

# INDEX

## A

Accountability  
 and alignment of outcomes and strategy, 132  
 and BI tools, 42  
 for EPM initiative, 162  
 and incentive compensation, 162, 163  
 and planning, 25–27, 100, 101, 103, 104  
 and profitability, 136, 137  
 tenets of performance-accountable organization, 9

Activity-based management (ABM), 94, 158

Ad hoc reports, 33, 34, 44

Alignment, 5, 6, 8, 42, 47, 129, 132, 142–149, 161, 162

*Alignment* (Kaplan and Norton), 147

Altibase, 75

Analytics. *See also* Understand stage of management operating system (analysis)  
 architecture, 76  
 financial, 57, 75  
 in-memory analytic appliances, 75, 76, 93, 94  
 online analytic processing (OLAP)  
   technology, 41, 53, 75, 93–95, 103  
 operational, 57  
 patterns. *See* Patterns  
 predictive, 23, 72–75, 85–93, 126, 158  
 profitability, 22, 23, 75  
 root-cause analysis, 5, 22, 32, 60–62, 88, 103, 131, 133, 137  
 statistical, 75  
 types of, 21

Anaplan, 109

Asset utilization, 2, 24, 95, 126, 156, 161

Assumptions for models, 11, 58, 140, 148

Average selling price (ASP), 21, 43, 106, 115, 139

Axon, David, 7, 8

## B

Balance sheet, 12, 38, 41, 44, 85, 89, 94, 104, 105, 124, 158, 161

Balanced Scorecard, 7, 8, 130, 131, 134, 145.  
*See also* Scorecards

Benchmarking, 21, 32, 35, 38, 39, 57, 71, 85–88, 114, 119, 121, 123, 166

“Big Data” (unstructured data), 71–73, 81

Brynjolfsson, Erik, 71

Buckets of pain, 5, 6

Budgets and budgeting, 2, 3, 7, 11, 16, 17, 26, 32, 38, 95, 97, 98, 104, 105, 107, 108, 120, 126, 148, 155, 158, 162, 163

Business drivers, 61, 82–85. *See also* Drivers

Business Foundation Corporation, 18

Business function and layer matrix, 18, 61, 131

Business Intelligence (BI), 3, 7, 8, 12, 13, 18, 41, 42, 75, 76

Business modeling, 23, 24, 79–81. *See also* Models and modeling

Business performance management (BPM), 7, 8

Business process management (BPM), 142, 157

Business questions, 20–22, 24–27, 58–60

Business/IT alignment, 143–146

“Canned” (standard) reports, 33, 34, 44

## C

Capital expenditure (CAPEX) planning, 26, 105, 118, 124, 126, 136, 142, 155, 158

Change, 134, 135, 138

Charan, Ram, 113, 114

Cloud services, 108, 109, 156

Commit stage of management operating system (planning)  
 about, 25, 26  
 accountability, 25, 26, 100, 101, 103, 104  
 actionable plans, 25, 26  
 automated cloud planning system, 108, 109  
 bottom-up planning, 27, 98, 99  
 capital expenditure (CAPEX) planning, 26, 105, 118, 124, 126, 136, 142, 155, 158  
 dimensions, 100–103  
 driver-based planning, 105, 106  
 enabling technologies, 108  
 EPM roadmap components, 108  
 execution, 27  
 forecasts. *See* Forecasts  
 goal of, 100  
 initiatives by industry, 127  
 inputs and outputs, 97, 98  
 integrated sales and operational planning (S&OP), 105  
 organization of plan, 100–103  
 overview, 109, 110  
 process, 98, 99  
 quick wins, 108, 109

Commit stage of management operating system (planning) (*continued*)  
 and resource optimization, 107, 108  
 and sales planning, 103, 104  
 side-to-side planning, 98, 99  
 strategic planning, 80, 81, 104, 105, 109, 129, 147  
 top-down planning, 27, 98, 99  
 types of EPM plans, 104  
 Common business language, 11, 28, 29, 149, 150, 165  
 Constraints for models, 11, 58, 140, 148  
 Corporate Performance Management (CPM), 7  
 Corporate social responsibility, 48, 50, 51. *See also* Sustainability reports  
 Corporate strategy, 130. *See also* Strategy  
 Cost allocation, 46, 47, 136  
 Cross-functional alignment, 148  
 Customer lifetime value (CLV), 3, 137, 160  
 Customer relationship management (CRM), 10, 11, 31, 40, 59, 62, 76, 94, 113, 115, 116, 157, 162  
 Customer satisfaction, 3, 4  
 Customers, participation in EPM, 112

## D

Dashboards  
 Business Intelligence, 3  
 and business optics, 132–134  
 and EPM roadmap, 158, 159  
 executive, 52  
 monitoring alignment, 146–148  
 productivity, 159  
 sales performance management, 113, 114  
 use of in gathering stage, 20, 31, 43, 52, 54, 126, 127, 159  
 Data  
 “Big Data” (unstructured data), 71–73, 81  
 context (attributes), 16, 17, 37, 62  
 flow of between organizational layers, 40, 41  
 and forecast accuracy, 106  
 gathering, 19, 20, 31. *See also* Gather stage of management operating system  
 hierarchies, 22, 37, 46, 62  
 management level sources of, 43, 44  
 operational data store, 40, 41  
 qualities of information, 38, 39  
 responsibility for, 17, 18  
 sources of, 15  
 and sustainability reporting, 49, 50  
 value of, 17  
 Data management and integration layer, 51–53, 75, 76, 94, 109  
 Data marts, 40, 41, 75, 76, 94  
 Data visualization, 22, 52, 73–75, 132–134

Data warehouses, 40, 41  
 Debate stage of management operating system (modeling), 23, 24  
 drivers, identifying and quantifying, 89–92  
 engaging people, 81–83  
 goals of, 82  
 initiatives by industry, 127  
 models, use of. *See* Models and modeling  
 overview, 96  
 predictive analytics, 85, 93, 126. *See also* Predictive analytics  
 process, 79–81  
 quick wins, 95, 96  
 scenarios. *See* Scenario modeling; What-if scenarios  
 steps for managing debate, 91, 93, 94  
 and strategy, 138, 139. *See also* Strategy  
 Dresner, Howard, 12, 161  
 Drill-down, 5, 22, 39, 42, 57, 58, 60, 62, 101, 142, 151, 153  
 Drivers  
 business drivers, 61, 82–85  
 driver-based planning, 105, 106  
 and functional value maps, 131  
 identifying and quantifying, 89–92, 97  
 key performance drivers (KPDs), 135  
 key value drivers (KVDs), 135  
 sales operations performance, 114–116  
 value drivers, 80, 89, 90, 131, 132, 135, 164  
 Duggan, William, 137

## E

Eisenhower, Dwight D., 109  
 Enabling technologies, 51–53, 75, 77, 94, 95, 108, 156, 157  
 Enterprise data warehouse (EDW), 40  
 Enterprise Performance Management (EPM)  
 and alignment, 142–149. *See also* Alignment  
 barriers to adoption, 6  
 benefits of, 11, 12, 167  
 buckets of pain, 5, 6  
 and Business Intelligence. *See* Business Intelligence (BI)  
 Center of Excellence (Competency Center), 161  
 cloud services, 156  
 collaboration, 161, 162  
 and common business language, 11, 28, 29, 149, 150, 165  
 definitions of, 7, 8  
 described, 7–12, 141  
 getting started, 163, 164  
 and incentive plans, 162, 163  
 and nature’s rules for survival, 165, 166  
 organizational readiness, 160, 161  
 process. *See* Management operating system

return on investment (ROI), 154–156  
roadmap, 75, 108, 109, 156, 158–161  
side benefits, 164, 166  
survey of users, 151–153  
total cost of ownership (TCO), 154, 155  
Enterprise planning, 7  
Enterprise Project Management, 8  
Enterprise resource planning (ERP), 8, 10,  
29, 31, 45, 62, 76, 94, 109,  
155, 161  
EPM roadmap, 75, 108, 109, 156, 158–161  
Exalytics (Oracle), 75  
Execution stage of management operating  
system  
about, 27  
and interaction with parties outside of  
organization, 111–113  
marketing performance management,  
123–128  
order-to-cash performance management,  
116–118  
and organizational levels, 111, 112  
overview, 128  
sales operations performance, 114–116  
sales performance management, 113, 114,  
121–123  
supply chain performance management,  
119–123  
Executive reports, 44  
Extract, transform, load (ETL) software, 40,  
144

**F**  
Few, Stephen, 74  
Financial modeling, 11–12, 23, 24, 79–80, 91,  
93–94, 99, 119, 123–124, 137, 139,  
148, 158, 159, 165  
Financial objectives, 100  
Financial plans and planning, 26, 104  
Financial reports and reporting, 12, 19, 20, 31,  
32, 44, 52, 63, 120, 123, 158  
Financial statement models, 137, 138  
Financial/operational alignment, 147, 148  
*Five Key Principles of Corporate Performance  
Management* (Paladino), 8  
Flash reports, 44, 52  
Focus, 2, 5, 6, 11–13, 29, 42, 47, 107, 108, 113,  
119, 134–136, 149, 150, 161, 165  
Forecasts  
accuracy, 103, 106, 107  
adjusting, 97  
real-time updating, 108  
and resource optimization, 107, 108  
rolling, 9, 107, 145  
sales, 17, 26, 27, 59, 60, 104, 107, 126  
types of, 104

Functional value maps, 54, 131, 158, 159, 164,  
166

## G

GADDiE (Gather, Analyze, Debate, Decide,  
Execute), 28  
Gartner, Inc., 161  
Gather stage of management operating system.  
*See also* Reports and reporting  
about, 19, 20  
ad hoc (“soup du jour”) reports, 33, 34, 44  
allocations, 46, 47  
“canned” (standard) reports, 33, 34, 44  
classification of information and reports, 44  
dashboards, use of, 20, 31, 43, 52, 54, 126,  
127, 159  
data, turning into information, 31, 33–35,  
38, 51  
delivery of information, 40–44, 51, 53  
executive reporting, 44  
financial close process (closing the books),  
45  
financial information, consolidation of, 45,  
46  
financial reporting, 19, 20, 31, 32, 44  
initiatives by industry, 127  
management (internal) reporting, 44–46  
operational reports, 19, 20, 31, 32, 44  
overview, 54, 55  
point of view, 35–38, 57  
process, 31–33  
qualities of information, 38, 39  
quick wins, 54  
self-serve reporting (pull approach), 33, 34,  
53  
standardizing, 53  
statutory (external) reporting, 34, 44, 45  
sustainability reports, 44, 47–51  
tools for, 51–53  
Geishecker, Lee, 7  
General ledger (GL), 10, 31, 45, 62, 116, 155  
Generally accepted accounting principles  
(GAAP), 16, 38  
Global Reporting Initiative (GRI), 48–50  
Goals, 129, 137

## H

Hana (SAP), 75  
Hierarchies, 22, 37, 46, 62  
Hyperion Solutions, 8, 18

## I

Incentive compensation, 162, 163  
Income statement. *See* Profit and loss  
statement (P&L)  
Infographics, 74

In-memory analytic appliances, 75, 76, 93, 94  
 Integrated performance management (IPM), 7  
 Integrated sales and operational planning (S&OP), 105  
 Internal/external alignment, 149  
 International Financial Reporting Standards (IFRS), 16, 45, 46

**K**

Kaplan, Robert S., 147  
 Key performance drivers (KPDs), 135  
 Key performance indicators (KPIs), 8, 54, 86–90, 114, 135  
 Key value drivers (KVDs), 135  
 Kramer, Mark, 50

**L**

Lenovo Group, 121–123

**M**

Management efficiency, 11  
 Management operating system  
   about, 18  
   analysis, 22, 23. *See also* Understand stage of management operating system (analysis)  
   as closed-loop system, 18, 27, 28  
   commit stage. *See* Commit stage of management operating system (planning)  
   common business language, 11, 28, 29, 149, 150, 165  
   debate stage. *See* Debate stage of management operating system  
   EPM initiatives by process and by industry, 127  
   execution stage. *See* Execution stage of management operating system  
   extension of process to suppliers, customers, and other partners, 111–113  
   gather stage. *See* Gather stage of management operating system  
   overview, 29, 141, 142  
   reports, 20, 21. *See also* Reports and reporting  
   strategy, 24, 25. *See also* Strategy  
   understand stage. *See* Understand stage of management operating system (analysis)  
   use of at different organizational levels, 27, 28, 111, 112  
 Management (internal) reports, 44–46  
 Marketing performance management, 123–128  
 Marketing strategy, 130. *See also* Strategy  
 Martin, Roger, 3

Master data, 11, 53, 76, 94, 110, 126, 141, 144, 152, 158–162, 165

McAfee, Andrew, 71

Meta-data, 32, 52, 53, 109, 111, 149, 152, 157

**Metrics**

  in business modeling, 85  
   and business optics, 133, 134  
   functional information consumption, 41–43  
   and functional value maps, 131  
   metric decomposition, 61  
   operational sales, 114  
   profitability, 136, 137  
   and relevance of information, 20  
   sales operations performance, 114  
   strategy, 134–136

Mission, 129

Modeling tools, 94, 95

**Models and modeling**

  assumptions. *See* Assumptions for models  
   assumptions for, 11, 58, 140, 148  
   business modeling, 23, 24, 79–81. *See also* Debate stage of management operating system  
   constraints for, 11, 58, 140, 148  
   financial modeling, 11, 12, 23, 24, 79, 80, 91, 93, 94, 99, 119, 123, 124, 137, 139, 148, 158, 159, 165  
   financial statement models, 137, 138  
   metrics, 85  
   model-building process, 83–85  
   modeling tools, 91, 94, 95  
   operational modeling, 11, 23, 24, 79, 80, 91, 93–94, 99, 119, 123, 124, 137, 139, 148, 158, 159, 165  
   predictive models, 73, 107  
   scenario modeling. *See* Scenario modeling; What-if scenarios  
   tools, 94, 95

**Multi-dimensional cubes. *See***

  Multi-dimensional databases

Multi-dimensional databases, 62, 119. *See also* Online analytic processing (OLAP) technology

Multi-dimensional modeling, 91, 93, 106, 119

Multi-dimensionality of EPM, 17, 100

**N**

Net promoter score (NPS), 3, 73

Norton, David P., 147

**O**

OLAP. *See* Online analytic processing (OLAP) technology

*On the Up and Up* (Fox, Rodek, et al.), 8

Online analytic processing (OLAP)

  technology, 41, 53, 75, 93–95, 108

Operational modeling, 11, 23, 24, 79, 80, 91, 93–94, 99, 119, 123, 124, 137, 139, 148, 158, 159, 165  
 Operational objectives, 100  
 Operational plans and planning, 26, 104. *See also* Commit stage of management operating system (planning)  
 Operational reports, 19, 20, 31, 32, 44  
 Operational targets, 24. *See also* Strategic objectives  
 Oracle Corp., 18, 75  
 Order-to-cash performance management, 116–118  
 Organizational culture, 163  
 Organizational levels, 27, 28, 35–37, 111, 112  
 Organizational readiness, 160, 161  
 Organizational strategy. *See* Strategy

## P

Paladino, Bob, 8  
 Patterns. *See also* Predictive analytics  
     clustering, 67  
     comparison, 64  
     correlation, 66, 67  
     distribution, 64  
     from-to, 65, 66  
     geospatial, 68, 70  
     multivariate, 64  
     outliers and deviation, 66, 67  
     rankings, 65  
     and scenario modeling, 82  
     segmentation, 67, 68  
     time-series, 63  
     trends, 66  
     uncovering, methods for, 22  
     understand stage, 63–71  
     variance analysis, 69  
 Performance improvement, 12  
*The Performance Management Revolution* (Dresner), 161  
 Planning. *See* Commit stage of management operating system (planning)  
 Point of view (POV), 17, 34–38, 57, 58  
 Porter, Michael, 50, 130  
 Prediction markets, 93, 107  
 Predictive analytics, 23, 72–75, 85, 93, 126, 158  
 Predictive models, 73, 107  
 Proctor & Gamble, Business Sufficiency program, 72, 73  
 Profit and loss statement (P&L), 33, 38, 41, 44, 85, 89, 94, 124–127, 138, 158, 161  
 Profitability analytics, 22, 23, 75

## R

*Readings in Information Visualization: Using Vision to Think* (Shneiderman), 73

Reports and reporting  
     ad hoc, 33, 34, 44  
     business optics, 132, 133  
     “canned” (standard reports), 33, 34, 44  
     and dashboards, 88  
     executive, 44  
     financial, 19, 20, 31, 32, 44  
     flash reports, 44, 52  
     formats for, 20  
     management (internal), 44–46  
     operational, 19, 20, 31, 32, 44  
     as part of EPM, 8  
     rationalization for, 53, 54  
     relevance of information, 20, 21  
     self-serve reporting (pull approach), 33, 34, 53  
     statutory (external), 34, 44, 45  
     sustainability, 44, 47–51  
 Resilience, 88, 89, 135  
 Return on investment (ROI), 154–156  
 Revenue growth, 3, 24, 25, 83, 84, 88, 95, 100, 113, 126, 136, 138, 143–147, 161, 165  
 Risk reduction, 12  
 Risk tolerance, 82, 93, 160  
 Risk-weighting, 38, 85, 93, 107, 133  
 Rolling forecasts, 9, 107, 145. *See also* Forecasts  
 Roll-up structure, 38, 46, 47, 62, 106. *See also* Hierarchies  
 Root-cause analysis, 3, 22, 32, 60–62, 88, 103, 131, 133, 137. *See also* Patterns  
 Running versus managing the business, 10, 11

## S

Sales and operational planning (S&OP), 105  
 Sales force automation (SFA), 10, 11, 115  
 Sales operations performance, 114–116  
 Sales performance management, 113, 114, 121–123  
 Sales strategy, 130. *See also* Strategy  
 SAP, 75  
 Scenario modeling, 23, 24, 79, 81–85, 89, 91, 94, 95, 119, 137, 138, 145, 155, 158, 165, 166. *See also* What-if scenarios  
 Scorecards  
     Balanced Scorecards, 7, 8, 130, 134, 145  
     business optics, 132–134  
     as EPM tool, 8, 94, 126, 127, 146, 158, 163  
     use of in gather stage, 20, 31, 52, 54  
 Seasonality, 21, 38, 47, 81, 82, 85, 91, 95, 101, 105, 144  
 Segmentation, 22, 67, 68, 118  
 Sensitivity analysis, 74, 91, 93  
 Shanks Group Plc, 51, 69

- Shared value, 50, 51
  - Shneiderman, Ben, 73
  - Slice and dice, 5, 22, 57, 75, 133
  - Sparklines, 74
  - Spreadsheets, 20, 44, 52, 53, 98, 108, 141
  - Statistical analysis, 21, 72, 75, 76
  - Statistical models, 94
  - Statutory (external) reports, 34, 44, 45
  - Strategic Intuition* (Duggan), 137
  - Strategic objectives, 24, 95, 96, 130–132, 136–139
  - Strategic planning, 80, 81, 104, 105, 109, 129, 147
  - Strategy
    - and business optics, 132–134
    - components of, 129, 130
    - corporate, 130
    - executing, 11
    - flexibility, 137, 138
    - and functional value maps, 130–132
    - marketing, 130
    - and metrics, 134–136
    - organizational, 1, 129, 130
    - overview, 139, 140
    - profitability, 136, 137
    - relation to management cycle, 138, 139
    - sales, 130
    - strategic objectives, 24, 95, 96, 130–132, 136–139
    - strategic planning, 80, 81, 104, 105, 109, 129, 147
    - strategy-execution gap, 1–5
    - sustainable execution, 1, 8, 129, 140
  - Strategy Maps, 130
  - Strategy/operations/tactical alignment, 146, 147
  - Suppliers, participation in EPM, 112
  - Supply chain management (SCM), 10, 11, 62, 111
  - Supply chain performance management, 119–123
  - Sustainability reports, 44, 47–51
- T**
- Terracotta, 75
  - Total cost of ownership (TCO), 154, 155
  - Transactional databases and systems, 10, 11, 15, 31, 32, 40–43, 54, 62, 71, 108, 116, 117, 121, 144, 146, 149, 156
  - Trending and correlation, 21, 38, 57, 66, 68, 76, 139
  - Tucker, Simon, 18
  - Tufte, Edward, 74
- U**
- Understand stage of management operating system (analysis)
    - about, 10, 19, 21–23
    - “Big Data” (unstructured data), 71–73
    - business questions, 58–62
    - data visualization, 73, 74
    - enabling technologies, 75
    - EPM roadmap, 75
    - initiatives by industry, 127
    - overview, 73
    - patterns, 63–71
    - predictive analytics, 23, 72–74. *See also* Predictive analytics
    - process, 57
    - quick wins, 75–77
    - and strategy, 138, 139. *See also* Strategy
  - United Nations Global Compact, 49
  - Unstructured data, 71–73, 81
- V**
- Value drivers, 80, 89, 90, 131, 132, 135, 164
  - Values, 129
  - Vision, 129
  - VoltDB, 75
- W**
- What the Customer Wants You to Know* (Charan), 113
  - What-if scenarios, 23, 24, 40, 57, 79, 80, 85–89, 96. *See also* Scenario modeling
  - Wight, Oliver, 105