

# InsightVision Software and Balanced Scorecard Combine to Help Carlson Hotels Succeed with New Strategy

## Business Situation

Carlson Hotels Worldwide (CHW) manages a portfolio of hotel brands that includes Regent® International Hotels, Radisson® Hotels & Resorts, Park Plaza® Hotels & Resorts, Country Inns & Suites By Carlson®, and Park Inn® Hotels. After experiencing some of their worst financial performance on record, senior management at CHW concluded that the organization's primary activities and energies needed to be more directly focused on enhancing guests' experience at their branded hotels. This strategic shift to focus on their customers' customers would require significant changes for just about every aspect of their organization.

### Solution

CHW embraced the Balanced Scorecard methodology, centered on the use of strategy maps, as their primary vehicle to develop, communicate and execute their new strategy. In order to support the cascading of their strategic management system throughout the organization, they deployed InsightVision as their strategic software platform.

**“The software is very helpful because it allows us to manage all the numbers and all the information in a manner consistent with sound performance management processes. It provides us the opportunity to further refine our discipline. It would simply be impractical to manage all of this, manually through spreadsheets.”**

Scott Heintzeman, Chief Information Officer  
Carlson Hospitality



### Profile

Carlson Hotels Worldwide (CHW) is one of the world's leading hotel companies, encompassing five brands operating in more than 915 locations in 96 countries.

### Business Needs

Carlson Hotels Worldwide needed to execute a new customer-centric strategy to improve brand loyalty and profitability. The new strategy involved significant changes in almost every aspect of their organization, including significant process improvement efforts

CHW's leadership team selected the Balanced Scorecard (BSC) methodology as the main tool to fundamentally re-align CHW from a traditional functional organizational model to one that emphasized key business processes and outcomes while providing a "line of site" for all CHW employees to see how they contributed to the new strategy. They also adopted the Six Sigma approach—which they call "Greatwork" as their process improvement approach. As the company transitioned from the high-level strategic changes to the "cascading" of that strategy throughout the organization, there was, in the words of Scott Heintzeman, CIO, Carlson Hospitality, "a collective 'aha' that this could not be done manually using spreadsheets."

## Insightformation Solution

The Balanced Scorecard team at CHW strongly felt that the process of measurement needed to be centered on the strategy map and the strategic objectives. They also wanted software that would support their "Greatwork" approach in an integrated manner. CHW selected InsightVision after conducting an eight-day proof of concept project with Insightformation. Key factors in the decision included:

- the software's alignment with the Balanced Scorecard methodology and its support of Six Sigma approach
- the affordable enterprise licensing model allowing broad deployment of the software
- the product tested very well on CHW's scalability tests and easily passed their software certification process
- the security model allowed flexible control of who could view scorecards and allowed the scorecard functionality to be easily integrated into their existing intranet "KnowledgeNet"
- the software allowed CHW to leverage their existing investment in Microsoft technologies and skills

### Highlights

- Broad deployment of InsightVision improved each employees understanding of how to contribute to key strategic changes
- Strategy-centered tool “changed the conversations” to focus on how to execute the strategy
- Integration of strategic performance measures with critical performance improvement projects resulted in dramatic improvements in profitability

## Implementation and Benefits

Once Carlson Hotels Worldwide began using InsightVision, which they refer to as “Rembrandt,” they found the software was a useful tool to extend their efforts in creating a strategy-focused organization. The software forced people to further clarify their thinking about strategy and the cause and effect relationships. Even though CHW had not administered BSC training for most of their employees, InsightVision served as a tool to help employees understand the BSC concepts.

**“With this software, we are able to harness the energy of each person in the organization and align everyone’s efforts toward the strategies that are being deployed. The ability to effectively communicate the strategy of the organization, how we measure that effectiveness, and what we are doing to move those measures - that is our goal, and that is what Insightformation delivers.”**

Scott Heintzeman, CIO, Carlson Hotels Worldwide

By the end of the first year, Carlson Hotels Worldwide had cascaded their strategy down to over 50 scorecards, all managed with InsightVision.

Developing the scorecards in InsightVision led to considerable refinement in how employees understood their role in impacting the overall business objectives. InsightVision provided employees a “line of sight” from their activities to the objectives they supported with the cause and effect chain up to the top-level strategic priorities. “We want people to clearly see how their work matters,” said Heintzeman.

Carlson Hotels Worldwide utilized InsightVision, within their own Rembrandt Intranet environment, to support a host of activities within their overall performance management process. By projecting the interactive scorecard onto a screen for review as part of the company’s monthly operating reviews, they could structure their discussions around strategy and easily drill-down to important supporting details. The combination of InsightVision and the Balanced Scorecard methodology served as an effective tool to quickly convey the health of their particular organization and business processes, to tell their story to the rest of the organization, and to do so with much greater level of precision and clarity.

For example, the Hotel Development Group, whose mission is to develop future hotel properties, was able to provide weekly updates of key measures that provide insight into the future health of the organization. Strategy map relationships indicating dependencies to initiatives that influence hotel property development as cause and effect is more easily understood. Other units, such as Reservations are able to communicate their daily performance story. The software provided a consistent tool and model for executives to managers to review and quickly assess performance status and cause-and-effect relationships so they can spend more time framing solution alternatives and action when performance is lagging.

As Heintzeman emphasized, “making such a dramatic change really required us to change our internal conversations -- the topics, the context and our sense of what really mattered.”

Within two years, Carlson Hotels Worldwide had dramatically turned around their financial performance, going from the worst performing years to the most profitable in the company’s history.

What was behind such a dramatic turn-around? As is the case with most big changes, many factors contributed to this financial rebound. The Balanced Scorecard was an important tool for creating the organizational focus on the causal drivers that were essential to the change. The software helped accelerate the cascading of the scorecard to many parts of their organization, and it served as an important tool for communication and accountability regarding the objectives and their measures. Scott Heintzeman noted that “there was no debate regarding the fact that the Balanced Scorecard and Rembrandt [InsightVision] played an important contributing role.”