

How to design your Dashboard

Businesses require timely financial reporting of their Profit and Loss (P&L) statements as well as invoices that are yet to be collected. While these reports are just a small part of working capital, they are essential for cash flow management. However, receiving such reports daily or weekly can be quite challenging, even for companies using Enterprise Resource Planning (ERP) systems. Entities that still rely on sporadic modules or Excel sheets find it even harder. As a business leader, you need a daily view of your cash flow, the ability to forecast the next few weeks or months, and full control over your operations.

To achieve this, you need an updated sheet or screen that shows how your business is progressing - in other words, a "dashboard." Synchronizing daily transactions into a pre-designed report with analytical graphs comparing current financial results with budgets or previous periods will help you to identify your performance's strengths and weaknesses. It also allows you to dig deeper into specific areas of the business.

To design your dashboard, you must first identify your Key Performance Indicators (KPIs), which are simply the performance indicators' shortlist. Define up to 10 indicators, or more if needed, to include on your dashboard screen. To get started, as an entrepreneur, you should discuss with your team what makes your business successful. Is it competitive pricing, high-quality products, timely service, or something else entirely?

After defining all the success factors, you need to measure them to monitor their progress. For example, if your pricing is competitive, you need to keep an eye on costing per unit/group of units, repeat customers, period to close a deal, and customer feedback. A defined metric will give you the first answer on how this cost should relate to revenue as a percentage, or what percentage of customers should be repeat customers. Put this information in the specified location within the dashboard and move on to the next KPI.

After covering enough KPIs, financial performance is still the ultimate fuel for the business to continue and succeed. Therefore, there are Key Performance Indicators that every business should have on their dashboard, which cover profitability, liquidity, efficiency, and solvency analysis. Mix ratio analysis to monitor business cash flow, risks, measure return on investment and above all embrace internal controls, and you'll have enough information before moving in any direction. Continuous monitoring will help you even be proactive and find areas of higher profit to focus on and potential services you already deliver but overlooked charging your client for, such as support services beyond contract terms.

Dashboards are not just for CEOs; they are for every managerial level in the organization. After designing the management dashboard, every department should have their own dashboard to review and monitor their performance. For example, the collection department, together with the accounts receivable team, needs to view every client's progress and have a schedule of actions to follow up on collections,

confirmations, and reconciliation. The same applies to the production head, who can monitor their daily output of production units, with an analysis of higher or lower materials used.