



DRIVING BUSINESS WITH DASHBOARDS

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The dashboard reports are a series of charts that track results for key performance indicators (KPIs) over a 12-month period. KPIs are a company's most critical business drivers. Getting KPIs to line up with an organization's mission and objectives is no easy task, but one that greatly benefits the bottom line.

For many people, seeing numbers and goals in the forms of graphs are much easier to read and understand than just seeing numbers on paper. That is why Fully Accountable has developed the dashboard reports for management to use to analyze KPIs for their businesses.

Required Reading

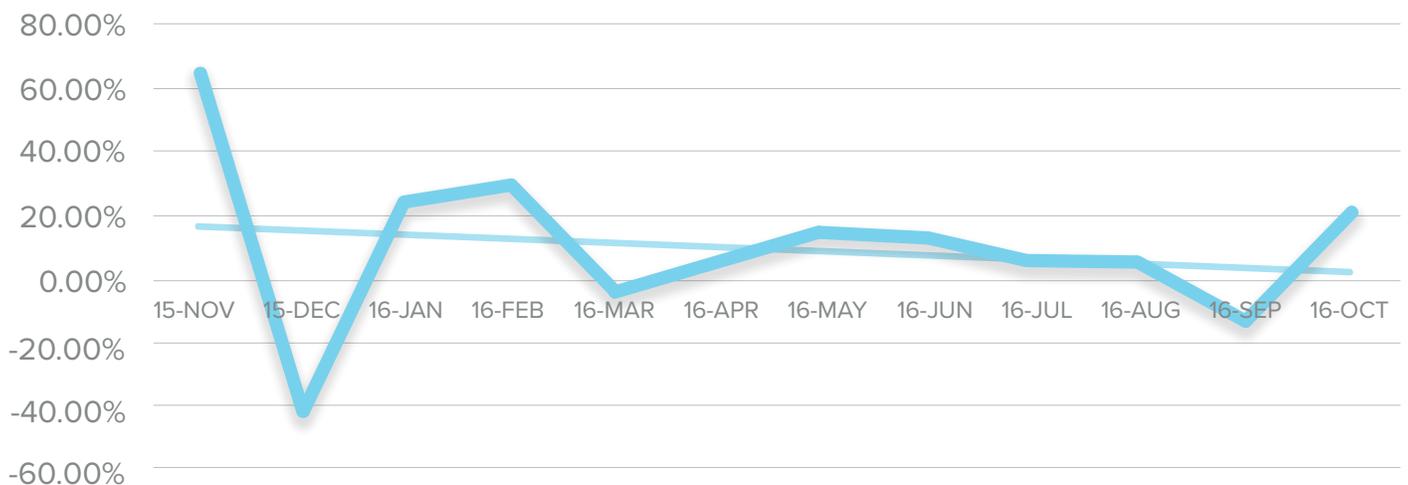
Fully Accountable provides its CEO dashboard clients with six, standard graphs, and then creates custom charts to fit the KPIs most important to the spe-

cific business. The graphs are shown in both actual and a trailing twelve months (TTM) format. TTM is the sum of the current month and the previous eleven months taking out seasonal variances. Removing seasonal and year-end spikes gives managers a more realistic picture of the past year with actionable results.

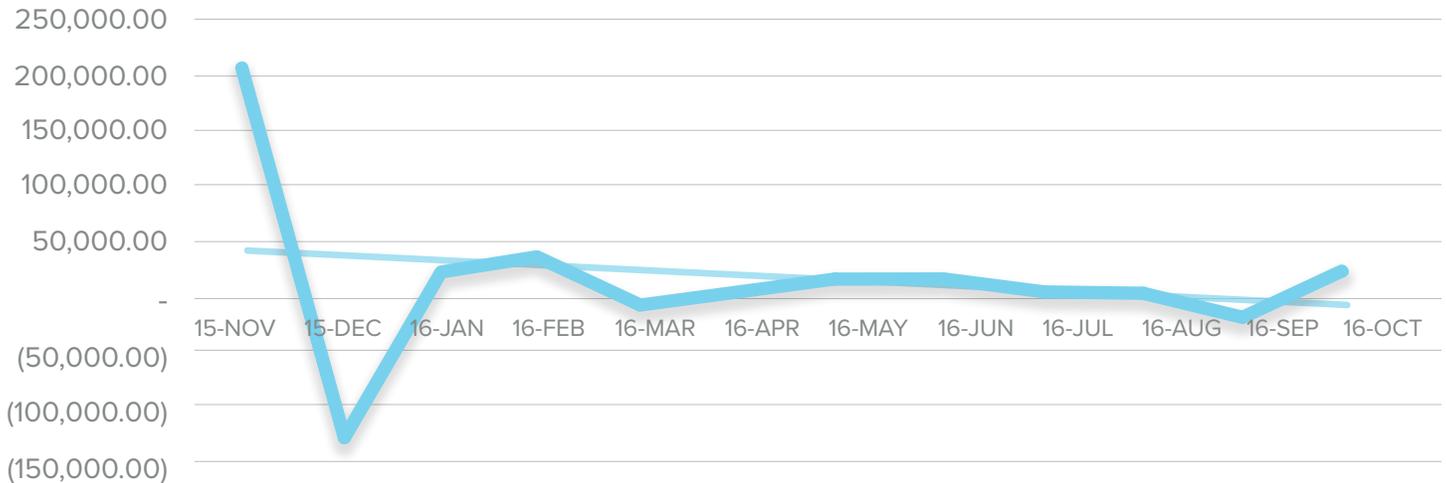
Standard KPI dashboards provided by Fully Accountable are: Gross Revenue, Gross Profit and Net Income, show as both actual data points for the year with a trend line, and the TTM with a trend line. You can see these graphs shown here below with the exception of Gross Revenue as that is shown later on.

Fully Accountable typically provides another 6-12 KPI graphs customized for the business which focus on items that are critical to the success of the business.

GROSS PROFIT %



NET INCOME



As a business owner what KPIs should you monitor? There are only a few decisions that will make or break most businesses. Typically, they include:

- **Pricing:** are we charging enough for our services?
- **Staffing:** who are our best performers and how do we reward them? When should we hire new staff and should anyone be let go?
- **Cash flow:** what is our Accounts Receivable? Are we doing a good job billing and collecting?

Selecting KPIs

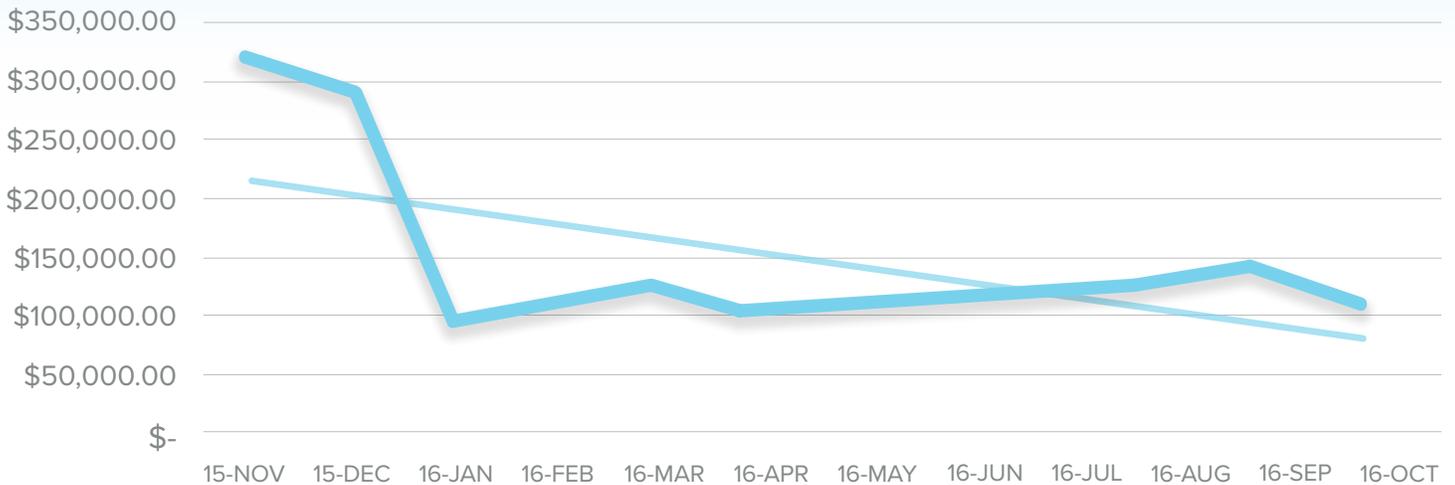
Businesses need to develop KPIs that provide a balanced scorecard. To do that, they need to incorporate several alternative dimensions when selecting KPIs. KPIs need look at key business metrics related to customer satisfaction, sales pipeline, employee productivity and cash flow. Combined, these KPIs will measure the health of the company from the perspectives of finances, customers, internal processes and human resources components.

The primary product of a service business is its employees. This results in the

largest expense of a service business being labor. Your ability to manage labor costs will make or break a service business – especially a start-up. The most important KPIs for a service business are related to tracking labor. This includes defining a weekly and monthly reporting package including the following:

- **Utilization (%):** How many hours is each person spending of a 40 hour week on client time? **Realization Rate (\$ per hour):** How much revenue is each person earning in dollars per hour? (total revenue per client divided by total hours per client = revenue per hour).
- **Gross Profit Margin (\$ and %):** What are the gross profits on the clients each person works on? This should be run on all completed projects (use the job status field to track closed projects.)
- **DSO:** How long does it take you to get paid from those clients? ($DSO = A/R / Total\ Sales \times 360$). For most businesses this should be 30 days or less.

GROSS REVENUE



Dashboard Standards

Below is an example of a standard dashboard graph using actual gross revenue charted by month. The flat light blue line is a trend line adjusted for seasonality. At a glance, managers can determine if revenues are headed in the right direction.

Another dashboard staple should be Days Sales Outstanding – the company’s average collection period. A low number of days means the company is collecting its outstanding receivables quickly. A business can use this KPI graph to monitor how well they are collecting cash.

Summary

Dashboard reports should be a part of every business’ regular financial reports. They provide KPIs that give actionable data that management can use to make important business decisions about the following period to either increase margins or invest a surplus