



Feature Article

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Dashboards Can Help You Find the Way

By Dipty Jain, FMA's Manager of Consulting Advisory Services

"Where are we going? When will we get there? Can we make it with what we've got?" No, this isn't a family vacation. These are the sorts of questions all nonprofits should be asking themselves when considering the success of their organizations...along with this one: "How do we know?"

That's where dashboards come in. Increasingly, fiscal dashboards are becoming a tool for executive staff and their boards to measure performance, relate activity to goals, and gauge the long-term impact of their initiatives. *Specifically, a dashboard is a visual representation of the financial, programmatic and fundraising reports that should accompany all board packages* – customized and formulated to inform strategic decisions, they make data more accessible and help facilitate board and staff engagement.

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Good dashboards live up to their name: they provide a quick glimpse on what is happening. Hopefully, they are concise enough to provide needed information, yet comprehensive enough to tell you what's really important. Given the copious amounts of data that most board members are expected to digest, a dashboard can help distill information so board members know what questions to ask. Simply put, a dashboard isn't the end of a conversation; it is only the beginning.

For this reason, one of the primary uses of a dashboard is to facilitate board conversations. While a dashboard should never be a substitute for accurate board reporting, it can be used to facilitate conversations and ensure that board members feel comfortable addressing key financial metrics that determine an organization's future.

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Beyond the board, however, any dashboard that reflects accurate financial, operational and fundraising data can also be an effective staff management tool. Be it for programmatic, administrative or development purposes, if you can compile your data and share it with managers, you can use a dashboard to enhance internal decisions and to catch problems before they rise to the need for board intervention.

For this reason, a dashboard should be compiled regularly, regardless of your board's meeting schedule, and should use the most accurate, recent data available. While there are a variety of online, cloud-based programs that can provide eye catching, splashy dashboards, a dashboard can be developed simply by combining financial reports and the basic spreadsheet charting functions found in any version of Microsoft Excel.

The first step in creating a dashboard is to talk to your board members and fiscal officers to see where the lines of communication have broken down in the past. Following that, using your current reporting systems, a template can be developed that provides consistent reports that are both accessible and simple to understand. Finally, as the dashboard is implemented, conversations between board, management and senior staff will help sharpen the dashboard.

In utilizing dashboards, success will always be difficult to define. If done properly, however, in combination with strong financial reporting, a good dashboard won't leave your board asking the worst question of all: "Are we there yet?"

Dipty Jain is FMA's Manager of Consulting Advisory Services. If you are interested in further discussing how to effectively use dashboards, please contact her at djain@fmaonline.net .