Executive Dashboards eGuide.

Business boosting metrics you should monitor

Phocas.

Got data. Get results.

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Introduction.

Executive Dashboards: Business boosting metrics you should monitor

Managing a business in today's hyper-connected, highly competitive, fast-paced business environment is challenging.

Every day, decisions have to be made that can have significant impacts on products, people, places and profits. Rarely is there time for extensive debate; rather executives and managers need to make quick, educated decisions. It's why companies continue to invest resources in better solutions to manage their mounting data.

While corporate information is captured in ERP and CRM systems, as well as other silos and databases across the enterprise, by itself the data does not tell a complete story. Aggregating the raw data into a central business intelligence solution and then organizing it through dashboards will make it easier for management to manipulate and analyze the information. A well-developed dashboard will help busy executives access the information they need to efficiently and effectively educate themselves about the state of the business.

When it comes to developing business intelligence dashboards for executives, the biggest challenge may be deciding what and how much data should be included. Most executives don't have the time to review every small detail, so what they should see when they log into their dashboards is business-critical information that can help them make faster and more educated decisions. In addition, they should have the ability to drill into the data to reveal more than what is presented on the surface.

Many businesses are struggling to gain value from their data because they don't have the ability to truly analyze the information. Throughout the past several years, Phocas has worked with hundreds of companies that use BI software to monitor key performance indicators and metrics, many of which are difficult to analyze without a BI solution. Phocas reviewed its engagement with customers to identify several key metrics that customers monitor with regularity using the software; KPIs that might otherwise slip through the cracks.

This eGuide will provide an overview of Phocas' approach to executive dashboards and data, as well as review what you should be monitoring so you have a more complete picture of your business.

Introduction to layers of Phocas.

1 Dashboard

Forward-thinking businesses recognize the benefits of BI as they access their data to better understand how the business is doing and where work needs to be done to improve or keep the business moving forward.

The executive dashboard is the presentation layer, a workspace where you can build a view of your world with KPIs that are important to you. The executive dashboard is likely the first thing you will see in the morning and the last thing you will review at night.
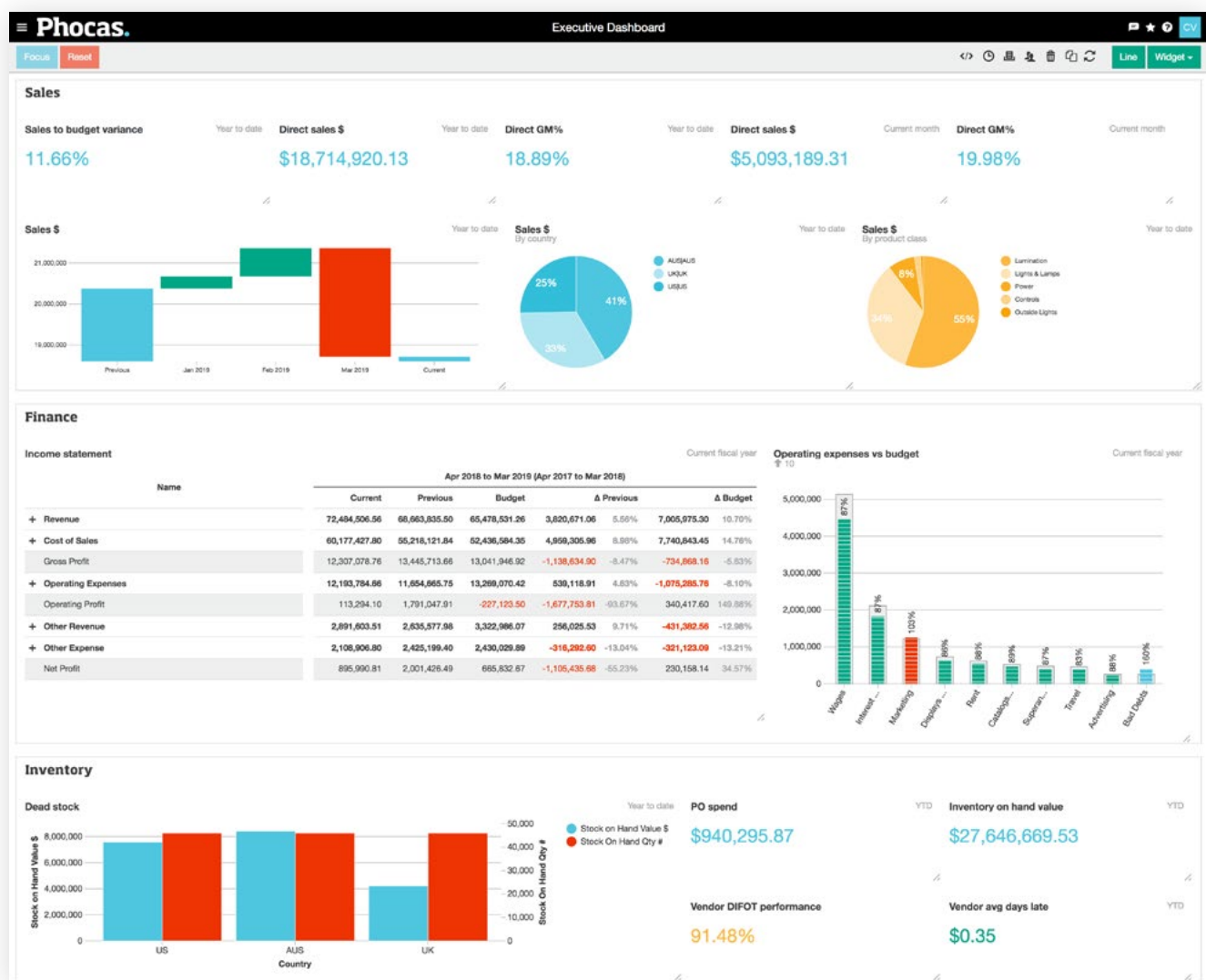
The executive dashboard is the door for all the data in your ecosystem, providing an overview of alerts and campaigns that allow you to set the rules and agenda for your business. With an executive dashboard, you no longer have to look for information; rather the dashboard keeps you up to date on key metrics, while pushing data to relevant users.

From the executive dashboard, you can monitor trigger points such as customers, suppliers, products, and people breaking business rules.

- Are you losing customers or are sales declining for product categories that active customers once purchased frequently?

- Are you seeing margin erosion for certain sales reps or products?

- Are your costs for certain suppliers going up?

- Are you having a difficult time collecting on invoices?

- What locations are underperforming and why?

From the executive dashboard, you can see at a glance how the business is performing, and then drill into specific KPIs to secondary dashboards for customers, suppliers, stock, finance, and CRM. Single clicks can also take you deeper into your data to the Phocas grid where you can conduct more detailed analysis.
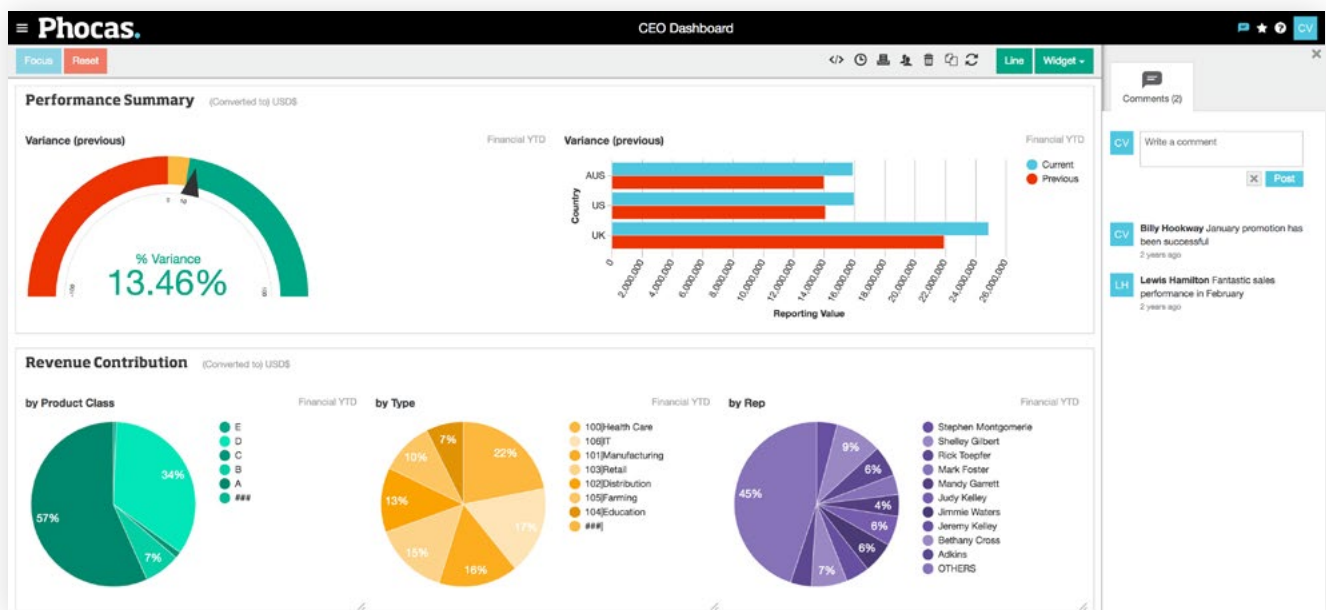
"**Dashboards and widgets from which you can "advance" to slicing and dicing are superb.** And the best part - you don't have to have a developer for that, every user can create their own and share it etc."

Goran Prodanovic - Database Analyst, Sim Impex Ltd.

② Grid

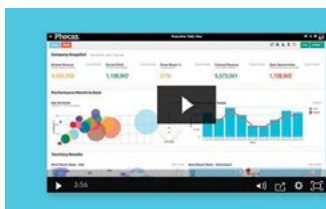## The Phocas Grid is the hub or central repository for all your business data.

It's where you can ask questions of Phocas, slice and dice data, review data in a grid format or visualize it through charts and graphs, as well as pin and share insights to other users' dashboards.

In the grid, you can follow your train of thought to discover the data you need to make intelligent, informed decisions.

On the left of the Grid are the questions that you can ask of your data. On the top are dimensions that allow you to change the date, measurements, and modes to compare date ranges and compare total and variances, and export data.

Phocas demo
Click here to watch a demo of **Phocas for management**.

③ Database designer

Behind the grid is information stored in various databases, which are data points about your organization, such as sales, stock, accounts receivables and general ledger.

Within Phocas is Database Designer, which allows users of all skill levels the ability to build their own databases.

This feature and functionality removes the middleman and bottlenecks typically tying up reporting features, while allowing everyone the ability to self-serve, get creative and build custom solutions.

Top tip.

Read our management case studies to learn from our customers how they use Phocas to improve sales.

READ CASE STUDIES

4 Connecting multiple data sources

In order to get a complete picture of your business, you need to pull data from a variety of sources.

As you aggregate and analyze your sales performance with inventory, operations and financial data, you increase your visibility within your business, enhance control over key business functions and eliminate the need to make decisions based on gut feel. Well-designed dashboards make it easy to view at a glance the critical details that will impact your profitability and success going forward.

As you integrate a variety of data sources, you will be better equipped to define your business strategy, reduce costs, improve margins and drive a data-driven culture.
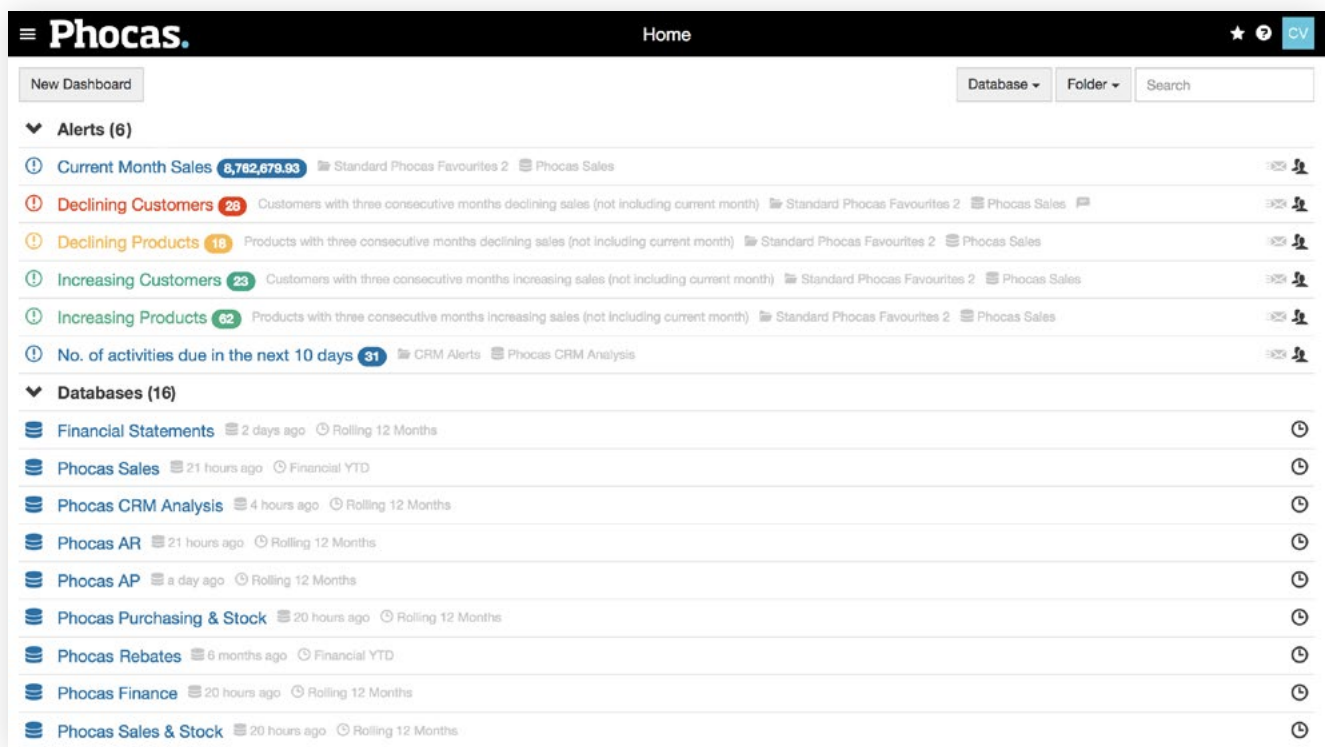
So, what are successful users of executive dashboards monitoring? What are the key metrics that Phocas customers place on their executive dashboards?

Below are several across a number of business functions, including inventory, operations, and finance.

Inventory.

Available quantity

This may seem like a simple thing to measure, but compiling an accurate quantity of a single product from data across inventory and warehousing systems without a single source of truth can be challenging. Add data from multiple branches and distributions center, and it can get even more complicated. Having a true available quantity can help you maintain appropriate inventory levels, and ensure that inventory is correctly allocated to where it is needed.

Last order/last sold

The ability to understand when the last order was placed, what was in the last order placed, and what was the last product ordered can give executives a more clear picture of whether products are moving off the shelf, or if it's time to offer rebates and promotions to reduce stock.
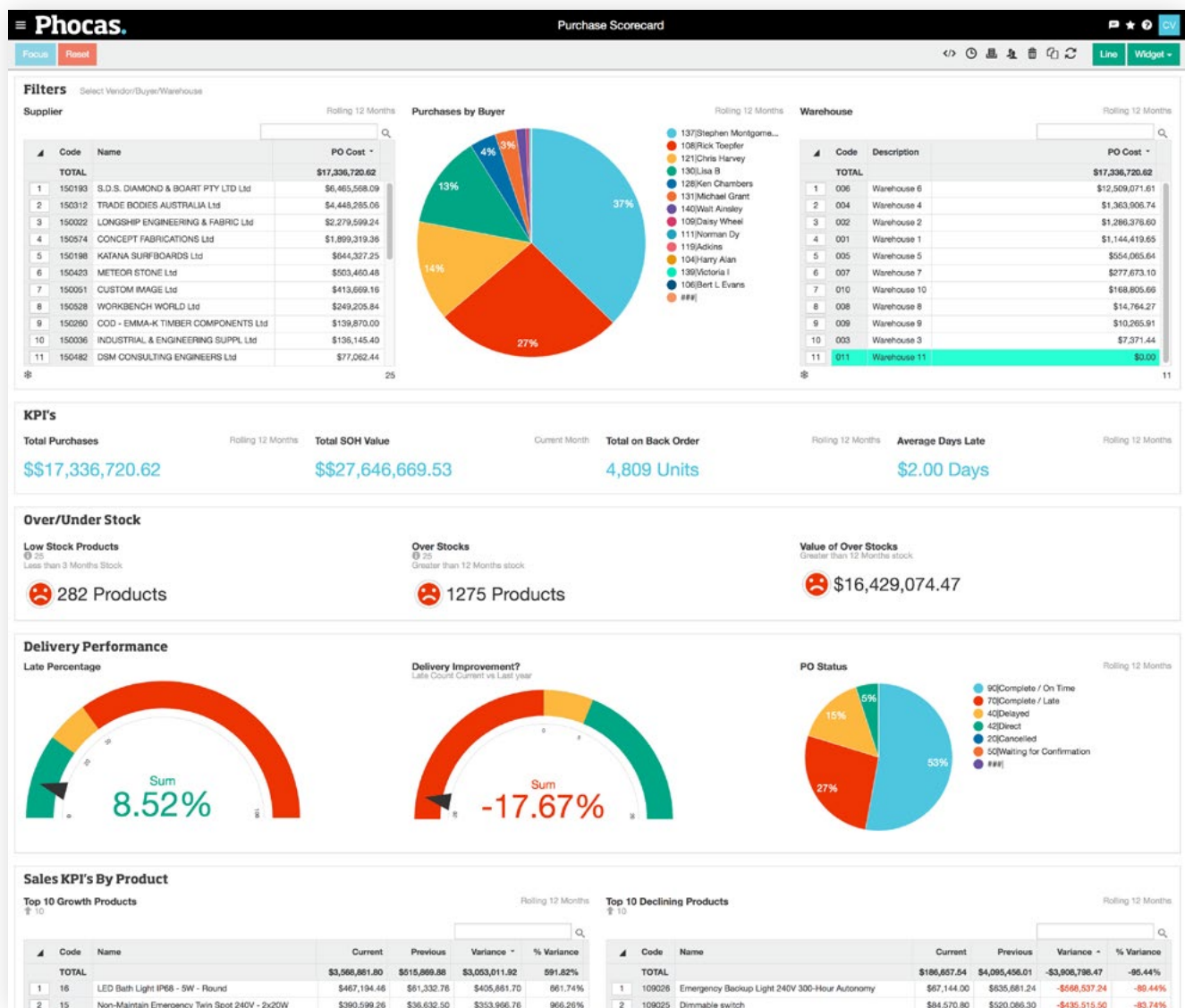
Inventory adjustment reason/adjustment stock status

Inventory adjustments are made all the time, so it's important that you can track the quantity changes as well as reasons why the adjustments were made. Was it a temporary item? Were you trying to purge the item from inventory? Do you want to reduce the chance of stocking items that you normally do not have on the shelf?

Understanding when and why inventory adjustments were made in your system will help with accountability, planning, and forecasting.
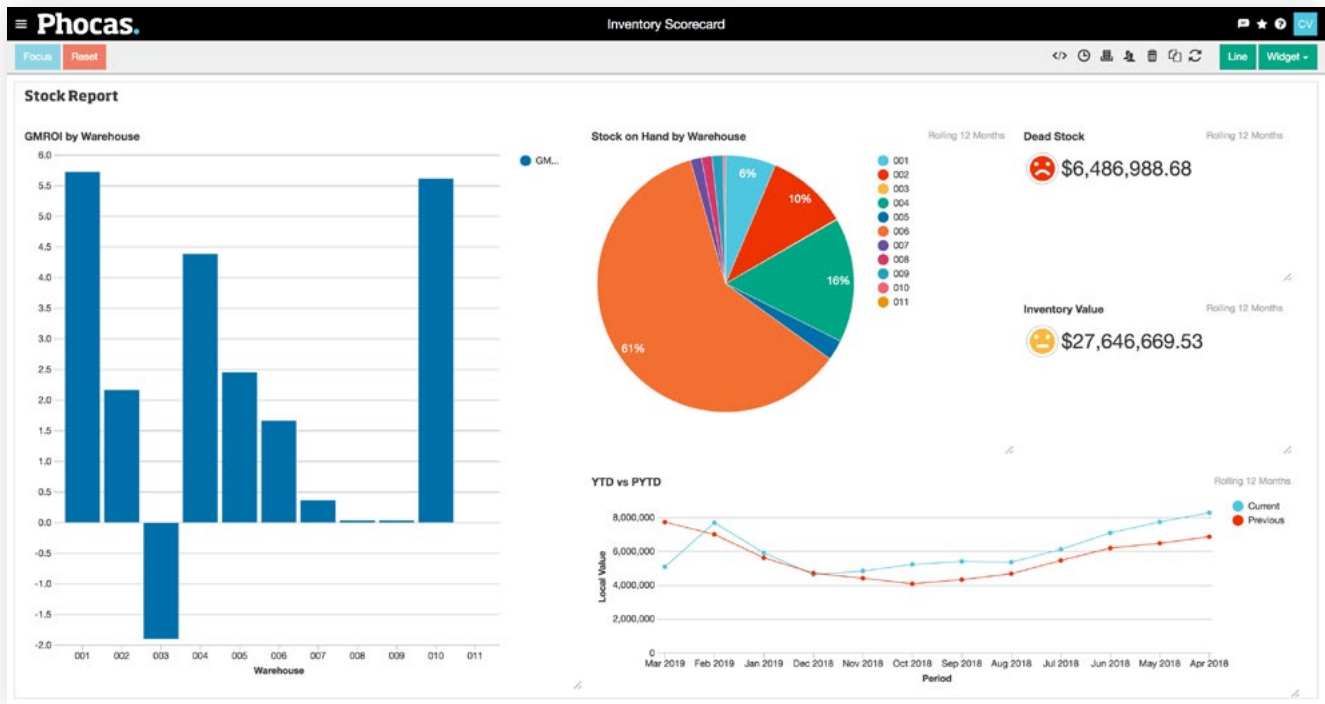
Inventory turnover ratio or turns

It's important to understand how often your business turns the average inventory stored across your different locations.

This KPI measures how well your business is managing your inventory and how effective your sales efforts are. The more often your inventory turns over, the better; indicating a growing demand for your products. ITR is calculated by comparing cost of goods sold with your average inventory for a specific period.

Other inventory metrics to consider:

- Average month demand
- Gross margin return on investment
- 12-month sales and 12-month quantities

Operations.

RF scanner database

Metrics created to track every time a warehouse employee touches and scans a product. This level of data found in the Phocas RF Scanner Database will allow you to track the number of scans, how frequently particular items are scanned, where in the warehouse the most scans are happening, what hour of the day or day of the week are the busiest, what locations have the most scans, etc. This information can help you plan staffing levels, monitor employee productivity, improve warehouse layout, and product location. You can answer questions such as:

- Do I need to increase staffing levels at certain hours of the day or days of the week?

- Why is employee A picking more frequently than employees B and C?

- Do I need to relocate products to ensure my teams can be more efficient when picking?

- Should we relocate product to warehouse A because of the volume of scanning?

Price overrides

Price adjustments occur frequently, so it's important to know who and why they are happening. This is an important metric for companies that don't realize that their staff is manually overriding pricing. When product pricing is changed at the point-of-sale, it can have a significant impact on sales margins and overall profitability. Visibility into how much of a discount customers are receiving, who is making adjustments to pricing and for what customers can help you answer a variety of questions.

- Why are products being discounted?

- Are price overrides happening too frequently in certain locations or for certain products?

- Are staff members abusing the overriding power?

- Is your pricing strategy wrong?

Transfers database

There are several metrics within the Phocas Transfers database that help to answer a number of operations questions. For companies that have several locations, including sales branches and distribution centers, it's important to have visibility into data about the types and volume of transfers taking place between the locations. For example, if the data reveals that you are constantly transferring a part from branch A to branch B, adjustments can be made to the shipments from the distribution centers. The database takes everything into account, from cost of shipments between distribution centers to the total quantity of received inventory.

Cost of direct labor

Labor can be among the largest expenses that a business has.

It is a cost that is hidden in all supplies and materials that your company uses. This metric outlines how much money is being spent in order to get one product through the production process or to serve one customer. An additional metric that is often evaluated alongside cost of direct labor is average labor utilization which explains the productivity or efficiency of your production or service processes. Is your average employee only serving customers 60 percent of their time? Do people along your production line spend 45 minutes of every hour working with 15 minutes of idle time? These metrics can help you to better understand how to manage your labor to reduce costs and improve margins.

Customer retention rate

Your customers face a constant barrage of offers and opportunities coming from a variety of competitors.

Depending on the competitiveness of offers, and their loyalty to your products or services, they may reduce their volume of purchases or take all of their business elsewhere. It's critical that executives understand the pulse of their customers. Monitoring and analyzing your customer retention rate will help you identify the contributing factors to their purchasing behavior.

- Did your pricing strategy change?
- Did something happen with the last product deliveries?
- Is there a trend of customer satisfaction with a specific salesperson?

Whatever the reason for the ups and downs in customer retention rate, it's important that you track the data so you can ask and answer important customer loyalty questions.

Other operations metrics to consider:

- Growth rate
- Customer service response times
- On time in full

Finance.

Integrating finance data into the sales and operations data is providing a new level of detail for executives.

Rather than reviewing finances on spreadsheets and comparing them with reports from other areas of the business, the Phocas executive dashboard can present a variety of financial data about the business.

Among the metrics are the following:

Original invoice amount – paid and balance

How much did you bill clients, how much has been paid and what is the balance owed. Each of these three data points answers a different question and has a significant impact on your business bottom line. They may also provide answers to customer relationship questions, and to whether or not your business can continue to afford to serve a particular customer.

General Ledger

The GL contains all the accounts for recording transactions related to your business. Convenient access to the GL in your BI solution can provide you with the big picture perspective you need to monitor the health of your business. While the GL may have been separated from inventory, sales, and operations analytics, the ability to see it side-by-side will make it easier for you to make important business decisions.

Expenses

Expenses come from a variety of areas across your business areas. Different departments, business units, and locations may be tracking expenses in a variety of formats, including shared Google Sheets or Excel spreadsheets. In some cases, there may be errors in tracking expenses that could be costing you significant money.

Did someone key in the wrong numbers for the expense report? Did a vendor submit a duplicate invoice that was paid? Were there multiple spreadsheets being used and shared between users?

When it comes to monitoring expenses, a single source of truth is critical. You need a central location that aggregates all the expenses and then quickly and accurately breaks down where the expenses are coming from. This level of detail can help you identify errors, determine where costs can be trimmed and how to make your business operate more efficiently.

Other finance metrics to consider:

- Profit margin
- Sales by customer, product or supplier
- Revenue vs. forecast

> "**Phocas offers drill down capability to give me the analysis and depth behind the numbers.** The ability to follow or develop a train of thought and being able to compare the habits of my top 10 customers with the wider customer population makes Phocas a powerful tool for understanding what is really going on in the business."
>
> **John Goodrham** - *CFO Cooldrive Distribution*

One more...

Customer profitability module – Recently introduced, this Phocas database contains important information relating all of the different expenses, accounts receivables, returns, deliveries, sales administration costs, warehouse storage fees, etc. to provide to you your true adjusted gross margin per customer. This data will allow you to stratify your customers, identify where customer service strains may be and who your core customers are.
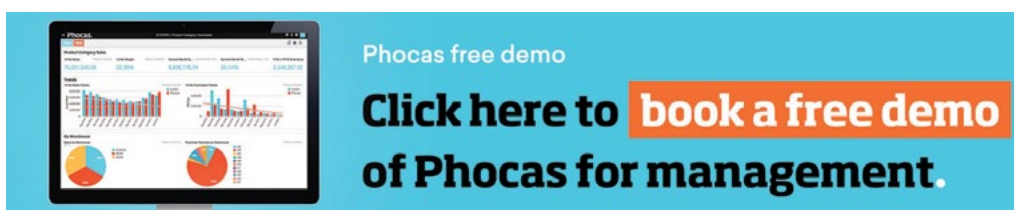
Why Phocas stands alone

As an executive, you must respond quickly to the ongoing threats and challenges to your business from competitors, customers, and suppliers, as well as ever-changing global climate and economic conditions.

Your ability to respond with intelligent agility depends on how well you know your business. And the most important indicators of the state of your business can be found in your data.

It has never been easier to manage, monitor and analyze your business KPIs. Available today are BI solutions that enable even time-strapped executives the ability to quickly combine all your data into a single source of truth so you can effectively measure KPIs that are critical to your business success.

Phocas BI is a cloud-based solution that makes it easy for you to access and analyze all your business data from one central location. Phocas Dashboards convert your raw data from the diverse databases, departments and silos into actionable intelligence expressed through charts, graphs and tables. As data from across your business is captured and updated, it is automatically fed into your executive dashboard so you have the most current sales, product, customer, inventory, finance and other data to make your decisions.

From your Phocas executive dashboard, you have the freedom to drill deeper into underlying information and transactions. In Phocas, every click is a report. You can compare revenues across suppliers, track your most profitable customers, monitor sales by representative and region, review customer retention rates and review growth of products and profits. When BI is accessible to you and other decision makers, you can focus on the opportunities and challenges facing your business, asking questions of your data and basing decisions on the answers at your fingertips.

Best Choice among BI solutions

Phocas Software has outperformed many larger, well-known BI providers in BARC's annual survey of business intelligence (BI) software users.

The BI Survey 18 is the largest and most comprehensive survey of BI end users with more than 3,000 people responding to detailed questions about their use of BI tools and solutions.

In this year's survey, 36 BI products were evaluated across 30 Key Performance Indicators (KPIs). Phocas ranked higher than IBM Cognos, MS Power BI, Qlik Sense, sales-I, SAP Analytics Cloud and Tableau, among others, across several KPIs, finishing on top of 28 rankings while being named a leader in 25 categories in three different peer groups.

Phocas received perfect scores (10 out of 10) and was the top-ranked vendor in the following KPIs:

- **Project success** - based on the implementation of satisfaction level and the frequency of projects completed on time and on budget

- **Project length** – based on how quickly the BI solution is implemented

- **Price-to-value** - based on how users rate their BI solution in terms of price-to-value ratio

- **Recommendation** – based on how many users would recommend the BI product to others

- **Ease-of-use** – based on how often BI product was chosen by users for ease of use, and on the level of complaints about ease of use post implementation

- **Visual analysis** – based on how many sites currently perform visual analysis with the BI tool

Thousands of customers around the world use Phocas to identify opportunities, spot trends, review challenges, track margins and save time. It's an intuitive, user-friendly solution that displays data in easy to read charts and graphs, and then ask questions of your data to better understand your company's performance.

Click here or the image below to download a comprehensive report of *The BI Survey 18* results:

Phocas.

Get in touch.

Learn how Phocas can help you achieve your business goals.

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