



## ▶ The Challenges

**Real-Time Information:** Accounting systems typically provide summarized historical information that is 30-60 days old. What you need to run your business or any part of it is detailed information by team, by market, by department that is close to real-time.

**Rapid Feedback:** Achieving the company's operating business plan requires breaking it down into manageable pieces with clear deliverables, communicating responsibilities and then providing rapid feedback regarding progress towards those goals. Financial performance is a common area requiring rapid feedback if changes are to be made in time to affect the outcome. Financial reporting is typically too out-dated to make a difference.

**Training Tool:** Understanding the financials for a construction company is challenging including how over/under billings affect cash flow, what purpose projections serve and how earned revenue works. To augment training the desktop display is very helpful because people can rapidly see how something such as collecting a past-due invoice changes the whole financial picture. Better understanding of how the financial performance of a company is affected based on individual actions will lead to better decisions made by everyone.

**Automation:** Financial reporting is often manually done, costing a significant amount of money and time. Once programmed the desktop displays are completely automated requiring little maintenance after the initial setup and annual or quarterly adjustments to the business plan.

## ▶ Integrated Accounting/Operations

When managing a growing organization one of the most challenging things to get right is the alignment of the organizational strategy with team and individual goals. The first step in achieving this is to create a common basis for measurement of progress for the company, teams and individuals. Accounting systems track financial performance for the company but are often under-utilized and can't provide the real-time performance information for teams and individuals that is aligned with the operating plan. The desktop display is one method of providing this rapid feedback.



### Real-Time Performance Feedback On The Desktop

- ▶ Company Summary
- ▶ Market Summary
- ▶ Earned Revenue
- ▶ Gross Profit
- ▶ Overheads (Fixed/Direct)
- ▶ Net Profit
- ▶ Billing Status
- ▶ Accounts Receivable
- ▶ Cash Flow
- ▶ Backlog
- ▶ Inventory Management
- ▶ Progress Vs. Planned

ABC Construction		PLAN YEAR: 2005	
Worked: School Mode		Manager: Jim Smith	
WORKS PROGRESS	ACTIVE	INACTIVE	TOTAL
REVENUE	45,276	25,562	1,317,731
JOB COSTS	32,346	67,837	508,882
GROSS MARGIN	72,200	152,565	224,454
OVERHEADS ACCRUED	FIXED	DIRECT	TOTAL
	90,411	72,665	163,076
ANNUAL NET PBL	61,788		
ANNUAL PROGRESS	% COMP	GOAL	TARGET RATIO
	45.2%	67,000	0.72
BILLING STATUS	OVER	UNDER	TOTAL
	28,650	34,965	63,615
RECEIVABLES	RETENTION	CURRENT	PAST DUE
	42,524	72,598	53,238
PAYABLES	RETENTION	SUBS	PROJECT E.M.O
	8,585	32,458	47,426
BACKLOG	860,517		
INVENTORY	NO INVENTORY		
CASH	(14,111)		
LAST UPDATED: 6/15/05			

