



Overcoming Management Attention Deficit Disorder (MADD)

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ES data can be a real boon to management decision-making. The trick is paying attention.

Most executives believe that having consistent, accurate, and detailed transaction data will help them do a better job of managing their business. As enterprise solutions (ES) proliferate, however, the problem for most managers is not implementing technology to create enterprise data, but the ability of individuals to pay attention to it. A new ailment is reaching epidemic magnitude—Management Attention Deficit Disorder (MADD)—and it is driving managers (and many of the people who work for them) MADD.¹

Technology can help address the attention problem, but it is only part of the solution. One of the major challenges identified by our study is getting managers to obtain, analyze, correctly interpret, and apply their ES data to management decision making. The executives in our study say that this is a separate issue, one which goes beyond data access or performance management. Even a company that provides the right information, in the right format, and readily accessible, may find that managers still don't take advantage of their ES data. This research note suggests some technology and human performance actions a company can take to do a better job of managing attention.

When previously data-starved managers are inundated with data and reports, a sharp focus on the right information to drive business results can help stave off information overload. But executives often incorrectly assume that all the right information needed to manage their business is in their ES. At Briggs & Stratton, executives originally assumed that their new ES would address all their reporting needs. But once they completed their ERP installation, they realized that they had lost some of their

reporting capabilities. Executives became disillusioned when they found that their operational data was both overwhelming and yet insufficient for making many business decisions. Management concluded that ES-based operational data was poorly suited to its information delivery needs. By bolting its ES onto an SAS-based information delivery system, Briggs & Stratton was able to solve its reporting problems and manage its attention crisis.

Since few people are good at processing vast quantities of information effectively, we're bound to allocate our attention ineffectively. How can executives apply the principles of attention management to improve human performance? The literature on the psychology of attention can give us some clues. Here are five steps to overcome MADD:

DEMAND SOME AVERSIVE ATTENTION. The attention research suggests that fear of negative consequences is an important factor in directing attention. Serious top management attention gets the attention of subordinates. At the former Earthgrains Company, a \$2.6 billion bakery products unit of Sara Lee, the CEO demanded that all management recommendations be supported by data from the underlying ES. His personal attention to ES data forced others to pay attention too. So why aren't more CEOs and boards holding corporate and IT management responsible for using ES information to drive business benefits? (As one mystified CIO noted, "I knew that at the outset of our project that I would have to give a 20-minute presentation to the Board that described how the company was capturing the benefits from our investment in ES. So I was focused on benefits from the outset. Why aren't other CIOs held accountable in the same way?") Maybe it is time they begin demanding to know how their investment in ES is resulting in better management decisions and more value for the business.

USE ATTENTION-GETTING DEVICES. Any routine communication, such as standardized reports, tends to be tuned out over time. Even when people get to request or define the reports they want, the inevitable result after a while is that no one reads them. It is human nature to focus more upon exceptions, but unfortunately, a monthly exception report also becomes routine and usually goes unread. Exception alerts offer greater promise, especially if they are sufficiently personalized and distinctive, and don't occur so often as to become routine.



One thing is clear from prior attempts at executive information systems: the concept of "drill down" doesn't work. Most managers lack the patience (or maybe the cognitive learning style) for drilling down to find the data they need. In many cases, complex multi-dimensional models simply exacerbated the attention problem.

LEVERAGE MANAGEMENT ATTENTION. Once an organization has consistent, accurate, and timely ES data widely available, they no longer need a horde of "data hunters & gatherers." Portals, data warehouses, and analytic tools empower managers to collect, analyze, and apply data themselves. However, unless attention management design principles are applied, these applications often go unused. Why?

Managers view *interpreting* information as an important part of their jobs. However, they view data *collection* as an annoyance and an interruption to their work. The result is that managers are generally unwilling to expend much energy to find the data they need. With so many demands on their attention, managers will either delegate or ignore any tool that is too time consuming or complex.

Psychologists tell us that employees pay better attention and will understand how to apply information better when it is presented in context. Context rich information enables managers to understand the implications of information and to act upon it. Portals are a good way to allow managers to locate needed information quickly. But portals need to do more than merely provide self-service access to prepackaged reports; they must also help place the information in context. By placing data in the context of the individual's role, managers can readily understand how data relates to their tasks, and can more easily integrate data into decision making.² Linking data to managerial processes or business functions and integrating data from disparate systems can also help. For example, a sales manager's portal would link multiple internal and external data sources to tools which facilitate common tasks, such as preparing a sales forecast.

For more complex information needs, executives rely upon a select cadre of skilled analysts who can interpret ES data and develop sophisticated analyses to support critical business decisions.³ The companies in our study who realized the most value from their ES placed a significant focus on building their human analytic capabilities. In their relentless drive to deliver more value with fewer resources, executives must weed out the "data pushers" while nurturing those individuals with scarce analytic skills.

CONSERVE ATTENTION. By automating routine analyses, we can conserve management attention. Equilon Enterprises LLC (a joint alliance among Shell, Texaco, and Saudi Aramco) created an enterprise information portal that delivers a strategic view of enterprise data through a simple Web browser interface. The tool automatically generates a Balanced Scorecard, drawing information from each company's systems, as well as external information. ES vendors such as SAP, PeopleSoft, and Siebel are rushing to develop automated balanced scorecard and other business-analytic applications.

Yet automating routine analyses is just the beginning. Intelligent software agents and Web services ultimately offer the potential of automating routine decisions, thereby freeing the manager for more value-added work. For example, once a manager has requested supplies, a purchasing "bot" could view the available inventory at a preferred supplier and place the order. Software agents could automatically re-route the purchase order to an alternate supplier when needed, all without human intervention. A rental car company's system could assess the available supply at each location, competitor prices, existing reservations, and weather forecasts to automatically adjust rates. While the technology for these applications exists already, their adoption will be delayed as long as managers remain uncomfortable with delegating decisions to a machine.

OBSERVE MASLOW'S HIERARCHY. Just as Maslow's hierarchy of needs illustrates how people's attention focuses upon their immediate survival before social needs, there is an ES hierarchy of needs as well. Managers' priorities typically shift over time as they become more confident in their ES.

- *Quality Data.* Managers must have consistent, high-quality, timely, and accurate transaction data before anything else. Often, this need is the one which produced the initial demand for ERP.
- *Improved Access.* Once an ES satisfies management's yearning for data, management attention turns to getting better access to the data. Portals are increasingly being employed to allow managers to quickly access data.
- *Analytics.* Access generates demand for the ability to manipulate and analyze data in order to transform it into management information. Once managers can use information to transform the business, the value of their ES becomes more apparent. This recognition fuels business demands for more data, more analytical capabilities, and improved processes.



- **Broader Integration.** As managers gain confidence in the system, they seek new opportunities to expand and integrate data across the enterprise as well as to their key customers and suppliers. They also seek new ways to integrate new information into their daily work processes.

Bypassing a step in the hierarchy can be risky. One CIO compared building sophisticated analytics using poor transactional data to joining a health club while undergoing cardiac arrest. But now that companies are finally gaining control over their transactional data, it is time for serious efforts on the information and analytics.

Conclusions

Companies that manage attention well can reap substantial benefits. At Earthgrains, for example, the CEO demanded that his executives pay close attention to the company's new ES with great success. By using SAP data to analyze product profitability, one division eliminated 20 percent of their product line, which resulted in a 70 percent jump in the division's earnings during the first year that profitability data was available.

But overcoming Management Attention Deficit Disorder isn't easy, and there's no corporate Ritalin to prescribe to solve the problem. To realize the potential of their ES to improve decision-making, executives must ask themselves: How can we use ES data to manage and steer the business more effectively? How can we apply the five steps to overcome MADD and focus managers on transforming ES data into results?

The good news is that promising new technologies are making it easier than ever to give managers access to more (and better integrated) information. Tools to help prioritize attention, collaborate, and analyze management information will also help.

While having the right technology is important, it isn't the whole solution. As Earthgrains' experience demonstrates, MADD requires serious top management attention. By following these five steps, wise managers can overcome MADD, improve management decision making, and create greater business value.

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Notes:

1. For more on attention management, see Thomas H. Davenport and John C. Beck, *The Attention Economy* (Boston: Harvard Business School Press, 2001).
2. For more information on how adding context adds value to data, see the Accenture Institute for Strategic Change mMe Research Note #8, "Context is King."
3. For more on this subject, see Thomas H. Davenport and Jeanne G. Harris et al., "Data to Knowledge to Results: Building an Analytic Capability," *California Management Review* (Winter 2001).