

Impactful Financial Dashboards

Improving Board-Level Communication to Enhance Strategic Planning and Win Stakeholder Buy-In

While community college boards have long maintained fiduciary responsibility over institutional resources, the tough budgetary climate has heightened boards' interest in institutional financial health. This increased attention has led to a greater demand for data, with **65% of support staff** indicating boards are requesting data reports more frequently post-recession.

Importantly, there are two key challenges in communicating meaningful financial information to boards.



First, **determining how much financial information to share is a tricky balancing act.**

Communicating too little information can cause board members to misinterpret the institution's true financial position. On the other hand, communicating too much financial information can cause board members to focus undue attention on less significant details (e.g., employee travel spend) or to disengage completely because of data overload.



Second, **leaders must convey the distinctions between higher education and private sector finance.**

Notably, 75% of board members at private institutions and 50% at public institutions have backgrounds in private-sector finance or accounting. This experience surely helps them serve as financial stewards, but can lead board members to incorrectly believe they can directly apply private-sector solutions to higher education challenges.

To help finance leaders better communicate financial information to key stakeholders, EAB has created a **three-step process** to design and deploy impactful board-facing dashboards.

Step 1

Design and Build a Board-Facing Financial Dashboard

- Consideration #1: Selecting key performance metrics
- Consideration #2: Visualizing and displaying metrics
- Consideration #3: Contextualizing data
- Consideration #4: Integrating principled discussion triggers
- Compendium of Sample Dashboards

Step 2

Continually Support Dashboard Users

- Consideration #5: Constructing a narrative around dashboard data
- Consideration #6: Providing supplementary information
- Consideration #7: Updating dashboard metrics

Step 3

Adapt the Dashboard to Different Audiences

- Consideration #8: Engaging academic leaders with dashboard data

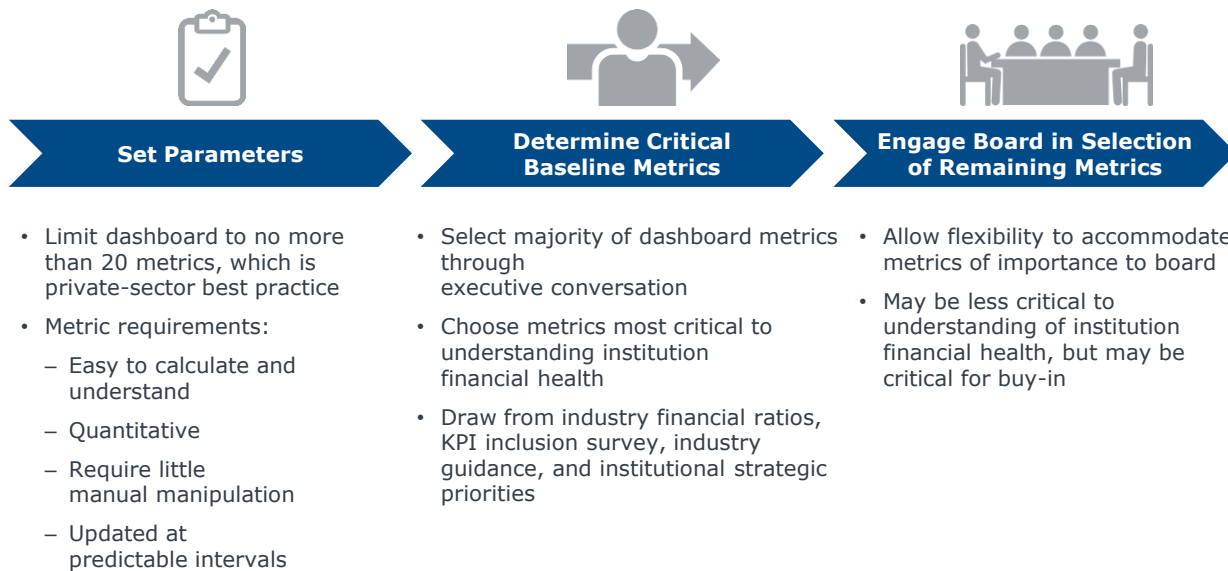
Contact Us for an Expert Consultation

The Community College Executive Forum is pleased to assist you in building a new dashboard or diagnosing improvement opportunities for your current dashboard. [Contact us](#) for an expert review of your institution's financial dashboard.

Consideration #1: Selecting Key Performance Metrics

Isolate Metrics that Facilitate Understanding and Buy-In

Three Step Process for Establishing Dashboard Metrics



Consideration #2: Visualizing and Displaying Metrics

Concise, Static Format and Clear Illustrations Help Users Engage with Data

Three Tips for Designing Board-Facing Dashboards



Be Concise

- Limiting static dashboards to three pages or less enhances likelihood that board members will engage with content
- Private sector standard dashboard length is **1-3 pages**



Use Data Visualizations

- Adding data visualizations simplifies complex KPIs and allows more data to be shared in less space
- Most effective private sector data visualization elements are **bar charts and pie charts**



Reserve Space for Time-Sensitive Data

- Reserving a portion of dashboard for temporarily urgent data ensures important, time-specific information is front-of-mind for board members
- **Duke University's** dashboard features 10 total metrics, including 2-3 contextual metrics that change annually

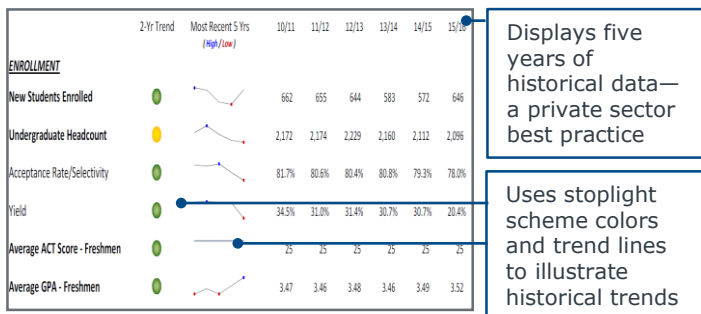
Consideration #3: Contextualizing Data

Historical and Peer Data Help Users Understand Institutional and Industry Trends

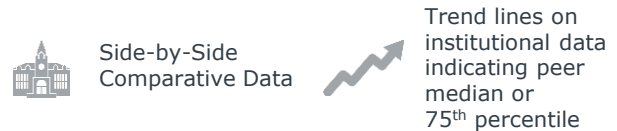
Three Ways to Illustrate Historical Trends



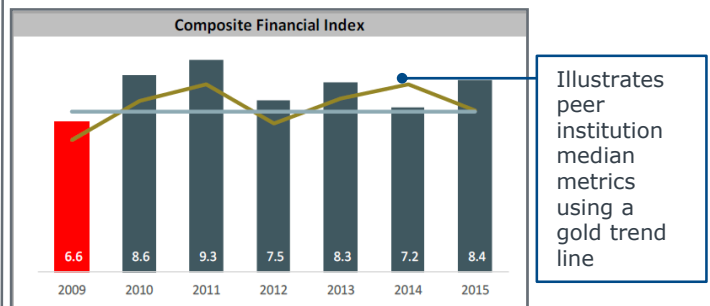
St. Norbert College's Financial Dashboard



Two Ways to Display Peer Data



Trinity University's Financial Dashboard



Consideration #4: Integrating Principled Discussion Triggers

Incorporate Concrete Triggers Into the Dashboard to Signal Risk Factors



Association of Governing Boards of Universities and Colleges' Warning Signs for Financial Assets

- Increasing cost of debt service
- Current expenditures outpacing current revenues
- Key revenue streams declining while expenditures increasing
- Student aid increasing as a proportion of tuition
- Reserves to operating expenses decreasing
- Tuition discount rate increasing
- Major secondary revenue streams decreasing
- Cost per FTE significantly outpacing peers

Compendium of Sample Dashboards

To further assist finance leaders in designing and building a board-level dashboard, EAB has created a compendium of high-functioning sample dashboards from both inside and outside higher education. These dashboards provide concrete examples of which metrics institutions have included and how they have displayed them. For each dashboard, the three design characteristics most worthy of emulation are highlighted.

Higher Education Dashboards



[Marquette University's Financial Performance Dashboard](#)

- Limited Metrics
- Concise Format
- Data Visualizations



Trinity University Financial Dashboard

- Contextual Data
- Semi-Flexible Formatting
- Principled Discussion Triggers



St. Norbert College's Annual Dashboard

- Limited Metrics
- Contextual Data
- Trend Indicators



[Southern Illinois University System's Dashboard](#)

- Limited Metrics
- Concise Format
- Data Visualizations



[Texas State University's Productivity Dashboard](#)

- Limited Metrics
- Concise Format
- Data Visualizations

Out-of-Sector Dashboards



[Municipal Government - The City of Edmonton's Citizen Dashboard](#)

- Limited Metrics
- Contextual Data
- Trend Indicators





Healthcare - Middlesex Health System's Dashboard

- Limited Metrics
- Contextual Data
- Trend Indicators

▶ You can find images and explanations of all sample financial dashboards listed here at eab.com.

Consideration #5: Constructing a Narrative Around Dashboard Data

Narratives Help Explain How Data Advances Institutional Mission

Type of Narrative	Advantage	Disadvantage
 Written	Ensures users have access to narrative whenever they engage with dashboard—not just at semiannual meetings	Extends length of dashboard, reducing likelihood that board members read report
 Oral	Engages board members in discussion of important trends and metrics during meetings	Does not add value to dashboard outside formal board meetings

Consideration #6: Providing Supplemental Information

Supplementary Resources Help Users Understand and Trust Data

Four Types of Supplementary Dashboard Data Resources



Data Definitions

Summary of KPIs' purposes and calculation formulae



Raw Data

Original source data for each KPI



Master Data File

Separate master document containing clean data used to generate KPIs



Tabular Dashboard

Electronically-maintained dashboards link to more detailed KPIs or topic-specific dashboard tabs

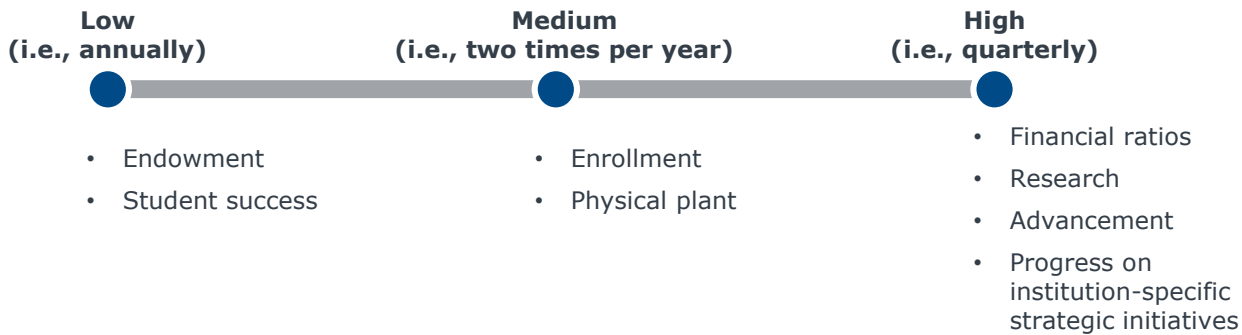
Valuable for all board members

Valuable for financially savvy board members

Consideration #7: Updating Dashboard Metrics

Different KPIs Require Updating at Various Times Across Academic Year

Standard Updating Frequency for Common Dashboard KPIs



Consideration #8: Engaging Academic Leaders with Dashboard Data

Think Beyond the Board to Adapt the Dashboard to Different Audiences

Solutions to Common Challenges

Challenge	Solution	Tactic	Example
Academic leaders don't understand financial data	Provide financial data literacy training	Higher Education Finance Training Course	University of South Carolina's Academic Leadership Development Program (ALDP) identifies 4-5 associate professors each year as potential academic leaders and trains them on key university operations, including finance.
		Academic Leader Internship Program	The University of Nevada, Las Vegas pairs up-and-coming faculty members who have expressed interest in leadership positions with administrative leaders to learn about administrative operations and priorities.
Academic leaders don't trust financial data	Involve academic leaders in the selection of dashboard KPIs	Faculty Focus Group	The Vice President for Finance and Administration at Trinity University tested KPIs with a faculty focus group. The faculty not only helped develop accurate and equitable metrics but also gradually came to trust the KPIs.
		Informal One-On-One	The Executive Director of Institutional Planning and Analysis at one institution volunteered to meet with any faculty leader to explain the list of KPIs to be included on dashboard.
Academic leaders don't care about financial data	Provide a narrative alongside your financial KPIs	Connect Financial Data with Faculty Priorities	Explaining how institution-wide financial shifts will influence the day-to-day operations of the institution helps faculty members understand tradeoffs inherent in financial decisions.