America's SBDC VIRGINIA MASON

POWERED BY SBA
U.S. Small Business Administration

Hello and Welcome !

Please call me...

"Coach S."

GrowthWheel CERTIFIED PROFESSIONAL

Mason Enterprise Center, Fairfax, VA

Today's Webinar Topic:

GrowthWheel CERTIFIED BUSINESS ADVISOR

Building your Business Performance Metrics

VOLGENAU SCHOOL MASON ENGINEERING

Entrepreneurship for Scientists and Engineers

SMALL BUSINESS ADVISORS
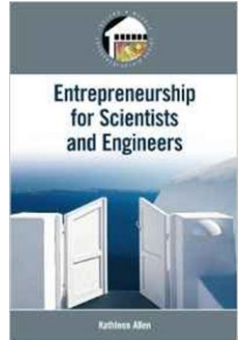
Senior Business Adviser SBDC
Growth Wheel Int'l Cert. Biz Adviser
Adjunct Professor @ GMU's
School of Engineering
GMU Mentor in Residence

Mentor @ 3 NoVA Tech *Accelerators*
Entrepreneur, Investor
Co-Founder Marketing Strategy Firm

- Retired U.S. Navy Captain
- BS Engineering U. S. Naval Academy
- Masters CMU
- Former Executive, ExxonMobil
- Kellogg, Thunderbird Schools
- Lean Process GBelt
- Published

America's SBDC VIRGINIA MASON

Mason SBDC
George Siragusa
Senior Business Adviser

GEORGE MASON UNIVERSITY College of Engineering and Computing

George Siragusa
Adjunct Professor
Mechanical Engineering

A Performance Management Discussion

"Building your Financial, Operational and Internal Business Performance Dashboard Metrics"

Lets Thank our Community Sponsors!

FYI: Small Business Development Centers

- over 1000 Centers Nation-Wide
- 27 Virginia SBDC Centers
- Guidance, Coaching, Resources, Education, Access to Capital and more!

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SBA

U.S. Small Business Administration
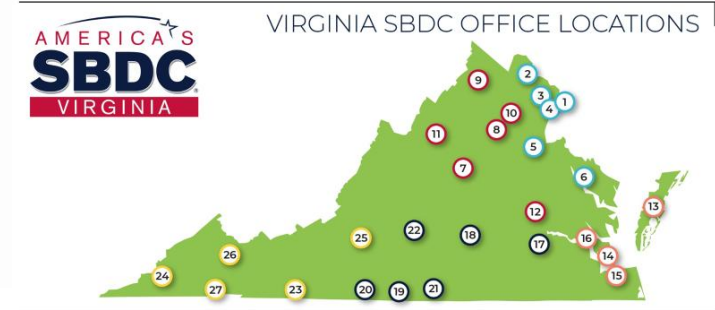
Mason SBDC Webinars

- <u>Entrepreneurial Roadmap</u>(*NEW!*)
- Legal & Admin Steps to Starting a Business
- Value Proposition Design
- Small Business Financing
- Preparing your Business Briefing / Narrative / Pitch
- Marketing 101
- Government Contracting 101
- Digital Marketing – SEO and Social Media Marketing

- Accounting, Budgeting, Financial Management;
- ***Performance Management – Guide to Key Performance Indicators / Biz Dashboards***
- Business Operations:
  - Taxes, HR, Legal, Real Estate,
  - Management, Leadership
- Cyber Security for Small Business

In Summary…Mason SBDC can offer:

- Perspectives / Coaching / Advising
- Resources
- Education
- Access to Capital
- Mentorship
- Guidance along your Journey!

Thank you!

HELLO my name is
"Coach S."

George Siragusa
Senior
Business
Adviser

https://www.linkedin.com/in/georgesiragusa/

Seeking our **NO-COST** Business Assistance?

Mason SBDC

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Suite 180

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(703) 261-4105

Our Website:

www.masonsbdc.org

AMERICA'S SBDC VIRGINIA MASON

📞 (703) 261-4105   ✉ help@masonsbdc.org   in

About ⌄   Services ⌄   Client Stories   Resources ⌄   Workshops   Register for Counseling

🇬🇧 English ⌄

Mason Small Business Development Center

Growing NoVA's small business community with no-cost advice, training, and resources

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Register Now

• **Resources:**   **https://www.virginiasbd.org/**
• **Contacts**:   help@masonsbdc.org or (703) 261-4105
• **1:1 Counseling:**   https://clients.virginiasbdc.org/reg.aspx?mode=counsel&center=46110&subloc
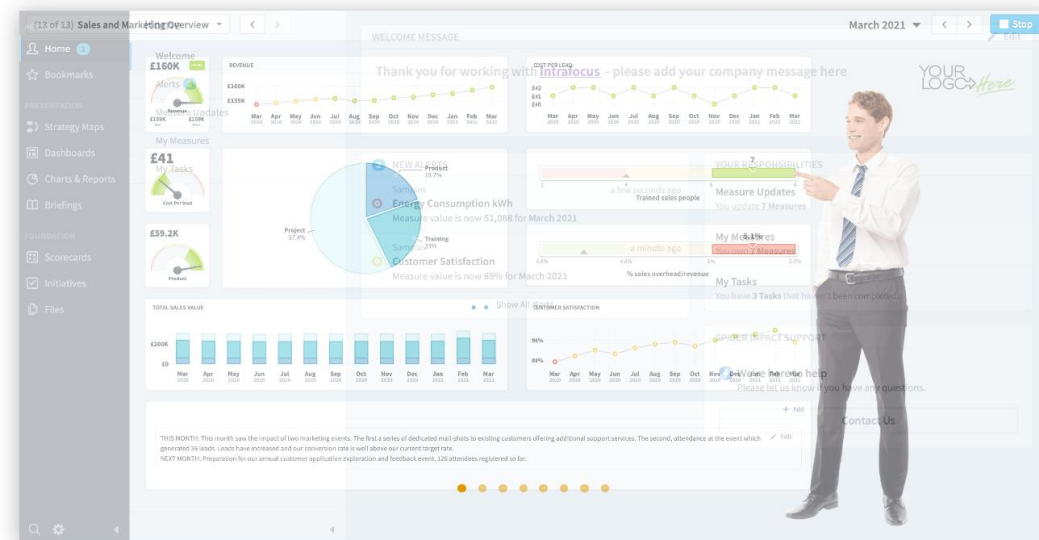• **Workshops:**   https://masonsbdc.org/workshops/

Welcome pre-Venture Startup Companies!

Hello Early Stage Companies !

Welcome Growth Companies!

Good Day to our Mature Businesses!

Performance Management Starts with Data visibility. Consider the Power of a Business Dashboard.
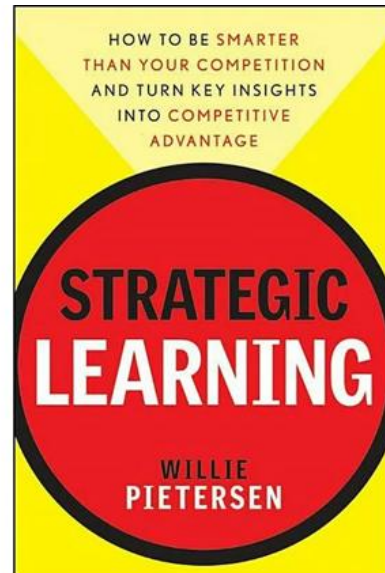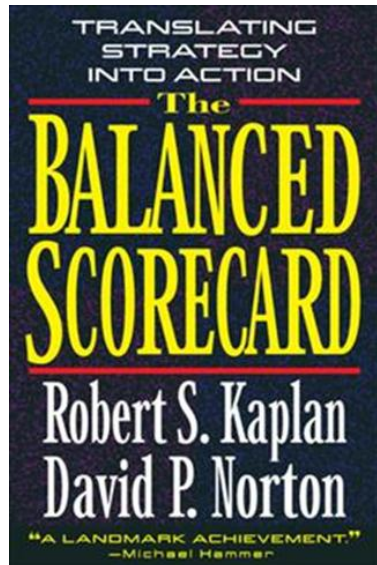

Collect data.   Understand insights.   Take informed action.

Today's Learning Objectives and Briefing Outline:
Upon Completion of this webinar *you will become more familiar with:*

❑ **What is a Business Management Performance Dashboard / Score Card; what do they look like**

❑ **Why is a "Scorecard" or "Dashboard" important ; what are the benefits to business**

❑ **What guiding principles are useful to review before building a first draft business scorecard**

❑ **How do we get started ; is there a template to help business owners build these themselves**

❑ **What tools, software, or other resource are available to automate scorecards**

❑ **How often do we need to update and review the dashboard metrics and progress**

❑ **Case Study: How dashboard insights led to improvements in business performance**

Prime References for this Webinar

HubSpot

How To Develop Meaningful KEY PERFORMANCE INDICATORS
A STEP BY STEP GUIDE
CLIVE KEYTE

THE LEAN SERIES
Alistair Croll & Benjamin Yoskovitz
LEAN ANALYTICS
Use Data to Build a Better Startup Faster
O'REILLY
Eric Ries, Series Editor

zendesk

in LEARNING

FOREWORD BY NEIL RACKHAM
BESTSELLING AUTHOR OF SPIN SELLING
CRACKING THE SALES MANAGEMENT CODE
The Secrets to Measuring and Managing SALES PERFORMANCE
JASON JORDAN
WITH MICHELLE VAZZANA

TRANSLATING STRATEGY INTO ACTION
The BALANCED SCORECARD
Robert S. Kaplan
David P. Norton
"A LANDMARK ACHIEVEMENT." —Michael Hammer

HOW TO BE SMARTER THAN YOUR COMPETITION AND TURN KEY INSIGHTS INTO COMPETITIVE ADVANTAGE
STRATEGIC LEARNING
WILLIE PIETERSEN

Yours Truly

bm Bernard Marr & Co.
Future • Business • Success

Harvard Business Review

Please consider applying
just 1 tip
you may learn today
to your business –
t*omorrow!*

This "Typical" Entrepreneurial Journey Map Features:

1 Develop the Vision / Find a Mentor
Proficiency | 1 2 3 4 5

2 Crystalize your Hypothesis using the BMC / Value Proposition Design
Proficiency | 1 2 3 4 5

3 Conduct Customer Segmentation / Identify the persona of your early adopter intended targeted customers / sub segments
Proficiency | 1 2 3 4 5

4 Draft your Minimal Viable Product or Service that you intend to offer/sell to the marketplace
Proficiency | 1 2 3 4 5

5 Establish/buy a domain name then consider creating a legal entity
Proficiency | 1 2 3 4 5

6 Think through your Go to Market approach: B:B, B:C, B:G then map the stakeholder ecosystem, partner organizations, customer types and competition; register with SAM.gov if applicable
Proficiency | 1 2 3 4 5

7 Identify the first 10 intended targeted customers / early adopters by NAICS codes, title, name, POC for discovery and sales
Proficiency | 1 2 3 4 5

8 Establish the partnering, sales structure you will use; identify required retail space, warehouse, manufacturing, office space if relevant
Proficiency | 1 2 3 4 5

Vision, Startup, Legal Entity Choices, Value Proposition Design, Customer Segmentation, Eco System Stakeholder Mapping, Competitive Analysis

24 Prepare for growth, hyper growth, scaling and / or exiting or negotiating the sale of the business ; succession planning; plans for sale, or exit
Proficiency | 1 2 3 4 5

23 Ensure business is HR compliant; ensure business has the appropriate set of Cybersecurity measures for compliance; set up self audit schedule
Proficiency | 1 2 3 4 5

22 Begin using the structure, approach, frequency of stewardship and key performance metric reporting frequency using the metrics that matter; make business course corrections based on data insights
Proficiency | 1 2 3 4 5

21 Develop Business Imperatives for a two year outlook; develop a suite of the fewest correct, simple metrics, conduct stewardship and reporting on regular frequency to track progress .
Proficiency | 1 2 3 4 5

Strategic Imperatives, Metrics, Cybersecurity

It is typically, here, in the "journey", we begin to talk about business performance metrics.

9 Launch Customer Discovery Process ; ask "is Intellectual Property" relevant? List / assess discovery lessons learned
Proficiency | 1 2 3 4 5

10 Using learnings from 10-30 discovery interviews/discussions, assess the need to "pivot" or stay the course toward your vision
Proficiency | 1 2 3 4 5

11 Determine if licenses, certifications are needed/required; apply for appropriate SDBVOB, SWAM, 8a or other designations would be beneficial
Proficiency | 1 2 3 4 5

12 Develop full cost stack budget estimates per unit being sold; develop rough 1st draft of year 1 revenue projections by month using projected pricing
Proficiency | 1 2 3 4 5

Customer Discovery, Validating the Hypothesis, Early Adopter

Developing the Business Plan "pitch" Narrative, Financial Projections (Rev. / Cost), Risk, Funding the Business Stages of Marketing Maturity, Business Development, Sales, Operations , Scaling

20 Consider venture growth staffing needs; internships, training, onboarding; prioritize staffing for growth, i.e. business development, operations, etc.
Proficiency | 1 2 3 4 5

19 Identify, assess 5 elements of business risk and build risk mitigation steps for each as relevant; update pitch
Proficiency | 1 2 3 4 5

18 Determine need for access to capital, funding, and how it would be spent; explore grants if appropriate; reflect any loan repayment in cash flow; ref build cap table if relevant; update pitch
Proficiency | 1 2 3 4 5

17 Validate / Refine / Adjust pricing strategy and tactics; revise revenue forecasts accordingly; update 2 year cash flow spreadsheet; update pitch; establish basic book of business accounting
Proficiency | 1 2 3 4 5

16 Refine then choose channels to market strategy; choose relevant channel design; plan to build and host website in accordance with pre-engineered templates and sound hosting platforms
Proficiency | 1 2 3 4 5

15 Create draft marketing plan based on master branding / positioning, product / service brand current and future product/service architecture; conduct message mapping exercise for social media content creation themes executed via editorial calendar execution plan
Proficiency | 1 2 3 4 5

14 Develop a compelling business narrative; synthesize financial projections into modular pitch suitable for multiple business purposes, i.e. sales, raising capital; iterate, refine,
Proficiency | 1 2 3 4 5

13 Build/Refine Revenue Projections, COGs, Operating Expense Budget into 2 year cash flow spreadsheet; determine sales milestones
Proficiency | 1 2 3 4 5

"Typical" Roadmap

4 Broad "themes"

24 Work Blocks or "Action" Elements

Self - Assessment "Proficiency Rating"

Small Business Entrepreneurial Map – Original Work by George Siragusa, Senior Business Adviser, Mason SBDC – Copyright March 2025

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Strategic Imperatives, Metrics, Cybersecurity

Self Assessed Proficiency – From Subject Matter Expert to Needing Mentorship

5 = Excellent (We do this regularly, systematically, and with continuous improvement)

4 = Good (We do this regularly and systematically)

3 = Average (We have some skills in this area)

2 = Poor (We do this irregularly and in an ad hoc manner)

1 = Nonexistent (We do not have these skills at all)

SME

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"Typical" Roadmap

4 Broad "themes"

24 Work Blocks or "Action" Elements

Self - Assessment "Proficiency Rating"

Step # 21 Points of Emphasis

Illustrative Only

Develop Strategic Imperatives for a 2-year time horizon then identify metrics to measure progress

CORE VALUES and VISION for XYZ Comp.:

XYZ Co. operations and its leadership team will always be guided by 4 uncompromising Core Principles:

1. We never place profit over people
2. We work to delight our customers every day
3. We continuously Innovate to hedge uncertainty
4. We aspire to create, communicate, deliver and then extract market value

Our Vision is to be considered a thought leader and rank # 1 in customer satisfaction

STRATEGIC "IMPERATIVES", AIMS / GOALS for the next 2 Years are:

1. Increase topline revenue by 10% via expanded services

2. Reduce operating expenses by 2%

3. Build loyalty, target 95% customer retention

4. Build a dashboard targeting 1% improvements

5. Create incentives and reward employee innovation

PERFORMANCE METRICS in 4 KEY THEMES designed specifically to MEASURE PROGRESS against our goals are:

1. Financial Metrics
- New product/svc sales less op expenses — Net income in $USD
- Customer Acquisition Costs — Mo. Cost / Cust. Sales
- Begin monitoring cash flow statement — 1st report Dec 2024

2. Customer Experience Metrics
- Website Customer conversion rate — Monthly % Conversion
- Customer net promoter scores — Monthly Summary
- 1st Annual Customer Sat Survey — Launch Dec 2025

3. Internal / Process Metrics
- Act on identifiable inefficiencies — YTD % Improvement $s
- Marketing Return on Investment — Mkting as % of Sales
- 9 metric dashboard report created — 1st briefing Jun 2025

4. Organizational / Cultural / Diversity/Inclusion Metrics
- Launch of 2 profitable new ventures — Science to Sales $s
- Increase employee satisfaction — Annual HR Sat Survey
- Create / Invest in Innovation HUB — Program viable 6-2026

Example Illustrative Only

Our Leadership Team will start reporting progress in (June 2025) and will do so on a (monthly) basis using a simple traffic light (other) format

Step # 22 Points of Emphasis

This "Typical" Entrepreneurial Journey Map Features:
- "Typical" Roadmap
- 4 Broad "themes"
- 24 Work Blocks or "Action" Elements
- Self-Assessment "Proficiency Rating"

From the development of your Strategic Imperatives for a 2-year time horizon, develop your suite of Business Performance Indicators and Dashboard to track your performance forward

Develop Your:

Metrics/Measures – 2 Year Imperatives

Stewardship Process

Reporting Format and Frequency

Dashboard

Leading — Influence future performance

Analyse past performance — Lagging
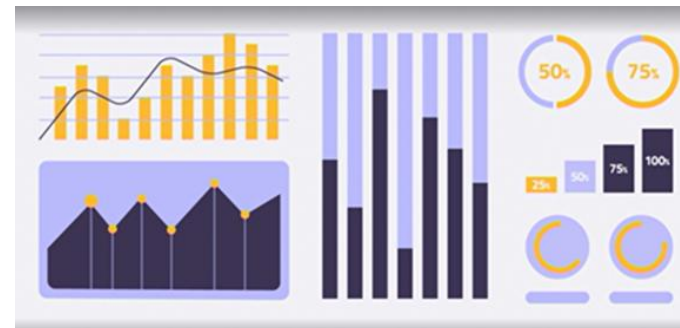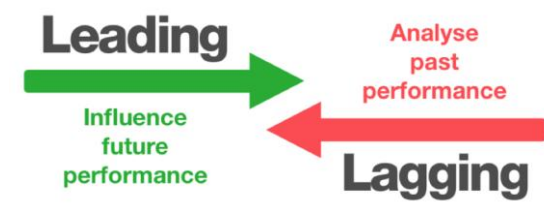
Register for the webinar: "Building your Business Performance Metrics/ Scorecard/Dashboard" June 5th, 10am-noon

Building your Business Performance Dashboard Metrics - A Step by Step Guide - *Live Webinar* - PW

Before we get started, let us ensure we speak with:

"Common Language"
    +plus
"Shared Understanding"

Level Set with some Definitions or sometimes called
"Terms of Reference"

Data: facts or statistics to reference

Analytics: patterns and trends

Insights: actionable value

Use data to make business decisions rather than opinions or gut instincts.

"Common Language"
+plus
"Shared Understanding"

1.Key Performance Indicators or KPIs

2.Leading vs Lagging Indicators

3.Stewardship vs. Reporting

1. **<u>Key Performance Indicators (KPIs)</u>**

A Key Performance Indicator (KPI) is a measure for which the organization has data to quantify and evaluate results of a strategic objective.

🔑 **Key**

📈 **Performance**

➤ **Indicators (KPIs)**

It shows how good your business is performing. They are used to achieve better results, understand your business and make effective, strategic decisions.

Source: what is a lead indicator or kpi - Bing images

Leading → Analyse past performance

Influence future performance ← **Lagging**

2.

Apple tracks revenue from the sale of their iWatch at the end of each quarter.

2.

Leading → Analyse past performance

Influence future performance

Lagging ← (red arrow)
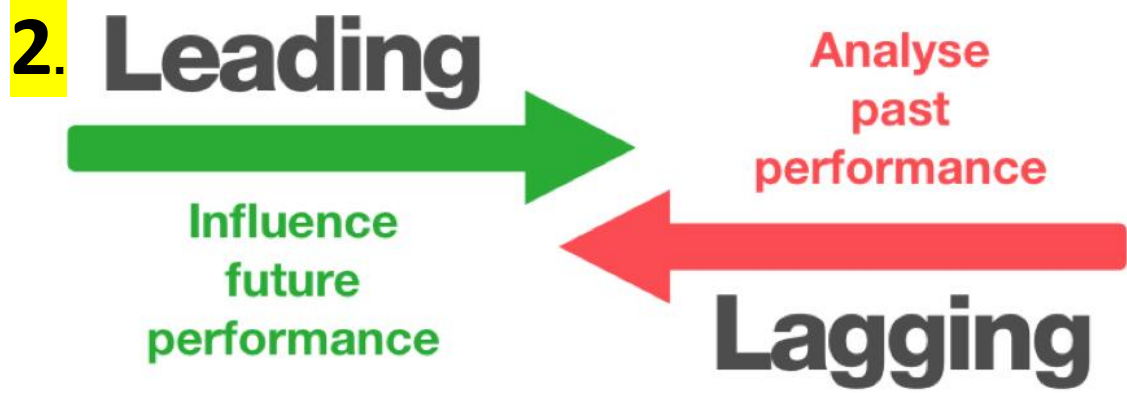
Apple projects growth in revenue (and margin) associated with *sale of their new product* lines

Apple track revenue from the sale of their iWatch at the end of each quarter.

Apple product appearance revisions by year

⌘F SplatF

● Major exterior/structural changes to product ● Moderate ● Minor "refresh" or internal upgrades

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13

iMac, iPod classic, iPod mini/nano, iPod shuffle, iPod touch, iPhone, iPad
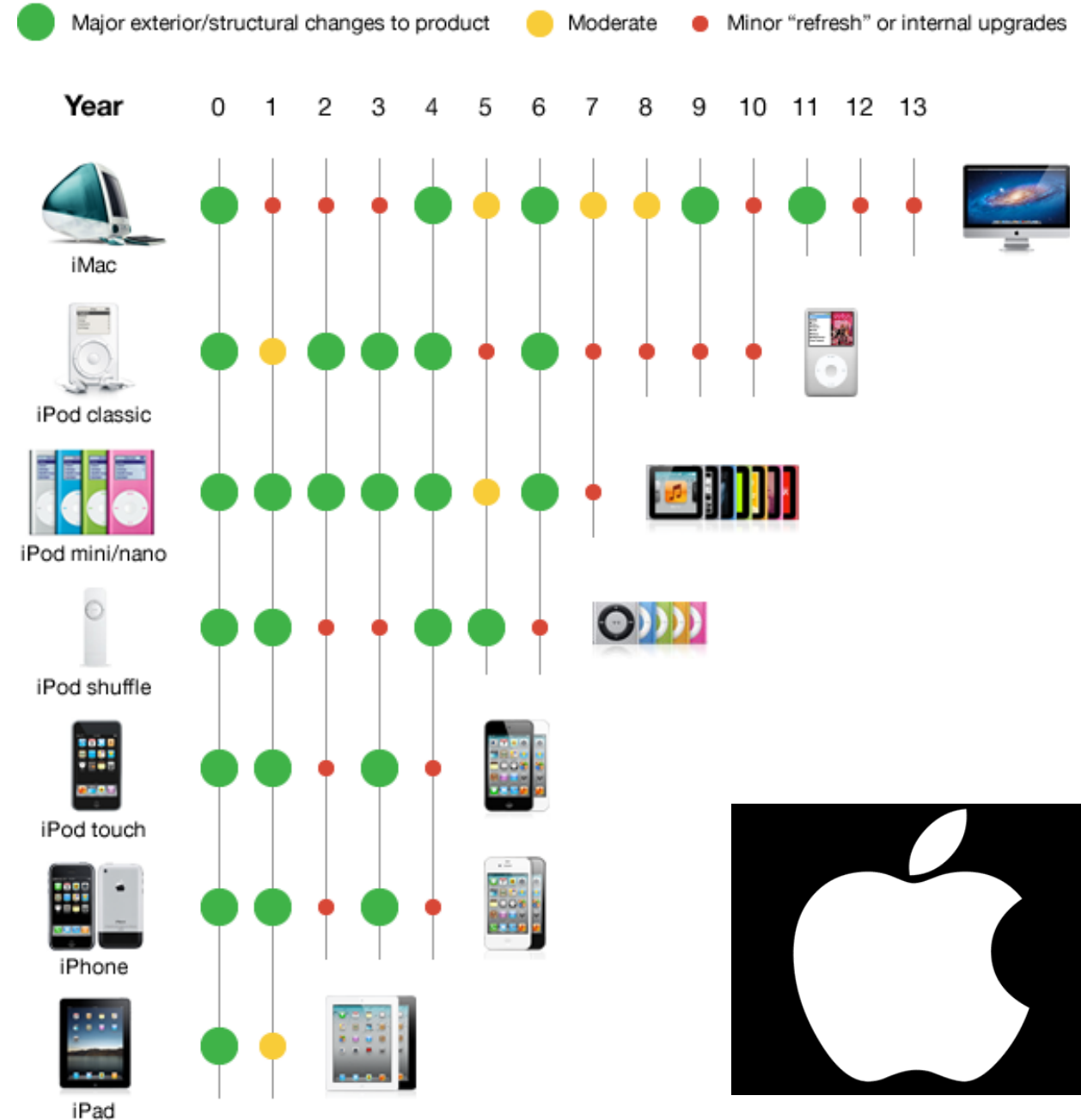
3. Talking about "Scorecards" implies 2 Sub-Processes:

1) "STEWARDSHIP"

2) "REPORTING"

Scorecards governance sub processes:

<div style="border: 3px solid red; padding: 10px;">

1) "STEWARDSHIP"

<u>Definition</u>: *a regular occurring process by which assigned Stakeholders* <mark>**capture and analyze**</mark> *empirical data comparisons, versus the "target" for a given period of time (i.e. week, month, year)**, using <u>pre-determined</u> (....spreadsheet or template).***

</div>

Recurring Process to Capture and Analyze Data Sets Using a templated, Predetermined Format and / or Automated Platform

Scorecards governance sub processes:

Recurring Process to Report out Findings, Insights, And Recommend Actions often in the form of data visualization or "dashboard"

2) "REPORTING"

Definition: *a regular occurring process by which assigned Stakeholders obtain and then ==report out business progress==, using the "dashboard" (template), offering insights and recommendations required to explain and manage areas of responsibility across the business, (i.e. sales, marketing, customer service, etc.).*

Pause: Questions thus far ?

Effective business financial and operational management requires…

- the development of <mark>measurable objectives</mark>…
- <mark>…aligned with business goals</mark>…

and

- <mark>…a process to periodically reviewed against a deep understanding of ongoing market dynamics</mark>.

Excellent Article!

How To Take Revenue Strategy From Planning to Execution - Industry Insider | IBISWorld

A __business dashboard__ is an information management tool that is used to track objectives using aligned KPIs, metrics.

Your dashboard summarizes various functions using data visualizations so you have the peace of mind to concentrate on efficiently and effectively operating your daily business !

"A well designed dashboard report is a remarkable information management tool"

Brief History
of the
Business Management "Dash Board"
or
"Scorecard"

What is its <mark>relevance</mark> to
Business Performance Management?

Sources:
The Balanced Scorecard - Harvard Business Review - YouTube

Balanced Scorecard Animation - YouTube

What is a Balanced Scorecard: A Simple Explanation For Anyone - YouTube

Historical Context & Concept

"Managers can create a balanced scorecard by translating their company's strategy and mission statements into specific goals and measures."

1996 !

Financial

Customer

Processes

Organisational Capacity
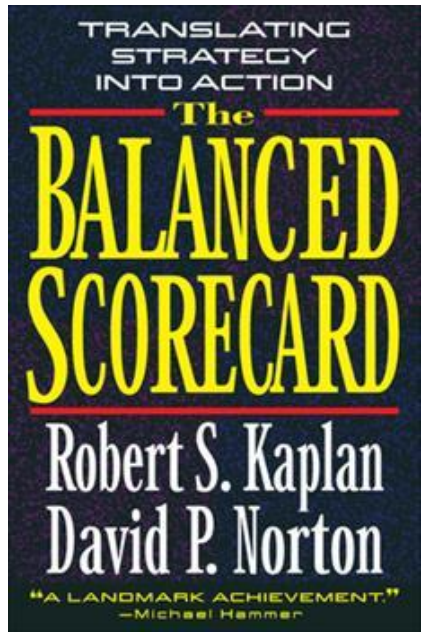
Approach & Key Findings:

- 1 yr. of Research : 12 Companies Interviewed
- outcome was a *"dashboard framework"*
- *metrics were not solely financial measures*
    - *4 measures* linked by metrics:
        - **financial measures** (Revenue, all Operating Expenses, Margin
    - PLUS ++ 3 operational measures :
        - **customer satisfaction**
        - **internal processes**
        - **organization's ability to learn and improve**
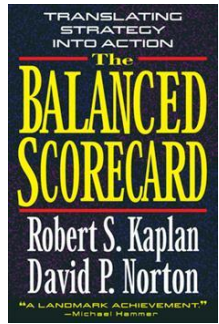
The Balanced Scorecard, introduced by Robert Kaplan and David Norton in the early 1990s, has revolutionised how organisations measure performance and implement strategy.

Traditionally, businesses focused primarily on financial metrics to gauge success.

However, the Balanced Scorecard expanded this view by incorporating additional perspectives: Customer, Internal Processes, and Learning & Growth. This comprehensive approach ensures that businesses consider various factors contributing to long-term success.

Begin by Linking Measurements to Strategy

What is My Vision of the Future?

Statement of Vision
1. Definition of SBU
2. Mission Statement
3. Vision Statement

If My Vision Succeeds, How Will I Differ?

To My Shareholders	To My Customers	With My Internal Management Processes	With My Ability to Innovate and Grow
Financial Perspective	Customer Perspective	Internal Perspective	Innovation and Learning

What Are the Critical Success Factors?

What Are the Critical Measurements?

THE BALANCED SCORECARD

Begin by Linking Measurements to Strategy

Illustrative only

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What Are the Critical Success Factors?

What Are the Critical Measurements?

THE BALANCED SCORECARD

Aim?: Link Specific _Relevant Measurements_ to your _Strategic Imperatives_

TRANSLATING STRATEGY INTO ACTION
The BALANCED SCORECARD
Robert S. Kaplan
David P. Norton
"A LANDMARK ACHIEVEMENT."
—Michael Hammer

Illustrative only

The Vision

"As our customers' preferred provider, we shall be the industry leader. This is our mission."

Strategy

Services that Surpass Needs

Customer Satisfaction

Continuous Improvement

Quality of Employees

Shareholder Expectations

Financial
- Return on Capital
- Cash Flow
- Project Profitability
- Reliability of Performance

Customer
- Value for Money Tier I
- Competitive Price Tier II
- Hassle-Free Relationship
- High-Performance Professionals
- Innovation

Internal
- Shape Customer Requirement
- Tender Effectiveness
- Quality Service
- Safety/Loss Control
- Superior Project Management

Growth
- Continuous Improvement
- Product and Service Innovation
- Empowered Work Force

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What Are the Critical Success Factors?

What Are the Critical Measurements?

THE BALANCED SCORECARD

VISION & MISSION → STRATEGY → STRATEGY OBJECTIVES → ACTIONS

The Future of the Balanced Scorecard - Intrafocus

Pause: Questions?

What might these
Business Management "Dashboards"
or
"Scorecards"
look like ?
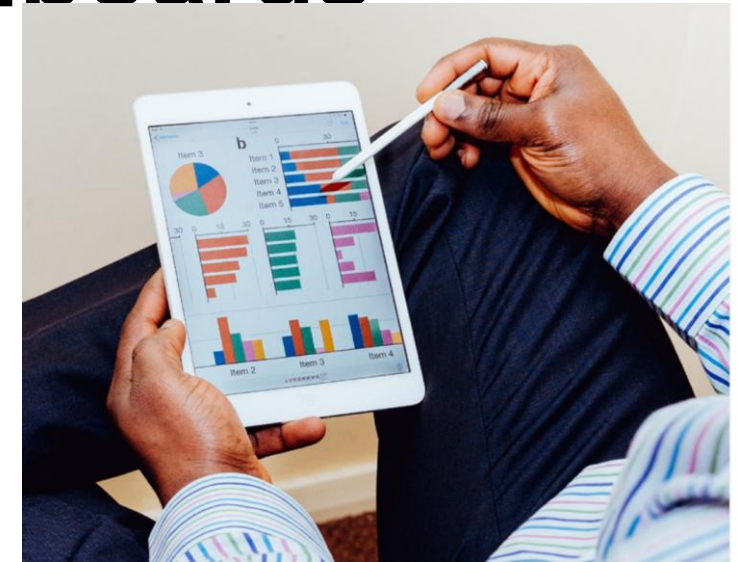
NOTE: The following examples are Illustrative Only !

Example 1a: *Topside Summary*. Color Coded "Go-No-Go" Status. Objective Oriented.

SIMPLIST

Definitions :

Red, **amber**, **green**, is a **traffic light system** that tells you that 'red' statuses are an alert, 'amber' statuses signal caution and 'green' means everything is on track.

Status Updates

DEA Special Testing Lab Interview

Chemistry Lab Tour and Interview

Initial Materials Purchase

Design Decisions and Alternatives

Design Review Report

Design Presentation
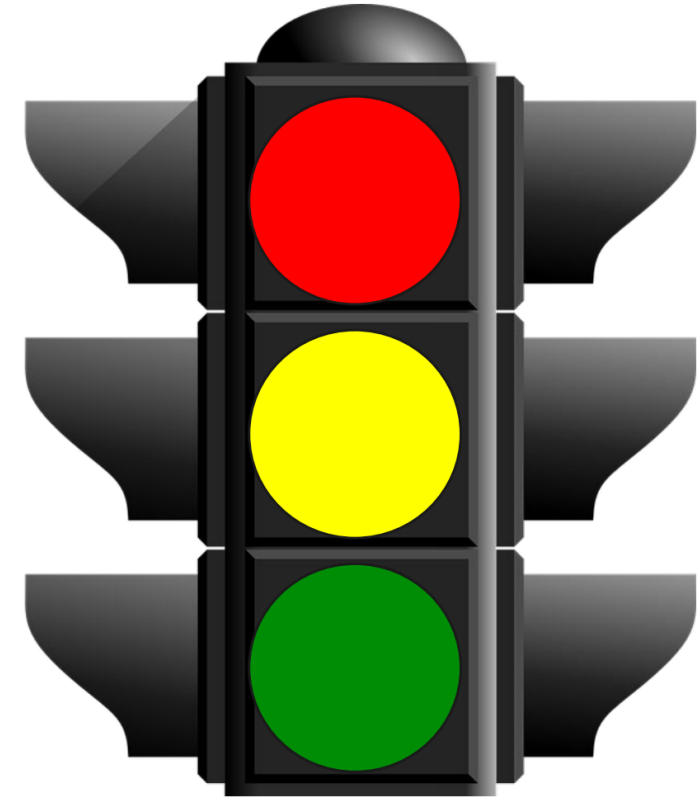
Met or exceeded plan   Somewhat Short of Plan   Short of plan

Resource: Red, amber, green - RAG reporting | Intrafocus Academy

Example 1b: *Topside Summary*. Color Coded "Go-No-Go" Status. Objective Oriented.

SIMPLE

Short of both plan and prior year

Met or Exceeded 2020 But Fell Short of Plan

Met or exceeded plan

Definitions of each Color Coded Category

Red, amber, green, is a **traffic light system** that tells you that 'red' statuses are an alert, 'amber' statuses signal caution and 'green' means everything is on track.

⭐ Best Ever

Contractor Incidents

Product Returns
Gross Margin

Employee Safety
⭐ **Lifetime Value of Customers**
⭐ **Audit Results**
⭐ **Credit ; Deliquency > 30 days**
Total Revenue
⭐ **Premium Sales Volume**
⭐ **Total Operating Expense/Unit Opex**
Marketing as a % of Sales
Abandoment Rate
Pipeline Conversion Rate
Return on Capital Employed

Resource: Red, amber, green - RAG reporting | Intrafocus Academy

Intermediate

Updated: (DATE HERE)

Proposed Measure	Type: Lead, Lag, Milestone, Other	Frequency of Report	2021 Actual	2021 Results Current Quarter	YTD Status	2021 Full Year Plan	Percent of Plan	Performance Indicator	Metric Definition
Safety									How is the metric calculated ?
Incidents in Taproom (damage or otherwise)	Lag	Q	0	0	0	0	100	●	1 (no $ or personnel damage)
Revenue related Metrics								○ (yellow)	
Lake Ridge Gross Sales	Lag	Q	300,000	25,000	30000	400,000	8%	○ (yellow)	in $ USD
Potomac Mills Gross Sales	Lag	Q	300,000	25,000	30000	400,000	0%	● (red)	in $USD
	Milestone	NA				15-Apr	100	●	
	Milestone	NA				15-May	100	●	
	Milestone	NA				TBD	0%		
Beer Production Metrics								●	
		Q				14	0%	●	
		Q	na			1.8	0%	○ (yellow)	
	Milestone	NA				16-Apr	100%	●	
	Milestone	NA				TBD	0%		
Marketing Related Metrics								●	
Advertising Spend	Lead	Q	12000	3500	4000	12000	33%	●	
		Q	NA			2	0%	● (red)	
	Milestone	NA				26-Feb	100%	●	
	Milestone	NA				TBD	0%		
Cost Related Metrics								●	
Taproom COGs		Q	0			1	0%	●	
		Q	NA			0.5	0%	●	
	Milestone	NA				22-Mar	100%	●	
	Milestone	NA				18-Apr	100%	●	
	Milestone	NA				TBD	0%		
Customer Experience Related Metrics								●	
Positive Customer Review (a simple count from XY Source)		Q							
Negative Customer Reviews (a simple count from XY source)		Q							

Example 3: Software Tools. Integrated with Business Platforms. Data Visualization
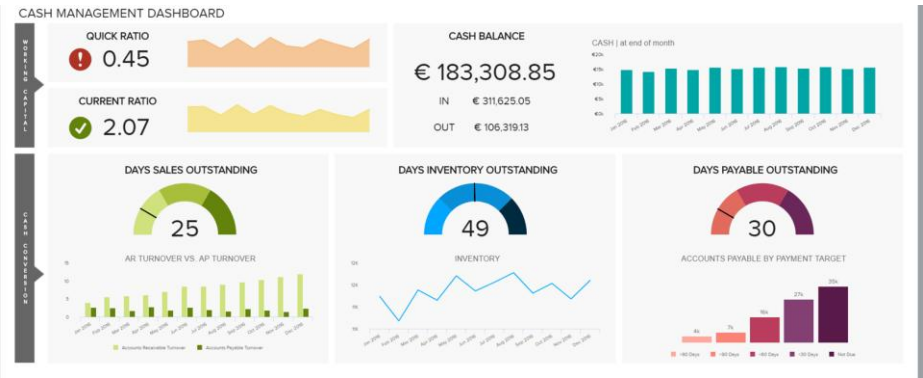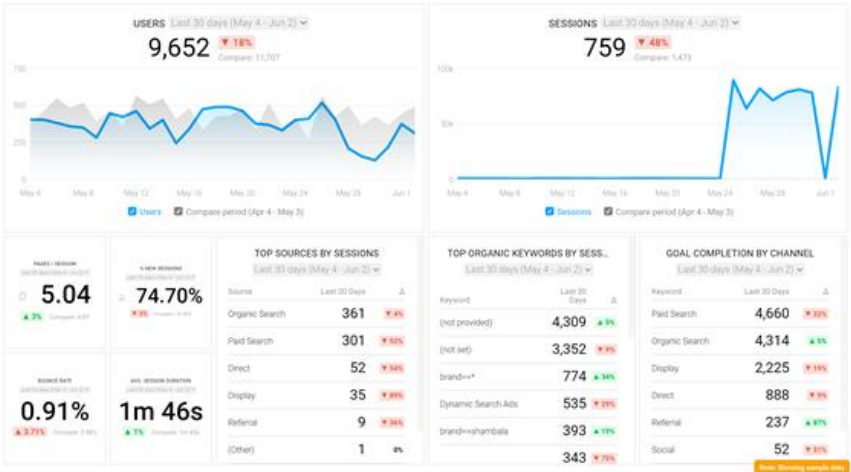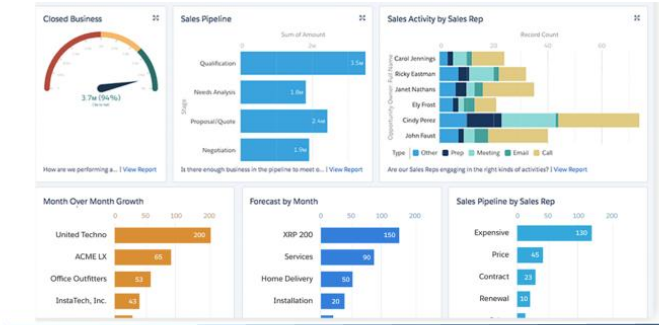
Why is a "Scorecard"
or
"Dashboard" important ?
and
what are the benefits
to business ?
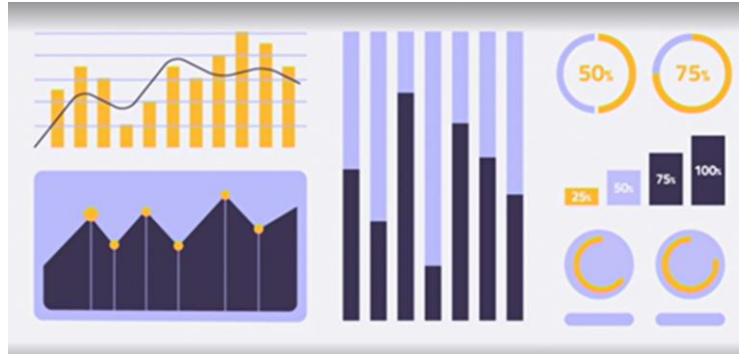
"Data makes your briefcase heavy... insights make you rich."

– Niall Fitzgerald, Former Chairman of Unilever

Good Article! ➡ [What Is Revenue Operations and How Does It Create Value? (forbes.com)](forbes.com)

What are some benefits to businesses for investing time into building dashboards and KPIs?

✓ Decision-makers become more confident when they can **support decisions** and **justify their hypothesis** with **hard data**.

✓ Employees across the organization can **use the same data and KPIs to suggest ideas for improvements and to innovate ; it aligns communication**
   ✓ – using the same data that leaders have access to, via an exciting base of rich dashboards and informatics; empowers staff to contribute

✓ **Employees become more motivated – it can drive accountability**
   ✓ – seeing the figures which evidence their results (and which make it far easier for rewards to be applied for high performance.)

✓ **Small – Medium businesses have scarce resources; need to be efficient! They can more quickly adapt to changes in market** dynamics, competition, macro forces

✓ Organizations make informed decisions, streamline processes, stimulate innovation

Pause: Questions thus far ?

What principles
guide the development
of a first draft
of a
business scorecard
or
dashboard ?

Generate Best-Fit Metrics

Traits of a Strong Metric
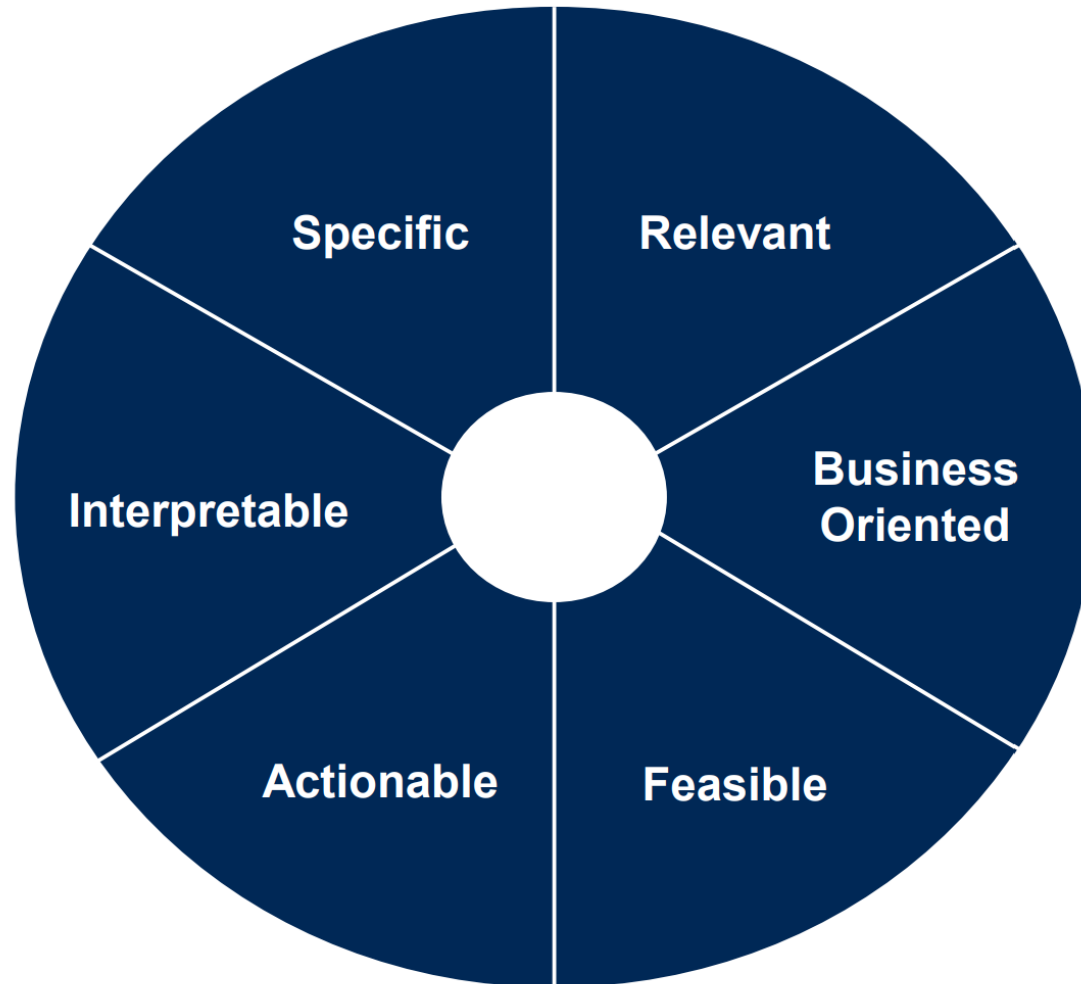
Consider a tiered approach for selecting metrics that matches your investments and maximizes your impact. **Prioritize quality over quantity in your metrics strategy.**

Source: Gartner

"Coaches'" Guiding Principle Checklist for
1st time Scorecard / Dashboard Development

❑   Start simply and modestly ; use a simple color coded "go-no go" status or simple excel spreadsheet
❑   Start with less than 9 total KPIs or Metrics representing a handful of themes to begin
❑   Measure what matters; develop the fewest relevant metrics
❑   Select a few metrics that are not solely financial (i.e. Revenue or Cost) in nature
❑   Build a mix of "lead", "lag", and "milestone" metrics in your 1st draft if possible
❑   Select a few metrics that are "ratios"; comparative metrics offer the best perspectives, insights
❑   Ensure the metrics are meaningful, relevant, measurable and quantitative (discovery)
❑   Pick metrics that "DRIVE" positive business results; avoid "vanity" metrics (discovery)
❑   Ensure the metrics will produce some insights; ask *"How would I act on these if I had the data"* ?
❑   Develop metrics for your scorecard that are at least "semi-automated" / tech enabled if possible
And
❑   Seek guidance from a mentor (help@masonsbdc.org) to help build and then validate your 1st draft

Calibrate 2024

What size businesses typically need
Scorecards or Dashboards
to run their businesses ?

There is no particular business size threshold to begin thinking about building a business dashboard

- Tiny family businesses
- Community based businesses
- Fledgling startups
- Growth companies
- Campaign organizers
- Charities and non profits
- Large Corporations

Small Organizations

- Have a lack of data
- Short organizational history
- Lean on industry reports

Large Organizations

- Many unique systems
- Poor data collection methods
- Low coordination between systems
- Data silos

Pause: Questions thus far ?

How do we get started ?

How do small business owners begin
building these Dashboards
for
their businesses ?

Process for developing a KPI dashboard
Here's a framework for creating a KPI dashboard

| Create Objectives | Describe Results | Identify KPIs | Define Thresholds | Measure | Interpret Results | Take Action |
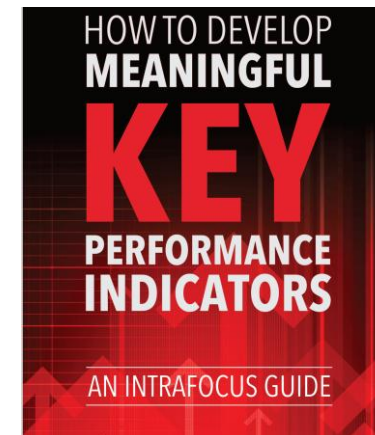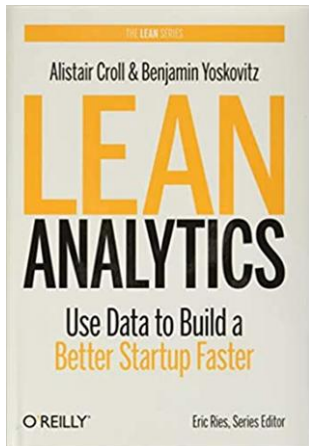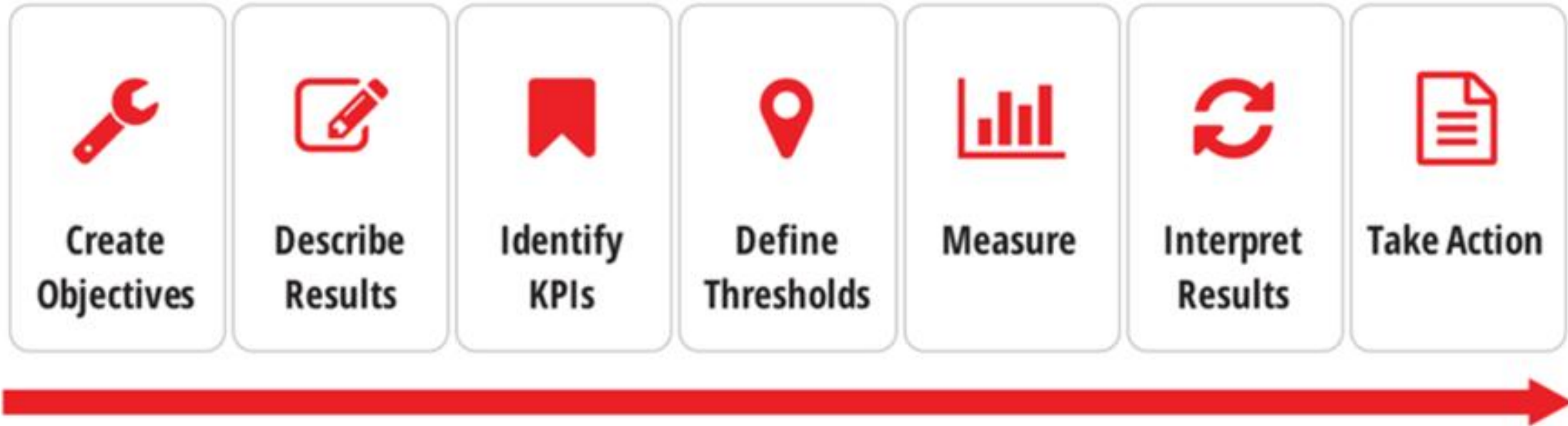
Source: [Microsoft Word - How to Develop Meaningful Key Performance Indicators V7-web A5 Size.docx (intrafocus.com)](intrafocus.com)

Lets *adopt and adapt* Kaplan and Norton's central framework into action in all ==*4 performance dimensions*== !

The Vision

"As our customers' preferred provider, we shall be the industry leader. This is our mission."

Strategy

Services that Surpass Needs

Customer Satisfaction

Continuous Improvement

Quality of Employees

Shareholder Expectations

Financial
- Return on Capital
- Cash Flow
- Project Profitability
- Reliability of Performance

Customer
- Value for Money Tier I
- Competitive Price Tier II
- Hassle-Free Relationship
- High-Performance Professionals
- Innovation

Internal
- Shape Customer Requirement
- Tender Effectiveness
- Quality Service
- Safety/Loss Control
- Superior Project Management

Growth
- Continuous Improvement
- Product and Service Innovation
- Empowered Work Force

TRANSLATING STRATEGY INTO ACTION
The BALANCED SCORECARD
Robert S. Kaplan
David P. Norton
"A LANDMARK ACHIEVEMENT"
—Michael Hammer

Our **CORE VALUES** and VISION for XYZ Comp.:	Our **STRATEGIC "IMPERATIVES"**, AIMS / GOALS for the next 2 Years are:	Our PERFORMANCE **METRICS in 4 KEY THEMES designed specifically to MEASURE PROGRESS against our goals are:**

Our PERFORMANCE METRICS in 4 KEY THEMES designed specifically to MEASURE PROGRESS against our goals are:

XYZ Co. operations and its leadership team will always be guided by 4 uncompromising Core Principles:

1.
2.
3.

Our **Vision is** to…

_____

_____

Our STRATEGIC "IMPERATIVES", AIMS / GOALS for the next 2 Years are:

1.

2.

3.

4.

5.

1. Financial Metrics
- What are the quantifiable LEAD metrics?   How is it quantified?
- What are the quantifiable LAG metrics?   How is it quantified?
- Any Milestone Metrics ?   Key milestone dates?

2. Customer Experience Metrics
- What are the quantifiable LEAD metrics?   How is it quantified?
- What are the quantifiable LAG metric(s)?   How is it quantified?
- Any Milestone Metrics ?   Key milestone dates?

3. Internal / Process Metrics
- What are the quantifiable LEAD metrics?   How is it quantified?
- What are the quantifiable LAG metric(s) ?   How is it quantified?
- Any Milestone Metrics ?   Key milestone dates?

4. Organizational / Cultural / Diversity/Inclusion Metrics
- What are the quantifiable LEAD metrics?   How is it quantified?
- What are the quantifiable LAG metric(s) ?   How is it quantified?
- Any Milestone Metrics ?   Key milestone dates?

Helpful Framework

Our Leadership Team will start reporting progress in (June 202X) and will do so on a (monthly) basis using a simple traffic light (other) format

CORE VALUES and VISION for XYZ Comp.:

XYZ Co. operations and its leadership team will always be guided by 4 uncompromising Core Principles:

1. We never place profit over people
2. We work to delight our customers every day
3. We continuously Innovate to hedge uncertainty
4. We aspire to create, communicate, deliver and then extract market value

Our **Vision is to be considered a thought leader and rank # 1 in customer satisfaction**

STRATEGIC "IMPERATIVES", AIMS / GOALS for the *next 2 Years* are:

1. **Increase topline revenue by 10% via expanded services**

2. **Reduce operating expenses by 2%**

3. **Build loyalty, target 95% customer retention**

4. **Build a dashboard targeting 1% improvements**

5. **Create incentives and reward employee innovation**

PERFORMANCE METRICS in 4 KEY THEMES designed specifically to MEASURE PROGRESS against our goals are:

1. Financial Metrics
- **New product/svc sales less op expenses** — Net income in $USD
- **Customer Acquisition Costs** — Mo. Cost / Cust. Sales
- **Begin monitoring cash flow statement** — Ist report Dec 2024

2. Customer Experience Metrics
- **Website Customer conversion rate** — Monthly % Conversion
- **Customer net promoter scores** — Monthly Summary
- **1st Annual Customer Sat Survey** — Launch Dec 2025

3. Internal / Process Metrics
- **Act on identifiable inefficiencies** — YTD % Improvement $s
- **Marketing Return on Investment** — Mkting as % of Sales
- **9 metric dashboard report created** — 1st briefing Jun 2025

4. Organizational / Cultural / Diversity/Inclusion Metrics
- **Launch of 2 profitable new ventures** — Science to Sales $s
- **Increase employee satisfaction** — Annual HR Sat Survey
- **Create / Invest in Innovation HUB** — Program viable 6-2026

Example Illustrative Only

Our Leadership Team will start reporting progress in (June 2025) and will do so on a (monthly) basis using a simple traffic light (other) format

There is a transformative impact of dashboard metrics across various industries.

They can drive informed decision-making and business success.

Pause: Questions thus far ?

What 9 simple metrics
might a business owner consider
when developing their very first version
of the
business scorecard
or
dashboard?

Metric Design Brainstorm :

Illustrative only

Safety related metrics*   (1)

Sales Pipeline related metrics   (2)

Cost / Budget related metrics   (1)

Marketing Related metrics   (2)

Digital / Web Analytics metric   (1)

Customer Centric Related metric (1)

Milestone / **Project** related metric (1)

Total Metrics: 9   * If Applicable

Safety

- Number of reported incidents this month

Sales

- % of Prospects Converted from emails, meetings
- Lead Velocity Rate = (Number of qualified leads in the current month – Number of qualified leads last month) ÷ Number of qualified leads last month x 100

Cost / Budget

- % of budget spent vs targeted budget

Marketing

- marketing expense$ as a % of sales
- ratios of organic and paid search over total marketing spend
- E-mail campaign performance (% conversion to sales)

Digital / Web Analytics

- % of Website users converted to meetings

Customer Centric

- % Net Customer Retention = ((sum of cancelations+contractions+new customers))/customer base

Milestone / Project

- % completion of Project XYZ on time and on budget

Library of KPIs / Metrics
By Department / By Industry

intrafocus

TABLE OF CONTENTS

[KPIs Listed by Sector (intrafocus.com)](intrafocus.com)
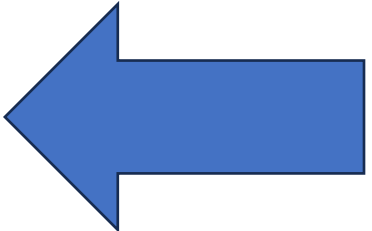
- [KPI Examples by Industry and Department | Spider Strategies](Spider Strategies)
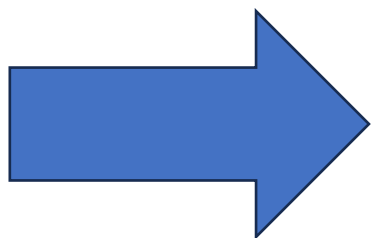
Source:
https://www.spiderstrategies.com/

Pause for Questions

What software tools, or other resources
are available
to make scorecard or dashboard development
integrated with some of your systems and therefore more automated ?

Technology Essentials for Startups

KPI Monitoring Software - Intrafocus

The Role of Technology in KPI Management - Intrafocus

Dashboard Reporting Software

Compare product features and ratings to find the right Dashboard Software for your organization. ℹ

Product	Data Connectors	Data Visualization	Functions/Calculations	KPI Monitoring	Private Dashboards	Public Dashboards	
Tableau ⭐⭐⭐⭐½ (1485 reviews)	✅	✅	✅	✅	✅	✅	VISIT WEBSITE
Datorama ⭐⭐⭐⭐½ (15 reviews)	✅	✅	✅	✅	✅	✅	VISIT WEBSITE
TapClicks ⭐⭐⭐⭐½ (163 reviews)	✅	✅	✅	✅	✅	✔	VISIT WEBSITE
Qlik Sense ⭐⭐⭐⭐½ (180 reviews)	✅	✅	✅	✅	✅	✅	VISIT WEBSITE
CXO Software	✅	✅	✅	✅	✅	✅	VISIT WEBSITE
Domo ⭐⭐⭐⭐☆ (186 reviews)	✅	✅	✅	✅	✅	✅	VISIT WEBSITE
monday.com ⭐⭐⭐⭐½ (2343 reviews)	✅	✅	✅	✅	✅	✅	VISIT WEBSITE
Cumul.io ⭐⭐⭐⭐½ (16 reviews)	✅	✅	✅	✅	✅	✅	VISIT WEBSITE
ClicData ⭐⭐⭐⭐½ (123 reviews)	✅	✅	✅	✅	✅	✅	VISIT WEBSITE
Zoho Analytics ⭐⭐⭐⭐½ (218 reviews)	✅	✅	✅	✅	✅	✅	VISIT WEBSITE

🔍 Compare all software products on Capterra's **Dashboard Software** Directory.

Illustrative Only

HubSpot's All-in-One Marketing Software

HubSpot works for companies and marketing departments of all shapes and sizes.

Learn more about our free software for small business, our powerful capabilities for enterprise companies, and our solutions for everyone else in between.

Get Started for Free

More Web Metric Resources
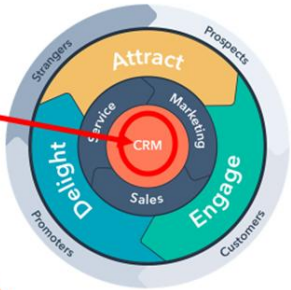
How To Make A Performance Dashboard Business Excel Tutorial - Bing video

 Quickly Build Badass KPI Dashboards for Your Business (Free!) - Bing video
https://www.zendesk.com/blog/how-sales-managers-should-use-the-5-most-important-sales-reports/?utm_source=ActiveCampaign&utm_medium=email&utm_content=Focus+Your+Account+Based+Selling+with+Intent+Data&utm_campaign=8%2F14%2F20+-+Newsletter

Everything is Better with Good Data | Twilio Segment

marketing_dashboards_dos_donts_whitepaper_2019.pdf

salesforce-research-sixth-edition-state-of-marketing.pdf

3 keys to building a measurable sales pipeline (1).pdf

What is the story of your data?. How to transform your raw data into… | by Joel Shuman | The Startup | Medium

Simple 2022 Guide to Strategy Maps | Strategy Map Software (spiderstrategies.com)

Rollstack | Automate your Presentations and Documents

The KPI Dashboard - Seeing the Big Picture - Intrafocus
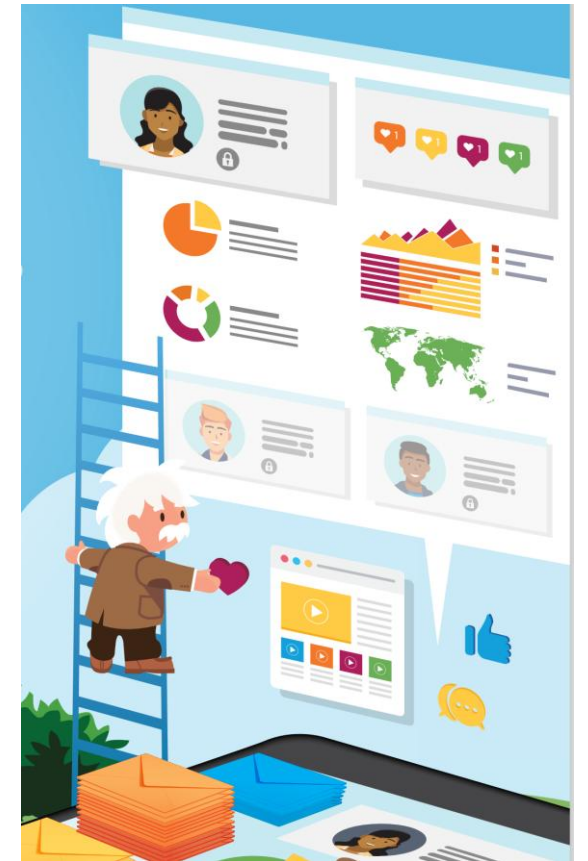
Pause for Questions?

Beyond the basic stoplight dashboard,
what other categories of
key performance indicators (KPIs)
might I consider for inclusion
on dashboards
for my pre-venture, growth or mature
business
in now and in future versions ?

Some *Sales / Pipeline Metrics* To Consider

- ❏ Sales Pipeline related metrics
- ❏ Web Conversion Rate Metrics
- ❏ Number and Quality of Leads
- ❏ Web Site Traffic Metrics
- ❏ Revenue by Product
- ❏ Revenue per customer
- ❏ Average Deal Size in $s
- ❏ Cash Management Metrics
- ❏ Cost of Customer Acquisition
- ❏ Average Response Time
- ❏ Average Resolution Time
- ❏ Customer Retention
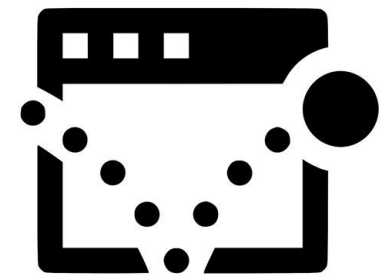
Sales / Pipeline Metrics

To
Consider
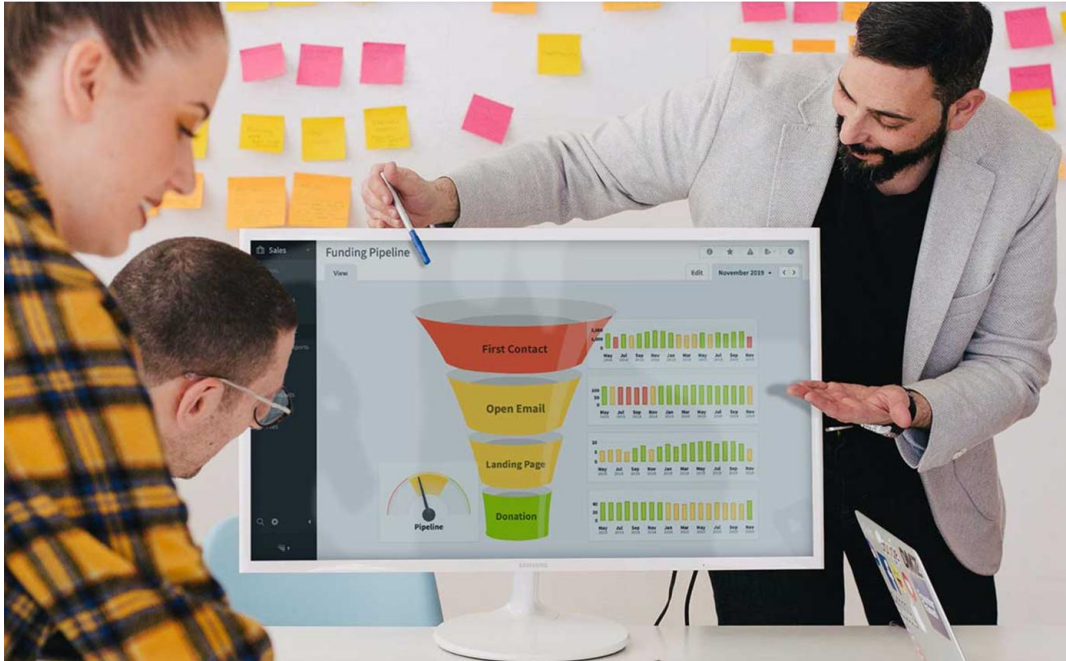
☐ Raw Prospect
☐ Qualified Lead / total leads
☐ Sent proposal / Quote
☐ Negotiating / Follow-Up
☐ Closure
☐ Service after the Sale
☐ Sales by Sales Team Reps

Some *Sales Management Metrics* To Consider

10 TOP SALES MANAGEMENT KPI EXAMPLES

- Client acquisition rate
- New leads (Lead flow)
- Average profit margin
- Sales target
- Product performance
- Sales closing ratio
- Sales growth
- Sales per sales rep
- Customer lifetime value
- Customer acquisition cost

Some <mark>Marketing To Sales</mark> Conversion <mark>Metrics</mark> To Consider

❑ Monthly Visits
❑ Monthly Contacts Created
❑ Email Opens/Clicks
❑ Blog Post Views
❑ Landing Page Submissions

Image Source/Getty Images

CONVERSION METRICS

Converting website traffic into business leads or outright sales is the primary purpose for your digital marketing campaign

CONVERSION RATE (CVR)

Whether your goal is to gather valuable information about your website visitors and potential customers or convert site visits into sales, monitoring your Conversion Rates can define your digital marketing success.

COST PER LEAD (CPL)

Cost Per Lead (CPL) is a metric that defines the lead conversion ratio of a particular campaign and corresponding cost, giving insights to the business owner or marketer on how profitable their campaign is or not.

BOUNCE RATE

Some visitors immediately leave or "bounce" should they find your content irrelevant to their needs.

AVERAGE PAGE VIEWS PER VISIT

The more page views generated from each visit the more chances for engagement with website visitors, eventually influencing them to get converted into leads or paying customers.

AVERAGE COST PER PAGE VIEW

Your cost per page view should be significantly lower than the revenue you can generate from the page in order to gain profit from your campaigns.

AVERAGE TIME ON SITE

This is important for gauging what content is relevant and would drive results from site visitors, gaining their valuable trust so they would eventually convert.

Some *Marketing Metrics* To Consider

Average open rate for email vs. SMS marketing—18% and 98% respectively

Average click through rate for email vs. SMS marketing—3% and 19% respectively

WHAT ARE THE MOST USEFUL METRICS FOR MEASURING CONTENT MARKETING PERFORMANCE?

50% Conversion rate

45% Quality of leads

42% Website traffic

37% Number of leads

30% Sales revenue

27% Subscriber list growth

27% Social media sharing

17% Search engine rankings

Content Marketing Trends Survey, N=920
Ascend2 and Research Partners, Published March 2015

[What is return on ad spend (ROAS)? | Singular](#)

Video ROI, Impact & Analytics Measurement

[Video ROI: Using Analytics to Measure Impact (wistia.com)](#)

Customer Satisfaction Metrics
To Consider

- ## Customer Satisfaction Ratings (CSAT)
  - ### How was the experience with us, good or bad and why?

- ## Customer Effort Score (CES)
  - ### How easy was it to resolve the issue on 7 point scale?

- ## Net Promoter Score (NPS)
  - ### How likely are you to recommend us to someone you know?

- ## Social media and churn metrics
  - ### Sorry you are leaving us. Please help us improve by taking a 2 minute survey

Source: Zendesk

15 KPIs for small-medium sized businesses to consider

1. Net Profit
2. Net Profit Margin
3. Gross Profit Margin
4. Quick Ratio
5. Customer Acquisition Costs
6. Monthly Recurring Revenue
7. Customer Satisfaction
8. Website Traffic/Interaction
9. Social Media Engagement
10. Number of Customers
11. Net Promoter Score
12. Customer Complaints
13. Employee Satisfaction
14. Employee Retention Rate
15. Energy Consumption

Source: **i** intrafocus

Top 15 KPIs for Small Businesses - Intrafocus

How often
do we need to update and review
the dashboards
with the team?

Scorecard use implies 2 Processes – *One is <u>regular reporting</u> !*

REPORTING

Definition: ***a process by which stakeholders in the company collect, synthesize and <u style="color:red">periodically report out</u> to management, information required to communicate status in their area(s) of responsibility.***

STEWARDSHIP

Definition: *a process and frameworks to guide the <u>formal comparison</u> of actual metric data to planned projected performance targets for the same period of time (monthly, quarterly, yearly, etc.)*

Topside Standard Report Suite (OnGoing)	Project Related and Temporary Metrics (Milestones)

Supplemental Metrics

Core Metrics
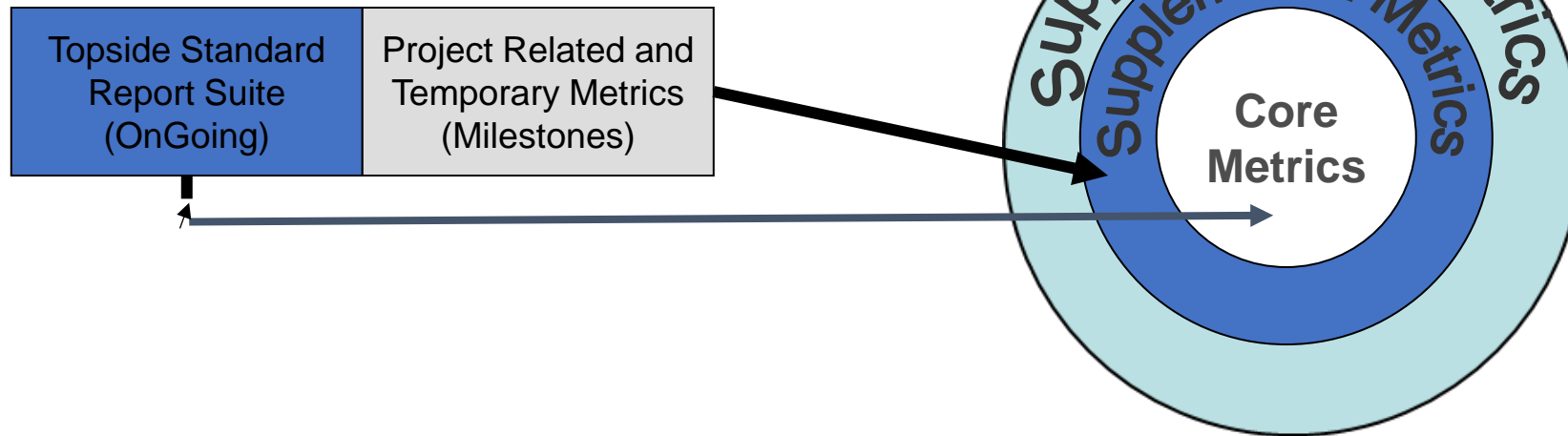
Ask: "What is a Relevant Report Package? "

Ask: "How often should we compare actuals to targets?"

The **Frequency** **of the** **Stewardship** **development of your dashboard, and the preparation for** **Reporting** **the "story" the numbers are telling you, are dependent on a mix of factors:**

- *Industry vertical / type of business*
- *type of metric*
- *root source of the data*
- *manual extraction / data entry vs automated tech inte...*
- *relevance of the rate of change over time*
- *staffing*
- *pace / tempo of the business*
- *other factors*

Weekly sales performance metrics

Call/Contact volume

Percentage of appointments set

Lead response time

Monthly sales performance metrics

Number of Marketing qualified leads (MQL)

Business Development Representative (BDR) capacity

Account Executive (AE) capacity

Win rate

Quarterly sales performance metrics

Acquisition cost

Lifetime value (LTV)

Illustrative
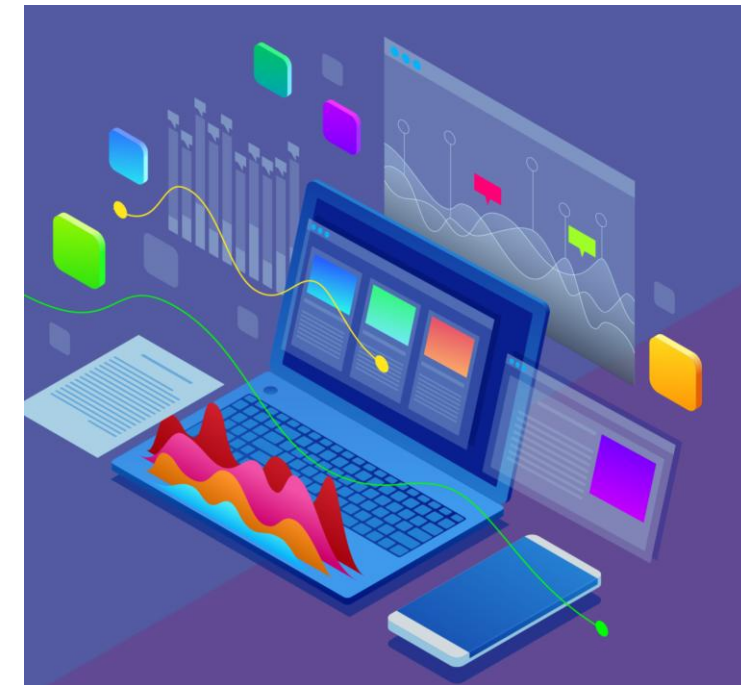
How might we test to see if our Dashboard
is providing us insights?
…making a difference ?

Is there a "rubric" to follow and use?

Start with one KPI

Look for insights

Create a hypothesis

Design a "test"

Measure results

Pivot, change the "test",
change the hypothesis

See results

Go to next KPI (or KPIs)

Lean Analytics Cycle
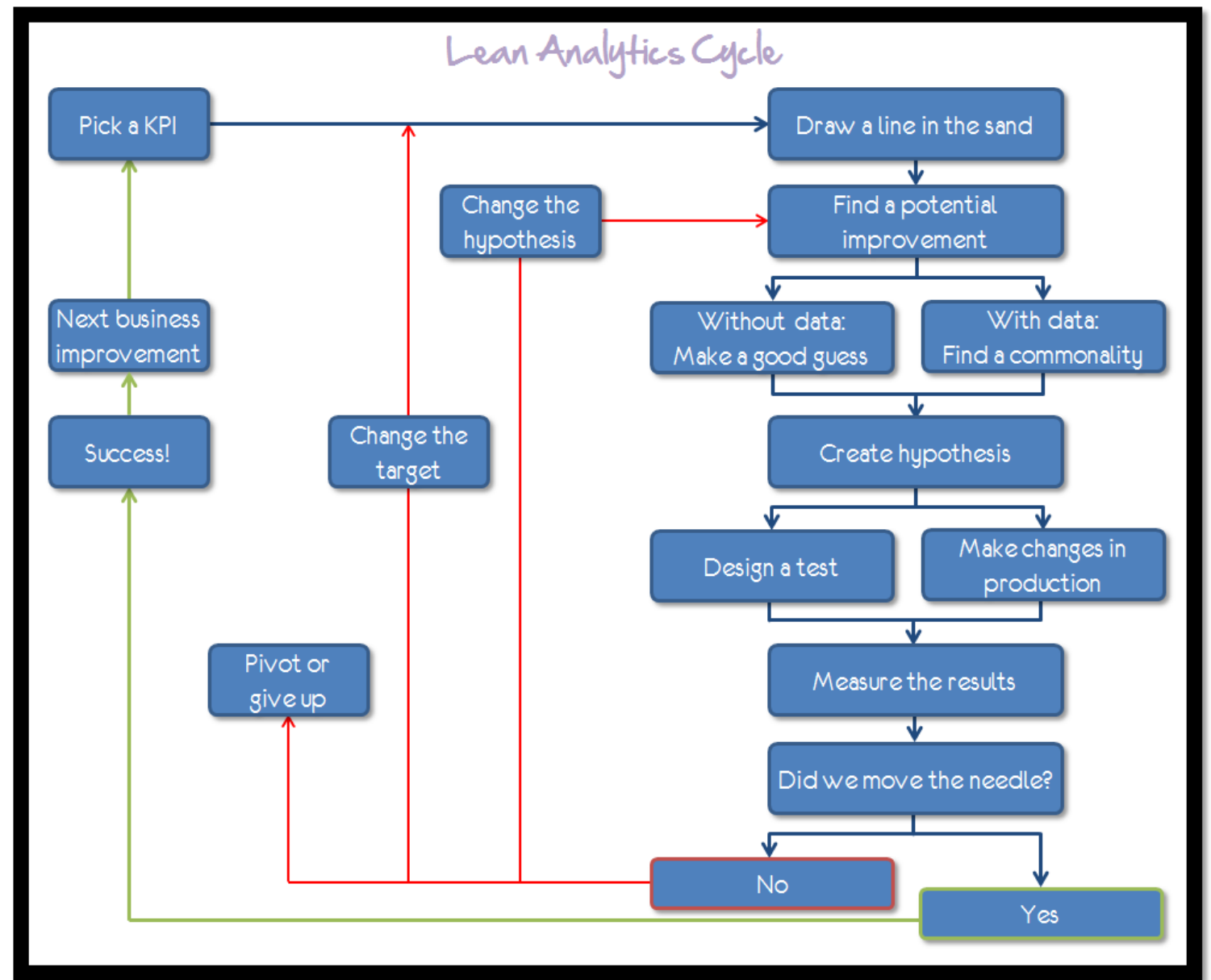
Are there ways to benchmark my business management performance metrics?

Benchmarking as a Point of Performance Comparison

vertical IQ

Breweries

NAICS: 312120
SIC: 2082

prepared January 6th, 2021

Table of Contents

Financial Benchmarks

The following financial benchmark data is based on annual financial statements submitted by member institutions of the Risk Management Association from Q2 of the first year listed through Q1 of the following year.

Illustrative

Financial Ratios (Breweries, Industry-wide)

MEASURE	2017-18	2018-19	2019-20
Current Ratio	1.17	1.29	1.36
Quick Ratio	0.55	0.69	0.59
Days Inventory	57.0	57.0	76.0
Days Receivables	21	23	14
Days Payables	29.0	35.0	31.0
Pre-tax Return on Revenue	3.59%	3.82%	4.66%
Pre-tax Return on Assets	3.63%	4.06%	7.84%
Pre-tax Return on Net Worth	8.14%	9.16%	34.75%
Interest Coverage	6.06	7.19	6.29
Current Liabilities to Net Worth	0.44	0.47	1.02
Long Term Liabilities to Net Worth	0.8	0.79	2.41
Total Liabilities to Net Worth	1.24	1.26	3.43
Number of Firms Analyzed	*210*	*214*	*168*

Income Statement (Breweries, Industry-wide)

ITEM	2017-18	2018-19	2019-20
Revenue	100.0%	100.0%	100.0%
Cost of Sales	47.93%	45.1%	45.31%
Gross Margin	52.07%	54.9%	54.69%
Officers Compensation	1.62%	1.66%	2.21%
Salaries-Wages	9.97%	10.94%	11.04%
Rent	0.98%	1.14%	1.22%
Taxes Paid	7.63%	7.73%	7.43%
Advertising	10.12%	11.82%	13.18%
Benefits-Pensions	2.26%	2.4%	2.38%
Number of Firms Analyzed	*210*	*214*	*168*

Questions?

What actionable insights
can Dashboards
provide us?

Typically, what actions can we take based
on the dashboard metrics and insights

Let us understand
how insights are developed
and how your scorecard
can help you
make more informed decisions
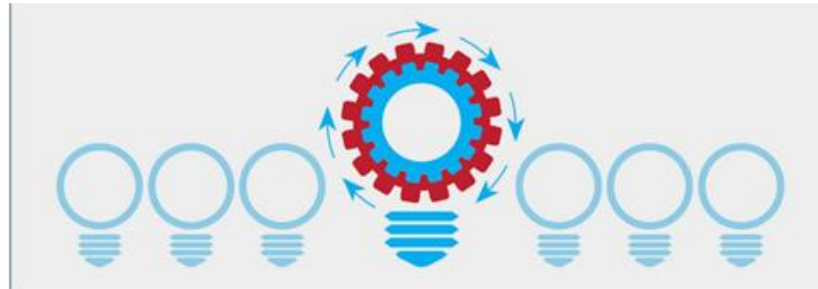
First we collect Fact Patterns

Collect Data →

Spot "Fact Patterns" →

Interpret Trends, "Outliers" →
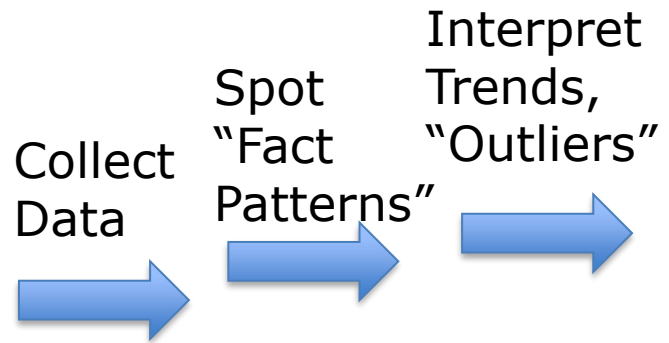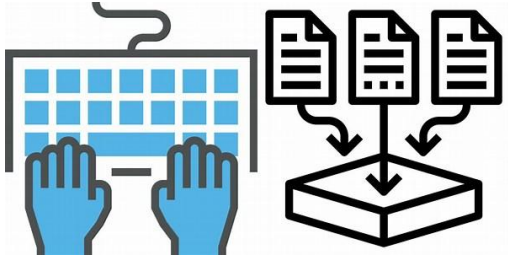
Facts flow into Insights which are then harvested

Collect Data → Spot "Fact Patterns" → Interpret Trends, "Outliers" → "Harvest", Identify Insights → Identify Implications → Understand Cause & Effect, Consequences
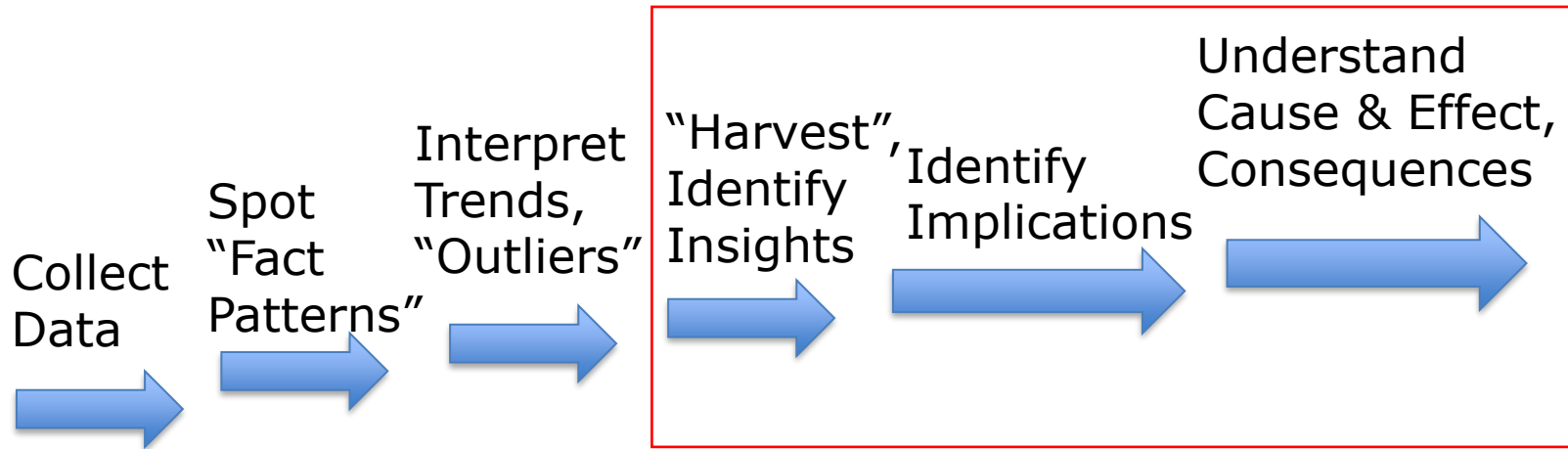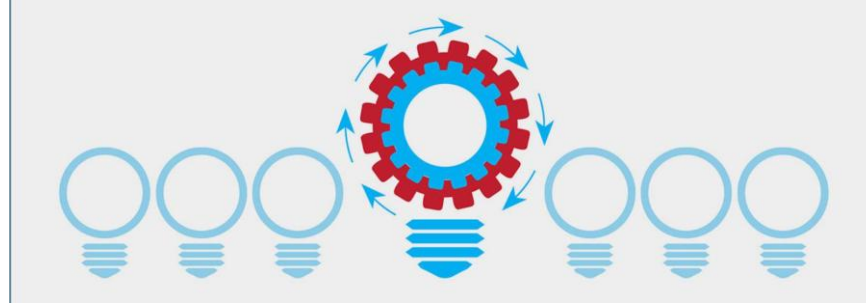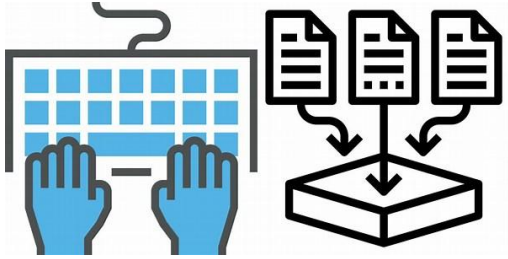
NOTE:
It's a genuine "INSIGHT" only if there is an associated implication

True insights suggest a course of action

Collect Data → Spot "Fact Patterns" → Interpret Trends, "Outliers" → "Harvest", Identify Insights → Identify Implications → Understand Cause & Effect, Consequences → Discuss Options → Make Choices / Path → Take Action, Execute, Measure
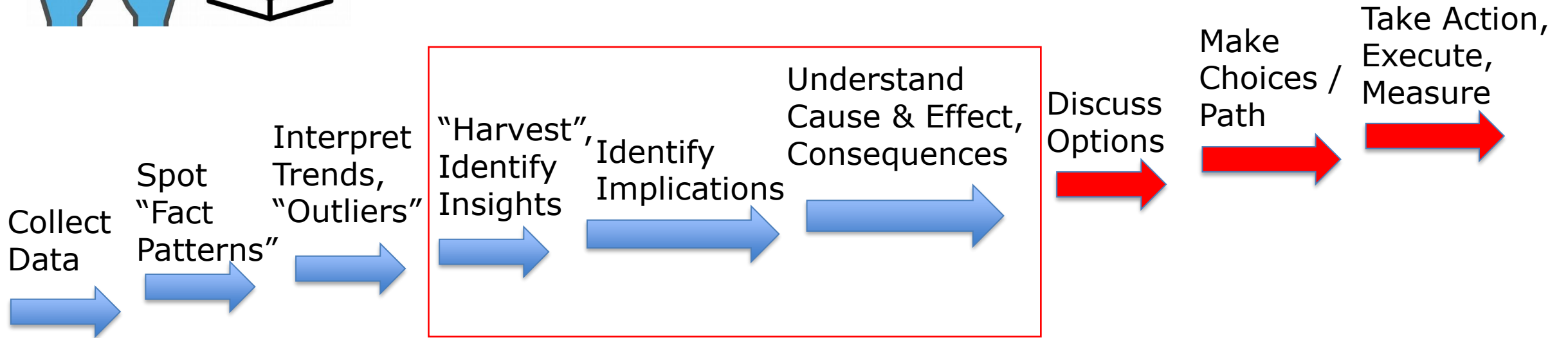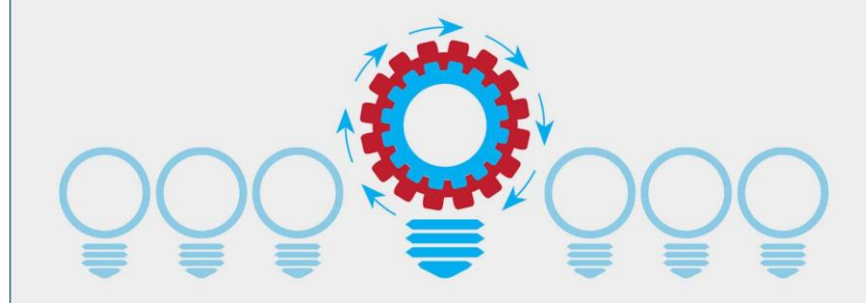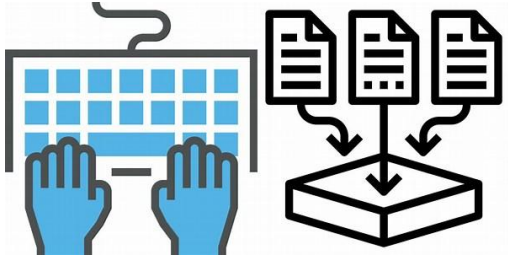
And the cycle is dynamic and virtuous

Collect Data → Spot "Fact Patterns" → Interpret Trends, "Outliers" → "Harvest", Identify Insights → Identify Implications → Understand Cause & Effect, Consequences → Discuss Options → Make Choices / Path → Take Action/Execute

This is where the magic happens!
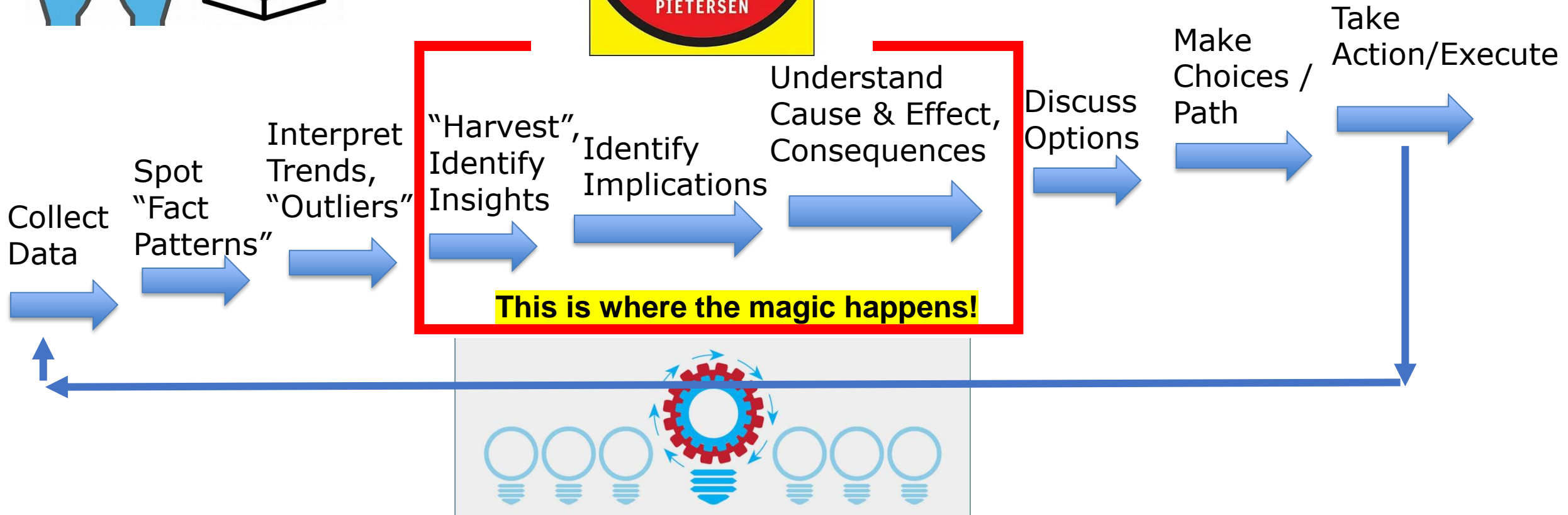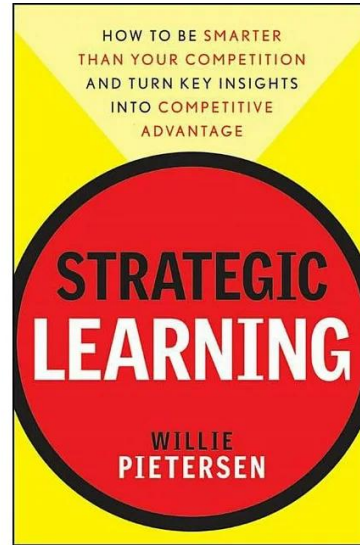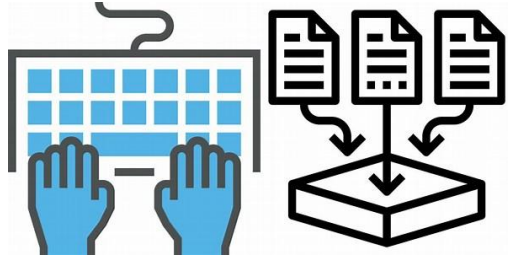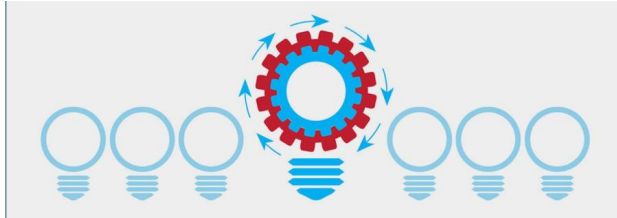
TIP ?: Start with a aspirational target(s) in at least one to three key aspect(s) of your business !
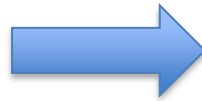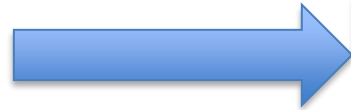
Target a 1% Improvement

"Harvest", Identify Insights

Identify Implications

Understand Cause & Effect, Consequences
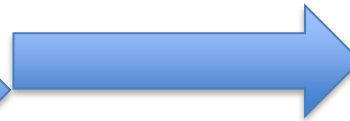
How have Dashboard / Scorecard / Business metrics have led to *the* **solution" ???**

Actual examples of how data insights via dashboards influenced small changes that made a big difference

Scenario:

"A SaaS Company, differentiated by the use of collaborative AR/VR, having a 3 tiered pricing structure.

They raised the price on 3rd (premium) service tier as a way to either capture value added at top or as an intended tactic to drive clients (demand) back into their preferred (popular) middle tier where they have automation and staffing capability."

Understanding Price Elasticity - how a 1% price increase on select products or services may impact revenue and demand

Illustrative only

A plan for every kind of team

BASIC
Affordable VR/AR collaboration for smaller design teams

STARTING AT
$295 / month

INCLUDES
3 floating licenses
2 GB of file uploads per month

OUR MOST POPULAR PLAN

STANDARD
Powerful collaboration & integrations for mid-sized teams

STARTING AT
$595 / month

INCLUDES
Revit integration
5 floating licenses
Comment export
5 GB of file uploads per month

PREMIUM
Enhanced collaboration for design leaders and BIM professionals

STARTING AT
$1795 / month

INCLUDES
Revit & BIM 360 integration
10 floating licenses
Space export
Custom apps
Comment export
10 GB of file uploads per month

ENTERPRISE
Unlimited VR/AR collaboration for boundary-pushing teams

Let's talk
about a custom package

INCLUDES
Unlimited support & features
Private Cloud Solutions
Single Sign-on (SSO) with SAML

Outcome:

Made possible by data visibility, they now understand the relationship between price (for their core service) and its market demand. Mid-tier service revenue grew and positively impacted their margins. They made a premium on those few high tier service engagements.

Scenario:

"An Asian Fusion Restaurant, serving some sushi pieces and other menu items during pandemic sensed their margins were eroding due to their COGs, Cost of Goods rising.

They did not know which menu items were the most popular and how much their cost per item had changed.

***Identify Cost of Goods Sold (COGS) by product SKU** – a 1% decrease in COGS drops to the profit bottom line*

- Negotiate better prices with suppliers; change your product and service mix; fewer SKUs, other

Outcome:

Made possible by data visibility, they understand it was the sushi COGs rising faster than the other menu items. They worked with the sushi supplier to negotiate a slight price break and repositioned their sushi price per piece without loss in demand.

Summary of Benefits of Performance Metrics for Business

- ## Clarity:
  - clarify what needs to be achieved and how progress will be measured

- ## Focus:
  - help businesses to focus their efforts and resources on the most critical tasks

- ## Alignment:
  - align with the business's overall goals and objectives, ensuring everyone is working towards the same targets

- ## Motivation:
  - can motivate employees, as they provide a clear roadmap for achieving success

- ## Evaluation:
  - provide a clear framework for evaluating performance and identifying areas for improvement
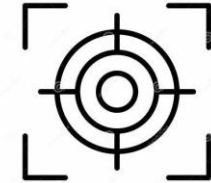
After this webinar, how can I schedule an appointment
with an SBDC Senior Business Counselor
to help me build
a first draft of a business dashboard and scorecard
for my business?

Thank you !

HELLO
my name is
"Coach S."

George Siragusa
Senior
Business
Adviser

https://www.linkedin.com/in/georgesiragusa/

Seeking our **NO-COST** Business Assistance?

Mason SBDC
10306 Eaton Place
Suite 180
Fairfax, VA 22030
(703) 261-4105

Register at Our Website:
www.masonsbdc.org

- **Resources:** **https://www.virginiasbd.org/**
- **Contacts**: help@masonsbdc.org or (703) 261-4105
- **1:1 Counseling:** https://clients.virginiasbdc.org/reg.aspx?mode=counsel&center=46110&subloc
- **Workshops:** https://masonsbdc.org/workshops/

Today's Learning Objectives and Briefing Outline:
Upon Completion of this webinar *you will become more familiar with:*

❑ **What is a Business Management Performance Dashboard / Score Card; what do they look like**

❑ **Why is a "Scorecard" or "Dashboard" important ; what are the benefits to business**

❑ **What guiding principles are useful to review before building a first draft business scorecard**

❑ **How do we get started ; is there a template to help business owners build these themselves**

❑ **What tools, software, or other resource are available to automate scorecards**

❑ **How often do we need to update and review the dashboard metrics and progress**

❑ **Case Study: How dashboard insights led to improvements in business performance**

"Coaches' Corner"

Bonus Pages

"Data is the antidote to self-delusion.

By allowing you to soberly measure your success, it keeps you on track: you'll know exactly where you stand as you work toward your goal."

Source: Lean Analytics - by Alistair Croll and Benjamin Yoskovitz
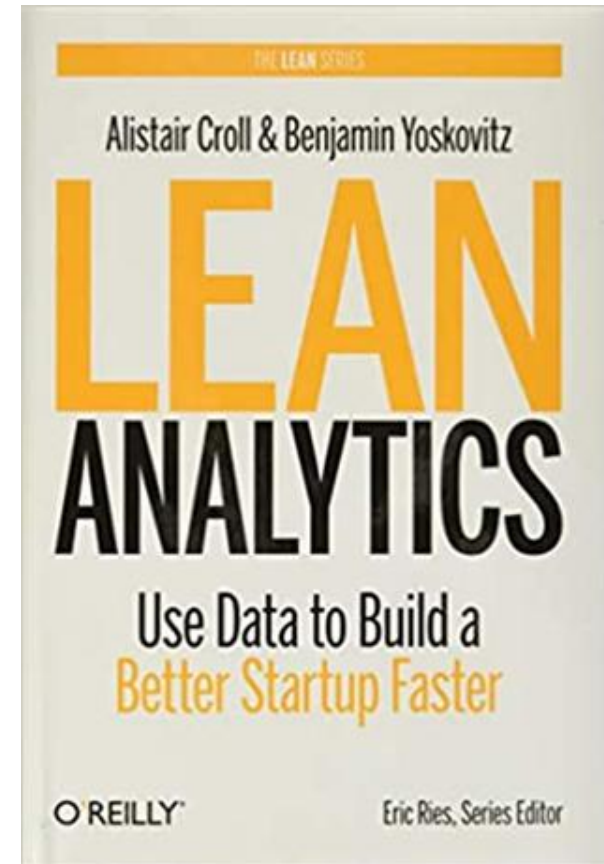
Financial statements and <mark>KPIs represent the voice of your business, giving you feedback on</mark> how well the team is managing the important business functions.

Having a sound, **regular financial review routine** is an important function of a profitable enterprise.

It **points you to problem areas** you need to **investigate**, such as rising costs and timely price adjustments.

America's SBDC Blog
A "Forbes 100 Best Websites for Entrepreneurs"

Source:

Top 10 Financial Mistakes Killing Your Small Business, Avoid Them - America's SBDC (americassbdc.org)

What are the most common pitfalls regarding
performance metrics and KPIs?

10 Biggest
Financial Management Mistakes?

Top 10 Financial Mistakes Killing Your Small Business, Avoid Them - America's SBDC (americassbdc.org)

Avoiding Pitfalls

Avoiding these common pitfalls can save time, effort, and resources.

1. ==Too Many KPIs==: It's tempting to track everything, but having too many KPIs can spread efforts thin and dilute focus. It's crucial to zero in on a few pivotal metrics that drive organisational goals.

2. ==Vague KPIs:== "Increase sales" sounds like a worthy objective, but it's too ambiguous. Instead, a more precise KPI like "Increase quarterly online sales by 10%" provides clarity and direction.

3. ==Ignoring the Human Element:== While data is vital, it's essential not to overlook the human aspects. For instance, pushing for a higher number of customer service calls per hour might impact the quality of service, leading to dissatisfied customers.

4. ==Not Reviewing KPIs Regularly==: The business world isn't static. What worked a year ago might not be relevant today. Reviewing and adjusting KPIs regularly ensures they align with evolving organisational goals.

5. ==Setting Unrealistic Targets==: KPIs should be challenging but attainable. Setting the bar too high can demoralise teams while setting it too low might not push them enough.

6. Not ==Communicating Clearly:== If teams don't understand the KPIs or see their relevance, they're less likely to engage fully. Open and ongoing communication is vital to ensure everyone's onboard.

7. ==Over-relying on Quantitative KPIs==: While numbers are essential, qualitative KPIs, like customer satisfaction or employee morale, also play a significant role in an organisation's success.

By being aware of these potential missteps, organisations can navigate the intricate process of KPI alignment more effectively. Remember, the goal isn't just to align but to do so in a manner that's holistic, inclusive, and adaptable to change.

Source: [Revisiting and Refining your KPIs - Intrafocus](#)

Other Related Resources:

- [White paper: Accelerate Business Growth and Outcomes with AI | The Cognizant Nordic Blog](#)
- [What Happens When You Align Culture With Strategy (forbes.com)](#)
- [Mastering the connection between strategy and culture (strategy-business.com)](#)
- [Linking Business Strategy and Leadership for Better Outcomes | CCL](#)
- [6 Principles to Build Your Company's Strategic Agility (hbr.org)](#)
- [Use Data to Accelerate Your Business Strategy (hbr.org)](#)
[How To Accelerate Strategic Change (forbes.com)](#)
- [Embedding Speed and Agility into Strategy Execution - SPONSOR CONTENT FROM PLANVIEW (hbr.org)](#)
- [How To Accelerate Strategic Change (forbes.com)](#)
- [Top 10 Strategy Books in 2023 | Intrafocus](#)
- [Aligning KPIs with Organisational Goals - Intrafocus](#)

Strategies for Refining Existing KPIs

Once you've evaluated your KPIs and identified areas for improvement, the next step is to refine them. Refining KPIs is not just about making minor tweaks; it's about ensuring they stay aligned with your business goals and effectively drive the right actions. Here are some strategies to refine your existing KPIs:

1. **Realign with Business Objectives:** Ensure each KPI is tightly aligned with your objectives. If objectives have shifted, adjust your KPIs to reflect these changes. This might involve redefining what you measure and how you measure it.

2. **Simplify and Focus:** Avoid the trap of too many KPIs. Focus on a few key metrics that truly matter. If a KPI isn't adding value or providing clear insights, consider removing it. Simplicity can lead to more focused actions and decisions.

3. **Adjust Targets and Thresholds:** Adjust the targets to be more realistic and challenging based on your performance analysis. If you're consistently missing or exceeding targets, recalibrate them to ensure they are achievable yet motivating.

4. **Improve Data Quality and Accessibility:** The effectiveness of KPIs heavily relies on the quality of data. Invest in improving data collection and analysis processes. Make sure that KPI data is easily accessible and understandable to those who need it.

5. **Increase Engagement and Understanding:** Improve how KPIs are communicated and understood within the organisation. Training sessions, workshops, and regular discussions can help teams understand the importance of KPIs and how they relate to their work.

6. **Leverage Technology:** Utilise technology like KPI management software to track and analyse your KPIs more effectively. Tools like Spider Impact can automate data collection and provide insightful analytics, making monitoring and refining KPIs easier.
By employing these strategies, you can ensure that your KPIs remain robust tools that effectively guide your business towards its goals. In the upcoming sections, we'll delve into incorporating new trends and technologies and explore case studies highlighting successful KPI refinement.

Source: [Revisiting and Refining your KPIs - Intrafocus](#)

Being able to answer "what" questions in your data is incredibly valuable. It helps to tell a story about your data, and to identify problems and issues

"A well designed dashboard report is a remarkable information management tool"

"You can't effectively manage what you don't measure"

Establishing and reporting out metrics and key performance indicators, gives you and your team a view, a visibility into performance, so the team can regularly assess their areas of potential improvement.

"What gets measured gets done."

Leads Generated by Source

Marketing-Generated Customers by Source

Legend:
- Offline Sources
- Other Campaigns
- Social Media
- Referrals
- Paid Search
- Organic Search
- Email Marketing
- Direct Traffic

What is the Lifecycle of the
Metrics Development process?

Understanding the Lifecycle of a KPI

Creation:

This is the **birth stage of a KPI**. Here, KPIs are carefully selected based on strategic goals and objectives. It involves identifying what truly matters to your business and what measures will accurately reflect success or highlight areas needing improvement.

Implementation:

Once created, **KPIs are put into action**. This stage is all about integrating these indicators into daily business processes. It's where theories and plans meet reality. How well KPIs are communicated and understood across the organisation significantly affects their success.

Evaluation:

This stage is the crux of the KPI's lifecycle. After a certain period, each **KPI is assessed for its effectiveness and relevance**. Are they providing the expected insights? Are they influencing the right decisions and actions? This phase involves collecting data, analysing trends, and getting feedback.

Refinement:

Based on the evaluation, KPIs might need tweaking. This **final stage is where adjustments are made. Improvement could mean redefining the KPIs,** setting different targets, or even retiring some in favour of more relevant ones. This stage ensures that KPIs stay aligned with the evolving goals and realities of the business.

Source: Revisiting and Refining your KPIs - Intrafocus

Illustrative *Examples to Reference*

Lagging Indicators | Leading Indicators

Sales
- Lagging: Revenue by product or customer | Total revenue
- Leading: % New Products Units and/or revenue | Volume Growth in New Clients | Margin velocity

Customer
- Lagging: Revenue/customer | Customer churn | Lifetime Customer Value
- Leading: Customer sentiment | Volume growth in new customer | Product adoption rate | Service agent training hours

Supply Chain
- Lagging: Carry cost of inventory | Cost/delivery | On-time delivery
- Leading: % perfect order | Backorder rate | Inventory turnover | Employee turnover

HR
- Lagging: Offer acceptance | Turnover
- Leading: Employee training hrs | Benefits as a % of market | Employee sentiment

Asset / Property Management
- Lagging: Funds from operations (FFO) | Actual to pro forma performance
- Leading: Lead to tour conversion | Lease rate appreciation | Portfolio appreciation | Sustainability returns

Figure 1. Magic Quadrant for B2B Marketing Automation Platforms

CHALLENGERS | LEADERS

Microsoft

Salesforce

HubSpot

Adobe

Oracle

Creatio

Zoho

SugarCRM

Act-On

BUSINESSNEXT

Freshworks

ABILITY TO EXECUTE

NICHE PLAYERS | VISIONARIES

COMPLETENESS OF VISION → As of September 2023 © Gartner, Inc

HubSpot's All-in-One Marketing Software

HubSpot works for companies and marketing departments of all shapes and sizes.

Learn more about our free software for small business, our powerful capabilities for enterprise companies, and our solutions for everyone else in between.

Get Started for Free

Source: Gartner

[Quickly Build Badass KPI Dashboards for Your Business (Free!) - Bing video](#)

[Google Analytics 4 KPI Dashboard | Databox KPI Dashboard](#)

More Web Scorecard Resources