

Practice Management Dashboards

Practice management dashboards can make a difference in the way a design firm operates and enables leaders to make key decisions with accurate, up-to date, real-time data.

The Value of a Firm Practice Dashboard

Practice management tools offer Key Performance Indicators and dashboards with information important to users, and real-time information that can be used to gain increased visibility into firm performance.

This information is used to make key decisions about running the firm. Practice ‘intelligence’ can offer alerts and data for better decision-making and be tailored to individual businesses. For example, a CFO may want to know how profits are trending, and a project manager may want to know if projects are on budget.

Showing key performance metrics, having this data easily available, and making the data easily viewed in different ways are important to making dashboards more usable. Set alerts if a project is over-budget, if the aged AR is too large, or if your resources are over or under-utilized.

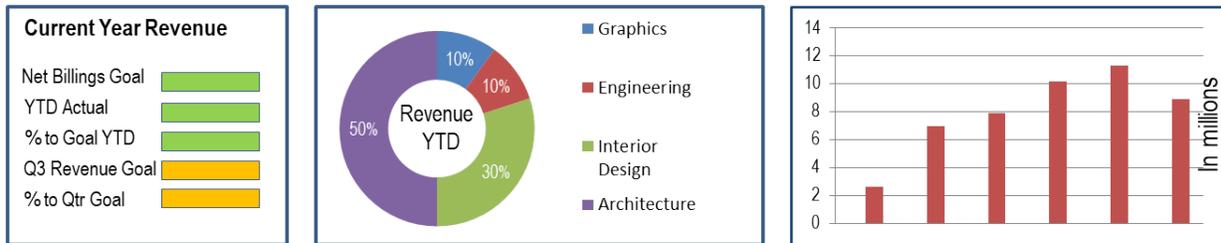
Generally, the best way to select key measures is to examine the strategic plan, ask what must be accomplished if this is going to happen, and develop measures that capture progress on those critical activities. It is not uncommon to see measures that correspond to profitability, completing an acquisition, improving operational efficiencies, transitioning skill sets, implementing new technologies, or penetrating new markets.

It is important to develop a well-rounded list of measures. Although tempting, don’t make them all external marketing and business development measures. Balance them across the firm, with and internal measures like production, profitability, utilization, retention, leadership development) ***and*** external measures like client satisfaction, market share, awards, or other market success factors.

Following is a segment taken from a **Financial Dashboard** measuring:

- Current Year Billings Revenue Targets,
- Revenue percentage contribution by the firm’s 4 disciplines
- Gross Revenue (in millions) for the past 5 years and YTD

Current FY Dashboard



Examples of components of a Financial Dashboard

The visual feedback exhibited in a dashboard format is the key to success. It’s the equivalent of your gas gauge, oil pressure, or tachometer in your car.

- The first step in a visual feedback loop is producing **evidence**

Performance of the organization must be measured, captured, and stored. Organizations need a disciplined work process to capture relevant data in the business system in a consistent, constant matter. Successful companies that use practice management dashboards have diligently thought through what it is that they need to measure in order to monitor the health of the business. This is not a series of reports — it’s visual analysis that enables you to measure your business using defined metrics.

- The second step in the feedback loop is **relevance**

Set the context that makes the data relevant in terms of the organization’s goals. Your team needs to ask the tough questions and agree on the top metrics you will use to measure the overall business. Once you’ve determined that, your team can begin to break down those metrics even further to measure the business at a division, department, business line, or project level. If your metrics are so important, they should be reviewed monthly, quarterly, annually, and be incorporated into the heart of the business. At any given time, department heads should be able to see key trends that impact the health and growth of their portion of the business.

→ The third step is **consequence**

Information must illuminate one or more paths ahead, the consequence of what the organization is doing leads it in one direction or another.

→ The fourth step is **action**

Make a decision based on the information presented, act on that decision, close the loop, and start the process to measure again. You will find that companies which have achieved a return on investment from their dashboards follow a standardized approach to continuous improvement. They not only set goals, but follow a process of recording the results, measuring the impact on business goals, and share the impact with employees.

Practice Management Tools and Best Practices

Knowing these best practices is a start to implementation:

1. Communication — Share the numbers, advertise why decisions are made.
2. Goals — Define what success looks like. Identify goals that are realistic and forward-looking. Show the value of how data driven decisions improve performance
3. Business Fundamentals — Establish a common language for terms and metrics. Success requires commitment. It is intentional, and takes time.
4. Leverage software — Utilize purpose-built tools. Having data easily available, easily viewed in different ways, by different metrics is important.

Transparency

Share results with all constituencies. It is important that everyone responsible throughout the organization for contributing to performance is aware of results. Given the strategic nature of the measures, they are rarely accomplished by one person or one department. So share the results as broadly as possible. It reinforces your strategy, it underscores that you mean it, and it gives people a sense of direction and accountability.

Practice management dashboards can make a difference in the way businesses operate and enable s firm stakeholders to make key decisions with accurate, up-to date, real-time data.

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