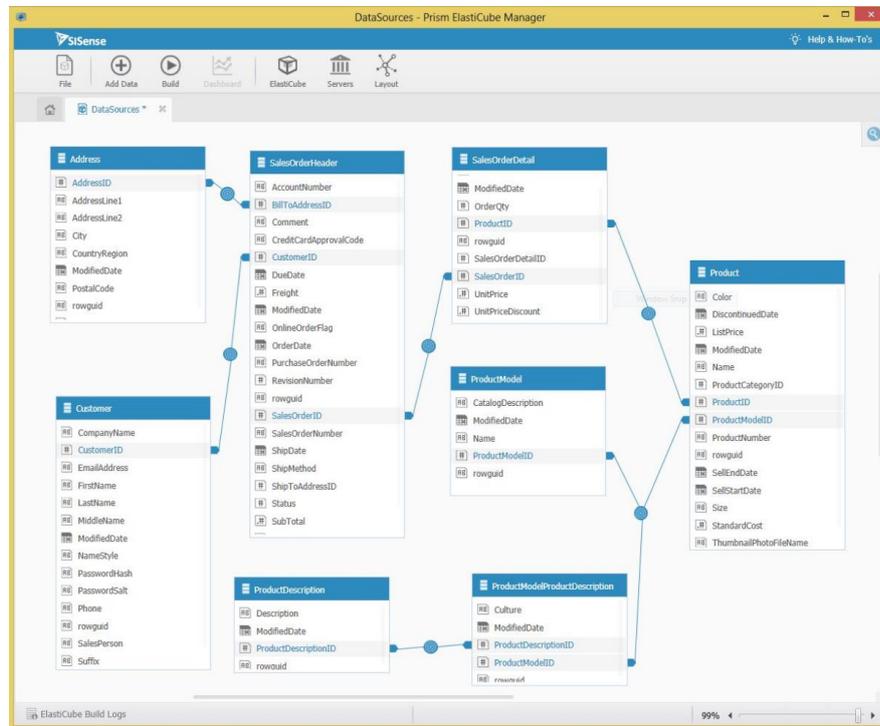


Diagram 3.1: Adding new data sources in SiSense is as easy as click and drag without requiring IT resources.

## 4. Be Beautiful: Focus on Powerful & Meaningful Design

A dashboard's function is to display a dense array of information in a small amount of space in a manner that communicates clearly and immediately. To achieve this, a dashboard must leverage the power of visual perception and the ability for people to sense and process information quickly. Dashboards can only be successful when the visual design is central to the development process.

A few pointers about beautiful and inviting dashboards:

- ▶ A picture is worth a thousand words – Rather than trying to convince with words or a lot of numbers and charts, use graphics, colors, images or illustrations to demonstrate what you mean.
- ▶ Priorities must stand out at first glance – Don't show 5 metrics that all point to the same conclusion when you can use one metric to make your point.
- ▶ Don't confuse good and bad – Make sure to use visualization keys to demonstrate the good and bad news you are presenting.
- ▶ Trends or KPIs – Be frugal about the amount of information you are presenting. Determine when it makes sense to use a trend report versus a single KPIs.



Diagram 4.1: A SiSense graphical dashboards allow you to represent quantities of data in a way that is easy to digest and understand.

## Final Thoughts

While there is no single solution for all the challenges in measuring business goals, there is overwhelming agreement that metrics and KPIs must be used to measure day-to-day activities to improve performance.

Dashboards provide a holistic framework to organize and measure the increasing number of complex activities while providing management with the data, metrics and KPIs they need to measure performance. Keeping these 5 guidelines in mind will help ensure you are presenting the most effective dashboards.

## Next Steps

- ▶ [Try SiSense for FREE](#)
- ▶ Join a Sisense Analytics Expert for a [Weekly Live Demo](#)
- ▶ [Contact us](#)