



# Enhance The Excel Experience – Part II

## *Building Excel Dashboards*

August 21, 2014



# Today's Learning Objectives

- Upon completing this session, participants should be able to
  - Identify the key information elements to be included on an Excel-based dashboard
  - Use Excel's dashboard-centric tools to create dashboard components
  - Explain what to do and how to present the information



# But First...

- Why Excel? Why dashboards?
  - Need for access to information in formats that are easy to understand
  - Current methods can be too complex, too time-consuming, too challenging
  - Dashboards remove the disincentive to accessing critical information



# Dashboard Advantages

- Easy-to-understand visual representation
- Quickly identify new trends
- Measure efficiencies and inefficiencies
- Increase productivity
- Enable more-informed decisions
- Help align performance and goals



# Why Excel?

- Ubiquitous presence of Excel
  - Licensed and used by almost all professionals
  - Most already have at least a minimal working knowledge of Excel

# Why Excel?

- Functionality is well-suited to dashboards



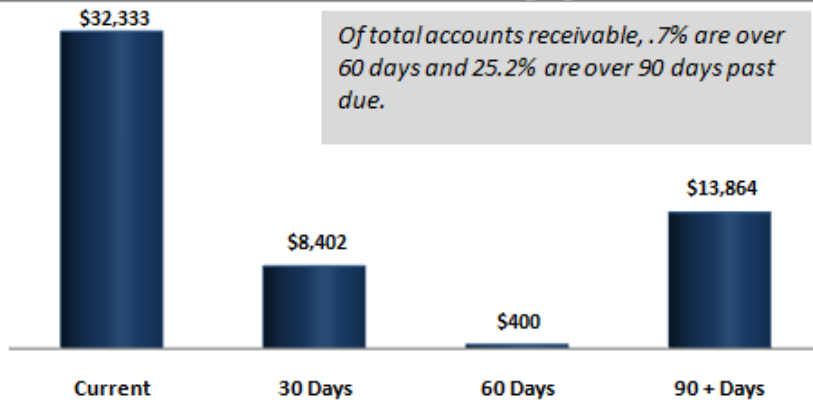
### Top Five Customer Balances Due

Baker's Professional Lighting	\$	13,081.48
Thompson Lighting Stores	\$	11,800.00
Mr. Jay Jessen	\$	10,014.00
Lara Gussman	\$	5,000.00
Cole Home Builders	\$	3,850.00
<b>Total of Top Five Customer Balances</b>	<b>\$</b>	<b>43,745.48</b>
<b>Total of All Customer Balances</b>	<b>\$</b>	<b>54,999.52</b>

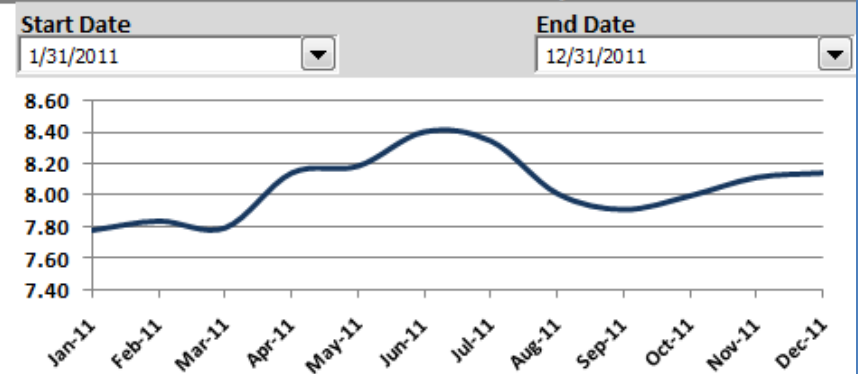
### Year To Date Top Five Items Sold

Chandeliers:P4044-27	\$	37,643
Exterior Fixtures:TG1720 SS	\$	24,343
Chandeliers:P4232-37	\$	23,450
Chandeliers:7015-09-17	\$	22,848
Ceiling fixtures:P7206-30	\$	21,555
<b>Total of Top Five Sales Items</b>	<b>\$</b>	<b>129,837.50</b>
<b>Total of All Sales Items</b>	<b>\$</b>	<b>429,736.97</b>

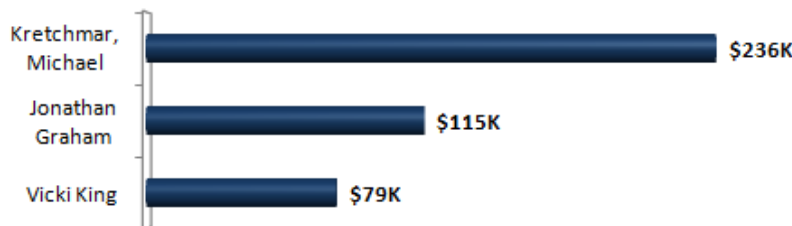
### Accounts Receivable Aging



### Customer Satisfaction Survey Results



### Year To Date Sales By Sales Rep



**YTD Total Sales: \$429,736.97**

**Please Click Here To Update  
All Data On The  
Executive Dashboard**



# Dashboards





# Potential Issues

- Ineffective overall design
- Incorrect use of charts and graphs
- Limited use of conditional formats
- Manual procedures for data input

*Fortunately, Each Of The Above Is Easily Overcome In Excel...Let's Get Started!*



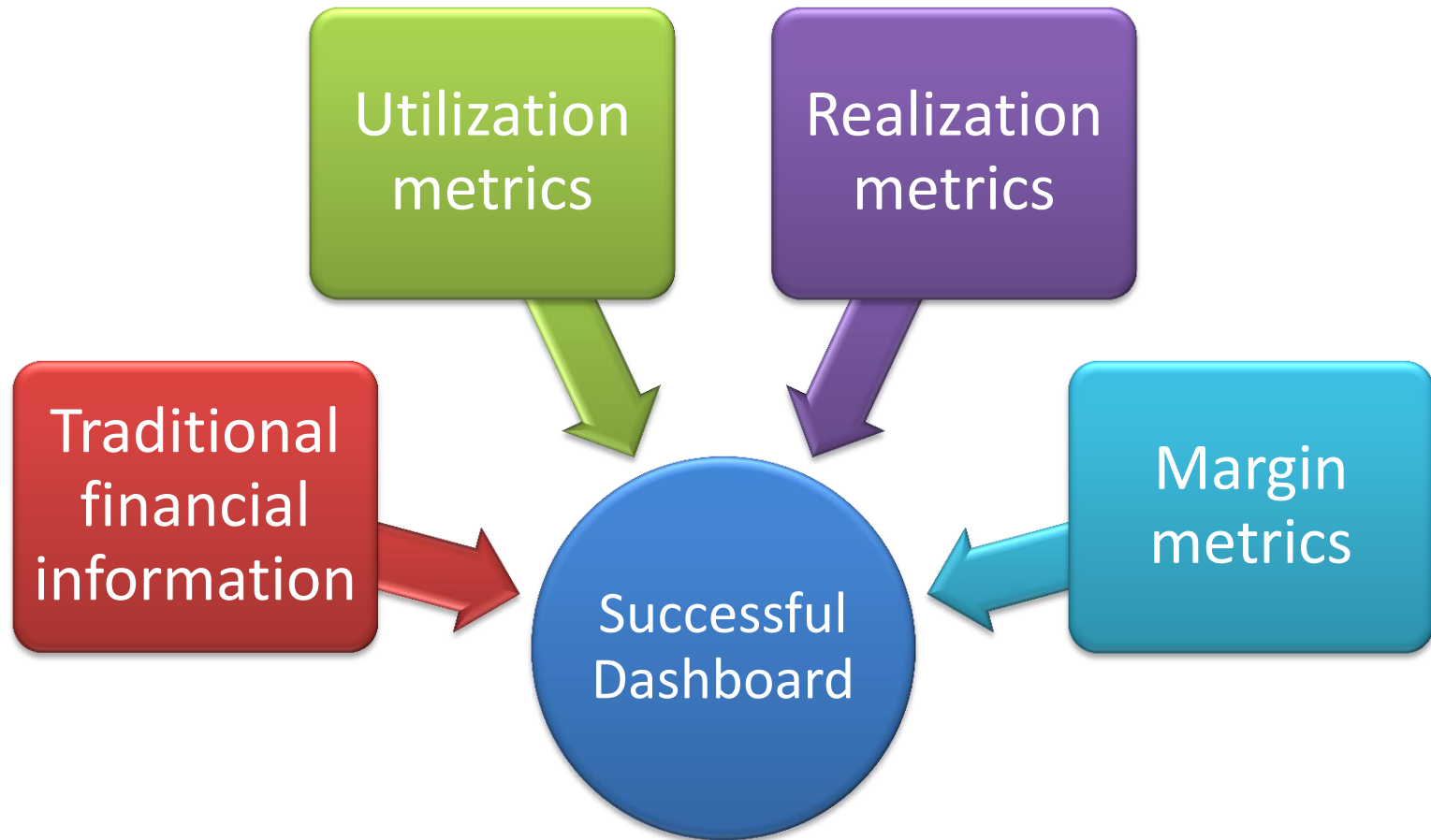
# IDENTIFYING THE INFORMATION TO INCLUDE ON YOUR DASHBOARD

# Deciding Information To Include



- This is most important step in creating a dashboard for your firm
- Stakeholders will have different visions of what you should include
- Before you begin building the dashboard, get consensus on the metrics you will show
- Strongly recommend no more than six to eight metrics on a single worksheet
  - It's OK to have multiple worksheets though

# Deciding Information To Include





# Traditional Financial Information

- Focuses on the hard and cold numbers in the financial statements
- Includes
  - Financial statements, either summarized or detail (or both)
  - Snippets of financial statements, including
    - Net income
    - Cash
    - Accounts payable and accounts receivable (aged)

# Utilization Metrics

- Compare expectations for billable hours and revenues with production
- Often include
  - Utilization (average number of billable hours)
  - Utilization rate (billable hours divided by total hours)
  - Blended rate (gross fees divided by gross billable hours)
  - Partner-to-staff (number of staff divided by number of equity partners)

# Utilization Metrics

- Utilization metrics help to measure efficiency and utilization of firm's human capital
- Can indicate
  - Shortage of capacity or excess capacity
  - Too much time being spent on non-billable activities, such as administration
  - Lack of understanding and training on how to use technology

# Realization Metrics

- Used to measure how much value is being delivered by the Firm and by producers within the Firm
- Often include
  - Net fees per partner
  - Net fees per full time employee
  - Realization percentage (net fees divided by gross fees)
  - Write downs (billable fees not billed to client)





# Realization Metrics

- Realization metrics provide evidence as to the value of what we are delivering to clients and how clients perceive our value
- Excessive write downs could mean that we are discounting to win work
  - Might indicate general economic conditions
  - Could also be indicative of lack of marketing along lines of “we deliver results”

# Margin Metrics

- Used to measure profitability and efficiency
- Can include
  - Collection percentages (fees collected/fees billed)
  - Days in WIP (average unbilled WIP/(net fees/365))
  - Salaries and benefits/net fees
  - Operating expenses/net fees
  - Days in AR (average AR/(net fees/365))
  - Average unbilled WIP/gross fees

# Margin Metrics

- Margin metrics are useful in analyzing, forecasting, and predicting profitability and cash flow
- They focus our attention on efficiencies and inefficiencies in billing and collection



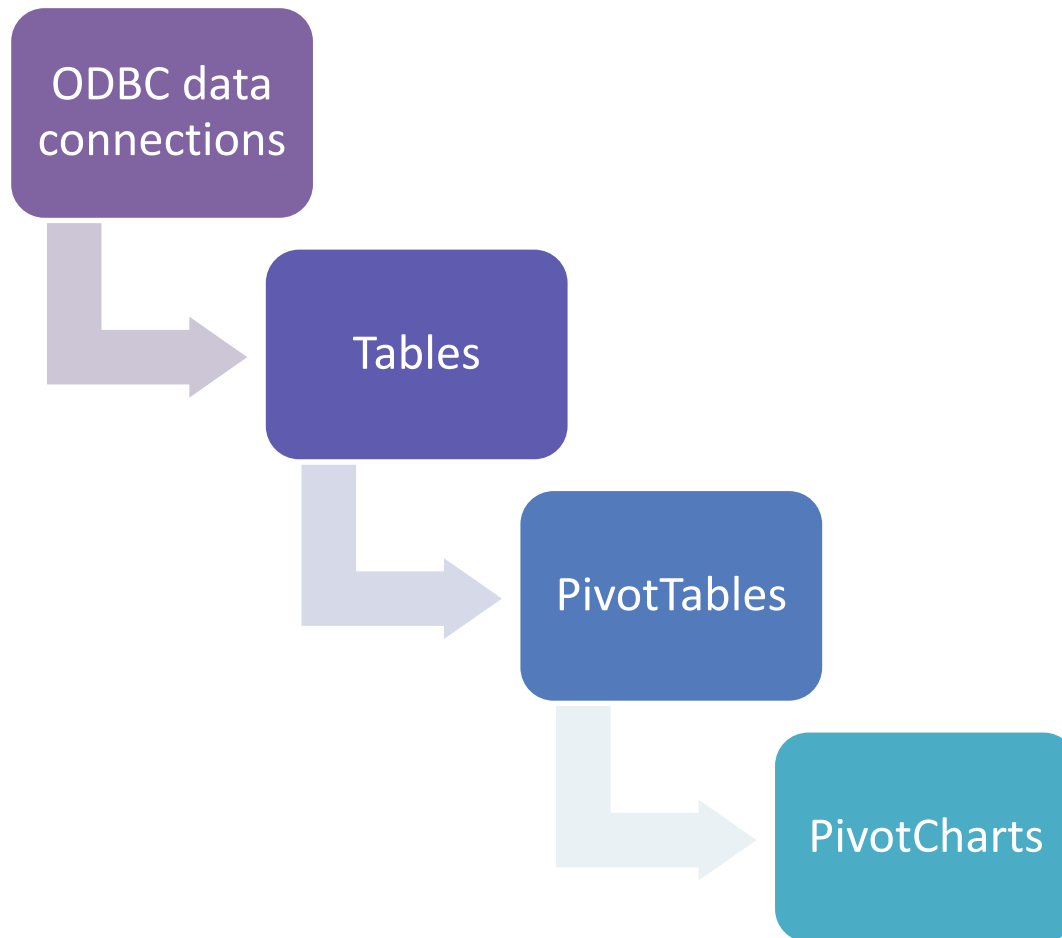
# TAKING ADVANTAGE OF EXCEL'S DASHBOARD-CENTRIC TOOLS

# Excel's Dashboard-Centric Tools



- Keep in mind
  - You will need to summarize a large volume of data that does not natively reside in Excel
  - You will need to facilitate flexible reporting
  - You will need to update the dashboard frequently
  - You will need to create this dashboard yesterday!

# Excel's Dashboard-Centric Tools



# ODBC Connections

- Open Database Connectivity (ODBC) connections allow you to link your source data into Excel
- This is very important because it eliminates manual data entry and facilitates frequent and timely refreshing of your dashboards
- Most likely, you will need some assistance from your IT team in order to do this

# Tables

- Tables were added to Excel 2007 and should likely serve as your data repositories for dashboard data in Excel
  - Regardless of whether the data was manually entered or linked via ODBC
- Among Tables many benefits are auto-expanding data ranges, formula replication, and structured reference formulas



# PivotTables

- PivotTables are considered by many to be Excel's most powerful tool
- You can use them in the dashboard process to summarize the large volume of data that you store in your Tables
- PivotTables also facilitate flexible reporting through quick and easy filter processes
- Consider adding Conditional Formatting on your PivotTables to call attention to significant items

# PivotCharts

- PivotCharts are simply graphical extensions of Excel PivotTables
  - In other words, they are charts using PivotTables as their data sources
- With PivotCharts, you can provide a graphic presentation of data, which can be particularly useful to those who are not financially-oriented
- Also, beginning with Excel 2010, you can filter directly on a PivotChart



**LET'S TAKE A CLOSER LOOK WITH A  
HANDS-ON EXAMPLE...**



# Hands-On Example Steps

- Build ODBC connection from Access database to Excel, dropping the data into an Excel Table
- Build PivotTable from Excel Table
- Add Conditional Formatting to identify Top 5 and Bottom 5 team members based on hours worked
- Build PivotChart from PivotTable
- Add Slicer Filters to streamline filtering

# Summary

- In virtually all industries, there is a significant movement toward dashboards to improve financial and operational reporting
  - Law firms are no different
- Many organizations will use Excel for these dashboards, but not all will be successful
  - Failures will arise from lack of consensus on metrics, manual processes, infrequent updates, and inflexible reporting

# Summary

- You can help to ensure the success of your Excel-based dashboards by
  - Getting buy-in from all stakeholders
  - Automating processes through ODBC, Tables, and PivotTables
  - Providing flexible filtering and reporting
- Don't be intimidated by the technology...it's really quite easy!



**THANKS!**