



SPICE ROUTE
FINANCE

Financial dashboard



A financial dashboard is an information management tool that enables the accounting and finance team to track, analyze and report financial Key Performance Indicators (KPIs). Latest dashboards not only provide data visualization and reporting capabilities, but also provide an advanced analytical finance platform allowing the finance and accounts executives to perform more deep data analysis and exploration. Such dashboards help them to make important informed decisions.

Importance of Financial Dashboard

1. Performance Analysis

- Enables in-depth analysis of financial performance and facilitates historical data comparisons.
- Helps the management and employees to understand the reasons for generating lower or higher profit margin and what went wrong or what factors stood favorable to the organization.

2. Goal Definition and Equality

- Ensures alignment with organizational goals among the management and all the employees
- Guides management and employees in achieving organizational goals by implementing necessary steps.
- Unifies management, finance, and accounts teams and utilizes collective knowledge for organizational goals.

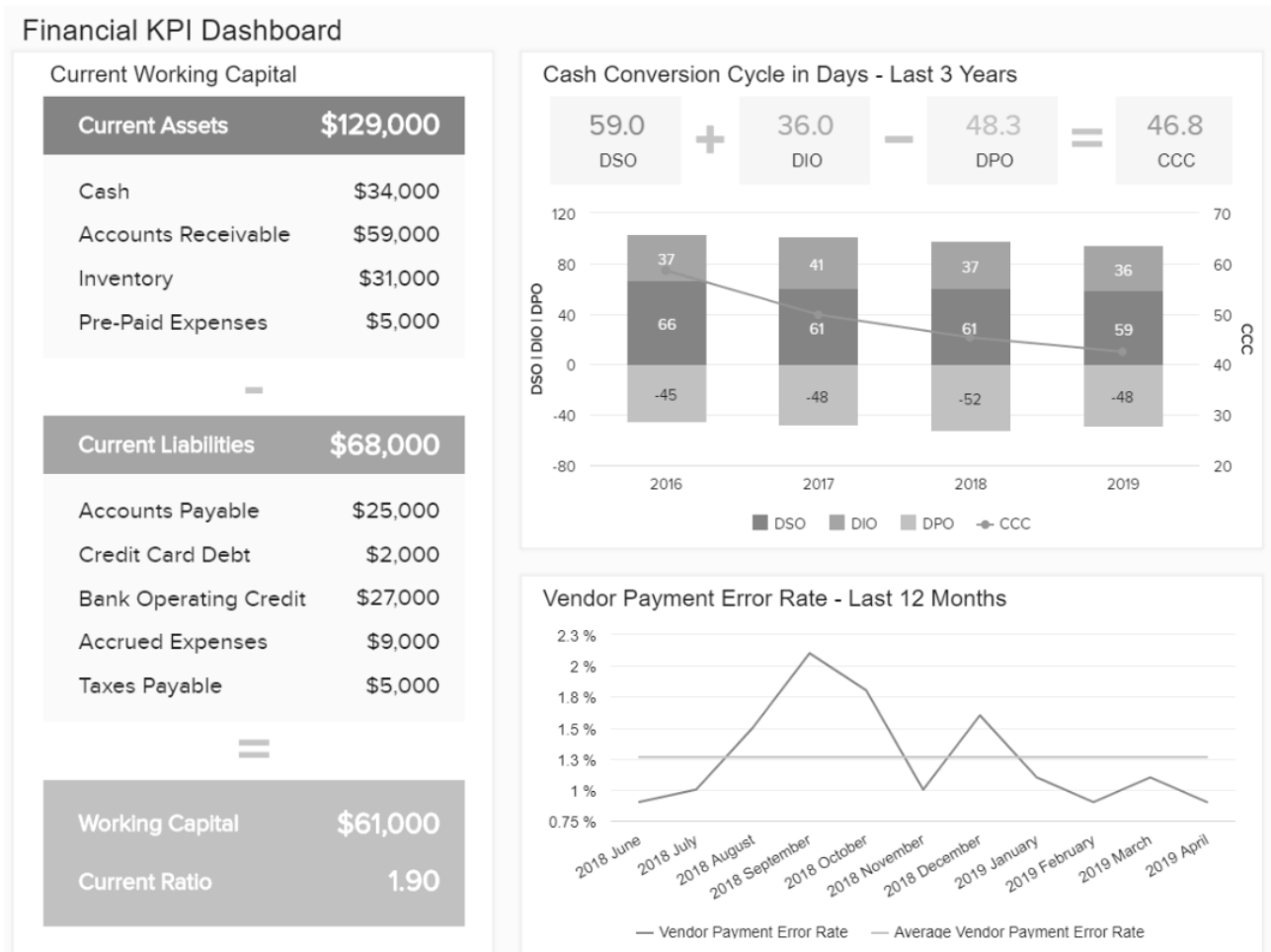
3. Interactive and Centralized Financial Information

- Consolidates essential financial data in one accessible location.
- Saves time and resources compared to searching through various folders.
- Utilizes business intelligence tools for visual and graphical data representation.
- Enhances comprehension and expedites decision-making.

4. Stands out from other entrepreneurs

- Distinguishes entrepreneurs who are unaware of the advantages of financial dashboards.
- Attracts investors and boosts team and advisory confidence.
- Preparing and presenting a financial dashboard helps them to stand out and will definitely have an edge over their competitors.

Financial Dashboard (Sample)



Source: <https://www.datapine.com/dashboard-examples-and-templates/finance>

Preparation of Financial Dashboard

STEP 1: CHOOSE THE PERFORMANCE METRICS

As the first step to create your dashboard, you should determine the most important metrics for your organization that you would want to keep a track of. Apart from the default performance indicators such as the cash, revenue, expense, and profit, decide what additional indicators you would want to monitor. Using 10-15 key performance indicators would be an ideal number to keep as a target. For example, liquidity, a critical factor in decision-making, merits inclusion.

STEP 2: LAY DOWN TARGETS

Once the important indicators or metrics are decided, Allocate specific goals to each chosen metric. Depending on your company's course of action, these goals may be fixed monthly targets or varied objectives for different months. These targets essentially become your company's

forecasts. Aligning team members with these goals will bring all them on the same page and work unanimously towards achieving the same.

STEP 3: ACTION

Initiate a pilot program for the dashboard, focusing on 3-5 key metrics initially. This phased approach allows the team to understand, track, and analyze these metrics in real-world scenarios. Once the team is familiar with the dashboard, consider expanding the number of metrics gradually.

STEP 4: REPORTING MECHANISM

The next most important step is to determine the technique that will be used to share and report data. While providing login access is an option, for convenience and security, consider printing or downloading dashboard reports in PDF format. The main reason for using dashboards is to keep track of important metrics and develop strategies by reviewing them so make sure that the reporting of the data from the dashboard is planned in a suitable way to achieve these goals.

STEP 5: CONTINUOUS TESTING AND REVISION

The dashboard needs to be tested and evaluated at a certain point and ensure that it generates relevant data. Dashboards can be modified according to the company's needs at any time. Therefore revise the dashboard settings as per the requirements of the team members and according to the information what they actually need. Regular refinement ensures relevance and prevents redundancy over time.

About Spice Route Finance

Spice Route Finance helps startups, early stage and growth stage companies create change that matters. We partner with our clients to identify and overcome the most critical challenges and deliver value by uncovering opportunities.

From leadership to execution, we help our clients to transform their organizations through our in-depth expertise in financial strategy, interim leadership, business strategy, and deal advisory. This means embedding excellence in financial decision making, analytics, and design into core processes and mindsets; building capabilities that help businesses thrive in the face of rapid disruption; and developing successful execution models to ensure that ideas translate into outcomes, quickly and sustainably.

This eBook has been compiled to help startups to give a flavor of why accounting and finance is important for all startups irrespective of size and segment.

If there is any area which you need any specific guidance or help please do not hesitate to reach out to the founder at sriram@spiceroutefinance.com