

Insufficient Management Information? Top 10 ways to prosper through better MI

Through this guide, you'll find out how to improve cashflow, develop the most appropriate areas of business, control spiralling operational costs, and above all, boost profits - all through better MI

Make sure information is accurate

Questioning the calibre of management information is essential if you really want a true picture of what's happening in your business. The drawback of much that is produced is that it is based on out-of-date information that is often incomplete, incorrect and as a result quite misleading. In some cases no MI can be better than poor MI because you make the wrong decisions based on ill-informed assumptions that can ultimately prove very costly.

Improve cashflow

Being better informed about late payers as well as making sure that invoices go out as soon as they are due can be made easier by providing **automatic alerts to senior managers**. These can be in the form of an Outlook reminder or even an SMS message. Ask your finance department to provide a simple way for you to check or be warned when certain thresholds are about to be reached.

Customise & distribute your reports to meet your exact requirements

The problem with many reporting tools is that you're reliant on ready-made templates that churn out information that is just not tailored enough to be of any value. **Consider software packages that let you design your own reports that will fit around your business requirements** without the need to call out the IT department or an expensive consultant to help.



Validate tough decisions

One of the greatest benefits of good quality MI is that it can reveal areas of the business that may need re-structuring. For example, with specific reporting information you can see what type of work is making you most margin, is it necessary to cancel a contract or do you even need to re-think what types of products and/or services you sell. At first this type of information may be unwelcome, even painful, because it shows the business 'warts & all'. In the short-term it may prompt some serious decisions, but be patient, these will bear fruit in the future.



Understand your priorities at a glance

With the introduction of on-line dashboards, managers can quickly and easily see their 'to do' list on a single screen. If you haven't implemented this type of information gathering already you should, because having this type of summary is far more efficient than trawling through reports in an effort to find what's of interest to you. Whether you need to approve POs or invoices or chase up an order that was promised, **an on-line resource like this, means you are always fully aware of your responsibilities.**

Let managers help themselves 24/7

Historically many managers relied on month end reports either from the finance department or perhaps their sales team. Not only is this method very time-consuming and prone to errors, the information produced has a limited shelf-life and is sometimes out of date the day it is issued. **Introducing a self-service culture which allows all managers to have secure access to their own plate of information** that is pertinent to them is the way forward.

With the advent of the Internet it is even possible for this type of information to be accessed on the move, a bonus for Blackberry users. With the latest business intelligence tools you can present current statistics in a more obvious way too, using attractive visuals such as pie charts or graphs.

Keep within budgets

Offering your departmental managers an easy means of tracking their budget information on a real-time basis, means that expenditure can be checked and over-spending can be avoided. **Using a personalised portal for delivering information automatically means that the finance manager can devolve responsibility to budget holders.**

Respond quickly to changing market conditions

Every business needs to plan, but they also need the knowledge to alter that plan when external factors alter. For example demand may fall for a particular product or service or new competition has an impact on sales. **Being able to spot these trends early will enable you to shift direction before it is too late.**

Optimise management of operational expenditure

Understanding your costs better will also have a positive impact on controlling spiralling operational expenditure costs. In particular **this is a dilemma for growing businesses** which often feel they don't have the time to pay attention to these costs if they can see they are expanding. As organisations become larger so does expenditure and having the information to rein in costs is crucial.

And finally... Boost profits

Being better informed means that you can make a positive contribution towards your bottom line. By identifying what's working and what isn't enables you to fine-tune your future strategy. As the old adage says, 'Information is Power'. **If you can deliver the appropriate information to the right people in a timely manner, then you can make well-informed decisions that will increase your profitability.** The American bank robber Willie Sutton when asked why he chose that profession famously replied, "Because that's where the money is." The same can be said for management information.

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