

Good Afternoon.

Welcome to Trusted CFO Solutions The Top 5 Business Financial Dashboards Tips & Tricks.

We wanted to get together today to share some of our insights of what we've been doing over the last few years related to dashboards. I'm Dixie McCurley, and I'm founder and President of Trusted CFO Solutions. We are a client accounting services practice that does outsourced accounting of finance departments and also we are a partner with Sage Intacct. We like to wear the CFO hat and help advise our clients to help them manage the performance of their business.

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Let's talk about dashboards. Do you currently have a dashboard today in your accounting solution and how is it working for you. Sometimes we deploy dashboards and they may not be as relevant as we thought they were when we see data. So, we'll talk about that and how it changes over time and how we can make dashboards work for you.

Another perspective is maybe you have a really great dashboard, but you never use it. We haven't made it relevant to the user. We will talk about our tips and tricks and how to make it relevant for the users. Who is using it so we can see how to use dashboards to really help drive your business forward. Taking the financials, putting some non-financial information in there, and what that looks like. I'll share a few examples throughout the presentation.

In terms of the top 5 dashboard tips and tricks, I've picked out my top 5 favorites. You can use this as a checklist of, do I have the right view, do I have the right dashboard, and am I seeing the key metrics? Related to that, the first one is the external and internal dashboard. We will take a perspective of an accounting department. If you are in the accounting department we will put you in as external users. In terms of your own company sales, operations, and all the other users, we will call them the internal.

Also, role-based dashboards are very important depending on who is logging in to see it via the CEO, the CFO, the Operations Manager, or the Owner. We want to make sure and nail their daily dashboard. What do they want to see when they log in?

My third top tip and this is actually one of my favorites, and I have the most examples to come related to the client industries, is every business industry is not the same. If you get a P & L as a medical practice the same if you get a P & L from a restaurant, those two client industries are very different. That means we haven't done a great job customizing our dashboards for the industry. I've got lots of examples to show you about thinking outside the box. How can we get our dashboards specific to how the industry performs?

My number 4 tip and trick is Statistical accounts. How many events do we have? What is our total headcount? What are those statistical numbers that we divide and compute to get averages and percentages? What does that look like? We'll show you more of that.

Number 5 is Performance Cards. This is where we take a quick glance and ask, where are we on our average daily sales today? We want to create it where you go to that one place, what does that look like. I will review several performance cards throughout all these sections today.

I'd like to take a quick check-in to see if there is anything wrong with the audio. I've got Eva from my team who is going to help field your questions. If you want to post questions as we go, Eva will jump in and let me know if you have a question about what I am covering. I realize this is a webinar and you guys aren't here in the room with me, but if you make it more interactive it will help make it more relevant for everyone else. One of our best forms of learning is to hear our peers think about and ask questions. Please post your questions to the chat and let us know if any of this doesn't make sense and you'd like to ask questions.

Tip 1 - Internal versus External

Let's jump right in with internal vs external. For me, it's really about the different views. I think that as the accounting department and the finance department, we might know a lot of compliance information, we might know a lot about how we record journal entries and make adjustments, but those adjustments of journal entries might not make sense to the sales team and the ox team when they want to know their commissions by what revenue and what product did we sell today. How many patients did we see? All of those questions that I think that people outside the accounting department that are external to that versus internal in the accounting department, those two roles are vastly different.

Related to that on the internal vs external, some of the purposes of that in terms of external, let's talk about controller analysis. How do we do our all vendor invoices? Are we closing the books properly? What do those reports look like? Are all our inner companies balanced? How can we have a dashboard that shows that those are always at zero?

Then to tie off the aging to the trial balance. All of these steps here are things to create the month-end close package. We are trying to get faster and faster at days to close to drive to zero days close by using the software with every day almost being closed, but at least every week. Being able to close out the month really fast. That's going to be the external dashboard perspective that we're talking about vs the purpose of the internal or the client dashboard. They need those numbers to run the business. Your users who are using these aren't necessarily creating the numbers. They've got to see to be able to enhance their transaction communications. Maybe wanted this contract at 12,000 changed and go to 10,000. that transaction communication to make sure we've got it all right in our sales invoices or our vendor analysis type stuff. We can collaborate and put that information right into these dashboards.

Operational Activity

Most of our operating teams want to know how many of what product do we sell or what happened, what's the volume, etc. and then be able to see the trending examples on that. I've got several examples on dashboards to come on the trending analysis. How can I look at it daily? Compare it to trends of the last 12 months? 24 months? Or, is that very important for an 8-week view.

So, to be able to manage by exceptions, that is really the purpose of having those view role and users log in and use your dashboards. That is tip 1 is take a different perspective and view based on if you are internal or external. Related to the external, one of the things that we do as controllers and accounting managers, etc. it's very important to us, is to look at our accounts receivables versus our accounts payable and how it compares to the trial balance. We can see in this example that our performance card, which is that accounts payable square (the white square that says 3.508). We can see that it is tied to the trial balance report that is down below at 3.508. So, we are in balance there. But if we look at the Accounts receivables balance, something is wrong. The 3.964 is out of balance to the trial balance of 3.698. Why did that happen? That is the controller, the accounting teams job to go find that out and make sure it is tied out. Usually, you have to go run several reports, dig in by the vendor, dig in by the customer. We want to create on the dashboard, their perfect view so they don't have to go run reports. For me to modify this dashboard, I would want a few more things here that will point it out to me. So, aging versus trial balance example is a really great example of what we've got so far that needs to change and continue to improve when it's out of balance. When it's in balance it's not as hard, but when it's out of balance, we've got to get those other few reports added to this dashboard to be able to take a quick glance as to what's wrong so we can go fix it.

Tip 2 - Role-Based Dashboard

Let's move on to tip #2. Tip 2 is Role-based Dashboards. Role-based, let's think about, we have to segment our dashboard. There are many unlimited combinations My partner Lee Baynes loves to say, we've got 256 options of dashboards. But, it's really our job and our role to make sure we have customized it based on these three things. The Role, the person doing it. The Timeframe of what that looks like. We have some suggestions on time-frame to keep it very relevant to our users. And, then the Level. We break it down to what type of level related to Executive Summary or trending or summary versus detail. Allison lot of you will realize from a P & L Perspective that a P & L Summary versus a P & L Detail report, that you usually can see all the way down to the general ledger code. But on an Executive Summary level, instead of seeing all the 12 different revenue accounts that make up that, we will just want to see total revenue. From a CEO perspective, we want our time-frames to be 3-5 years and trailing 24 months is very important. I've got some examples to come of how they want to see how we've been doing for the last three to five years and where we are in our strategic plan. I'm not saying that they won't jump down into the weeds. We just have to teach them what dashboard to go to to do the analysis that they want to get into more detail. Related to the CFO, it's usually that one to three-year look, plus the trailing 24 months. They are very concerned with the actual versus budget and how that variance is looking. The trend on that, how are we coming in over the last

five months, year to date, etc. Those are the types of things you'll see from a CFO role. Related to the controller. A lot of you can imagine exactly what these years, that year over year look of how did we do last year, how did we do this year, how are we doing month over month? The controller is usually trying to find those variances of maybe we have coded something wrong. If we have coded advertising expense to marketing instead of advertising expense, the controller needs to see where that exists year after year and which one we need to make sure we've got the comparisons from a summary perspective and a detailed perspective. The controllers always don't look at total revenue, executive summary level, or total net income. They are usually one level down from that on the summary and then into the detailed level for them to find out where those variances happened and then roll up into the summary. The last two are outside of the accounting department. The operations team needs to see daily and weekly reports in a very detailed manner. What was sales today? How are we trending this week? What is labor looking like? What about the cost of goods sold, in a very detailed way of by item, class, or business unit? They are looking at all the detailed information. They don't always come up to that executive-level view. They want the daily, weekly, detailed information. Segregate your dashboards like that. The same thing with sales. Sales also like to see month-to-day because they like to know their goals. Are they on track for that, are they 3/4 of the month in and only at 25% of hitting their goal? They are interested in that summary level and that detailed level as well. On tip 2, the role-based dashboards, think about those three things. Who is looking at it? What is the time frame they should be looking at? And then, what level to show them where to go to get more information?

In this CEO example, I blew it up in terms of 12 months, but this is a trailing 24-month. We want to see what happened in November that the net income and the EBITDA percentage went down. Usually, the CEO knows that right off the top of his head. Before we switch people over to Intacct, this is usually a hard thing to see for them. How do we compare year over year for the last 24 months or 36 months and even five years? It's very easy to slice and dice this data when we see that something happened in this period.

Another way to use this role-based dashboard is if you had multiple locations or multiple entities you could see the filter on the top of that red circle. You can see which location it was, or which business unit came in or was underperforming. You can run it for last year with the as of date. You change the year and see this 24-month graph come to life. This is that executive summary level of being able to explain the business to investors, the bank, even your employees. Here is our performance over time at a very high level of revenue percentage to the cost of goods sold all the way to net income percentage. This is a good example of a CEO at a very high level and trend analysis.

We will go one step further for the CFO who usually likes to dig in on that 24-month trend to see where should we probably restate some things? So, this pops out to me immediately, the cost of goods sold spiked during this period. As a CFO, I would say, is this an error because the month before it was way down and then it spiked up. Or, do we have a business life cycle event like did something happen in the warehouse? Did something happen to our inventory? Did we write

some things off that maybe we should have put into other expense or other costs sold? What does that trend look like? From a CFO example, to be able to explain that to the CEO, those 24-month trends, that's a good easy way to slice and dice the data, go back different dates, and then analyze really what happened. So, our revenue spiked, but so did our cost of goods sold. It doesn't necessarily make sense unless we did something for the business. The CFOs and CEOs are going to know that and use the dashboard to tell the story of what happened during that period. Now you can see the trend has much more normalized as we go. It trends off at the right just because we have it in the as of data of today. We know the books aren't closed then. You can change that date, update these figures, and then get that slice that you really need. Another one of our favorite CFO examples is Cash Flow. The cash flow of how the business is throwing off cash from operating activities or we bring in investing dollars or financing activities. Where is our cash coming from? To look at the current month and also the current year to date is very important. This is a waterfall dashboard where you can quickly look at how much cash from operations have we brought in just for the current month at \$189K versus year-to-date is \$95K. We've had to finance and invest some of our cash that sales and income is not driving right now. This is one of our other favorite CFO examples.

Related to an operations example, on the left is a 24-month trend. This is just another example of things that pop out that were wrong. At 12/31, we see that the net income is very negative. As a CFO, I want to know what that is. If I look over at the right and see the difference of the revenue versus net income, these two periods are not aligned. I need to go in and customize this dashboard for it to make sense. I'll show you in a few minutes an actual versus budget trend that I would switch out this report for because this view is not as great from an operations example of what happened to explain that one over on the left. You have to keep your dashboards alive. You have to sometimes switch out these reports to sometimes create the view that tells the story of what is happening in the business. The one on the left is an actual versus budget graph. We can see what the budget is versus what the actuals are coming in. We see 3 months of actuals in this example of what wages should be. Then the green is the actual. How that comes in budget to actual would probably make more sense to see. The one on the right is the current year of the break down by department. This happens to be a manufacturing facility that does delivery and retail and has different types of headquarters departments, etc. What happened in December? It looks like operating expenses went way high. So, why are wages so high? From a controller and CFO perspective on this one, I think that this might be an error. Usually, a lot of things are recorded at year-end. Maybe we trued up our wages and expenses and it's thrown our trend out of line. That is that number 1 tip of what role are you playing to make sure that we as accountants don't blow up the numbers for our operating team, to make sure we haven't done journal entry adjustment to wages and expenses, and that it is a true number. If that is a true number, that's a whole different journey to find out what happened in December versus did we do entries at the end of the year that ruined our trend. That's a few things to be cognizant of on the role-based dashboard.

I'll take a quick moment to ask Eva if there are any questions, and you can let me know while we are moving on to Tip 3.

We are a little less than halfway there so we will move on.

Tip 3 - Relevance To Client Industry

In terms of relevance to the client industry, this is my favorite one. I think that one of the true powers of Sage Intacct is to be able to look at how we are able to look at income and profit to drive our business, related to our industries. The ability to customize dimensions to be what it is that you need in terms if it is a class. Maybe you want that to be consistent with the business line. Or, if its departments, maybe that's operating units, or revenue centers or cost centers. How do we look at it based on client industry? One of our oldest and most seasoned industry niches that we started within 2011 was one of the restaurant and franchise industry niches. There are a lot of things to look at in terms of that. Sometimes they need statistical information in terms of loyalty numbers. Does that align to sales? Or store demographics on the left. Is one located in the mall and one located in the university? Those type of things become important on how we are looking at revenue to revenue or cost of goods sold to the cost of goods sold. Also, another big one we have coming up is marketing and promotions. With Intacct they allow us to use user-defined dimensions. We can start to code now, all of the new labor. Let's take the Superbowl as an example. The Superbowl there are a lot of days of prep with restaurants. In that marketing and labor, it might be a variable cost We've got to make sure and manage our variable costs when those sales numbers come in. I'll give you a good example in a minute of how to look at that trend. But, lots of other areas, especially related to real estate, etc.; but to think about it in terms of what the industry niches need.

When I jump into the restaurant industry, one of the top things I think is most important to them is there Prime Cost Analysis. This is the one that shows us a whole lot of insight about what this business is doing and how it's performing. On the left graph, we see sales numbers, cost of good sold numbers, and prime costs after labor of the actual dollars. This completely makes sense to me that we see a spike in revenue on August 31, which is when people are going back to school; going out to spend money. The seasonal aspect of the sales fluctuations explains the graph on the left. Related to prime cost percentage, we see that sometimes in the orange, number 4 bar, it's lower than 54%, but if we then look to the greatest one, the green one in the middle, it's almost at 80% of prime cost. We would expect that 24-month trend to be static or to be level. Why are prime cost percentages fluctuating in this business? It might be that they are inefficiently controlling their variable labor. If we think about, on the left, when sales are at its highest, the green bar, on August 31, they need to be managing that variable labor. Usually, all of their fixed labor is the same, so that percentage should be the same. Usually, their costs of goods sold or their food costs is the same so we should expect it to be just a horizontal line on there. We see that maybe the sales they are expecting more, but in September they actually dropped. They may have done a marketing campaign wanting to see sales up higher so they staffed a little higher. We see their staffing increased on the right, probably. The reason why we want to take this dashboard and take it to the next level is that we finally see these things and not having to analyze them with all the numbers. But to be able to show it visually, then I would

want to see the difference in food cost percentage versus labor percentage. I would want to add graphs below that to explain this of did we staff well from a variable perspective or did our food costs or our purchase price go up? Where is that? Take your CFO hat and dig into the numbers, that's where we want to go in these industries to know and how to staff better. A staffing solution or a scheduling solution might be very much so needed here to keep daily sales in line with daily labor. That might be the next place to go. Making it relevant to the restaurant industry is very important.

The printing industry is completely different. In restaurants, we don't see necessarily that they do customer invoices, etc. It's a lot of customers, they are diners, but in the printing industry, we usually have the same customer printing big jobs with us all the time. Who hasn't printed us is the questions that created this dashboard. In this dashboard, and all of these numbers are fictitious, our printing client needed to know who hasn't bought with us yet because it is near the end of January and the January numbers are not where they should be. There is a big difference from last year. Last January you can see that the total top ten revenue was 112K but for today, about January 28th or 27th, there is only 81K in total revenue from those top ten. We did a top ten view of it. The museum usually does large print jobs. Their 24K print job from last January hasn't come in yet. You can see that on the right in the red. Intacct gives you those key insights, that the next one 13K project hasn't come in, a 9800 project hasn't come in from the Chamber. Think about that you could immediately go after the top 3 of the top 10 customers. When this whole report before it was customized for this dashboard, it showed 150 different customers. Then we want to know what products are lacking. It's very clear right below that in terms of our total items that the graphics piece of this at 19K is the majority. They know exactly, right now, by seeing week over week come in, versus last year month ending, that where can we go to make a big impact on our business call saying what events do you guys have coming up, how can you order from us. This is the way to help drive the performance of your business.

Going after that 19K in graphics and that 24K and 13K is where they want to spend their time. We will switch over to a third example in terms of staffing industries. Direct staffing as a percentage of revenue is very important for a lot of different industries, actually. What's happening on this 12-month trend in June of 2015. Why did it spike so high? This perspective of the dashboard and these reports for direct versus indirect, both spiked in the same period. Is this an error, do we need to restate something, or is this our true performance? To be able to spot the exceptions, that is where we want our operations team to do, to figure out what is happening in that.

Related to our fourth client industry, I wanted to go over the physician and clinic industries. The four cards at the top are called performance cards. The number of patients served period over period has increased. The number of office visits that we are recording as statistical accounts, that we are recording on this card has increased. The number of clinicians has gone up to 99. The revenue per clinician is trending this year at \$67K. These are for our community health example of our demo. These are some of the outcomes related to physician clinics industries. One of the ways I would enhance this view of this dashboard is that at the top we don't see as

many filters there. To add location and entity filters is one of the things I would change on this immediately, so I could see clinic by clinic what happened. Related to the patients per practice area, on the left graph, you can see the four areas and how they compare to your top ones. On the revenue for the sources, what departments do those come from? Where is that coming from and how can we help manage that and make sure we have up-to-date information. This is where you would aggregate those outcomes and metrics for the physician-industry. You can see that all of these performance cards, almost all of these reports, are very different than the staffing industry, very different from the restaurant industry, etc. Top three relevance to client industry is our Top 3 tip to make sure that you've made it relevant to the client industry.

Eva, I'll just check-in and give you one more chance to see if we have questions, and if not, I'll move on to Tip 4.

Tip 4 - Statistical Dashboards

This is really where it all comes together for me and one of the major reasons why we have chosen Sage Intacct to be a partner with them because to slice and dice your data with statistical information is where you can really see the performance of your business.

We are going to go for some sales statistics for the number of deals, as an example, for a software company. If they've got 20 customers and they have planned for 25 customers, this is one report and one example of how many numbers of deals. We are loading off of the number of deals and that is 25. Our average deal is 184K. Our planned average deal was 163K. Using this statistical account, the computation account and the account groups is where this report, that's usually always done in Excel, becomes very easy to take these numbers, create a report, use those building blocks to then report a performance card. I would now turn this report into a performance card, almost, instead of actually seeing it in a report. That's how we continue to make the dashboards a lot better. Some of the other things you can think about are if you are a trucking company, the number of vehicles. Or, if you are a professional services company that goes out and services parking lots and you have 16 vehicles in your fleet. Or, if you are a caterer and you have vehicles there, what is the revenue per vehicle, what are the repairs and revenue per vehicle, and what are the number of items or locations. One of the other things we like to do is that some of our companies like average sales per day, but when the business month and days fluctuate, your average sales don't look right. We add the number of business days in the month. If it's 20 or 23 some months, etc., as our sales come in, we can easily divide that. Also, the number of invoices might be something that we care about. We've got one client that does booking information. They make tens of thousands of bookings each month, so they want to count the number of bookings. That's another statistical dashboard.

Put this back to towards the relevance of the client industry in terms of the catering industry and number of events for that, we can see that at this period, at the end of the first quarter, the number of events is 38. That is down from last year. Our total revenue is actually up. That makes sense when you look at the number of events graph on the left versus the event's revenue on the right. Our number of events is actually greatest in April of last year. The revenue

is actually not that great. I would have the next question be, what's the revenue per event, per month? In the purple bar, where we have the number of events in December that's really high, that revenue is also high. Those two correlations, related to why is revenue high, on the right side, normally we only see those numbers of dollars of revenue versus when we load in the statistical information, we can immediately start to say, well how many events did we have, how much revenue did we have and start making sense of the data.

Tip 5 - Performance Cards

I've already mentioned several times what those performance cards look like. I want to show you just a dashboard of performance cards. On the top, you can see that it's the CEO level; the Executive level. How much do we have in receivables, how much do we have in payables about the credit cards, what is our year to date revenue? What is this period's revenue and what does our cash look like? One of the areas that most of our CEOs like is the available line of credit capacity. To come up with computation accounts, instead of just putting the balance here, this company went from \$500K in a line of credit capacity to \$1M. They were coming up close to only having \$50K left on their available line. The CEO said I don't want to see the balance in the dashboard because I don't always remember what our limit is and it changes one or two times per year. I want to know what my capacity is so that I can see that. In the top right-hand side, the available line of credit capacity is a very important statistical performance card for him. So when the CEO logs in here, on his performance card, this is the number one thing that he cares about. Then he moves to the left and goes to cash. Related to, if we were to say from a controllership perspective, the bottom half of these is related to a month-end review. Where are we on our net income percentage? And this would be, especially a staffing company, direct staffing percent revenue, indirect staffing percent of revenue where we compared to the prior month. Those are the types of things that in the staffing industry you are going to want to know on a month in review of where our percentages are on that and what does that look like. Why is direct staffing up and why are percentages down. Then you would drill into the different reports and different analysis dashboards that make that up.

Conclusion

So, ending on number 5 with the performance cards, that brings us to the conclusion of the webinar in terms of the Top 5 Dashboard Tips and Tricks. I want you to leave today and take these five things, create a checklist, and any dashboard that you look at, make sure that you've got not only your view from an internal perspective but what's the view from everyone else, from an external look. Also, what role are you looking at? Are you looking at an Executive Summary level, a detailed level? Is it relevant to your industry? Do you have all your industry metrics in there using statistical accounts to be able to create those computations? Then, on the performance cards, what's the one dashboard like that we can get to make sure that we know the health of the business, where it is and how we can drive performance.

Let me open up and unmute everyone real quick in case there are any questions. Eva, are you there.

Yes, I am. We do have one question.

Question

Regarding the performance card, someone has said the day's cash on hand is something that is most requested, do you have any tips and tricks on how to create that?

Dixie

Off the top of my head, I would want to know how do they compute it today in Excel. If anyone who asked that question wants to give me a little bit of guidance on how you calculate it today, I could talk a little bit more about how to do it in Intacct. Eva, do you know who asked the questions.

Diana

Hi, Dixie, this is Diana. How are you? Great webinar, thank you. We don't do it in Excel currently. The client has asked us for it and when I've tried to create it myself it hasn't made sense, so I thought it might be something you've come across in the past.

Dixie

Yes, I think I have calculated it before. The number thing I would do is get the formula right. Then I would load to statistical accounts for that and any account groups to be able to it's all the outs of AP and the ins of AR. There is definitely a way you can do it. You might need to two or three computed account groups, statistical computed account groups and get the formula.

Diana

Ok. Thank you.

Dixie

I'll definitely take that away, great questions. What role is it that asked you for that Diana?

Diana

The CEO role

Dixie

I like that a lot. I'll definitely follow-up with you after this and see if we can do it.

Any other questions? Okay, everyone, that will be the conclusion of today's webinar. If any of you want my electronic business card, you are welcome to text the word dixie to 898-00 and my V-card will pop up on a text and email me or call me to talk about any of this. I also, absolutely love to improve. Not only improve our dashboards and clients dashboards but improve in these webinars. This is the first in this series and we are going to click into the others. I'd love for you

to join us on the next one. But until then, that is all for today. I appreciate all of your attendance and please, I welcome any and all feedback to help make it better.

Have a nice day, thank you, and bye-bye.