

7 tips to supercharge your business decisions

*How data analysis and forecasting can change
the way your small business works*



Running a business is a lot like running a marathon

Data analytics has helped small businesses achieve increases of up to 86% in year-on-year operating profits and 32% greater financial budgeting accuracy.¹

When you're part of a small business, it's easy to feel like every day is a sprint to the finish line. A breakneck race to complete all the tasks you have planned for the day—plus a hundred other small fires to extinguish. But, if your business is going to flourish in the long term, then day-to-day business operations should be more like running a marathon. Maintaining momentum. Planning far ahead. Judging when to conserve your energy, and when to put on a burst of speed.

To do that, you need to be prepared, not just for the next obstacle or opportunity, but for the one after that—and the one after that, too. And you need to ensure that even the short-term decisions are informed by accurate information.

The payoff for this type of long-term, data-based decision making is potentially huge: Intent-based marketing company Aberdeen has found that data analytics has helped small businesses achieve increases of up to 86% in year-on-year operating profits and 32% greater financial budgeting accuracy.²

But how do you find the time or the data required to prepare useful forecasts and make more informed decisions?

We've gathered seven key tips to help you get started, split over three focus areas.

Build your culture around smart decision making

Tip 1: Shift your focus from data entry to data analysis

Tip 2: Know when to delegate

Tip 3: Equip your team with the right technology

Know where you stand

Tip 4: Make better use of dashboards and key metrics

Tip 5: Tailor your reports to your needs

Spend and save wisely

Tip 6: Automate your cash flow processes

Tip 7: Use payment reports to identify your best products and customers

Build your culture around smart decision making

71% of leading companies integrate analytics and business intelligence into their business management solutions.³

You know that planning for the future is important if you want to stay ahead of the competition and ensure the success of your business. But in practice, making predictions and acting on them is difficult when your company isn't set up to regularly and accurately analyze your data.

If you're going to put data-based decisions at the core of your business model, you'll need to be able to generate and analyze data quickly and accurately, whenever you need it—effortlessly. And, most importantly, you'll need to ensure that data-based decision making becomes the norm at your business.

Tip 1: Shift your focus from data entry to data analysis

There's one major factor that holds many small businesses back from making more data-based decisions: data.

Ironic, isn't it? You (obviously) need data to make data-based decisions, but the act of gathering the right data and entering it into Excel spreadsheets, forms, and your accounting software takes so long that you end up never getting around to the actual decision making stage. Data entry slowly begins to steal away large chunks of time, and you're left with barely any time to actually analyze that data and make smarter decisions based on it.

That's why our first tip is surprisingly simple, but incredibly effective: automate as much of your data entry as possible. The right software can automatically pull figures from sales reports, invoices, and Excel spreadsheets through to your accounts, reducing hours of data entry time—and, conveniently, cutting down on human error in the process.

It's clear that cutting down on that admin time with automation can have a significant effect and really put you ahead of the competition.⁴ When you're not spending so much time typing in figures, you're free to spend more time thinking about how those figures should impact your business decisions.

³ ERP and Analytics: The Perfect Pairing for Business Execution, Aberdeen, August 2017

⁴ Reduce admin and boost productivity: A guide for small businesses, Sage, 2018



Tip 2: Know when to delegate

Your colleagues might be enthusiastic about making more data-based decisions, but that enthusiasm could quickly fade if they don't have access to the data they need to think and work more strategically.

Say a member of the sales team has a meeting in an hour and wants to present a report on how much profit a particular new product has generated, compared to the time taken to sell it. They're forced to wait until whoever is in charge of accounts has time to pull the report, visualize the data, and send it across—by which time the meeting has already taken place, decisions have already been made, and the accounts team has lost time they should be spending on their own strategic analysis.

There's a reason why 70% of leading companies have some form of self-service data access.⁵

The key is to give everyone easy access to the data they need, when they need it. Many forms of accounting software, for example, will let you grant selective access to certain individuals for certain tasks. That means they can upload the data that is required from them (such as their expenses) and download the information they need (such as sales reports or confirmation of paid invoices) without giving them access to the whole system.

With this access at their disposal, employees across the business remove some of the burden of data entry from you, while getting the information and control necessary to really embrace data-led decision making.

Tip 3: Equip your team with the right technology

If only a handful of people are equipped and trained to compile reports, analyze data, and make decisions using that data, then your efforts to make smarter decisions are going to be limited. To have a real impact on the success of your business, data-based decision making needs to become part of your culture.

That means investing in tools that make data analysis easy, so it becomes second nature to check the figures before making any kind of strategic move.

The right analytics software and dashboards tailored to your team members' roles and job requirements will make it significantly easier for them to spot insights that others might have overlooked. You'll be able to train them to notice patterns in the data and use the insights they gather to make better decisions and improve the way they work on a daily basis. When that's happening across the whole business, it's easy to see how these smaller changes can have a huge impact on the success of your company.

Know where you stand

The key is to ask yourself one question: what do I need to know right now in order to make my business a success?

It's easy to assume that there's very little you don't know about the ins and outs of your business. But getting true visibility across your business and all the tiny factors that determine whether you stall or succeed is actually incredibly hard. For many small businesses, the only way to get a clear picture of how you're performing is to comb through reams of data by hand—bank records, invoices, purchase orders, sales figures, and so on.

If you're going to make informed, timely decisions, you'll want real-time access to accurate figures and one source of truth. You'll need those figures to be presented in a way that's quick and easy to understand. And you'll need complete confidence that they're accurate and up to date, so you always know exactly where you stand.

Tip 4: Make better use of dashboards and key metrics

Your business generates huge amounts of data every week. How do you make sure you're taking all of the important factors into account when you make a decision, without having to spend hours and hours every day hunting through hundreds of figures?

The right business reporting solution can make the whole process of compiling and analyzing relevant data much more straightforward. Just identify the key metrics you need to make the decision in question, and your software will do the legwork of fetching it and presenting it on one dashboard. With all the relevant information displayed in one place,



in a format that's intuitive and simple to interpret, you'll be able to make fast, informed decisions. It's also easy to justify and explain the rationale behind your decisions to stakeholders—just pull up the dashboard again and talk them through your thinking.

Tip 5: Tailor your reports to your needs

Most small businesses recognize the importance of data and data analysis in decision making. But many of them start out like data magpies, collecting anything and everything that looks interesting or that might be useful later.

The key is to ask yourself one question: what do I need to know right now in order to make my business a success?

By building personalized and custom reports, you can select the data that allows you to find the answers you're looking for. And by being able to generate reports easily and at any time, you can give yourself a clear picture of where the business stands. For example, it might make sense to have a quick daily overview of your sales, so you can check you're on track for your monthly targets. Or you might want to see how uptake of your new product has progressed over the past month and try to understand why demand spiked on a certain day. The key is to start with a business priority and pull the data that's relevant to that priority, instead of wasting time on data that generates less relevant insights.

Spend and save wisely

With so many things to juggle in a small business, deciding where to invest your time and money first can be tricky.

It's inevitable: any decision you make as a business needs to factor in how it will affect your finances. You're probably keeping an eagle eye on this already, but there are a few easy ways to improve visibility over your finances, reduce the time you spend crunching numbers, and make more use of the insights you gather from financial analysis.

Tip 6: Automate your cash flow processes

It's amazing how much can happen between a transaction taking place in a bank account and that same transaction showing up in your accounting software. Mostly what happens is data entry: someone spends ages manually copying across numbers, manually matching transactions with invoices, and weighing up the impact on your finances. But lots of important business decisions can also be made in that time. Let's say a huge transaction has just come out of your bank, but it won't appear in your accounts until the end of the day. You might choose to invest in new equipment, take on a new employee, or chase a customer for payment based on a set of data that's no longer true to your actual financial situation.



By connecting your accounting software directly to your business bank account, any new transactions will show up quickly in your accounting software, ensuring that you're making decisions based on the most accurate, up-to-date picture of your finances. You'll also cut down on the time you spend on low-value manual data entry, giving yourself more time to focus on the big picture.

Tip 7: Use payment reports to identify your best products and customers

With so many things to juggle at a small business, deciding where to invest your time and money first can be tricky.

When it comes to making credit decisions—whether that's applying for a loan or making a large investment—having easy access to the right metrics can make a huge difference.

You'll already be tracking traditional financial metrics such as expenditure and profit, but many financial decisions will depend on much more specific details.

Let's say a particular customer is asking for more support from your product team and you need to know whether investing more time in them will be worthwhile, or if you're just going to lose time and money nurturing them with no payoff. With the right reporting tool, you can gather data on the customer's average spend, stage in the customer lifecycle, loyalty, and tendency to repurchase—all the information you need to make your decision based on the facts.

Equally, you can decide whether or not to buy certain materials and supplies in bulk, spend more on R&D, hire a new employee, or make any other kind of big expenditure, secure in the knowledge that you're making a sound financial decision.

In many cases, smarter decision making is what divides the businesses that continue to grow and flourish from those that get stuck in a rut.

Ironically, many small businesses assume that accurate forecasting and good, widescale data analysis are something that they can put off; something to look into one day, when the business is less busy.

But becoming less reactive and learning to build strategies for the future on information instead of instinct is a huge competitive advantage—in many cases, it's what divides the businesses that continue to grow and flourish from those that get stuck in a rut and are unable to change.

These seven tips are designed to help you start making smarter, data-based decisions and long-term plans now, so you can prepare your business to make the most of whatever the future brings.

To discover how Sage builds data analysis and reporting features that make informed decision making easy, take a tour of our products.

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