



Dashboard Indicators: Are You Sputtering Or Speeding?

Imagine this: Instead of wading through page after page of mind-numbing reports at your next board meeting, your board members are handed an easy-to-read document that tells them everything they need to know about your organization's progress.

At a glance, they can zero in on key indicators that spell out everything from cash and receivables to the status of staff performance reviews. With information in hand, your decision makers can do what they do best — make informed decisions. And with reports out of the way, your strategic thinkers can do what they do best — think.

Think of it like the dashboard of your car: Driving down the road, you can quickly see how fast you're moving, how much fuel you have and how far you've gone. Likewise, a nonprofit's dashboard is a set of indicators that provides a concise, consolidated view of its progress.

Meetings, Meetings, Meetings

The classic meeting format, which relies heavily on reports to bring board members up to date, is one of the worst approaches an organization can take. Besides being boring, traditional reports are passive — they don't get people involved.

That's a big reason why "dashboard" reports are making such a splash in the nonprofit world. "Dashboard," lingo Microsoft popularized with its Digital Dashboard initiative, embodies the idea that quicker knowledge equals better performance.

A Sample Dashboard

Creating an effective dashboard for your organization is not all that

difficult. First, seek input from the people who use the data the most. In addition, board committees can look at expanded sets of indicators within their own areas (e.g., your Fund Development Committee might develop indicators to track major donors or attendance at events).

1. Determine your indicators — Decide what you want to monitor. For example, your “fuel” gauge might monitor revenue sources so that you know how much can be invested in programming. A “speed” gauge might assess the performance and efficiency of your people and programs. And “warning lights” might be simple signs that let you know when you fall short or surpass predetermined benchmarks.

Indicators you might consider include:

Program

- Number of first-time clients
- Volunteer hours

Finance

- Net surplus or deficit compared to budget
- Days after month-end for financial statement preparation

Fund development

- New individual donors
- New foundations or corporations
- Total non-government revenue

Human resources

- Performance evaluations completed on time
- Staff meeting or exceeding goals in core job functions

Board of directors

- Attendance at board meetings
- New board members joining
- Executive director performance evaluation completed on time

2. Determine your keys — Choose a key for your dashboard using relevant symbols that mean the same thing to everyone. For

example:

- Red = danger/action
- Yellow = caution/watch
- Green = all is good/proceed

3. Determine your benchmarks and format — Your dashboard format might look something like this:

	Indicator Key	Benchmark	Current status
Days of cash on hand	30 days	14 day	Red
Staff meeting or exceeding goals in core job functions	95%	97%	Green
Client satisfaction	Score 8.5 Out of 10	8.2	Yellow

Keep An Eye On The Road, Too

Don't forget that a dashboard shows a lot, but not everything. While it can provide an instant update on your "drive," it may not give you the most important piece of information — whether you are on the right road.

You'll still need to get out from behind the wheel regularly and consult your organization's roadmap (e.g., "Are we remaining true to our mission?" "Is our mission still relevant?" "Should we consider merging or adding a new initiative?"). In addition, while indicators may make sense at the "big picture" board level, you may need to provide more detailed information to committees addressing specific tasks.

Contact one of our nonprofit professionals to learn more about establishing dashboard indicators for your organization — or for help in understanding what your current dashboard is saying about your organization's fiscal health.