

The modern business owner must inhabit two worlds: the present, where they react to daily crises or problems, and the future, where they make proactive decisions that impact the organization in the long run. Business owners thrive in this first world, especially in moments of stress (a state accountants know all too well).

One solution to this world-straddling is analytics dashboards. Dashboards help business owners see the health of their company and make decisions driven by data and organizational goals. Visualizing KPIs alongside predictive analytics lets owners prioritize time and resources, remedy potential problems before they escalate, and make better-informed choices about the future. In a sense, dashboards allow leaders to be in two places at once, if they're properly executed. Dashboards are only as good as their implementation, and they have to be designed and used intentionally to unlock their full potential.

More than a trend: Why dashboards matter

According to researchers at Cornell University, the average adult makes roughly 35,000 decisions every day. For business owners, not only is that number higher, but the weight of those decisions is greater. Decisions like what shirt to put on in the morning or where to go for dinner affect the average person's day, but those decisions don't impact the fate of an organization and every person working for it.

Dashboards are one way to help with this decision-making, by giving management real-time views on company vitals like revenue and sales projections. And because these dashboards pull data from multiple departments and applications into a single view, business owners can get a high-level look at the organization's overall functions without diving into multiple applications or reaching out to team members.

Direct access to company data through powerful dashboards keeps management plugged into day-to-day operations. Being a business owner is rewarding, but it can be isolating and leave leaders in the dark about problems and metrics across the organization. Dashboards solve this problem by showing management unfiltered information—the good and the bad—reducing their reliance on rose-colored summaries offered by others in the organization.

The democratization of data from managers on down can reshape a company's culture,

encouraging more openness and transparency about how departments and individuals perform. This goes far beyond accountability. When salespeople, marketers, and other employees can measure their success based on the same KPIs that leadership sees and deems valuable, there is a shared understanding of how each person's performance drives the company forward.

Types of dashboards

The possibilities are endless regarding what business owners can see on their dashboards. APIs in CRM applications, accounting platforms, and other business software can pull data from across an organization into a single view, giving managers insights that span multiple departments.

No matter what departments or data sets they feature, most dashboards fall into these three categories: strategic, operational, and analytics. In some cases, managers use a combination of these dashboard types to keep their organization aligned and moving forward.

Let's take a look at each one.

- Strategic - These dashboards pull in various KPIs for a bird's-eye view and help align business activities with the company vision and overall strategy. Here, owners can compare results against company goals for a quick understanding of whether the firm is moving in the right direction.
- Operational - department managers can utilize these dashboards to gain insight into how processes, teams, and individuals are performing and to make quick, strategic decisions about day-to-day operations. The most "present" of the dashboard types, operational dashboards show real-time data across departments so leaders can decide to stay the course or make quick adjustments.
- Analytics - If strategic dashboards look to the future and operational dashboards focus on the present, analytic dashboards help understand the past. With drill-down functionality into the most important KPIs, leaders can pore over large amounts of data spanning an extended period to understand what happened and what should be done in the future. These types of dashboards are often the most complex and intricate, and offer the most opportunity for reflection.

In a day-to-day setting, managers often use operational dashboards to track KPIs and get an overall sense of how departments are performing. A sales and marketing dashboard gives leaders a complete view of the sales pipeline and sees if they are on track to meet monthly or quarterly goals. When that dashboard is coupled with marketing metrics like website traffic and leads per campaign, it allows business owners to also measure ROI and see what initiatives lead to revenue.

Operational dashboards can also show how an organization's back office is performing. Human resources dashboards allow management to track recruiting, hiring, and onboarding initiatives for a better employee experience, while finance dashboards help CEOs or CFOs track cash flow, debt, and other financial metrics that impact the bottom line. These operational insights form a foundation for building strategic and analytical dashboards and decisions.

Dashboard best practices

Like any tool, dashboards aren't inherently valuable without the human vision to use them well. They become valuable when they're created, viewed, and analyzed by effective leaders who understand their business objectives and can interpret data in context.

Each organization has its own unique problems and needs, but there are a few best practices all managers can keep in mind when creating and viewing dashboards.

When choosing an analytics or BI platform, it should be visually customizable so decision-makers can view the data they want in a way that makes sense. If the BI platform is powerful enough to allow for data blending and data drill-down, leaders will be able to pull from multiple data sets and journey deep into the numbers for a detailed view. It's also important that data can be pulled into these dashboards from other sources like Google, Facebook, and Twitter.

Next, every element on a dashboard should be important and contribute to the goals of the executive and the organization. To accomplish this, managers need to be active participants in building their dashboards from the beginning. From font and color choices to the types of data displayed and the layout of the graphics and charts, each executive should spend time building relevant, usable dashboards that will actually meet their information needs.

Business owners also need to interpret the data in their dashboards using context. In the era of

big data, it's an easy mistake to cede authority to numbers and act on a metric simply because it's there. The role of the executive data user is to go beyond the numbers, interpreting the data and communicating its implications effectively to the company. Dashboards aren't decision-makers, so it's essential for leaders to think critically and be sure that they're using their data to back up the right conclusions.

Connecting the pieces

Time and data are business owners' most precious commodities. Leading an organization toward its goals while staying engaged with day-to-day operations requires leaders to combine the present and future into one coherent, data-driven vision. Customized dashboards are a powerful tool for bringing together data from across an organization and turning information into insight.

Ultimately, the value of data is what we do with it. It's up to business owners to interpret the information from their dashboards in context to create powerful narratives that move their organizations forward. Decisions made today can have effects months and years into the future, and an executive dashboard isn't a substitute for a leader's insight but a tool to connect the two worlds where that leader stands.