

September, 2010

Achieving Enterprise Objectives: A Look at Host Analytics' Customer Performance

In light of the economic recovery, organizations continue to strive to minimize operating costs while ensuring operational alignment with business objectives. Additionally, companies must now do more with less -- launching more corporate initiatives to address competitive pressures, while leveraging a limited staff. Amidst this struggle, the process of setting the right goals, measuring progress against these goals, and improving future performance towards these goals, can become lost on the executive's agenda. What the executive should realize is that the lack of performance-driven decisions could send an organization into a downward spiral in terms of planning, execution, and outcome. In the latest September 2010 Aberdeen study, *Achieving Corporate Objectives: Benchmarking and Improving Your Business Performance*, 159 organizations voiced their implementation strategies for enterprise performance management and shared their performance results, 34 of which were users of Host Analytics performance management software. Aberdeen then compared the level of objective achievements between Host Analytics' customers to those of the Best-in-Class companies. The comparison revealed Host Analytics' users enjoy a high-level of business performance in terms of profitability growth, budget accuracy, and on-time achievement of enterprise objectives.

Understanding Enterprise Performance Management

The value that enterprise performance management (EPM, or also known as corporate performance management, CPM, or business performance management, BPM) is intended to deliver is to provide executives with clear visibility to financial and operational performance information so they can quickly identify variables that attribute to failed objectives or performance deficiencies, as well as factors that enable success. Figure 1 depicts the top pressures that prompt organizations to explore business performance management initiatives.

Analyst Insight

Aberdeen's Insights provide the analyst perspective of the research as drawn from an aggregated view of the research surveys, interviews, and data analysis

Best-in-Class Criteria

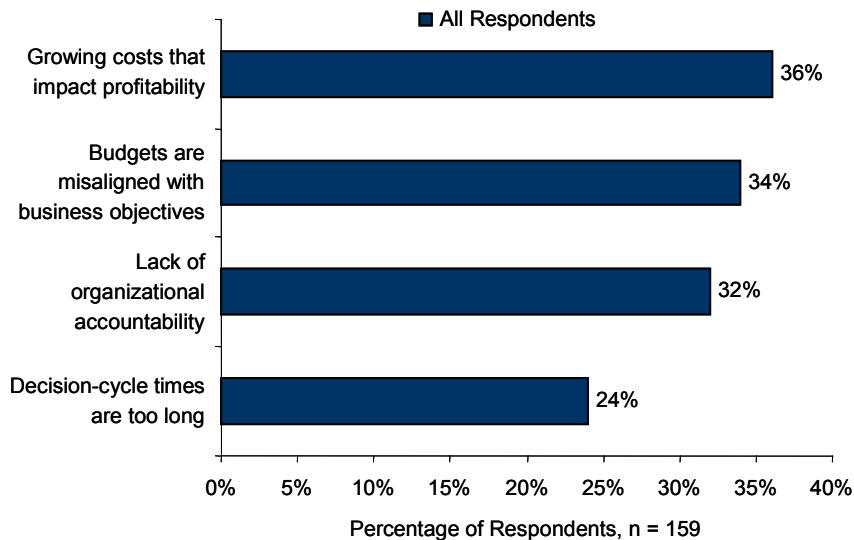
- √ The following were used to determine Best-in-Class, with top performers achieving impressive results:
- √ On-time enterprise objective completion
- √ On-budget enterprise objective completion
- √ Year-over-year increase in profitability
- √ Year-over-year increase in budget accuracy

Best-in-Class: top 20% of aggregate performance scorers

Industry Average: middle 50% of aggregate performance scorers

Laggard; bottom 30% of

Figure 1: Top Pressures that Drive the Adoption of EPM



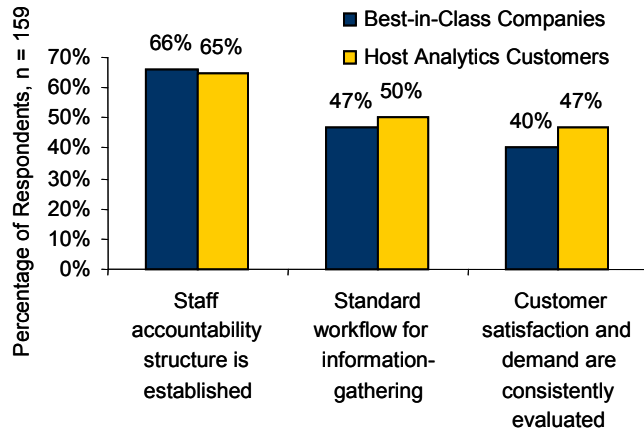
Source: Aberdeen Group, September 2010

Survey respondents were asked to identify the top two pressures driving the need for performance management, and to voice their concern on other related pressures. Tumultuous economic times have served as a catalyst for organizations to seek versatile performance management solutions to alleviate such pressures. Prior to the availability of enterprise-level performance management solutions, departmental data / information were often siloed, with visibility reduced to only the department heads and their constituents. Consequently, during executive meetings, department-level reports would be generated and compiled, leaving senior management struggling to understand the business performance impact between the departments, and on the company as a whole. By providing an infrastructure that allows executives to concurrently access financial, operational, and strategic data / information, companies are effectively positioning themselves for performance improvements.

Host Analytics Performance Management Solutions

Host Analytics, for the past ten years, has been delivering corporate performance management solutions via SaaS (Software as a Service). The company specializes in financial suites with due emphasis on budgeting, forecasting, and financial consolidation. Figure 2 compares how users of Host Analytics' Performance Management Suite have improved their process and organizational capabilities compared to some of the Best-in-Class companies.

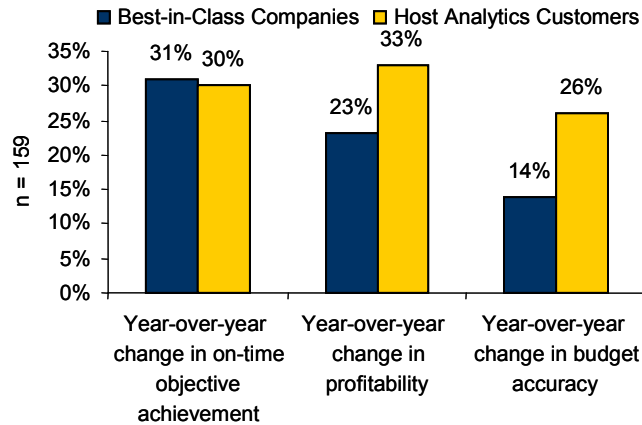
Figure 2: Capabilities Comparison between the Best-in-Class and Host Analytics Customers



Source: Aberdeen Group, September 2010

Improvements through the deployment of Host Analytics' performance management solutions translate to competitive results when compared with those of the Best-in-Class. By enforcing staff accountability, users of Host Analytics' Performance Management Suite are able to promote performance transparency through the organizational hierarchy. Additionally, standardization of information workflow enables users of Host Analytics' to streamline processes which, in turn, helps in reducing decision-cycle time and promoting on-time achievement of business objectives. By reducing time needed on corporate initiatives, a company effectively reduces operational cost. Finally, customer feedback platforms allow organizations to have direct access to vital end-user information which can be leveraged to establish near-term goals and long-term strategies. By better understanding the customer satisfaction criteria, companies can position themselves to better address customer demand which, over time, can translate to greater profits for the organization. Figure 3 compares how these critical capabilities contribute to the performance success of the top companies, including customers of Host Analytics.

Figure 3: Performance Comparison between the Best-in-Class and Host Analytics Customers



Source: Aberdeen Group, September 2010

Despite effective decision workflow and staff accountability contributing to the success of Host Analytics' customers in terms of on-time objective achievements, where they truly excel is in the change in profitability and budget accuracy. In Figure 2, the most noticeable difference in capabilities between the Best-in-Class and Host Analytics users is in identifying customer needs -- through consistent information gathering and evaluation. By enabling better prediction on customer demand, and corresponding capital requirements, Host Analytics customers have positioned themselves well for profit growth and budget accuracy.

Vendor Snapshot

Host Analytics was founded in 2000 and since then has been involved in the development of corporate performance management solutions using Software as a Service on-demand delivery. With customers around the globe and in over 10 industries, Host Analytics offers a multitude of corporate performance management suites such as Performance Management, Budgeting & Planning, Revenue Planning, Financial Consolidation, Scorecarding & Dashboarding, and Reporting & Analysis.

Host Analytics' Performance Management Suite is a fact-based Decision Platform backed by financial analysis. It enables companies to perform budgeting and financial planning to evaluate business performance. This Decision Platform is based on the foundation of five components - Smart Templates, Modeling, Strategy Management, Benchmarks, and External Controls to enable executives to assess the outcome of their decisions.

Key Takeaways

There are numerous business performance management solutions available in the market today. To gain most value from these tools, executives must ensure that:

- Short-term and long-term business objectives are clearly defined across the organization
 - Ensure that there is a method to measure their progress and outcome by establishing relevant metrics
 - Ensure that these objectives are translated to actionable terms from the executive level, to the departments, and down to the constituents
- Organizations have sufficient resources to deploy and integrate these solutions
 - Evaluate monetary and human capital requirements
 - Assess how these solutions align with current business processes
 - Understand the information technology (IT) integration and interoperability requirements
 - Identify and capitalize on existing / legacy performance information and data
 - Obtain executive support
- Organizations have a sound accountability structure to support performance management initiatives
 - Encourage 360 performance evaluations on corporate initiatives -- have the staff validate the executive's business strategies, and vice versa

For more information on this or other research topics, please visit www.aberdeen.com

Related Research

[Achieving Corporate Objectives: Benchmarking and Improving Your Business Performance](#); September 2010

[SMBs Improve Financial Planning, Budgeting and Forecasting with Technology](#); December 2009

[Financial Planning, Budgeting and Forecasting: Managing in Uncertain Times](#); January 2009

Author: William Jan, Senior Research Analyst, Financial Management & GRC (William.Jan@Aberdeen.com); Ankita Tyagi, Research Associate, Financial Management & GRC (Ankita.Tyagi@Aberdeen.com)

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