

## ***Small & Midsize Business Buzzwords Series:*** **Executive Dashboards Not Just for Executives, Large Corporations**

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Imagine it's morning and you're settling into a fresh day at the office. You open your web browser and see graphical representations of key metrics your management team has been tracking as tactical measures for achieving this quarter's objectives. Inside your web browser is a dashboard – graphs, charts, and reports that represent precisely the data that is relevant to you and your role. By the way, your Vice President of Sales has a dashboard too, except their dashboard represents critical data representing the measures required for them to be most effective in their role – sales by territory, sales by customer, sales by rep, and so on. Your Operations Manager may see quantity of missed shipments, percentage on time orders to priority customers, and other metrics they use to manage their portion of the business. Click further and they see details behind each metric.

Now imagine that, for the most part, you're already capturing this data. The problem for most businesses is not that the data isn't being captured, it's that it's not being used. And the reason it's not being used is probably because it's not being communicated affectively to those that need it most. Those that can benefit most from dashboard solutions are usually not limited to the executive team – anyone within the company that has an effect on key metrics is a candidate for up-to-date information relevant to their role. In some cases, progressive manufacturers display key metrics on large monitors on the plant floor as graphical indicators of performance measures. Call centers oftentimes use the same approach for displaying measures of call volume, percentage service requests closed within a targeted time frame, percentage of calls resulting in sales, etc.

From a management perspective, coupling accurate and timely dashboard reporting with employee or executive incentives can be very rewarding. Providing automated data on a regularly scheduled or real-time basis is a surefire way to keep everyone's eye on the ball and working toward the company's broader goals. According to Bill Gassman of Gartner Research, "It's all part of creating a 'metrics driven organization,' in which each worker is empowered to make decisions based on shared data."

Often referred to as scorecards and providing some of the same functionality as performance management solutions, data warehouses, and business intelligence, many small and medium businesses are investing in solutions that help them get more out of their data. According to SMB Finance magazine, SMB firms may currently have more of an appetite for business intelligence tools than do their larger, enterprise counterparts. Such companies arguably have a greater need to run "lean and mean" and many can't afford to lose even one customer.

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The objective for any dashboard solution is to get the most relevant data (not all data) to the users that can actually make or influence change. This means that most team members within a firm can use some sort of intelligence solution to keep them on a track to meet their goals. For a company planted firmly within SMB territory, the good news is that intelligent dashboard solutions have never been more attainable. With more and more tools at your disposal, creating a dashboard that meets the needs of your business is well within your reach, here are some tips to ensure the success of your dashboard implementation:

- **Choose straightforward and quantifiable indicators that match the company's annual or quarterly goals.** It is important to choose quantifiable indicators by department that aggregatedly achieve the company's objectives. For example, if one of this year's goals is to increase profitability of the company then each department must do their part to meet that objective. Perhaps manufacturing must decrease scrap costs accrued during the production process and increase workforce efficiency based on output per labor hour. Other departments have indicators that show their contribution to the company's objective of increasing profitability. When implementing dashboards, it is very important to pick indicators that are consistent with the company's broad goals and present them to the appropriate managers and employees. Be sure that departmental goals are consistent with company goals and that indicators are straightforward and easily quantified.
- **Limit quantity of indicators to focus on only the most relevant.** More often than not, when companies implement dashboard solutions they inadvertently create unnecessary confusion. By focusing only on the key indicators that truly affect the business, risk of this can be mitigated. Be sure to create a list of important indicators and then narrow the list down to only the most important by user type.
- **Get data to those that can influence change and achieve bottom line (or top line) results.** As indicated in the text above, remember that dashboard solutions are not necessarily only for executives and managers. They can be as valuable or more valuable to other members of the company's team, ie. sales representatives, manufacturing process employees, etc. Getting accurate and timely data to these employees can have a huge impact on the company's performance.
- **Create a cross-functional dashboard team responsible for successful implementation.** Too often, companies do not involve the right people when deploying a dashboard solution. When they do this they limit the extent to which the tool can create value for the company. To select the right members of the team, remember to include those from sales, manufacturing, marketing, management, executive, logistics, human resources, as well as IT. Have each team member work with their staff to determine the most critical indicators for their team, then have that list vetted by the executive and management teams to determine absolute validity. Only when input from all effected teams is accounted for will the solution be a complete success.

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