

What Is A KPI Dashboard – And How Do You Create The Best One For Your Business?

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Organising your key performance indicators (KPIs), developing the right set of KPIs for your business and extracting meaningful insights from the data is all well and good, but it won't count for anything unless your organisation reports and communicates the KPIs to others effectively. Because, in the end, KPIs are only really effective if the right people get the information they need – in a way they can understand – so that they can make better decisions. KPI dashboards are a great way of communicating insights from key performance indicators to the people that need them.

So what is a KPI dashboard?

A KPI dashboard is a simple visual display of the most important information that decision makers need to help them achieve objectives. When you're driving your car, a single glance at the instruments, dials and gauges on your dashboard can tell you all you need to know about whether or not you're going to get to your destination on time and in one piece; you can immediately tell whether you have enough fuel, how fast you're travelling and whether the engine is coping well with your driving. Cars also come with warning lights that flash or turn red when your car is in trouble or needing a service. A performance dashboard should do the same for your business.

KPI dashboards are best considered from an operational and strategic perspective. An operational dashboard allows you to check the day-to-day processes and outputs of your business to make sure everything is running

smoothly. It provides information that allows you to fix issues before they become problems and affect performance. An example might include a call centre KPI dashboard which shows the number of calls, average wait time on hold, etc. Your strategic dashboard, on the other hand, looks to the future and seeks to identify obstacles and challenges that you may face on the way to achieving your strategic goals, such as profit projections, market share growth, etc. Both types are important for business success.

A good key performance indicator dashboard gives decision makers quick access to the critical indicators or instruments of the business, and helps them decide whether they are on track or not. Unfortunately, some KPI dashboards are a case of style over usefulness, or are so crowded with detail that it's impossible to decipher the important information. Designing a good key performance indicator dashboard takes careful thought.

How to design a KPI dashboard

In a frenetic corporate environment, managers and decision makers are bombarded with information on a daily basis. A key performance indicator dashboard that clusters all the mission-critical data in one place is therefore an extremely useful tool. At a glance, users should be able to know exactly where they are and what they need to do. Here are five tips for designing a dashboard that delivers on that promise:

- 1. Keep your dashboard to a single screen or page.** The whole point of a KPI dashboard is that you get a quick and concise overview of the business and potential red flags. It's a snapshot, so don't include excessive detail. If it takes you half a day to look through your dashboard then it's not a dashboard!
- 2. Only include the most critical, insightful KPIs necessary for achieving your operational and strategic objectives.** Forcing yourself to stick to a single screen or page helps with this as it will make you really focus on the most important information the user needs.
- 3. Choose an appropriate and accessible way to display the dashboard.** For example, if you use software, make sure that everyone that needs the dashboard has access to the software.
- 4. Make the dashboard easy to look at, navigate and understand.** Don't cram as much information onto one page as you possibly can, and arrange the data aesthetically and logically.
- 5. Focus on information delivery and understanding.** Avoid excessive design, and don't introduce meaningless variety just to make the dashboard look more exciting. Likewise, don't include decoration or excessive use of colour – everything on a KPI dashboard should serve a purpose, or it shouldn't be there.

Using KPI dashboard software

There are a number of software solutions available these days, including those by leading vendors such as Dundas, IBM, Microsoft, Oracle, Qlik and Tableau. Software can be a great performance management enabler, making reporting and communicating key performance indicator data easier through automated dashboards. However, the key word here is *enabler*. Software is not a blanket solution – you still need to work out exactly what you want the software to tell you. This means, to get the best out of any software tool, you still need to do all the front-end work around designing and developing the right KPIs for your business and working out the information you need to improve performance.

That said, software can bring [key performance indicators](#) to life through powerful communication and collaboration features. Visually rich, colour coded, intuitive KPI dashboards can be created in minutes, so users can understand information at a glance and update that information with a click of a button. In addition, most of the tools available today are web-based, which means you can access the information via your internet browser anywhere, at any time. Software can therefore make ongoing data crunching, reporting and communication much easier.

Whatever option you choose for your key performance indicator dashboard, the key is to focus on displaying the core KPIs that will really inform decision making. Business leaders and decision makers simply don't have time to wade through heaps of KPIs to ferret out the critical ones. By keeping your KPI dashboard clean, simple and focused, you'll be well on your way to better decision making and improved performance in your business.