ON Semiconductor Harnesses the Power of Business Intelligence to Drive Success

As a leading global supplier of advanced semiconductors for sophisticated electronics applications, ON Semiconductor puts a high priority on achieving excellence in business performance across the organization. The company’s Sales and Marketing team produced business scorecard reports to present performance data to the company’s executive team and Board of Directors. But the company needed to provide executives with immediate access to reports on business performance for all levels of the organization. ON Semiconductor worked with Microsoft and global technology integrator for Microsoft® enterprise solutions Avanade to develop a pilot solution using the Microsoft Office Business Scorecards Accelerator. The pilot yielded a scalable, reliable solution that provides real-time visibility into business performance, so that ON Semiconductor can make more focused business decisions.

“Execution excellence is an imperative in order for companies to compete and succeed in this market segment. The complexities of our supply chain require us to focus on execution, establish solid metrics, and support our efforts with sophisticated information systems and reporting processes.”

Bill Bradford
Senior Vice President of Sales and Marketing
ON Semiconductor

INDUSTRY PROFILE
After a multi-year industry downturn ON Semiconductor is beginning to see an increase in demand from its customers in the electronics manufacturing sector. The company is prepared to move rapidly to respond to dynamic market conditions.

CUSTOMER PROFILE
ON Semiconductor is a leading global supplier of advanced semiconductors for sophisticated electronics applications. To maintain its leadership in the market, the company puts a high priority on effective execution and achieving excellence in business performance across the organization.

BUSINESS SITUATION
ON Semiconductor needed to develop a long-term business intelligence framework that would allow for more scalability, reliability, and flexibility in its reporting infrastructure. The company wanted a more efficient process that would simplify visibility into business performance.

SOLUTION
ON Semiconductor worked with Microsoft and technology integration expert Avanade to develop a solution using the Microsoft Office Solution Accelerator for Business Scorecards. The result is a scalable solution that offers accurate, reliable reports in a timely manner. It offers the company a user-friendly portal for review of reports.

INTENDED BENEFITS
• Improve and simplify visibility into business performance for faster decisions and actions
• Reduce costs associated with current manual reporting processes
• Maximize existing infrastructure investment
• Adapt easily to changing business needs
• Provide a repeatable approach to business intelligence gathering
With 15,000 products, ON Semiconductor ships over 25 billion parts per year to over 10,000 customers. Having insight into business data to evaluate and drive performance is a critical part of the company’s ongoing success.

Bill Bradford, ON Semiconductor’s Senior Vice President of Sales and Marketing, explains, “Getting our hands around the information required to manage our business effectively is a critical need for us today. Over the last couple of years, we focused our efforts on developing the right internal infrastructure and processes to enable more efficient and effective business practices that will help us to evolve our company into an execution-oriented organization. To drive more efficient execution, we had to establish solid measurements, solid metrics, and solid reporting so that we can prioritize the company’s efforts, direct key resources to address pressing issues and have instant feedback on these issues.”

Beginning in 2002, ON Semiconductor’s Sales and Marketing team began producing the “Executive Dispatch,” a Board of Directors weekly e-mail report, which included fourteen scorecard reports. The reports measured customer design, pricing, and revenue metrics using key performance indicators (KPIs). The process involved manually gathering data and creating reports, and then delivering static reports via email to executives and the company’s Board of Directors.

One of the key challenges with the Executive Dispatch was that it required a lot of manual work and was prone to errors and data anomalies. ON Semiconductor needed a way to manipulate data quickly and consistently, so that business performance could be more quickly and nimbly analyzed.

The company decided that it needed a more flexible solution and turned to Microsoft and Avanade for help. The company’s executives wanted a more immediate way to get an overview of overall organizational performance and the ability to easily drill down to view and analyze detailed information. They needed a scalable, reliable business intelligence platform that would provide accurate, customizable reports to the organization. The Microsoft® Office Business Scorecards Accelerator provided an avenue to pilot a new technology quickly for immediate impact.

ON Semiconductor identified the following critical needs for its solution:

- A user-friendly portal interface for accessing reliable, accurate business scorecard reports
- The ability to view high-level scorecards and to drill-down for more detailed information and analysis
- A scalable and reliable solution that would grow and adapt to address changing business needs
- Automated processes to replace manual data gathering and reporting tasks
- The ability to assign action items to specific individuals and by KPIs for follow up and further investigation as needed
- A solution that would leverage existing infrastructure investments

One important consideration was the desire to maximize the company’s existing investment in infrastructure. The company wanted to use its current platform as much as possible, building upon existing systems and minimizing disruption to current processes.
ON Semiconductor worked with technology integration expert Avanade to develop a business intelligence solution using the Microsoft Office Business Scorecards Accelerator. By aggressively piloting the Business Scorecards tool and building momentum, ON Semiconductor is moving quickly towards deploying a scalable solution that offers accurate, reliable scorecards in a timely manner.

The solution will provide the company with a user-friendly portal for viewing and analyzing information. The portal will provide ON Semiconductor’s executive team a simple yet powerful solution for gaining insight into business performance across the many components of the organization.

In addition, using the Business Scorecards Accelerator, along with Microsoft SQL Server™ 2000 Analysis Services, Microsoft Office SharePoint® Portal Server 2003, and Microsoft Office 2003, the company is developing a solution that is capitalizing on its existing infrastructure investment in both Microsoft and other technologies.

Core Capabilities
The solution will provide ON Semiconductor with the following important capabilities:

- A 3-D multi-dimensional view into the SQL data mart where data from various operational systems is stored
- Automatic weekly extraction of scorecard and KPI data
- A user-friendly portal interface for viewing and analyzing scorecards
- The ability to easily slice data and modify reports to the desired view
- A flexible framework in which scorecards and KPIs can be added
- The ability to assign action items to specific individuals for follow up and disposition
- The ability to take static screenshots of the scorecards for Board of Director members

An important aspect of the solution is that executives will be able to drill down on data for more in-depth, root cause analysis. The solution will also enable ON Semiconductor to quickly change reports on the fly from within the portal. Furthermore, if questions arise as a result of viewing the reports, executives will have the ability to submit them directly to the person responsible for that KPI.

Fast Deployment and Solution Adoption
ON Semiconductor successfully piloted the solution to a number of super users in the Sales and Marketing organization. The company plans a global roll out of the solution in the Summer of 2004.

The implementation began in January 2004, when Avanade created a prototype that was used to generate a more complete set of requirements for the solution. From there Avanade worked with ON Semiconductor’s Marketing team to develop a new taxonomy. They then built KPIs and developed a data warehouse to import data from operational databases. From the time development and testing was completed, the deployment took only one and one half weeks.

The user-friendly interface is making the adoption quick. Members of the pilot team were easily able to generate their own reports on the fly, drilling down as needed to gather more in-depth information on the organization’s performance.

The company is currently scoping out a project to add additional scorecards to the
solution and to migrate the entire company to a Balanced Scorecard paradigm.

**Benefits**

The solution will provide ON Semiconductor with a scalable business intelligence portal that helps the executive management team to review business performance and develop effective strategies for the future. The company is driving towards a number of important benefits as a result of the solution.

**Intended Benefits**

- Empower management with improved visibility into business performance
- Adapt to changing business needs
- Replace manual data gathering and reporting processes
- Improve ownership and accountability for key metrics
- Drive root cause analysis on key “gaps”
- Leverage existing investment in infrastructure
- Help integrate data from disparate sources
- Improve reliability and accuracy of reports

**Improve Visibility into Business Performance at All Levels of the Organization**

With the scorecard reporting portal, ON Semiconductor’s managers will be empowered with a new level of visibility into business performance, from overall corporate-level measures to functional and even individual performance metrics.

Bradford says, “One of the key benefits that the scorecard project will deliver is for us to have the ability to cascade the metrics throughout the organization, so that we have succinct sets of senior-level and board-level metrics. When the system highlights an issue, this prompts us to alert the specific functional groups or individuals who can make the appropriate changes and bring us back into alignment with our goals and objectives.”

**Adapt to Changing Business Needs**

The solution design is flexible enough to meet rapidly changing business needs. The ability to add scorecards and KPIs as needed, along with flexible reporting tools makes the solution adaptable at a number of levels.

**Replace Manual Data Gathering and Reporting Processes**

The time involved in generating reports will be dramatically simplified. Data is automatically updated on a weekly basis and reports are pulled dynamically from the scorecard portal, which means that managers will spend less time accessing information and more time focusing on business problems.

**Capitalize on Existing Infrastructure Investment**

Using Microsoft technology, ON Semiconductor will be able to derive more value from its existing investment in infrastructure. Furthermore, building on their existing platform means that they can minimize disruption to processes and systems.

Mark Chaffin, Practice Director of Business Intelligence for Avanade says, “When working with ON Semiconductor on this project, we wanted to use the investments they already made with Microsoft. We used the Business Scorecards Accelerator, which delivers reporting through the Office SharePoint Portal Server user interface that is linked back into the data analysis hosted on SQL Server.”

**Help Integrate Information from Disparate Data Sources**

The solution’s integration capabilities will help to simplify the process of bringing together information from disparate data sources on the back-end.
We can gain a tremendous amount of productivity at the individual level when we don’t have the duplication of effort in gathering and analyzing data. Individuals will have the data and feedback they need at their fingertips to make quick and effective decisions that directly impact the accomplishment of our key goals and objectives.

Bill Bradford
Senior Vice President of Sales and Marketing
ON Semiconductor

“Improving Management Effectiveness and Decision-Making”

Providing better visibility into business performance will help executives at ON Semiconductor to make better, more focused management decisions.

“The scorecard project will really help ON Semiconductor manage its business better because it gives us very succinct visibility into issues,” says Bradford. “It enables us to prioritize the key issues that the company is facing, letting us see quickly where we’re on track and where we might be falling off of our goals and objectives. We can very quickly zoom in on where the issue is and try to spend our energies addressing that issue.”

Bill Bradford
Senior Vice President of Sales and Marketing
ON Semiconductor

“Improve Individual Employee Productivity”

By enabling visibility into performance and making available the data needed to make decisions, the solution will help to improve productivity of ON Semiconductor’s managers.

“There’s a tremendous amount of productivity that we have gained at the individual level,” Bradford says. “Again, we no longer require employees to spend a lot of time trying to gather and analyze data. They have at their fingertips now the data that they need, the information, the feedback, the measurements that they need on a real time basis to make decisions quickly and effectively.”

For the future, ON Semiconductor plans to expand the solution. “So far we’re very satisfied,” says Bradford. “We have launched the scorecard project in the Sales and Marketing organization. We have several groups now within the company that are looking at the tool to try to quickly migrate this into other areas of the business. Our goal is to have a true set of corporate indicators that are consistent and work across the different functional groups here at ON Semiconductor.”

Intended Business Value

- Help to align the organization to key objectives
- Improve management effectiveness and decision making
- Increase individual employee productivity

Help to Align the Organization to Key Objectives

By improving business insight throughout the company, the solution will help ON Semiconductor to align its resources to a consistent set of objectives. This is important as the company has put a high priority on effective execution of its strategies.

Bradford explains, “Execution excellence is an imperative in order for companies to compete and succeed in this market segment. The complexities of our supply chain require us to focus on execution, establish solid metrics, and support our efforts with sophisticated information systems and reporting processes.”

Business Value

Since the deployment of the successful pilot, the solution is moving rapidly towards helping ON Semiconductor to realize significant business value. The company will be better able to align the organization to its key objectives, make more focused management decisions and gain productivity at the individual level.

Software and Services

Microsoft Office 2003
Microsoft Office Solution Accelerator for Business Scorecards
  o Microsoft Office SharePoint Portal Server 2003
  o Microsoft Office Visio 2003
Microsoft SQL Server 2000 Analysis Services
Microsoft Windows Server 2003

Partners
Avanade
The Microsoft Office Business Scorecards Accelerator is a Web-based offering that enables employees at all levels of the organization to simplify the measurement and management of key performance indicators (KPIs) and business strategies. By simplifying the creation and management of corporate and departmental scorecards, organizations gain real-time visibility into business operations resulting in timely decisions aimed at reducing costs and improving business performance.

For more information about the Microsoft Office Business Scorecards Accelerator, go to:  
www.microsoft.com/office/solutions/accelerators/scorecards