

## Create a Dashboard

By James C. Galvin

BOARDS ARE SOMETIMES HANDED BUDGET REPORTS 20 or more pages in length. This is usually done with good intention, so the board “knows what’s going on.” But the budget is a management tool, not a governance tool. Giving line-by-line budget detail can invite board members to advise the CEO on a line-item basis and pull them into micro-managing the organization. Some boards prefer to receive their financial information in a form that fits on one side of one sheet of paper. You can do this by creating a “dashboard” of key indicators.

To achieve this, the board and staff first need to determine the key indicators of the organization. For example, for many ministries the key indicators of organizational health would include at least revenue from donations, expense compared to budget, operating cash flow, number of volunteers, and some ministry quality measures. Each organization will want to track a unique set of key indicators.

One proven process for unearthing these key indicators is the balanced scorecard method. The details of this process were developed by Robert Kaplan and David Norton and explained in the books *The Balanced Scorecard* and *Strategy Maps*. This provides a rigorous approach. A simpler version is simply asking the board to determine what numbers they want to see and constructing a dashboard for them by displaying the results graphically on one sheet of paper.

If you can’t get it down to a few numbers, then you haven’t yet discovered the key indicators. I worked with one organization which carefully tracked 200 numbers in its large, international ministry. We eventually carved it down to about 20 key indicators, of which about one-third they hadn’t been tracking at all. Large Christian publishing houses are multi-million dollar operations, yet board members are able to track financial performance and stay on top of wild sales swings with a handful of key numbers.

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### Getting What You Measure

Jim Galvin is right. Agreeing on appropriate key indicators is critical for keeping an organization moving forward in an effective manner. Most board members desire to make a significant contribution, while most CEOs desire to maximize the potential of a board’s collective IQ.

Neither will happen if focused measurement indicators aren’t developed and agreed to. In putting your ministry dashboard together, be careful to select both the “hard” (financial, attendance and the like) indicators and “soft” (member/guest satisfaction, staff morale and the like) indicators. You’ll get what you measure.

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