



Leveraging Data to Drive Business Growth

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As managing partner of SKC & Co. CPAs, LLC, I have had the opportunity to serve as CEO of the firm as well as guide our entrepreneur business owner clients through the growth, success, and management of their companies. My unofficial tracking shows the top three ways owners manage their companies are through gut/intuition, team feedback, and best practices from peers. An untapped resource for business owners is the use of data analytics in management and decision making. Most business owners know their financial numbers, such as profit and loss, cash flow and debt. The amount of data in companies that extends beyond pure financial numbers can be collected, analyzed, and leveraged to provide insightful information that can drive decisions and change the trajectory of the business.

Financial information is the foundation of knowledge necessary to understand your business and strategize about your future. This type of reporting is typically historical, offering the most basic form of data to drive decisions. When looking beyond historical financial data to cash flow projections and budgets, we apply assumptions to the data to craft future expectations. This is a proactive approach, as opposed to the decision-making process that results from reviewing historical financial data which is more reactive. The greatest tool in the business owner's toolbox is leveraging business wide data, beyond the financial statements, in real time, to make decisions, and set and monitor strategy.

Imagine being able to generate information on real time dashboards linked to your financials that would give you daily gross profit, weekly new business, or track your variances against budget. Real time information that can be used to make decisions more effectively and efficiently than historical data or emotions. What if you could drill down into the profitability of closed business by salesperson, assign a number to employee engagement, and dive into the geographic locations where your greatest number of repeat customers come from? As a small business owner, these may seem impossible numbers to uncover, but the reality is this data lives in your business and the key to uncovering it is knowing where to look. The first step is to really understand what goals you are trying to achieve and then determine what data will give you information to measure and track these goals. The investment of time to master leveraging the data in your business will yield a return that is difficult to imagine.

Business owners wear many hats by their nature and do not need to add data scientists to their plates. Partnering with your existing team of advisors to distill your strategic plan into benchmarks that can be tracked, monitored, and reviewed daily to maintain alignment with the trajectory to achieve your goals is the key. By embracing technology and data, you will not only gain insight, guidance, and direction to the future growth and improvement of your company, but you will be greatly ahead of your competition as well!