Johnson & Sheldon, PLLC
Certified Public Accountants

Build a Dashboard That Actually Drives Your Business

Most businesses build their reporting backward. They start with whatever data their software produces, build a dashboard around it, and hope something useful turns up. The result is usually a screen full of numbers that are accurate but not very helpful. Today I'll walk you through a better way to build a dashboard, starting with what actually drives your business.

Map the process before you pick the metrics

Let's start by mapping your process. Every business runs on connected processes, whether you've ever written them down or not. Marketing drives leads. Sales converts those leads into customers. Operations delivers your product or service. Accounting bills and collects payment. And happy customers come back and refer new ones.

Each process feeds the next. A breakdown anywhere in that chain eventually shows up in your financial results. But by the time it shows up there, the damage has been done.

So before you build a dashboard, sketch out the processes that drive your business. Where do your opportunities come from? What has to happen for one of them to become revenue? What makes a customer come back? You don't need a formal diagram. A rough outline is enough.

Once your processes are mapped, the next step is deciding what to measure. For each process, ask yourself: what number would tell me whether this part of the business is working? If you attract leads, how many are you generating? If you convert them to sales, what's your conversion rate? If you deliver a product or service, how satisfied are your customers? And if you count on repeat business and referrals, how often do customers come back or send you new business?

Leading and lagging indicators: two different jobs

Now let's talk about the two kinds of numbers you'll find: leading indicators and lagging indicators.

Lagging indicators tell you what has already happened. Think revenue last quarter, net margin last month, or customer attrition over the past year. These numbers are accurate. But by the time you see them, the outcome is already locked in.

Leading indicators are different. They move before the outcome does, so you still have time to act. The number of calls your team makes each week is a leading indicator of next month's pipeline. A customer satisfaction score is a leading indicator of attrition, often appearing months before a customer leaves. And here's another one: if customers used to pay you in 30 days and now it's taking 45, that's an early warning of a cash crunch.

Here's the part that matters most for your dashboard. Most financial metrics are inherently lagging. That means your income statement, your balance sheet, and your margin trends all confirm what already happened elsewhere in your business. They're essential for accountability. But they don't give you much room to change the outcome they're describing. The leading indicators that actually let you steer live upstream of the financials, in your sales activity, your production process, and your customer feedback.

Choosing what actually belongs on the dashboard

So let's talk about what belongs on your dashboard. A dashboard built only from your accounting data is limited from the start, because financial reporting mostly produces lagging indicators. A better dashboard pulls from your whole process: your sales activity, your delivery and cost data, your collections, and your customer feedback.

Try this exercise. If you could only put five numbers on a dashboard, which five would actually change what you do? For most businesses, the answer leans toward leading indicators, because those give you a chance to act before the quarter closes. Financial metrics still belong on the list. Your cash position and margin trends carry their own urgency. But they shouldn't be the only items on the list.

Designing a dashboard you'll actually use

Now let's talk about designing a dashboard you'll actually use. A dashboard that nobody opens after the first week isn't a tool. It's a project that quietly failed. A few choices, made early, make the difference.

First, resist the urge to track everything. A dashboard with thirty metrics is one where nothing stands out, because everything is competing for attention. Stick to the handful of numbers that move the needle most.

Second, decide in advance what you'll do when a number goes bad. It's easy to glance at a chart, notice something looks off, and move on without a plan. The better habit is to decide ahead of time: if this number crosses this line, here is the conversation I'll have or the change I'll make.

Third, build it as a shared reference rather than a private report. A dashboard that only you look at is a status update. One that you and your team review together on a regular schedule becomes part of how decisions get made. The conversation about why a number moved is usually worth more than the number itself.

Next Step

So here's the bottom line. The goal isn't more reports. It's fewer surprises. Map your business as a process. Identify the numbers that actually drive your results. And weight your dashboard toward the leading indicators you can still act on. That gives you a tool that changes what you do today, not just one that explains what happened last quarter.

If your reporting right now is built almost entirely from your financial data, there's a broader picture available to you. If you have questions or would like to discuss your unique situation, please contact our office to speak with one of our expert advisors.

About Johnson & Sheldon, PLLC

Johnson & Sheldon, PLLC is professional corporation that has established itself as one of the leading, aggressive accounting and consulting firms in the Panhandle Region of Texas. Our clients have been relying on the experience and guidance of our partners, Terry Sheldon , Richard Blankenship and Jeff Joyce for over 30 years. Located in Amarillo, Johnson & Sheldon's client base consists of small to medium size mostly privately-owned business and organizations. J&S is a member of the RSM US Alliance, the nation's fastest growing association of independent accounting firms. Through our affiliation with this network, Johnson & Sheldon, PLLC can offer the pooled expertise and resources of the RSM US Alliance, as well as other network members.

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