

# Duvall & Associates, Inc.

## Taking Care of Business

### CHART YOUR NUMBERS AND YOUR DESTINY

"Silence you fools! Don't you believe in progress?" Frank Zappa

Personally, how do I measure progress in my company? Well, I tend to review salient figures and simply ask - "Am I better off than I was last month? Am I better off than this time last year?" If the answer is yes, then I guess I'm doing OK.

So it does not have to be an overly complex matrix of calculations to determine true business status or trend-lines. A simple focus on a selective set of financial variables can be very enlightening to an entrepreneur.

Sway back in your chair with a tablet and reflect on the key numerical components critical to measuring success. Typically five to ten variables are sufficient. List them on a chart and measure their status on a periodic (daily or weekly) basis.

For example - an owner of a manufacturing firm may designate the following indices for continual observation:

Cash/ Line of Credit/ Payables/ Orders/ Shipments/ Backlog/  
Receivables/ Inventory/ Productive hours/ Gross margin

Of course, the factors ultimately selected will vary with each industry and Manager.

Frequent focus on charted financial indicators can enable a Manager to timely measure financial status and seasonal trends between receipt of monthly financial statements, thus, providing an intermediate business tool to enhance swift response to ever quickening change of circumstances.

Uncomplicated and time-efficient, yet this concise Managerial technique can prove quite valuable over time.

Alan Duvall is a certified public accountant in Dayton. Contact him at [Alan@Duvallcpa.com](mailto:Alan@Duvallcpa.com).