Aberdeen Group

Market Alert

Insight and Advice About Market Events

Manufacturing May 24, 2006

Transpara Opens Window to Real-Time KPIs

Market Event

Early findings from Aberdeen's current benchmark study, *Manufacturing Performance Management*, show that the adoption of emerging technologies to enhance manufacturing processes and knowledge is disappointing, particularly considering the current availability of tools that open windows to visibility of data in real-time. We spoke recently with Transpara, a newcomer to the arena, which has recently released a new product, *Visual KPI* ,that addresses the issue of wireless notification for mobile decision makers by providing on-demand, visual key performance indicators (KPIs) to any Windows mobile device. This Market Alert addresses the potential opportunities for improving visibility to data with solutions like *Visual KPI.*

Aberdeen Analysis

Transpara Visual KPI

How do today's executives keep their fingers on the pulse of their businesses in order to make intelligent decisions that will drive them successfully into the future? To them, knowledge is power, and knowledge requires information. There is no shortage of data available today. On the contrary, information systems collect so much data that it can be confusing and ineffectual. Every executive has his or her own "hot buttons" – those (KPIs) that allow quick assessment of the health of a process, department, or enterprise. The challenge is to provide these KPIs in a prompt and concise manner in order to take appropriate and timely action.

Arming organizations with better information, Transpara's solution seeks to enhance corporate transparency and to facilitate collaboration in a distributed world—asserting that better transparency means better business. With *Visual KPI*, Transpara enables not only real-time access to KPIs, scoreboards and dashboards, but provides an historical view of past performance and events that may have impacted performance of that KPI. In addition, it offers historical trend data, as well as measurable triggers and alerts to decision makers.

Early findings from Aberdeen's current benchmark study, *Manufacturing Performance Management*, reveal that many manufacturing companies are still relying on manual processes for performance measurement and data collection and need more enhanced methods of measuring business impact (Figure 1). This finding should be viewed as a red flag, since solutions like Transpara's can provide visibility into data and make it available to both mobile and deskbound business decision makers.

According to these early findings, KPIs are not monitored frequently enough, and few advanced technologies are being employed. Although at first disappointing, these results show that there is tremendous opportunity for manufacturers to improve. *Visual KPI* is an example of tools available today that address this opportunity.

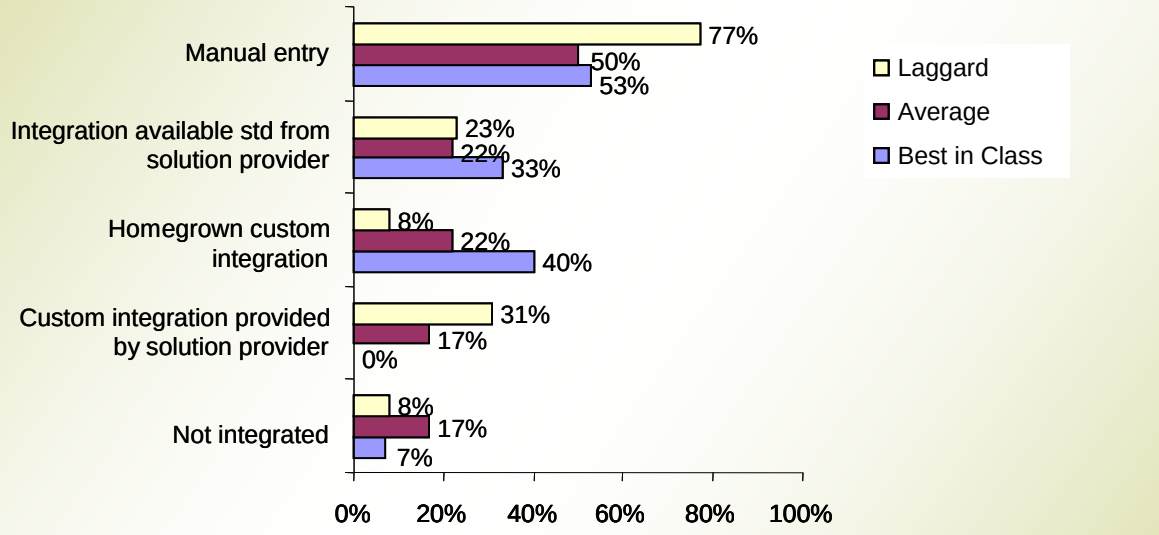
Announcement

Help us benchmark Manufacturing Performance Management by taking our 15 minute survey at www.aberdeen.com/survey/mfgperform

The *Visual KPI* application allows simple configuration of scorecards and KPIs in Microsoft Excel, which can then be published for instant consumption on any device, using a LAN, WAN, Intranet, Extranet or the Internet. In today's demanding environments where Blackberries can become "Crackberries" as busy executives develop an addiction for instant communication, delivering on-demand scorecards and KPIs to business decision makers, and providing drilldown into the history of that KPI satisfies the need and fuels the addiction. The scorecards are organized by assets and roles and are pulled from a live production system. While designed to provide on-demand information to mobile decision-makers, desk-bound users are reporting that they too are deriving great value from the technology, getting easier access to data, the ability to drill into a KPI, look at trends, and juxtapose limits against that KPI to trigger alerts.

Our research shows data collection from the shop floor remains a major challenge for many. The majority of our respondents report that data is still collected through manual processes (Figure 1).

Figure 1: How is data collected from the plant or shop floor?



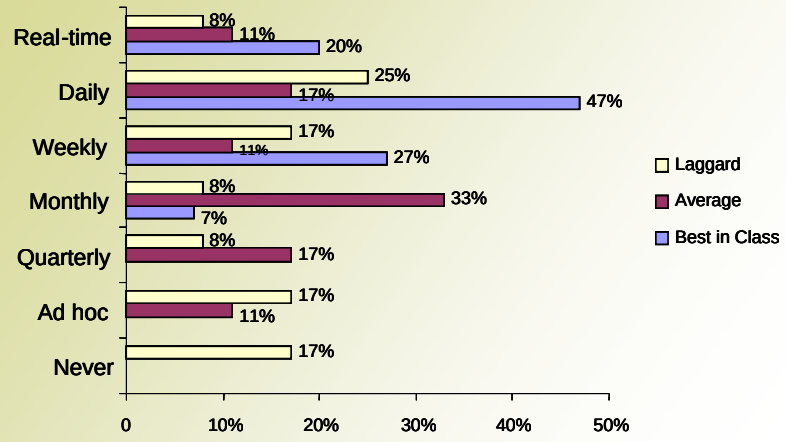
Source: AberdeenGroup, May 2006

In addition, our data shows that while 46% of laggard companies and 39% of average companies want the capability of daily feedback from their operations, only 17%-25% of companies who are not best-in-class actually monitor KPIs on a daily basis for activities such as schedule compliance.

© 2006 AberdeenGroup, Inc.
260 Franklin Street
Boston, Massachusetts 02110-3112

Telephone: 617 723 7890
Fax: 617 723 7897
www.aberdeen.com

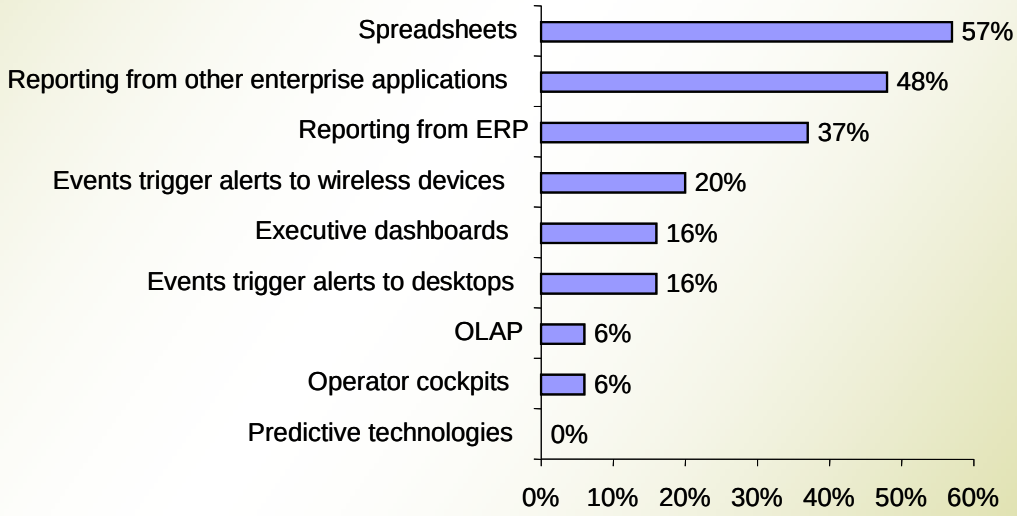
Figure 2: Actual Frequency of KPI Monitoring: Schedule Compliance



Source: AberdeenGroup, May 2006

Our research also shows a significant disparity between required technology and actual use. Thirty-nine percent of respondents told us that triggers and alerts were most important, however, only 11% are actually employing technology with this capability. Eighty-seven percent of manufacturers report they are still using spreadsheets (Figure 3). This data indicates there is a great opportunity for companies to improve both visibility and performance.

Figure 3: Tools Currently Used to Monitor KPIs



Source: AberdeenGroup, May 2006

Aberdeen Conclusions

The demand for timely visibility to operational data is real and technology exists today which addresses this need. Given the significant under-utilization of real-time performance monitoring that this study reveals, manufacturers should examine emerging solutions such as *Visual KPIs* to gain a better understanding of their application and the potential business benefits that can be derived from providing business decision makers with data needed to measure performance against strategic and operational goals.

© 2006 AberdeenGroup, Inc.
260 Franklin Street
Boston, Massachusetts 02110-3112

Telephone: 617 723 7890
Fax: 617 723 7897
www.aberdeen.com

Related Research

The Asset Management Benchmark Report: Moving Toward Zero Downtime, April 2006

The Lean Benchmark Report: Closing the Reality Gap, March 2006

Small to Mid-Size Manufacturers Gaining Advantage with Lean, April 2006

Author: Lesley Keene, Research Analyst, Manufacturing (lesley.keene@aberdeen.com) Cindy Jutras, Vice President & Service Director, Manufacturing Research (cindy.jutras@aberdeen.com)

Founded in 1988, **Aberdeen*Group*** is the technology- driven research destination of choice for the global business executive. **Aberdeen*Group*** has over 100,000 research members in over 36 countries around the world that both participate in and direct the most comprehensive technology-driven value chain research in the market. Through its continued fact-based research, benchmarking, and actionable analysis, **Aberdeen*Group*** offers global business and technology executives a unique mix of actionable research, KPIs, tools, and services.

This document is the result of research performed by **Aberdeen*Group***. **Aberdeen*Group*** believes its findings are objective and represent the best analysis available at the time of publication. Unless otherwise noted, the entire contents of this publication are copyrighted by **Aberdeen*Group***, Inc. and may not be reproduced, stored in a retrieval system, or transmitted in any form or by any means without prior written consent by **Aberdeen*Group***, Inc.