

# Duvall & Associates, Inc.

## Taking Care of Business

### BUSINESS FOCUS ON KEY NUMBERS

"Just watch those numbers." John Mayall

When it comes to numbers - small business owners tend to fall into two camps. They either avoid figures like the plague, or addictively dive into vast columns and lines of data.

Perhaps the true nirvana (in numbers analysis) lies somewhere between the polar extremes.

Initial consideration - Financial information must be timely. Old data is useful history, but may arrive too late for proper corrective action.

Next consideration - Financial data should be detailed but concisely presented. Skip the pennies and line items with only a few dollars disclosed. Micromanagement can be a curse.

To effectively analyze information, I personally need to view one page at a time. Flipping through numerous pages of stuff distorts my ability to conceptualize results.

For instance, on Page One of my monthly Income Statements I have Income & Expenses for (1) the current month and year- to-date as compared to (2) the prior year's month and year. Major income and expense items are presented largely as summarized categories. If I need to drill down for specifics, supplementary schedules are attached.

With this snap-shot format, on one page I can efficiently review comparative monthly and annual results, identify areas of concern and have the detail available to termite through succeeding pages to further crystallize my analysis and understanding.

And expense items are exhibited both as dollar figures and as a percentage of sales. The percentage can be quite informative as sales rise and fall with the passage of time.

Honestly, numbers can be interesting - even to anti-Geeks.

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