**TBP 254 Edited\_Transcription**

[Daniel Hill] (0:00 - 18:40)

When you start out in business, your progress is defined by the energy and effort that you put in, because in the absence of expertise and experience, you're pushing the pedals as hard as you can, like Fred Flintstone, to keep the thing going, and that's how you drive the business, by pushing with the pedal. After a number of years, when you've got the experience, you've got the expertise, you've got the resources, as soon as possible, we want to move away from pushing by the pedals, and we want to start driving by the dashboard. In this podcast episode, I'm going to take you through what you need to have a director's dashboard, which will enable you to run as many companies and projects as you want, with less than five pieces of data.

This is the difference between having a job and a business that you operate, and having a business that you work on, not in, that you actually own. The director's dashboard blueprint is the secret to stepping up, and I'm going to take you through this blueprint in this episode. Welcome to the blueprint podcast.

In these episodes, I'm going to share with you my life's work, boiled down into simple blueprints that I used to build a 10 million pound portfolio, and retire with financial independence at the age of 35. You can listen to these podcasts in any order, and I guarantee you that when you execute them in practice, you will see that success and failure are both very predictable. Let's get into the next blueprint.

The director's dashboard has been one of the things I've used over the last five to 10 years to enable me to scale companies quicker, to enable me to buy and run companies that I've never been to, and I've never seen. For me, it's the difference between understanding if a business is actually going to grow, actually going to make money, and actually be successful against those that don't. If you do not have this data set, you do not have this dashboard, and you do not have this director's overview, it is really going to slow you down from running your organization.

As soon as you're ready to move from pushing by the pedals to driving by the dashboard, this is the blueprint that you need. At the chairman level, all I care about is the director's dashboard. There's three things you want at a chairman level.

The first is the business plan. What's the plan for the year? The second is the budget.

What's the budget on top line, overheads, net profit for the 12 months ahead? Then the third is board meetings. If you have those three things, or if I have those three things, or you have those three things, you can run a company that I've never seen, I've never met the team, I've never seen the products, I can run a business based on those three things.

Part of the board pack for the board meetings is the director's dashboard. This dashboard enables me to run companies that I've bought and never been to. It enables me to define and make decisions on how a company runs, which I don't even see or get involved in on the day to day.

This is how I operate at a chairman level. This is how I support the boards that I operate, who are actually going out there and running the company. So what the director's dashboard is, is if you think about the dashboard in a car, think about all the things that operate in a car to make it work.

You've got tire pressure, you've got engine fluid, you've got brake fluid, you've got water coolant, you've got speed, you've got tracking, you've got gearbox, you've got electrics, you've got lights, you've got everything. What we want at the director's dashboard level is not a tracking of every single bit that's required to make the car work. We just want the key things on face value on the dashboard.

And if you imagine driving a car, you don't have all the information. You just have the fuel, the engine temperature, and probably the speed. You only need those few things to enable you to know whether you're driving the car correctly.

And it's the same with the business. So what we're looking at is basically at director's dashboard level, a dashboard that the directors will look at that enables them to see a headline only how the business is operating. And the definition of this really is, if you think, does this go on the director's dashboard?

The question is, is it the top of the mountain? So the top of the mountain is basically the headline KPIs for each department of the business. So if you think about sales, there's so many things that go into sales, lead generation, conversion rate, lifetime client value, sales calls, attendance rates, et cetera, et cetera.

There's so many things that go into it. But ultimately for sales, what is the top of the mountain? And it's probably the amount of sales made.

What do you care about more than anything? Is it the amount of sales that you make on a monthly basis? Or is it the amount of revenue you generate?

You'll probably have one to three numbers that are top of the mountain, and that's all you really care about. And for each department, you have those one to three top of the mountain KPIs, that definition of success. That's all you really, really care about.

What it isn't is a database. And where I see people get this wrong all the time. So on Property Entrepreneur, we do the director's dashboard.

We give them the blueprints to use. They fill it out in the workshops. We get it done on advance there and then, and they leave with the director's dashboard done.

What it is, is the headlines, top of the mountain. What it is not is a database. And when they start saying, right, for sales, we want how many sales team members, how many calls did they take?

How many showed up? What was the average call time? What was the drop-off rate?

What was the conversion rate? What was the average sales value? That's a database.

You need all of that, but I don't need that. At chairman level and director level, I don't need that. I just need the fuel, the engine temperature, and the speed.

I just need the key numbers. What I don't need is the database that goes behind it. The database that goes behind it is what the departments will use to run the business.

So if I only care about, say, credit control, I only care about the percentage of credit control. That's the one thing I need to assess, whether the credit control department doing a good job. In credit control, they need how many current clients are in arrears?

How many debtors are more than 30 days? How many letters one have gone out? How many letters two have gone out?

What's the average percentage settlement fee? They'll have all that data, but that's for the department. As you go up the mountain, it becomes fewer and fewer.

And to control the business at a dashboard level, you just want the key numbers. So why is it important? Well, the reason it's important is for two things.

One is if I'm going to drive a business, I need that data to be able to say, right, your net margin is too small. You're bringing in great revenue, £2 million a year, but you're doing 8% net profit. That is just too...

The net profit is too low. Or maybe GP is too low. Maybe you're looking at gross profit, and your gross profit is 40%.

And this is a very lean business. That's a very low GP to have. We want to be up at like 70%, 80% GP, 30%, 40% net profit.

I can look at that data and understand where it is. So one is I can steer the car and make the decisions effectively when I have that key data. The second is when you have a director's dashboard, your team will then know what's important because it's crystal clear what the top of the mountain is.

And the sales team will then get driven by what's on the director's dashboard because the director is saying to the head of sales, this client lifetime value needs to go up. This conversion rate needs to increase. The amount of calls getting booked needs to go up, whatever it is.

Once you've dialled in on what's on the director's dashboard, it actually means the whole business then thrives because they know what they're actually focusing on. They know what's important, and they know how to focus on the right things. Just jumping in quickly with a opportunity for you.

So in Profit Entrepreneur, we use a scorecard called the Life by Design Scorecard, and it shows you exactly where you are excelling in life and where you have the opportunity to improve. We created this two years ago, and it uses every single life mapping, matrix, and psychometric testing that is out there to rate your life and show you where you currently excel and where you have the opportunity to improve. If you want to do yours now, go to the show notes and visit www.lifebydesignscorecard.co.uk. Now, there's a link in the show notes. You can click it, and in less than five minutes, it's completely free. You'll get a full bespoke report, and it will show you exactly where you're excelling in certain parts of your life and which specific areas you need to pay more attention to. It's completely free.

We've never shared it before outside of Profit Entrepreneur. Go into the show notes now, click the link. It's www.lifebydesignscorecard.co.uk. Back to the podcast. So if I give you an example of what a director's dashboard would look like, there's basically five sections to a director's dashboard and then perhaps a miscellaneous. And if you imagine, so we do ours on a basic Google Sheet, and you have categories to the director's dashboards. It says director's dashboard at the top, company name, and then publishing frequency, which I'll share with you in a minute.

So this is a company that I own, and I'll look at that. And then what it's done is it's broken into five categories, marketing, sales, operations, finance, and then any other business. So five categories.

And then each of those categories, you don't want any more than three KPIs. And some examples of those, so for marketing, if I think about a company off the top of my head, one company that we have that sells through webinars would have webinar attendees and conversion rate. We don't care how many emails went out.

We don't care how many people registered. We care how many people attended and how many people bought. And they're the key stats that we drive in.

Another one might be return on spend. So if you're doing paid marketing for another company that I own, all we care about is the cost per lead and the cost per sale. So cost per lead is how much does it cost to get a lead?

And then the conversion rate defines the cost per sale. So if 10 leads cost two grand each, that's 20,000 pounds. If we only convert one in 10, that's a very expensive cost per sale because the lead quality is quite low.

Whereas if we converted 70% of those leads like we do, the cost per sale is lower. So we're looking at that, what we call a data stack and saying, well, how much are we spending on leads? How many leads are we getting?

What's the conversion rate? And then how many sales is that making? And that gives us a cost per sale to define if the margin is going to be effective on the actual business model.

But then more importantly, the cost per lead and the conversion rate tells us whether the quality of lead is good enough. Because if the cost per lead is high and the conversion rate's high and the cost of the sale is high, but it still fits within the business model, that's great. However, if the cost per lead is low and we get loads of leads, we're churning through meetings, appointments, phone calls that never actually turn up and the conversion rate's low, that's not necessarily going to work well for the business model because the cost per sale would then end up being high.

So there's sort of two or three different data stacks there you could use for marketing. For sales, it would normally be something like leads booked, conversion rate and revenue. That would be quite a common data stack.

For operations, it would be things like we have my house deadlines hit. So my house, I've not done a, in fact, there is a podcast I think called go and listen to my house. That's how we run the operations of our companies.

Every business department and team member has a my house and my house deadline. So an operations KPI would be the percentage hit, which obviously you want it to be a hundred. NPS could be a good one for operations.

If customer service falls within your operations department, you would have an NPS score, a net promoter score, and it would be how many, what's your weekly or monthly NPS score. And obviously you want it to be world-class. There's a podcast episode called net promoter scoring, go and listen to that.

Another one might be Google reviews or TripAdvisor reviews or trust pilot reviews. And this is really the top of the mountain. Operationally, there's loads of things that need to be done.

Service level agreements, response times to emails, quality assurance, audits, checks, checklists, all of this stuff. We don't care. The ultimate, what's the top of the mountain?

How happy are the clients? Are you getting a hundred percent Google scores for every client that comes through? Is your NPS actually world-class?

That's the top of the mountain. And then for finance, it would be things like my house deadlines. Again, you know, did the management accounts come out on time and were they accurate?

Another one might be for finance, revenue, net profit, and then net margin. That's what I'll look at quite often. And where's the revenue going month for month?

Is it ticking up? Is it ticking down? Is it on trend?

What's the budget? What's the actual, what's the net profit? And then is that margin where it wants to be?

I really want that margin to be in most cases, absolute minimum 20, 25% really want to be 30, 35, 40% net margin because they're, you know, they're the businesses we're interested in. So that would be how the director's dashboard works. A couple of formalities to enable you to get it right.

So the first thing would be to just draft it, get a spreadsheet after this podcast, get a spreadsheet and just write director's dashboard at the top, the company, you know, whichever company you're doing it for, marketing, sales, operations, finance, and then the three KPIs maximum for each one. What are the top of the mountain for those? Then what you've got to decide is your process.

Who's going to populate it. And people say, oh yeah, I get my team to, to populate the data. Lots of people do that.

I'm a, I think a big, I'm a big advocate against it. Like, why is that? Because you wouldn't let people mark their own homework.

If you ask a salesperson, how many sales they've made this week, they say, oh, I've made eight sales already. And it's only Wednesday. You know, right.

Well, how many, how many deposits have you taken? Uh, oh, well, I've actually only taken three deposits, but five of them are going to sign up. It's like, right.

And of those three deposits you've sent out, how many have actually paid? Oh, one. So really you've got one sale.

You've got three deposit links sent out and you've got eight leads. You don't really want people to mark their own homework, especially in certain departments in the business. So I normally have a centralized person, one person that's responsible for the whole of the dashboard.

In the backend, they use little Google links to be able to access other reports, KPIs. In the business, the database stuff that feeds up to the dashboard is published weekly. So like time to reply, we, we track every week, how many emails are sent in the companies, what the response time was and how many, what percentage operated within our service level agreement, which is if an email comes in before 3pm, it's responded same day.

If it comes in after 3pm, it has to be responded before 10am the next day. And that's just our internal service level agreement to give what we deem to be world-class service that's published every Tuesday. So it's populated every Monday, published every Tuesday.

And the team know they're being what, you know, the team know they're being watched. They know they're being audited. They know how well they're doing.

You know, you have that, those accountability spikes in the business, but then somebody monthly needs to be dedicated to publish it, to publish it. In most businesses that I own, that would be the EA. So the EA to the managing director would populate that and then audit it, make sure it's accurate.

And then they would publish it in most cases monthly within what we would have as the board pack. You would have your budget and actual, you would have your business plan, you would have your board pack, and you would have your director's dashboard. And you look at that once a month, that's the detail.

And we would be the publishing frequency. You would publish it ahead of the board pack or your monthly meeting or your monthly board meeting, whatever you're doing. So that's a director's dashboard blueprint.

This will be a game changer if you actually want to run a proper business. Running around being busy, asking the team how they're getting on is never going to give you the clarity you need, and it's never going to drive the team to the best results. It's too soft.

It's too laissez-faire. It's too casual. It's not effective.

You want cold, hard data published weekly internally for those dashboard bits and the database bits, and then monthly director's dashboard. And that is how you run a company. That is how you see where it's excelling.

That's how you make your decisions. You don't need any fluff. You don't need any soft stuff that goes on in the business.

Cold, hard data on key one to three KPIs per department, and I guarantee you that will enable you to build a proper business that's highly lucrative and all of the team know what the top of the mountain is and how to get there. Hope you enjoyed that. On Property Entrepreneur, we teach our delegates this.

We give them the blueprint. We build the dashboard in the workshops on advance with them. If you're not already on one of the Property Entrepreneur programs, go to www.property-entrepreneur.co.uk, and you can look at the upcoming dates for 2025. And director's dashboard, I guarantee, it's going to the next level. Put it in place. Build it out as you go.

Tweak and refine as you progress. I guarantee you success and failure with this stuff are very predictable, and I couldn't run a business without it. If you are, I can't see any reason why you wouldn't put this in place straight away.

So I wish you the best of luck, and I'll see you on the next episode. I hope you enjoyed this Blueprint Podcast episode. If you're not already subscribed, sharing these, this is my lifetime's work, and every Tuesday, I'm giving you one blueprint away for free.

These things are unique. They're proven. They've enabled me to build over a 10 million pound portfolio in a few short years, and over the last 20 years, start, systemize, scale, and sell over 40 different companies.

If you like them, share them, subscribe, make sure you don't miss a single episode, and tune in every Tuesday for a brand new episode, and then follow me daily on Instagram for free content, post twice a day, completely free of charge. Success and failure are both very predictable. I'll see you on the next episode.