dashboard driven executives

column

paul allen

Paul Allen has founded several companies including Infobases, MyFamily.com, and 10x Marketing. He has taught entrepreneurship at UVSC and he blogs at www.infobaseventures.com/blog.

It doesn't take a rocket scientist to start or run a great company. But business executives can learn a thing or two from the scientists at NASA.

Safely sending a rocket into space requires dozens of people at Mission Control taking shifts to monitor key metrics in real time including weather conditions, fuel levels, thrust, acceleration, speed, rotation, temperature, cabin pressure and hundreds more.

In my lifetime, a dozen men have walked on the moon. And last year, two rovers landed on Mars — 64 million miles from Earth.

The achievements of the space program are mind-boggling. They have required space-age engineering skills as well as flight control teams who can respond in real time to data coming from computers and instruments of all kinds.

The same skills — the ability to engineer an enterprise-level information system and the ability to respond in real time to data coming from a variety of sources — have turned some modern corporations into super-efficient multi-billion dollar enterprises.

In the space program, the ability to make instant course corrections is a matter of life and death. In the ultra-competitive global economy, a company's ability to design and operate a mission control center rich with actionable data can mean the difference between success and failure.

Some business executives have figured out how they can effectively run their companies by building a "dashboard" — their own mission control center — that continually reports on key metrics throughout the company.

Dell Computer, Federal Express, Amazon.com, and Wal-Mart are among the most valuable data-driven companies in the modern era. These companies have superior company-wide information systems that enable managers at all levels to act quickly. I'm aware of some

excellent examples in Utah as well. The chief executives of Overstock.com, Backcountry.com, Hobbytron, and MyFamily.com all use sophisticated reporting systems to make good decisions quickly. Two Utah companies, Omniture and CORDA, provide some of the technology used in executive dashboards at hundreds of the world's best companies.

I experienced the power of executive dashboards at MyFamily.com. Since our company was designed from the ground up as an Internet company, we had an abundance of statistics at our fingertips.

Using custom-built reporting tools, we could track key metrics every day: visitors to our Web site, new subscribers, cancellations, call center sales, and more. With data at our fingertips we could continually make good decisions to increase our sales and marketing success.

Digital Nervous Systems

In the introduction to his excellent book "Business @ the Speed of Thought," Bill Gates claims that to succeed in the digital economy, every company needs to have a "digital nervous system" that enables managers and knowledge workers to have instant access to information about what is going on in the business.

Today, a digital nervous system should include an executive dashboard that instantly summarizes all the key metrics in your business so that you can know at any time whether you are on track to achieve your company's goals.

Internet-based companies are especially easy to turn into dashboard-driven businesses, with rich reports available from Web analytics programs, IP-based phone systems, company databases and accounting systems. But this approach is certainly not limited to the online industry.

I read an article recently about David Neeleman who founded JetBlue, the five-year-old airline that is profitable

and worth nearly $2.5 billion. As other airlines go bankrupt, JetBlue is thriving, adding more jets and routes on a regular basis.

Neeleman is really into technology and into tracking everything. He apparently has 22 key metrics that he can monitor in real time.

For example, if any customer in any of the more than 30 cities served by JetBlue doesn't get their luggage within 20 minutes of landing, Neeleman knows about it. He can contact the airport manager to find out what the problem is. As a result, JetBlue customers are extremely satisfied and loyal. The recent book "Flying High" tells the story of David Neeleman and how he has reinvented the airline industry with his innovative approach.

Play This Game

Too many small companies not only don't have an executive dashboard, but they have no idea that they should want to develop one over time. Here are two books to consider: "The Game of Work" by Chuck Coonradt, and "The Art of the Start" by Guy Kawasaki. Coonradt says that every employee in a company should have a personal scorecard to keep track of how productive they are.

Kawasaki says the best way to develop a company forecast is to use a "bottom up" approach — predict the productivity of each team member and then roll it up into an overall forecast.

By combining these concepts, any small business can begin to develop a company plan and dashboard that will enable managers and employees alike to constantly measure their progress toward company goals. You may even start by keeping key statistics on a white board or in a spreadsheet that is updated each day.

But regardless of how you start, work towards the day when you know which key metrics matter most to your success and when you have access to this data at all times.

Grow or die.
(Let's focus on growth.)

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