Intelligent Actionboards: Stop staring at dashboards and start getting things done

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Dashboards are deluging managers with too much data and offering too few actionable insights, resulting in information paralysis. It's a problem many organizations have encountered. After all the work that goes into defining proper performance metrics and starting to track and report those data points, it might seem self-evident that managers would know what to do with the information. Alas, that has not proved to be true.

To help managers stop staring at dashboards and start getting things done, we teamed up with McKinsey's Operations Technology Lab and Systems Solutions Center to create "Intelligent Actionboards." Unlike dashboards, which report only metrics, Actionboards recommend specific actions to address those metrics. This next-generation tool enables companies to boost performance across a wide variety of functions, from operations to sales.

Too little action, too late

Performance management is critical to improving results; done well, it can even provide a competitive advantage. Companies that have used performance management to reduce operational variability, for example, have seen productivity gains on the order of 20 to 30 percent. In an effort to unlock this potential, companies spend an estimated $3.6 billion annually on dashboards and other performance-management tools.

In theory, dashboards enable a virtuous cycle of continuous improvement: work takes place, dashboard metrics are refreshed, and managers use this information to improve team performance. In practice, the link between metrics and improved performance is typically broken because managers lack the time or skill to analyze their metrics. As a result, they do not take enough action, or they act too late to prevent performance problems from having a significant effect on outcomes. Similarly, many managers miss the opportunity to praise strong performers in the middle of a busy day.

A Latin American telecommunications company encountered this problem. It lacked effective performance-management tools and processes for its field force; an experiment with traditional dashboards ended with frontline managers struggling to interpret the data and being unsure about which actions to take. The company then tried a new approach. Managers didn't review the dashboards; a team of experts did it for them each morning and prepared detailed action plans that helped reduce field technicians' travel time between assignments and minimized the number of unauthorized stops. The action plans had immediate impact, resulting in net productivity gains of 18 percent and eventually reducing installation wait times by several days.

Restoring the link between metrics and improved performance

Intelligent Actionboards automate the process of extracting the kinds of actionable insights from metrics that the experts developed for the Latin American company. As work takes place, the Actionboards system uses a rules-based logic to generate alerts that tell managers which actions to take to improve each employee's performance.

This makes it easy for managers to take the right actions in near real time (Exhibit 1). To avoid overwhelming managers with alerts, Actionboards are designed to prioritize only 5 to 10 high-impact actions each day for driving team performance.

Exhibit 1: Intelligent Actionboards are a significant advance over dashboards.

1 Service-level agreement.

Exhibit 2 shows an Intelligent Actionboard for a supervisor of sales at a telecommunications company that offers cable-TV service. The lower-left panel compares conversion rates for sales representatives by customer segment—a standard performance dashboard. What makes an Actionboard innovative and uniquely effective is the "action required" panel on the right. When events occur that require action, this panel displays an alert that informs the manager of the event and recommends a specific action.

Exhibit 2: The tool is uniquely effective in highlighting required actions.
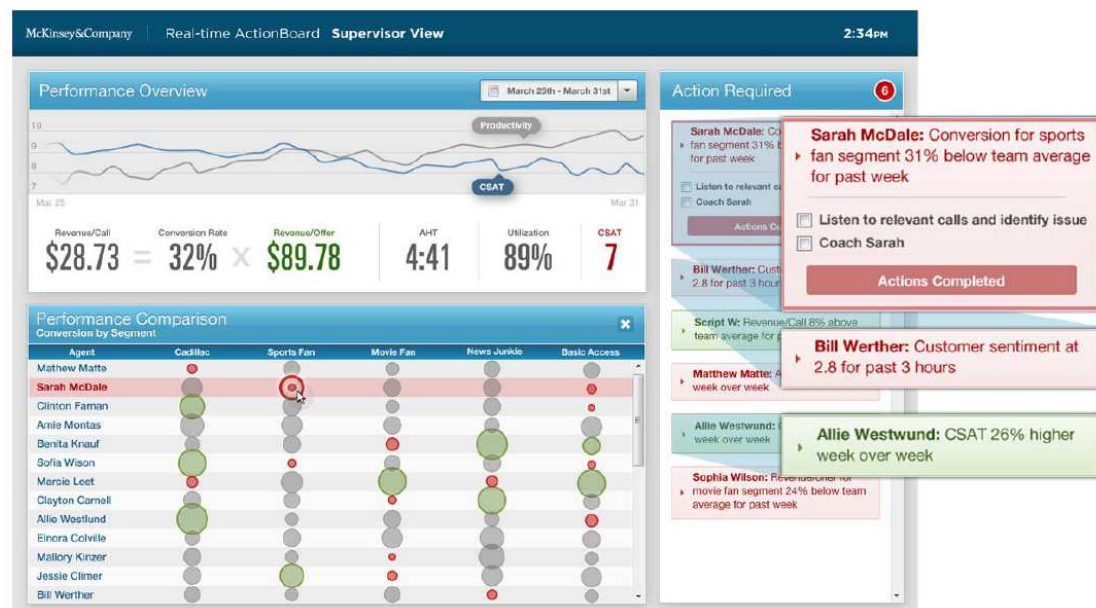
In this example, the first alert shows that Sarah McDale, a hypothetical sales rep, has a conversion rate for the "sports fan" segment that is 31 percent below the team average for the past week. The Actionboard recommends that the supervisor listen to Sarah's calls with these customers to identify the causes of the low conversion rate and then provide coaching to improve Sarah's performance. The alert panel also indicates that Bill Werther's customersentiment score has dropped significantly below the team average for the past three hours, as measured by the sentiment analysis the company performs on recorded calls. By clicking on the alert, the supervisor would see a recommendation to coach Bill before he picks up any more calls. In another example, the panel alerted the manager that rep Allie Westwund has customer-satisfaction ratings that have risen 26 percent since the previous week; the manager should visit Allie and congratulate her on the improvement.

Broad applicability, unique capabilities

Actionboards have applications beyond the field force or sales force; they can be used in the back office, customer service, hospital operations, logistics, manufacturing, sales support, and many other areas. They are ideal for large workforces in which human performance affects outcomes and a standard set of actions can help drive better performance. Based on our analysis, some 20 to 30 percent of jobs in the United States can be managed more effectively through Actionboards. These tools can be tailored to a specific company's workforce in only a few weeks and continually refined thereafter; they work on a wide range of Web, mobile, and tablet devices.

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Actionboards have great potential to help companies become more action oriented and responsive to their data. Indeed, these boards may become critical tools for enabling companies to capture value from two of the leading technology trends: the "Internet of things" and big data. As companies increasingly collect and mine data to gain insights into their operations, Actionboards provide an innovative way to mobilize the front line to take timely action on these insights—potentially transforming many industries■