

Knowledge Center

Topic Papers and Articles

Dashboard Reporting

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One of the crucial functions of a board is to monitor and evaluate an organization's advancement in fulfilling its mission and, more specifically, in meeting previously set goals. The staff facilitates this process by providing accurate, timely, and relevant reports for the board's inspection. This cannot be accomplished simply by filling board members' mailboxes with excessive and overly detailed data. One approach staff can rely on is dashboard reporting, which makes it possible to present succinct, easily readable performance indicators that allow the board to view organizational status at a glance.

What are dashboards?

Dashboard reports emulate the function of a car dashboard: Before pressing the gas pedal, you have in front of you the necessary lights and signals indicating whether the car is ready and safe for travel. Similarly, a dashboard report serves as an early warning device for senior staff and the board. It shows how far the organization has gone in reaching its goals and whether any major successes or setbacks have surfaced, helping to focus the board's attention on what matters most in the organization at that time.

What does a dashboard report look like?

Usually a dashboard report is a one- to two-page document with graphs, charts, tables or columns - and limited text. The document presents visual information consistent with and compared to previous data so the board can effortlessly spot changes or trends in performance. All the necessary information is in one place, not scattered in separate documents. The charts can be color-coded with dots or arrows to allow the board to immediately see when the results are on target, exceed expectations, or are lagging behind.

Information in a dashboard report

There is no single set of right things to measure for every organization; each board must choose what's best in regard to its current circumstances. After evaluating the overall performance and lifecycle of the organization it is easier to determine which specific undertakings need the board's attention and what criteria - benchmarking, growth, risk management, achieving strategic goals - the board should use in determining its approach. The board naturally needs to monitor the finances of the organization, but plenty of other issues may prove just as important. Specific indicators that the board may want to monitor include the following:

Finances: revenue and expenses, cash flow, budget projections, contributions

Programs: client and customer participation, satisfaction levels, client flow from program to program, graduation/program completion rates

Quality control: number of mistakes, accidents, complaints

Human resources: turnover rate, growth of staff, compensation comparisons

Benefits of a dashboard report

A dashboard report is a supplement to the information the board receives from the chief executive on a regular basis. By itself, a dashboard report is not enough to keep the board fully informed but it allows the board to draw conclusions without having to read lengthy reports (which can and should be referred to when more detailed information is needed). More specifically, a dashboard report helps to do the following:

- **Support planning** — Performance indicators allow the board to see seasonal variations and patterns in activities, detect trends, and become sensitive to demographic changes.
- **Identify performance drivers** — Carefully chosen data manages to link efforts to results (inputs to outputs) and align activities with each other (funding, sales, marketing) to better reach the common goals.
- **Prioritize information** — When the staff guides the board's focus to a few key strategic areas at a time, it avoids diffusing board members' attention, delivering too much information, and sharing unnecessary or inappropriate information.
- **Identify problems early** — By following the evolution of activities in a graph format and comparing it to previous data, it is easier for board members to detect shifts or see a sudden change in the results.
- **Breed efficiency** — Because the staff has already created a process for capturing data and presenting it in a standard, consistent format, there is no reinventing the wheel when a board meeting approaches.

Caveats of a dashboard report

As useful as a dashboard report can be, it does not stand alone. It never replaces traditional communication and information sharing with the board. Other documents present the background support for the numbers and figures and cover issues that are not addressed in the dashboard report. The reader must understand the context within which data is shared. For example, the fundraising results this year are disappointing - not because the annual campaign was unsuccessful, but because the results are being compared to last year when a major donor unexpectedly gave much more than the typical amount and dramatically increased those numbers. Numbers and charts are not meant to convey all types of information. A chart cannot explain the reason behind high staff turnover or what actually brings people back to renew their subscriptions. Qualitative data does not translate well into graphics and the appropriate stories need to be told along with and in addition to the data.

From time to time it is necessary to determine whether the right indicators are capturing the board's attention. Over time, the reports may need to change focus or the board may want to experiment with different levels of detail, identify alternative indicators, or discover new approaches to digesting the data.

Remember: Once defined, dashboard metrics have only just begun to serve their purpose. To be useful they need to contain reliable data, be produced on a timely basis, and be interpreted to inform meaningful decision making. Dashboard reports serve as a wake-up call and a starting point for further discussion. Only then can the board and staff learn from the information, act upon it, and ultimately make better decisions about the organization's future.

References

- Lawrence M. Butler, *The Nonprofit Dashboard: A Tool for Tracking Progress* (BoardSource 2007).

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