



Data-Driven Board Reporting for Nonprofits

This **on-demand video** covered updates and trends on data in the nonprofit industry, predictable and similar challenges across nonprofits, and how to use board-specific reporting and data standardization to improve your data management process.

Find additional resources on our event page: <https://www.claconnect.com/en/events/2023/data-driven-board-reporting-for-nonprofit>

Here is a transcription of this session:

Ben Aase:

Hello, welcome everyone to today's webinar on all things data-driven board reporting. My name is Ben Aase. I'm a member of our nonprofit leadership team and in 2023 moved into a new role leading our nonprofit digital services. It's great to be with you here today. Our team of more than 900 nonprofit professionals serve more than 9,000 nonprofits across the country through our integrated wealth advisory outsourcing digital audit tax services to help them succeed both professionally and personally. I've been with CLA for almost 18 years now, and I've had the privilege to work with really hundreds of executive teams, committees and boards to navigate a range of challenges and opportunities over my time here.

And in fact, I just wrapped up a board meeting with a client here earlier today, and it was my second of this week. So like most of you, I'm guessing, I've also been a board member of multiple organizations over my career. So I come to this conversation here today really with an appreciation for what it means to be on both ends of this discussion. So I'm super excited to be joined by a couple of colleagues here from our digital team. You're going to meet Ryan and Troy in just a few minutes. But before you do, I'm going to just set some expectations for our time together here today.

All right, let's get the most important legal disclaimer, small print out of the way first. Ryan, Troy and I are, we are not attorneys, nor are we doctors. We don't play them on TV. So please message here being engaged professionals when your situation calls for it. So with that caveat, there are a few things that we hope that you'll take away from today's conversation. First, we're going to cover some of what we're seeing out in the industry in the way of trends as it relates to this topic of data and reporting.

In doing so, we're going to talk about a few common really sort of pain points or some opportunities we think that data-driven reporting can help alleviate or advance. So we're going to talk about things like tracking data in real time to make communicating information easier. We're going to talk about visualizing and simplifying what can be the very complex business of running a nonprofit organization. And we're going to talk about building agreement really among executives and with boards about what metrics matter and how those are best communicated. So we're going to chop it up here with our CLA digital team here about some of the data tools and really some of the technologies out there that can help you and your boards navigate hopefully at the right level.

And before I get into introducing my esteemed colleagues here, I've just got one additional comment. If you know CLA, and hopefully you do, you know that we're very industry specialized in all that we do. So what that means to us is that we pride ourselves on being industry specialized professionals, really first and foremost, so that you're working with people who really know you, they know your organization, they know your industry. We've got more than 900 folks registered for this webinar. Most of you, from



what I can tell, lead in nonprofit organization. But I also know that comes in a bunch of different forms with different segments of the industry, different business models, different governance structures.

So with that in mind, in realizing this particular webinar is really geared toward a nonprofit audience, just want to say that the concepts that we're going to talk about today uniformly apply to any industry that has a governance function within it. So whether you're a social services agency, a foundation, a private college, maybe a health system, we hope that some of what we share here today rings true with your own story in your organization. So with that, I'd like to turn things over to my colleagues, two gentlemen I truly look forward to working alongside every day, Ryan Merryman and Troy Hollings. So Ryan and Troy, why don't you say hello and tell folks a bit about yourselves.

Ryan Merryman:

Absolutely, Ben. As Ben States, very excited to be speaking with you all today. I've been with CLA for about 11 years. I'm a principal now in our digital group. My background is that of a CPA. Began my career doing assurance work. I spent a large part of my career doing forensic accounting, fraud risk management type work. That's where I cut my teeth with data and analytics. And for the past several years have been offering various forms of digital services to my clients. So happy to be speaking today. Nice to meet you all. And, Troy.

Troy Hollings:

Thanks, Ryan. Hey everybody. Troy Hollings. I am a director on our digital team. So I work on kind of data and analytic projects as well as kind of automation projects. We'll talk a little bit more in depth about what digital actually means. And don't think I was going to let you guys get away without a fun fact. So I'll start lead by example, and then I'll kick it back to Ryan and Ben. My fun fact is I married a farm girl. I sit in Indianapolis, but maybe 50 minutes away from Indianapolis on 25 acres. And we've got a couple horses, 15 goats. Actually just last week, my wife didn't even tell me and bought four ducks, and I just discovered them yesterday. So it's a whole thing. Good to meet you all. Ryan, I'll kick it back to you for your fun fact, and then Ben.

Ryan Merryman:

Sure. I knew you weren't going to let us slide there. So I reside out of our Sacramento office and we're at the foothills, the Sierra's here. Last year I took my two sons backpacking. They're 8 and 10. So there was some consideration about me taking these guys into the back country. So our first night when we set up our tent, one of my boys didn't zip up the tent and we had a visitor. So a fox came in, in the middle of the night, and I saw it and my sons did not see it. I didn't tell them and I didn't tell their mother because part of me taking them on stuff like that is to kind of keep them safe. So I don't know. Fun fact, I guess, is that I don't always keep things safe as I should.

Troy Hollings:

That's great.

Ben Aase:

Ryan, I like that. All right, I'll round us out and then we'll get into some things about what is digital here. My fun fact, Ben Aase, coming to you is, so I grew up here in Minnesota. I left for undergraduate school. I was a rare Minnesotan who never learned how to ice skate, at least not very well, but I overcompensated by that. And at one point, early in my career, AKA my college job, was driving a



Zamboni. So to this date, if anyone ever needs some ice made, give me a call, I'll help you out. So thanks, Troy. Good to get to know folks a little bit better. All right, let's get into it guys. That sound good?

Troy Hollings:

Yep.

Ben Aase:

Cool.

Ryan Merryman:

All right.

Troy Hollings:

So maybe, Ryan, I'll kick this over to you. Maybe if I can just set a tiny bit of context here. I think if you're an organization that is well on your way in your digital transformation journey, some of this might be review, some of this might be relevant, but I think the goal here is to have this almost be a primer. So we wanted to share a little bit about when we're using that word, digital, what does that mean? And then walk into some hopefully tactical examples. But just know if any of this seems high level, we're happy to talk at a much deeper level if and when it makes sense. But Ryan, you want to kick this off?

Ryan Merryman:

Yeah. To us, I think digital is a combination of bodies of knowledge. It's the assets of data. It's analyzing data, creating insights. It's utilizing technology to automate certain tasks that may be repetitive in a business process. Then it's the application of software to do the automation and the analytics. So no matter where you are on your digital transformation journey, being fully paper and maybe a bit old school with things on one side of the spectrum, and on the other side of the spectrum, you might have a data analytic staff with data science professionals and you might be using a stack of cloud-based software. That continuum from not doing things very digital to the other side, doing things very digital, there's lots of points in between. And how can you step forward? How can you take these concepts and become more effective or more efficient? So that's what I think digital is, is really kind of bringing these things together to make a difference in the business process.

And today we're talking about bringing those concepts to board reporting, but it applies generally to business process as well. So within our practice, we go to market and we are working together as a digital team to bring together these different pillars. These are gray, it's really a conceptual framework. But with data, we're talking generating the analytics and reporting. Is our analytics historical based? Is it forward-looking? What is the goal of the analytics? Is it for a specific use case like loss prevention? Is it to come up with new and innovative predictions? Is it to apply data science concepts to compare to what we think is going to happen? Is it to utilize data to assess a business practice? So these are some common use cases that we see with data.

When you are talking data and digital, there's also a breadth of application and automation. So when we're talking about connecting two systems, doing electronic approvals, transmitting information from one data place to another, creating reports without manual intervention, we're talking about automation there. So there's lots of tools available in automation. It could be built into your systems. It could be Microsoft's Power Automate. It could be UiPath, there's many others. This is often referred to



as RPA, robotic process automation. And then the software, so there's software that needs to be considered or deployed to make the data and the automation occur.

So there's a significant skill there in what getting the most out of the software that you might have and then connecting the dots between different software products. So these different pillars may be different individuals, they may be different skill sets, but if you're going to be a data first organization, what you're doing is you are turning these pillars into a Venn diagram almost, and the overlap needs to happen to move up that digital transformation continuum.

Troy Hollings:

Maybe one thing. And I think that's great, Ryan. One thing that maybe I can just set the stage and then I'd love to hear Ben's thoughts from a specifically nonprofit and then maybe Ryan rounds us out from the more technical side. But I think one of the things that at CLA we always try to do is meet you where you are in a sense that everybody's on that roadmap Ryan was talking about. Everybody's on a different part of that journey. So it's a little bit artificial here. You can't necessarily say, "Oh, I'm squarely in phase two." But we see a kind of phased concept here when we think about folks becoming data first, thinking about data.

On the left side, there are organizations that have a lot of data all over the place. So maybe that's multiple different systems, disaggregated data, manual process, any reporting is probably gathered custom each time in Excel all the way to now you have an organization starting to maybe integrate, making those systems talk to each other, to then ultimately move to using some of that data science, that predictive analytics, machine learning, and that phase three and phase four.

So I'd love Ben, if maybe you could kind of comment, and this is broad brush, everybody's a little bit different. But when you're looking at the nonprofit industry, any thoughts on gut feel where you see a lot of organizations transitioning from and where they're going?

Ben Aase:

Yeah, sure. Troy, I'm happy to weigh in with a couple of thoughts here. I would agree obviously to the point of meet you where you are, folks are at different points in this continuum depending on history, legacy, size, complexity and capacity for sure. But I do think for the most part, and actually I want to say first as we think about this is a continuum and a life cycle here, COVID-19 was a huge accelerant whether by choice or necessity, sort of kick starting a lot of thinking among leadership teams about this digital continuum.

Now granted, in the early days it was simply about standing up systems to keep operations, going to keep service delivery happening, to keep communicating with donors and to be able to do things and simply operate the business in a virtual environment where maybe bricks and mortar and face-to-face was a bigger part of everyday life.

So COVID, big accelerator, right? 2020, then folks are looking around. That did for the most part, kind of jumpstart if organizations were not already having these conversations. The bigger question of, okay, what is our longer term strategy here as it relates to data and technology? I think just to narrow my comments a little bit and hone in on this topic of board reporting, this is an area where I think most organizations who we're working with probably fall on the right edge of phase one and into phase two, meaning things are often recreated manually using maybe some tools, some templates. But also a lot of those things usually lift living in disparate places or disparate systems, or sometimes even in people's heads. I think when a lot of organizations think about using technology for board reporting, a lot of them might picture a simple file sharing system.



So something that even just enables you to post a document to somewhere in the cloud that gives board members access and serves as a bit of an archive. But usually underneath that, even when we see those being used, there's typically a very time-consuming manual process underpinning that before it hits the cloud for showtime with a committee or a board meeting. Excuse me, a board of directors.

And then my last comment here too is as it relates specifically to board reporting and thinking about this continuum. So often, and this could be said about different facets or functions of an organization as well, but board reporting in particular often sort of manifests and shows itself as being a bit of a Frankenstein of artifacts from past board members' preferences or opinions about how things ought to be communicated. So few comments, definitely left side of that continuum for the most part. And again, a few little connection points to this question of board reporting.

Troy Hollings:

Great. Then Ryan, maybe you want to comment and round us out here and then we'll move into the specific issue of board reporting?

Ryan Merryman:

Yeah, absolutely. In terms of the technical topics here, what we often see is that there's some level of automation and reporting possible out of many of the accounting systems that we see our clients on. So the board are typically getting fairly decent financial statements. But where often the wheels kind of come off where the manual processes are necessary to bridge the gap is when they're reporting on production and the overall mission, houses, mouth fed, those types of metrics. Those production metrics are not available. So they're often not reported or they are sort of let's shoot from the hip type results and it leaves a little bit to be desired.

Furthermore, there's not a ton of ability to drill through to do causal analysis or to drill through to a program or a location. That type of capability is not being provided to the board just because of the tools utilized to share information with the board and the know-how. So that is resulting in that sort of maybe high phase one touching into phase two on this life cycle.

Troy Hollings:

Great. And then maybe, Ben, perfect. So I think I take full ownership, made the fun fact go too long. We want to make sure we get you guys some tactical, practical things that you can take away. So let's dive into board reporting. I think let's start with the issue here. So we've been circling around it, but the world is changing and I think especially on some of these projects I've had with nonprofits trying to solve this, a lot of times you have these either high-powered or just private sector board members who are used to seeing this data driven organization because maybe they work at a public company and they're volunteering on the board. So I think we're seeing an increase just push everywhere that, okay, well that sounds really great. That's a good story, but what's the data tell us?

In addition, and Ben, I'll have you comment on this as well. But in addition, I think 30 years ago there was this idea of the one system to rule them all. You're going to have the one system that you're just going to conform your process to and that's what you're going to have. But I think especially with this software as a service now, sales and fundraising has a system, marketing has a system. We did an exercise with a nonprofit where we wrote up on the whiteboard, "Hey, throw out all the different systems you guys have and just keep going. What else? What else?" And I think we got to 35, something like that. So that's the environment that everybody's working with right now. Ben, anything that you want to add specifically about that from what you've seen?

Ben Aase:

Yeah, I might just offer a couple of comments to layer on top here as it relates to that second point around the world sort of being changes and board members bringing their perspective. Again, I've been in two client board meetings even this week and could point toward examples of this, but it is where everybody does bring their perspective, whether it is at a public company or a privately held company. Or so often you'll hear, "At my organization, we do things this way, or I'm on another board and here's how we approach this." So that's all to say, we'll kind of get to it, but it connects to the conversation or actually the point at the bottom around lack of clarity about what matters and really translating vision and strategy and agreement on those metrics. Putting the work in upfront to define those things to avoid some of those questions and comments coming in that can be kind of disruptive I think is part of the point here in driving everyone toward a particular dashboard and a set of metrics.

The bullet point too, I just want to say around competing for, I think competing for resources and talent, that's just another trend that we're seeing. That could be said about in any industry right now, but given the environment and then the advances in technology, I just think we're expecting that automating more is going to continue to happen and it's going to continue to need to happen for nonprofits that really want to be able to put resources to their best and highest use and maybe automate some of those low value add activities. I just want to acknowledge-

Troy Hollings:

Just-

Ben Aase:

Yeah, yeah, go ahead, please.

Troy Hollings:

So I think that's a great point, and I'm actually thinking back to a conversation that you and I had with a client where I think we see a lot of times... In a nonprofit world, I mean the goal is to do good and you want to achieve your mission. So I think sometimes we'll see these strategic plans or executive leadership teams that have this abundance mindset of, "Oh yeah, we'll do that. Yep, we'll do this, we'll do that." Then you end up getting, going down to that last point, lack of clarity about what data matters. This is what Ryan was hitting on a little bit. But if you try to measure everything, you're effectively measuring nothing. So as we move into what to do about it, I think we want to just outline a methodology that there's a lot of ways to do this.

There's a lot of specific things that are going to be different for each organization, but I think that first part of that methodology, and then I'll kick it to Ryan to talk deeper, is you got to simplify. Rather than measuring 40 things, not that well, what are those core things that you can measure that have a huge impact? So Ryan, you want to walk us through what to do about it and then maybe transition into an example for everybody to make this a little bit more practical than the 30,000-foot view that we're at right now?

Ryan Merryman:

Yeah. I think this is the fun part. This is where the thought of using analytics and board communication becomes a bit of an art. Every organization is going to have a different scenario. Different measures are going to be important. So there needs to be some discovery. There needs to be some acknowledgement that certain members of a board are going to perhaps have a finance background. Others are not. They might have a background in the mission of the nonprofit. They may not really have a background at all.



I think understanding that will identify holes in the current board reporting. What is that board member interested in? What types of topics would we be able to utilize their expertise to gain guidance from them? So we do a process where it's meetings, discussions, and we try to uncover some of these key points. We often refer to this process as brainstorming, white-boarding, listening sessions, but the goal of this is to segment certain KPIs. It's to come up with measures that really matter. What are the half dozen or dozen things that this board would like to know? Then we also-

Troy Hollings:

Just to define, Ryan, just to define KPI, just because I know we get so used to saying the acronyms, but that I think you just did. But that's key performance indicators and it is those things that the organization wants to know. Would you say that's fair?

Ryan Merryman:

Yeah, it is. And it's not all financial, right? Revenue and expenses and profitability and change in net assets, these are important, but they're all, there's going to be a blend of production measures as well. How many mouths were fed? Did we improve a focus as groups, their test scores, or were we able to provide some sort of medical aid to a certain number of people? Those measures are not push-button in most accounting systems, you have to go harvest those from somewhere. Then you want to think about the timeliness of that information. So are we providing this to our board once a year? Are we providing it to them once a quarter or once a month? Maybe they have access to see these things on their own through a dashboard that they have in an app or online that's a lot more timely, right?

Then it's also giving the ability for those board members to drill through and to find results and to investigate changes or trends on their own that they may see. You don't want to provide someone a 300-page report that just has every detail ever. That's going to be really hard for them to understand what the true pulse is and be able to drill through within context. So I can think of a recent example that I worked on with this team that's presenting today. It's a larger not-for-profit out here, out west. They do lots of things. One is affordable housing. They're involved in the development, the construction, and then actually filling these affordable housing developments. Then once the residents are there, they also do all sorts of outreach for financial outreach, academic outreach, et cetera. There's different divisions. They've got the development, the construction, the outreach, and they all have different KPIs.

In that instance, the board was getting financial statement type reports with footnotes, and it was consistent across all different departments. So within this nonprofit, they had different divisions with different missions, yet they're reporting to the board in the same way and they're doing it in a not timely basis in a format that was not user-friendly. So the board engagement was not what it could be. So what we help them to envision is a process that was more timely visual based reports, specific KPIs for each different department that were a blend of financial KPIs and production KPIs. Then not only were we looking historically at results up until today, we were looking at forecasts and we were comparing recent results to previous forecasts. And that gave the board a lot of different ways to measure rather than just current year compared to prior year. So it was fun, enlightening process to sort of dream up what that could look like and then design from a technology standpoint how to bring that out.

Troy Hollings:

Great. No, I think that's helpful. I think the message here is you got to simplify. You got to all get agreement. All stakeholders have to get on the same page. There has to be some sort of a vessel for that information to be delivered. We're going to suggest the dashboard, and then Ryan's going to share an example, a lot of ways to do that. But then to Ryan's point on, do you just share this once a year or are

we cascading this communication? Are we really all now so comfortable with the data that that's just part of the process?

Then last but not least, and I'd say important but not as important as the others is, it does make sense to probably automate some of that to try to remove as much manual as possible. But I think if you achieve A, B, C, and D, it's always going to be a process to achieve E. So I don't know, Ryan, any final comments on that? And then maybe you want to want to share a kind of an example so everybody can wrap their head around a little bit more of what we're talking about?

Ryan Merryman:

Yeah, I guess my final point on this slide is include the board in this process when we're coming up with the KPIs and consider financial and production type KPIs. Consider the timeliness and then consider a comparison to that internal benchmark. How many, not only financial results compared to budget, but production results compared to expectation? And be flexible. The key considerations for a board or for an organization are going to change. The focus areas are going to change year over year and what the board sees should be reflective of that. So your board reporting shouldn't be the same format for a decade. These things should change and be flexible. And there should be some commentary about why they're changing and why we're focusing. I think that that creates a more interactive approach. So I guess that's my final thought there. Maybe we can get into the demo here.

Troy Hollings:

Yeah, and I'll set the stage while you pull that up, Ryan. So I think for everybody, I think we want to paint a picture of a potential dashboard that maybe originates with a board that you're sharing, everybody's comfortable with the data. But then I think we also want to walk through how we're seeing sometimes that the board reporting and getting that data driven can maybe even be a catalyst for that whole digital transformation at an organization. I think we're going to share something. This is board focused, but I also think try to imagine maybe a little bit more broad application as well. But yeah, Ryan, take it away.

Ryan Merryman:

Thanks, Troy. You all should be seeing my screen now. This is anonymous data. It's simplified. It's kind of widget data for the purpose of demonstration here. So don't focus on any of the key results, but this is an organization-wide dashboard. It's showing monthly results, so month to date change in net assets. Here we get a comparison to prior year in budget. On the right here we have some cards that show revenue compared to prior year expenses, prior year net assets change in prior year, red meaning it's below and green meaning we exceed. So that stoplight type preference. This is just a simple presentation here. So some key KPIs, revenue, expenses, net asset change to prior year to budget. And then down here we're showing those same things by month. So high level view, but it's already disaggregated by month. Then up here you can change the date period by month or by year. And you have some flexibility here. And that's what I'd like to point out.

Troy Hollings:

Maybe, Ryan, one thing that you've pointed out in situations I've been part of is I think the good thing, if you think about the difference between a dashboard and a report, a report is you sit back and you say, "Okay, I want this piece of information, press a button, run the report." Whereas a dashboard is kind of a living structure that you can slice and dice however you want. So I think a lot of times start high level. What he's showing right here is really high level information. But the good thing is you don't have to go create. I had a client, we started digging in and they created 900 custom reports to figure out all the

different permutations of how they wanted to look at their data. You don't have to create 900 custom reports. You can just use one dashboard and click through to start the high level, but also go a lot more granular, which is what Ryan will kind of give us a quick preview.

Ryan Merryman:

Yeah, yeah, exactly. So yeah, this is that high level. Let's jump in over to a revenue analysis. So here we've got revenue by month. You can open this up and this is going to show revenue by source, current year compared to prior year. Then also budgets where we have it. What's also nice here is we offer this, in this example, there's this drill through capability. So revenue, membership dues was our highest. You can click through and then you can see the account that was posted to at least. So here you can see active dues, sustainer dues, associations, et cetera. You can kind of see this high level result, but then you can drill in, and so it's interactive. Just a point on the timeliness, this is available in a browser and or an app. So this is something that a board could theoretically be looking at all the time and it would update automatically on schedule. Whether you have it do that daily, weekly, monthly, that's up to you.

Troy Hollings:

Brian, how do you feel like a board meeting using this almost as the discussion guide could go? Maybe I'll throw out a scenario and you tell me how close this is. But I think one of the things, I haven't been at CLA for as long or been in as part of as many boards as Mr. Aase, but I've been on a board. One of the things it seemed like is people would bring up an issue. It's like, "Oh, hey, okay, let's table that, do some homework. We'll get back to you." But I'm feeling like what you're saying here, Ryan, is if there's a question of, oh, membership revenue, it looks down, you could probably pull that up, dig in real time, and maybe it's a more interactive session as opposed to always taking points and coming back for the next board meeting in the next quarter. I don't know if there's anything you just want to comment on that.

Ryan Merryman:

Yeah, sure. Often, financial results are done in a board meeting with maybe a finance committee, maybe the whole board's there. But it often goes something like the CFO type will stand up and say where their results are compared to budget, and they may highlight their reasoning or their key points. They might offer, "Oh, hey, our revenue was down 30% compared to prior year and it's primarily due to our active dues income reduced," and then just leave it at that. Then if the board has questions, those questions are gathered and then answers to those are disseminated later in written format. So there's not a lot of back and forth. There's no capability to do that. So if you review a dashboard together and you hit on some key things, you have the ability to drill through and it is a more interactive experience. I can share one example one of the first times [inaudible 00:38:16]-

Troy Hollings:

This is great. I'd love you to share that, but just quick housekeeping, we're getting some questions in the chat just on what program is this, and so we should have shared that. Yeah, this is built in Power BI, but it also could be built in Tableau or any other data visualization tool. So just wanted to clarify that, but go ahead, Ryan.

Ryan Merryman:

Yeah, yeah, thanks for that, Troy. Yeah, like Troy says, this is Power BI. It's got some nice benefits that you may be aware of, but generally the price is real palatable. You can share it online and in an app and

you can restrict access if necessary. It's real flexible on data sources, so we really like to recommend it. But as Troy mentioned, there's lots of visualization software that could do this type of thing. It's more about what's included. This is an overly simplified version. It's financially based, but it's the short demo. So we wanted to err on the side of simplicity, but these things could include any number of data sources necessary to get the job done.

I'm going to jump forward to the expense analysis and then I'll continue that story that I began on analyzing expenses in a dashboard format is again very nice because you get that interactivity. So here we've got pie chart representation. You can see our overall expenses in the current year in light blue compared to prior year. So sometimes they track, but not always. If you were to click on personnel expenses, you can see it's going to redraw everything with respect to that choice and that drill down capability is real nice. Then over here you get a visualization where you can see what that personnel expense is brought up of, okay, salary and wages, tax withholdings, et cetera. So you've got that high level. This is maybe where a financial statement presentation leaves off. But with a dashboard you can see that trending compared to prior year, and then you got that drill down.

So that's what we always want to do, that high level, 10,000-foot, 5,000-foot, 1000-foot and then boom, you're standing on the ground. That concept is exhibited. That anecdote that I wanted to share, I remember presenting at a finance committee for the first time and we were presenting on the topic of different divisions within a consolidated entity and we showed a dashboard that had that consolidated view. And we were looking at income statement type data compared to budget, and we did a drill through where we showed the income as consolidated. We drilled through to the divisions, there were about six.

We engaged in great back and forth on "Hey, there were certain divisions that did not follow the trend of the larger organization. And we were able to drill through and understand why that was and what the biggest transactions were in that year." And after the meeting, two of the board members came up and said, "You know, son, usually we fall asleep during finance committee. And this time was fantastic. We were actually taking photos with our phone." That was just real positive with that board. So that was the first time that they had seen the dashboard that we created. But that kind of interaction is what we're looking for in a board meeting.

Ben Aase:

That's excellent. Ryan, I just wanted to jump in with a couple of questions. That story's great. It makes me cringe a little bit, but I think everybody should ask themselves. It sounds cliché, but hopefully that's not your board members making that comment. I just want to double click or underscore a couple of things that have been said as I was thinking about this and observing and even just linking into a couple of recent board meetings I've had. I think this can also help with just increasing transparency with the board. I don't want to get into the details of this, but obviously as you've sort of illustrated, you can set access and levels and permissions or share in a way that matches with both your culture and also your policies around transparency and decision making. So that's one. And I think if I'm sitting in a staff seat, the ability to eliminate the list of to-dos or I'll get you an answer to that, that requires going back, grinding a bunch of numbers, redistributing things to the same audience.

Maybe it holds up a decision that you'd really like to make in the moment. I just think there's so much that can be gained by being able to do some of that in real time. And my final comment, just think about, okay, let's step back and think about this in the context of the whole enterprise. We've helped clients develop things like balance scorecards. So maybe what we've looked at here, this financial dashboard is one of four quadrants. The board meets four times a year. At each meeting maybe you do a deep dive. Yeah, you might report on each or hit on each, but you're going to pick a particular subject

matter, whether it's finance or program impact or compliance and risk and do a deeper dive, which might include some board education, maybe some reviewing of the related policies. So just one additional way in which I've seen sort of zooming back a little bit, this notion of lifting data points out and actually generating board discussion around them as we go.

Troy Hollings:

Can I double click your double click? I think that was a great clarification. Just to build on the first thing you said about you can work a work through transparency and show information to whoever you want. Super tactically, if we're thinking about Power BI, that can be tied to row-level security so it can be tied to your Office 365 account. As we were talking as, Ryan, I think he made a comment saying, you don't have to share this yearly, you can share this every day. I'm sure some of you were sitting there saying, "Well I don't want to share this with my board every single day." But you have flexibility both from, let's say, executive leadership, you want to have some of this be shared to employees, but you don't want them to see everything that the CFO sees hypothetically.

Flipped around also with the board, you can consciously control what they see almost however you want using a little bit of what Ben was talking about. So great call out, Ben. So let's talk about, in the last 14 minutes and maybe we take five here and then take some questions, where to go from here. So it's pretty high level. I think we're going to keep this high level, but happy to dive in a little bit deeper. Just trying to be relevant to everybody, not too specific. I think one of the things that we see is that it's almost like I... I'm going to just go off script here. I read a book called The Power of Habit and it's really interesting, but one of those keystone habits that I talked about that makes everything else in your life better is they see when people start exercising, they start getting up earlier, they start doing their work better.

And so it's that catalyst. I think a lot of times, doesn't necessarily matter where you start in trying to develop some of these data-driven capabilities, it's just that you start. So we a lot of times see this board reporting conversation leading to a larger thought process. So overly generalized right here, I don't know how many organizations just have four systems and a really big box of Excel. But what we're trying to show here is a lot of times we'll come into an organization, we'll have that discovery that Ryan's talking about and we'll see that there's a lot of different disparate systems. So this is from a large nonprofit food bank and they basically, to effectively run their business, there were at least this many different systems and none of them talked to each other. So what that led to was a person having to take that data from one system into Excel, another system into Excel.

And if you can see that the bigger box means they all went in the same Excel and then V lookups and Excel nightmare to really have either reporting but also even just the administration of the organization was kind of interwoven with manual throughout. So what we're helping them with, and not saying that this even applies that you guys can even see this that well, but I think it's more the principle here is working with them to basically say, "Okay, we know that you're going to have a lot of different systems and we have a lot of different systems at CLA, the world has a lot of different systems, but what is that important data in those systems? And let's pull that into a central place." So if you can read up there, basically pulling that into a data warehouse that's just in Azure, basically just a database.

Then if you think about the format that the data exists in all those different places, there has to be some most transformation and adjusting the data to make it behave and play nice with each other. But then on the right side in the orange, that's the Power BI logo, but picture what Ryan just shared, but for each department. So executive leadership is going to have a dashboard. IT's going to have a dashboard, finance, production, whoever and whatever is relevant and makes sense. But I think the goal here is in this first state, if you think about reporting, 80%, 90% of it is ad hoc.



If you want to report, you've got to export data here, you got to have your little template, your system. You've got to go and manually customized ad hoc, do it 80% of the time. There's still going to be some of that. But the goal with this is, let's get 80% of your reporting to be standardized and then there's still going to be some ad hoc, but maybe that's now 20% and it's now coming in an easier format because the data is organized. So we could go way deeper. But I think I want to allow enough time for questions and thoughts and comments. So maybe Ben, I'll just turn it over to you and you shepherd us through this last 10 minutes here.

Ben Aase:

Yeah, no, that sounds fantastic. Thank you, Troy. I appreciate that. And there have been a ton of questions rolling in here. So what I'm going to do is scan those that are coming in. Maybe we could lift a couple up and speak to them. And a lot of them I know were either answered verbally by Troy or Ryan or myself, or in writing as well. Just know if you've got additional questions or didn't quite get the answer you were looking for, the point of this slide here, please stay connected. You'll be able to push a button to be able to ask one of us to contact you if you've got an unresolved question. Just a couple ways to stay connected to C as we're continuing to push out a lot of thought leadership, making sure our clients are staying updated on things that are happening out in the sector that we think you need to know about.

So a couple options there. Signing up for our nonprofit blog. I know one or two of you had a question whether or not we had a blog. We do. We actually have quite an active nonprofit blog. So we got a strong readership and would love to add you to that.

Troy Hollings:

I think you and I just wrote... I think actually this group wrote an article that might be on the blog right about now. So you guys can check it out.

Ben Aase:

We did, we did. There's a fantastic article about this very topic sitting out there. So if you want to read more, go out and grab it. You can sign up to receive additional nonprofit content, excuse me, on the link that you see there. I would also say this is a little bit last minute and off the cuff, but some of our colleagues have a webinar tomorrow that's going to go a little bit further into steps along that digital transformation journey that is going to be geared across different industries, not just nonprofits. But if you do go to CLA Connect, you go to RFNs, you're going to be able to find that there if you happen to have open time in your schedule tomorrow and are interested in that. So let me just take a look here and see what kind of questions we've got that maybe we could take up in the last few minutes here. Excellent.

Ryan Merryman:

While you're doing that, Ben, I had a look through the list and there were a number of questions about the technical process of [inaudible 00:51:42] getting information from a system into Power BI. And maybe I can just speak to that generally. So there's multiple ways to get data into Power BI. You can import from a flat file like a CSV or an Excel or a database or something like that. Well, database is not always flat, but you can import from any kind of flat file. Better yet, you can do a query that will connect to a data source and update automatically.

So out of most ERPs there is a way to connect more automatically. So things update on schedule automatically and that's the best way to procure data into a software like Power BI. That process is true



of other visualization softwares as well. So you basically understand the data source, set up a repeating query, that query gets you the data in raw form, then you do some normalization of the data underneath the hood and then you build the visualizations in the design canvas. Then you publish it online. So we can talk more about that process, but that's generally the technical buildup of a simple data model.

Ben Aase:

Great.

Troy Hollings:

Hey, let me add on that question. I'm having a little bit of struggles pulling that up on my side, but I'll go off the cuff. I think it was Thomas asked, they're currently using Salesforce for reporting for a couple different divisions in their organization. He mentioned that almost using it like a data warehouse, and I'm reading into that meaning trying to have that be the central source of truth. And he said, based on what we've talked about, is that wrong? So maybe I'll give my thoughts and then, Ryan, you add onto it. I think we sometimes joke when we see folks who have signed up for a software. The demo always works and so it's really easy for us to sit there and have a nice looking graphic and say, just pull this into your data warehouse. But in reality, it's usually a lot more nuanced.

I think systems like Salesforce tend to be really good, pretty easy to integrate with. I know Salesforce bought Tableau, which is like Power BI, and so there's a lot of capabilities in there. I do think what we see, if you're using any one system, whether it's your ERP, whether it's Salesforce, solving for that challenge that Ryan talked about of getting the data from the other places into your reporting is critical. Depending on how many systems you have, I don't think it's overtly wrong to try to have Salesforce be that central place of truth. At the past place that worked, it was a data and technology consulting company, and we would say if it's not in Salesforce, it doesn't count. So I think there's some validity there, but I do think that you have to think through, are you looping in the whole holistic picture of all of your data or not? Ryan, correct me. Anything you'd add on that though?

Ryan Merryman:

Yeah, I don't think it's wrong. I think that you have to map out your data sources and your goals and it could make sense that all the key data sources that you're interested in can live there, but it may also not be the case. And then what? So I don't think it's wrong, but it potentially could be incomplete, but maybe not. It just depends.

Troy Hollings:

And we're happy to set a quick follow up call and just chat through a little bit more specifically if that makes sense. Let's do two more questions.

Ben Aase:

Cool.

Troy Hollings:

Ben, I'll give you the authority. You pick what we're going to do.

Ben Aase:



Sounds good. Troy, I want to hear for you. This is coming from Melissa asking how hard is the design process? Does the designer need any kind of programming knowledge or could typical accounting staff utilize it? So maybe if I kind of lift the question up a bit, how should folks listening to this webinar think about their own team skillsets, capacity, expertise, vis-a-vis, a provider or somebody who might help them do this?

Ryan Merryman:

To answer this question, can we go back to that slide with the three pillars? And while you're doing that, I'll speak to it. So data automation and software, right? So to come up with a dashboard in Power BI, you do not need programming level knowledge. Accountants can learn Power BI. I know that because I'm an accountant and I learned Power BI and lots of others on our team has as well, and our digital group and in other groups at CLA. So I'm confident to say that there's a tremendous amount of free learning and other paid learning opportunities on Power BI. So that part is true.

Now the other things necessary to turn on the data sources often require some integration with IT. So there could be some collaboration there to get everything automated and turned on. So that's where you're going to probably need the most help. Then also with the overall game plan. So if you haven't done this kind of thing before, there's got you and there's a bit of learning on how to piece things together in order to get the job done. So that's where getting some assistance would really be value add. But utilizing Power BI to connect to a data source and put some visuals on the page, that's not going to be the biggest hurdle, typically.

Troy Hollings:

Yeah, and I think just to clarify that a hundred percent where I think if we look at, I don't know, 50 engagements that we have, I think the design and the setting it up and okay, you have the strategic plan that's got a hundred things you're focusing on, what do you actually want to look at? That's a large component where we get asked to help a lot. And then setting up that infrastructure, getting the data in there, getting it refreshed, that's a component. But theoretically, if you're decent at Excel, Power BI is easier. So one, once it's set up, it's easy to maintain and it should be no problem. We don't really see a lot of folks calling on us from a maintenance perspective all the time.

Ben Aase:

Great. So thank you guys.

Troy Hollings:

[inaudible 00:58:27] We got to end it. Thanks guys.

Ben Aase:

Yeah, I appreciate it. I just want to close with a big thank you. Troy. Ryan, thank you very much. CLA team supporting this webinar, thank you. And to all the folks who carved out time in your day to join this conversation about board reporting, thank you very much. And again, you'll get a follow-up email. Materials are available, we'll have the recording, slide deck, all that kind of good stuff. Again, tons of questions came in. You'll have the ability, if you didn't get your question answered, or you just want to sit down and talk through your situation, we're more than happy to do that. So please don't hesitate to reach out and I'll just close by saying let's all have a great 2023. Thanks everybody.

Troy Hollings:



Thanks team.

Ryan Merryman:

Thank you.

The information contained herein has been provided by CliftonLarsonAllen LLP for general information purposes only. The presentation and related materials, if any, do not implicate any client, advisory, fiduciary, or professional relationship between you and CliftonLarsonAllen LLP and neither CliftonLarsonAllen LLP nor any other person or entity is, in connection with the presentation and/or materials, engaged in rendering auditing, accounting, tax, legal, medical, investment, advisory, consulting, or any other professional service or advice. Neither the presentation nor the materials, if any, should be considered a substitute for your independent investigation and your sound technical business judgement. You or your entity, if applicable, should consult with a professional advisor familiar with your particular factual situation for advice or service concerning any specific matters.

CliftonLarsonAllen LLP is not licensed to practice law, nor does it practice law. The presentation and materials, if any, are for general guidance purposes and not a substitute for compliance obligations. The presentation and/or materials may not be applicable to, or suitable for, your specific circumstances or needs, and may require consultation with counsel, consultants, or advisors if any action is to be contemplated. You should contact your CliftonLarsonAllen LLP or other professional prior to taking any action based upon the information in the presentation or materials provided. CliftonLarsonAllen LLP assumes no obligation to inform you of any changes in laws or other factors that could affect the information contained herein.

[CLAconnect.com](https://clconnect.com)

CPAs | CONSULTANTS | WEALTH ADVISORS

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

