Seminar Series

Business Scorecards and Dashboards

BOSS

Business Owners Strategic Solutions

THE SUCCESSION JOURNEY SERIES

DISCLAIMER

Things my attorneys make me say.

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BUSINESS SCORECARDS AND DASHBOARDS

- How do you measure success—or understand whether your business is truly progressing? Many business owners default to a simple benchmark: last year's performance. It's familiar, it's easy to access, and it feels intuitive.
- But as we discussed last month, business value isn't determined by your past alone. It's driven by how the *market* views your industry. The market establishes a range of valuation multiples—from lower tier to best-in-class—and every business falls somewhere within that spectrum.
- If you only compare your business to your own historical performance, you're measuring progress in a vacuum. You might be improving year over year and still be sitting at—or even below—the lower end of your industry's valuation range.
- Real insight comes from looking outward.
  - Industry data, market benchmarks, and clearly defined Key Performance Indicators (KPIs) give you a true picture of where you stand. When you align your scorecards and dashboards with these external metrics, you can see how your business performs relative to peers, competitors, and market expectations.
- That's when measurement becomes meaningful—and when your decisions become strategic.

Business Scoreboard

Barb Smith
Cherry Bekaert Advisory LLP

Cherry Bekaert
Your Guide Forward

Agenda

- Benchmarking
  - Definition
  - Key Drivers
  - Industry Norms
  - Scoreboards
- Financial Statement Analysis
- Ratios

Benchmarking - Dictionary

Evaluate or check (something) by comparison with a standard.

What is benchmarking?

The practice of comparing business processes and performance metrics to industry “bests” and best practices from other companies

Why?

To identify strengths, weaknesses and improvement opportunities.

How?

- ***Identify*** *– Define Objectives*
- ***Collect + Analyze*** *– Obtain information from internal or outside sources*
- ***Implement*** *– Make changes based on findings*
- ***Evaluate*** *– Monitor and update as needed*

Benchmarking Identification

- Financial
  - Revenue
  - Profitability
  - Shareholder value
- Processes
  - Quality
  - Efficiency
- Customer
  - Retention
  - Satisfaction
- People
  - Retention
  - Satisfaction

Collect and Analyze

- National Associations
- Informal Industry Group
- Friendly Competitors
- Other Business Organizations
- Other Data

Scoreboards

- Financial
- Sales
- Warehouse
- Safety
- Quality

Financial Statement Analysis

- Method of Accounting
  - Accrual
  - Cash

Accounts Receivable

- Billing Processes
  - Credit Policy
  - Payment Terms
  - Standard Procedures
- Timely Billing
- Manage + Monitor Receivables
  - Aging of Receivables
  - Allowance for Doubtful Accents

Inventory

- Method
  - FIFO
  - LIFO
  - Average Cost
- Inventory Controls
  - Forecasting
  - Barcoding/Management Software
  - Real Time Tracking
  - Inventory Costs
- Inventory Valuation

Inventory

- Types of Inventory:
  - Raw Materials
  - Finished Goods
  - Work In Process

Fixed Assets

- Depreciation Method
  - Book versus Tax
- Age of Assets
- Repairs

Accounts Payable

- Process
  - Automation
  - Approval
  - Reconciliation
  - Discounts
- Aging

Other Liabilities

- Accrued PTO
- Warranties
- Other Contingent Liabilities

Income/Expense

- Understanding the Revenue Cycle
- Contract Work
- Installment Sales
- Nonrecurring Items

Transactions with Owners/Related Parties

- Compensation
- Benefits
- Rents
- Other

Ratios

- Liquidity Ratios

$$\text{Current Ratio:} \quad \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$\text{Quick Ratio:} \quad \frac{\text{Cash plus Accounts Receivable}}{\text{Current Liabilities}}$$

Accounts Receivable Turnover

$$\frac{\textbf{Credit Sales}}{\textbf{Average Account Receivable}}$$

$$\frac{15{,}000{,}000}{2{,}000{,}000} = 7.5 \text{ times}$$

Average Collection Period = 48.67

Inventory Turnover

$$\frac{\textbf{Cost of Goods Sold}}{\textbf{Average Inventory}}$$

$$\frac{30{,}000{,}000}{6{,}200{,}000} = 4.84 \text{ times}$$

Average Days in Inventory = 75.41

Net Working Capital

Current Assets – Current Liabilities

Leverage Ratios

$$\frac{\textbf{Total Debt}}{\textbf{Total Assets}}$$

$$\frac{13{,}000{,}000}{14{,}000{,}000} = 0.928571$$

Debt to Equity

$$\frac{\textbf{Equity}}{\textbf{Long-Term Debt + Equity}}$$

$$\frac{3{,}000{,}000}{4{,}000{,}000} = 0.75$$

Profitability Ratios

- Gross Profit Margin
- Operating Profit from Sales
- Net Income from Sales

Trend Analysis

Questions

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BUSINESS ENHANCEMENT SEMINAR SERIES, AND TOPICS OF INTEREST

Seminar Topics and Recommendations:

In addition to the succession planning series, there will be other seminars throughout the year on various topics of interest such as business assessments and enhancements, employee benefits, financial planning, tax planning, and business coaching.

If there are particularly topics of interest you would like to share, please email your suggestions and recommendations to info@theoneboss.com.

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VISION

To be the leading catalyst for business transformation, fostering a thriving community where owners harness their enterprise's full potential. Through valuations, targeted coaching, and strategic succession planning, we aim to elevate business value and empower growth. By creating a dynamic membership community enriched with interactive discussions, exclusive events, and cutting-edge educational resources, we envision a future where every business owner is equipped to drive lasting success and achieve their highest aspirations.

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Information about our partners can be found on the website here …

www.theoneboss.com/boss-partners/

NEXT SESSION – BUSINESS SCORECARDS

Business Intangible Assets
Social Capital and Brand Awareness
February 17, 2026
7:30 am to 9:00 am
4417 Corporation Lane, 1st Floor Seminar Room
Virginia Beach, Virginia 23462

Presenter: Brian Pascouau

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Leave a review on Google……

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