We'll get you there

CPAs | CONSULTANTS | WEALTH ADVISORS

Data to Decisions

Better decisions. Better outcomes. Faster learning.

The information 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 judgment. 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.

SESSION CPE REQUIREMENTS

You need to attend 50 minutes to receive the full 1 CPE credit.

There will be 4 polling questions throughout the presentation. You must respond to a minimum of 3 to receive the full CPE credit.

Both requirements must be met to receive CPE credit

Questions, conversation, and where to start are all welcome.

Too much data can slow decision-making instead of improving it.

WHAT YOU'LL LEAVE WITH

At the End of This Session, You'll Be Able to:

01
Identify the KPIs that matter
Identify key performance indicators (KPIs) that improve financial clarity and operational control and distinguish them from metrics that provide limited decision value.

02
Design decision-useful reporting
Identify practical dashboard design principles to create concise, decision-useful reporting and reduce "dashboard overload".

03
Connect metrics to outcomes
Review financial and operational data to make faster, higher-quality decisions by connecting metrics to actions and outcomes.

04
Answer the leadership questions
Recognize and discuss common leadership questions that should be supported by financial statements and KPI reporting.

RECOMMENDED CPE: 1 CREDIT, FINANCE

POLL 1 · LET'S START WITH YOU

Where Does Your Decision Loop Break Down?

A	We don't trust the data
B	We have data, but can't tell what matters
C	We see the signals, but decisions stall
D	We decide — but never check the outcome

Hold your answer — we'll come back to it.

THE PROBLEM

More information than ever.
No more certainty than before.

Every organization in this webinar has added systems, reports and dashboards over the last five years.

Very few have shortened the time between seeing a number and making a call on it.

Reporting capacity went up. Decision confidence did not follow.

THE REAL CONSTRAINT

It isn't reporting capacity.

It's the speed and quality of the loop that runs from information to decision to outcome to learning.

Bad data is expensive.
Slow decisions can cost more.

HIRING

Recognizing a capacity constraint 60 days too late.

PRICING

Discovering margin erosion after the quarter has closed.

CASH

Seeing a collections problem only after liquidity tightens.

GROWTH

Continuing to fund a channel after its economics deteriorate.

Decision latency is a business cost.

Decision Velocity

The speed at which an organization turns information into informed action — and action into learning.

DATA › SIGNAL › **CONVICTION** › DECISION › ACTION › OUTCOME › LEARNING

IT IS NOT

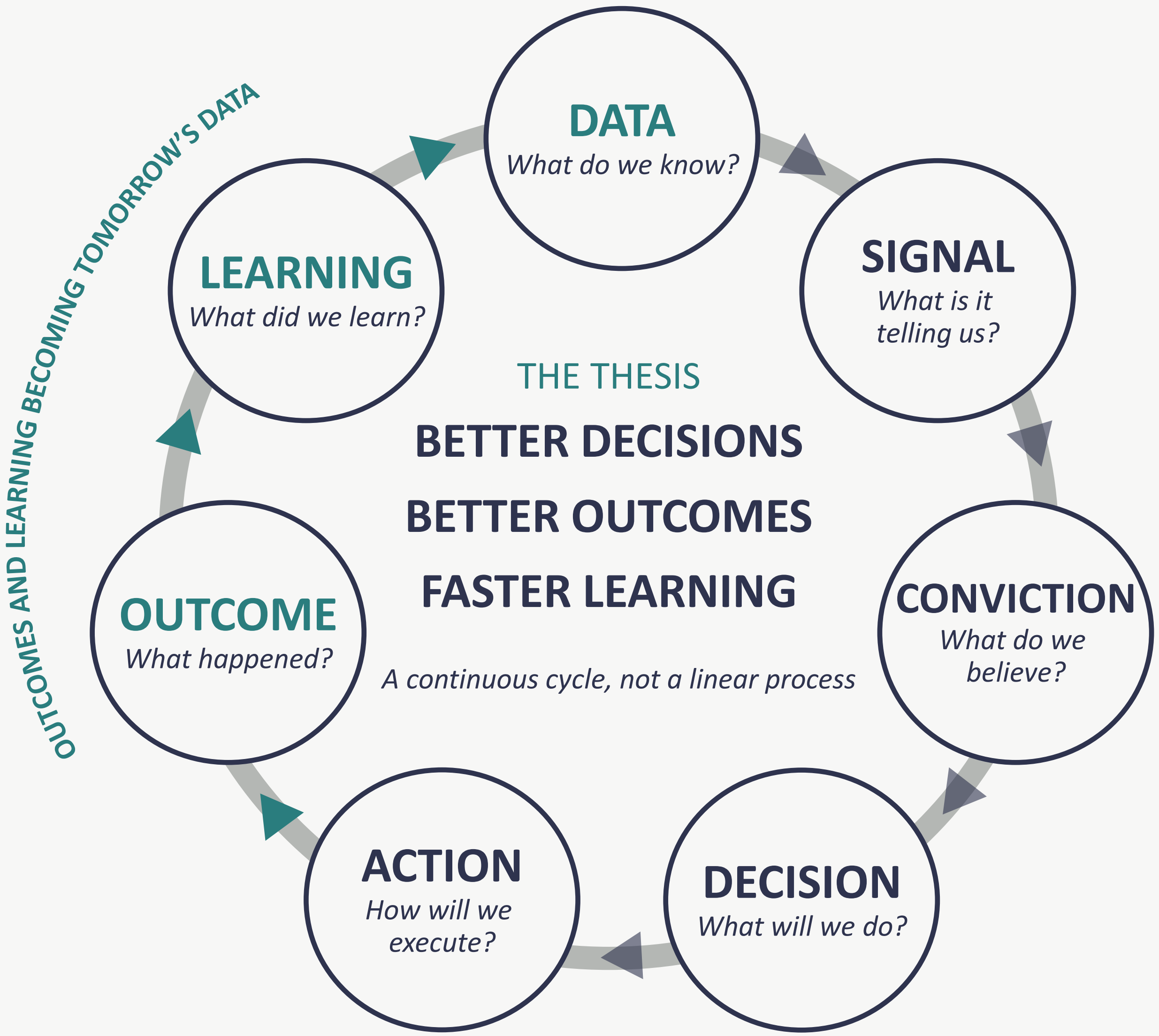
Making decisions recklessly fast, or trading rigor for speed.

IT IS

Removing unnecessary latency between information, judgment, action and learning.

Speed without judgment is recklessness. Judgment without speed becomes inertia.

THE FRAMEWORK FOR THE NEXT 45 MINUTES



A continuous flywheel — not a linear process. Outcome and learning feed the next decision.

STAGE 01 · 5–12 MIN

Data

What do we know?

Do we have the right information — and can we trust it?

A Number Needs Context

REVENUE

$8.2M

By itself, this tells leadership very little.

Actual	**$8.2M**
Plan	**$9.0M**
Variance	**($0.8M)/(–9%)**
Prior year	**$7.4M**
Forecast	**Deteriorating**

TIMELY

while the decision is still open

RELIABLE

defined once, calculated the same way

RELEVANT

tied to a decision someone makes

ACCESSIBLE

reachable by the decision owner

Context turns a number into information. Relationships turn information into signal.

Reducing Dashboard Overload

- One screen, one audience, one decision
- Lead with the exception, not the full inventory
- Show the trend, not only the current value
- Every metric names an owner
- If a measure has never changed a decision, retire it

THE TEST TO APPLY

"What would I do differently if this number moved?"

If the honest answer is nothing, the metric belongs in an appendix — not on the leadership dashboard. Dashboard overload is not a design problem. It is an unmade decision about what deserves attention.

From Reporting Dashboard to Decision Dashboard

BEFORE · REPORTING DASHBOARD

Revenue	EBITDA	Cash
Headcount	AR	AP
Bookings	Pipeline	Churn
CAC	Utilization	DSO

"Here is everything we know."

AFTER · DECISION DASHBOARD

Can we accelerate hiring next quarter?

SIGNAL	NOW	TREND	THRESHOLD	OWNER
Pipeline coverage	**3.4x**	↑	>3.0x	CRO
Win rate	**28%**	→	>28%	Sales
Gross margin	**72%**	↑	>70%	CFO
Cash runway	**12 mo.**	↓	>15 mo.	CFO
Utilization	**88%**	↑	>85%	COO

POSTURE: PROCEED AND MONITOR

A dashboard should organize information around a decision — not organize decisions around available information.

RUNNING CASE · FICTIONAL

Meet Northline Industries Inc

A $40M company. One leadership team. One full turn of the flywheel over the next 35 minutes.

REVENUE GROWTH	CASH POSITION	REVENUE DEFINITIONS
+12%	*Tighter*	*3*
year over year	than this time last year	across three reports

That's the data. It is not yet a signal — and it is nowhere near a decision.

STAGE 02 · 12–19 MIN

Signal

What is the data telling us?

What matters — and what is simply noise?

Lagging Tells You What Happened. Leading Helps You Decide What to Do.

LEADING INDICATOR		LAGGING INDICATOR
Pipeline coverage	→	Revenue
Pricing and utilization	→	Gross margin
DSO and collections	→	Cash
Product engagement	→	Retention
Backlog and capacity	→	Hiring need

Every critical lagging KPI should have a leading indicator beside it.

STAGE 02 · SIGNAL | OBJECTIVE 01

Which KPIs Earn a Place at the Table

DECISION-USEFUL

Changes what someone does

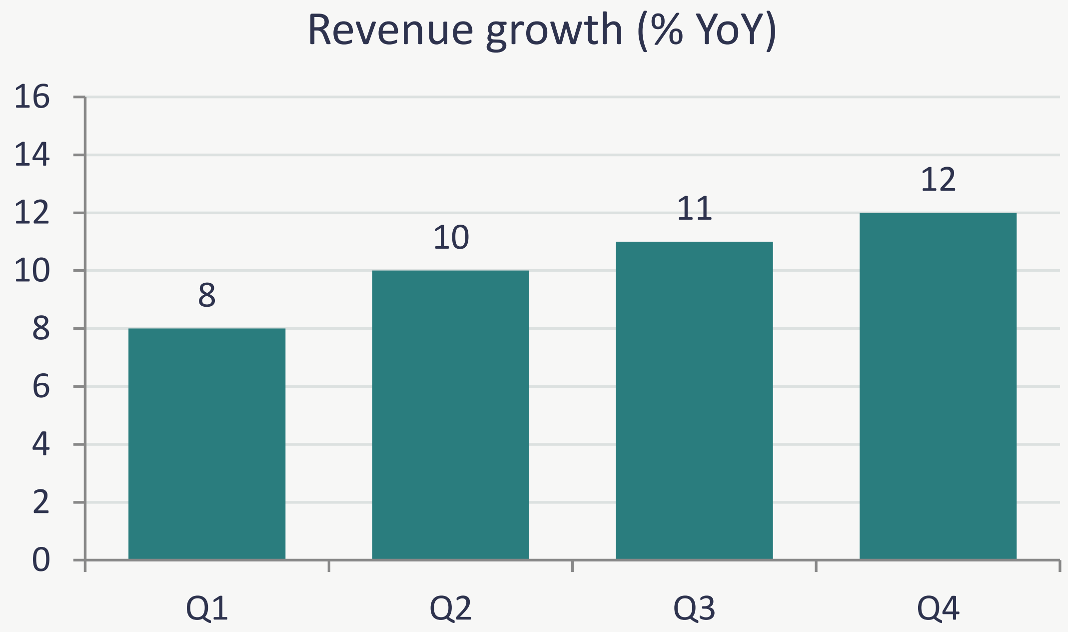
Tied to a decision with an owner. · Movable within the period. · Leading, or paired with a leading measure. · Understood the same way by finance and operations. · Reviewed on a cadence that matches the decision.

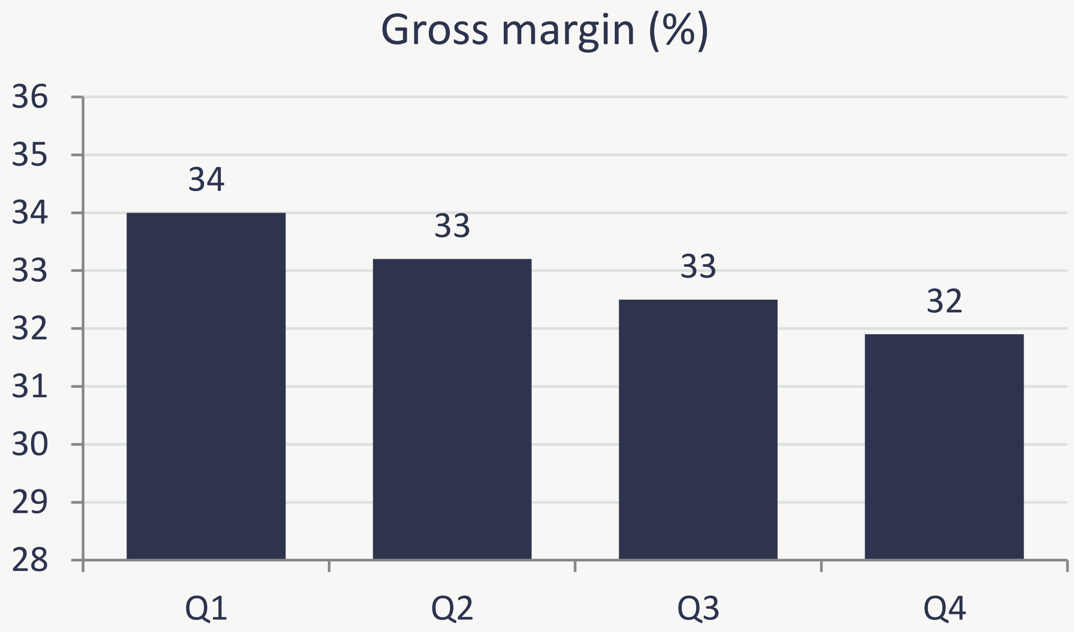
LIMITED DECISION VALUE

Describes, but never redirects

No owner, or an owner who can't move it. · Confirms what everyone already knew. · Aggregated past the point of action. · Defined differently by each function. · Reported monthly for a decision made daily.

Two Metrics That Disagree





Growth is concentrated in one segment. Margin is down 2.0 points. DSO is up 9 days. Read alone, each is defensible. Read together, they are a signal.

Is Northline Actually Getting Healthier?

INCOME STATEMENT	›	INCOME STATEMENT	›	BALANCE SHEET	›	OPERATING KPI	›	CASH FLOW
Revenue		Gross margin		Accounts receivable		DSO		Cash conversion
↑ 12%		↓ 2.0 pts		↑		↑ 9 days		Deteriorating

The top line improved. The cash conversion did not. Both statements are true, and only one of them is on the first page of the package.

A financial statement should not be read in isolation.

STAGE 03 · 19–27 MIN

Conviction

What do we believe?

How confident should we be, given the evidence?

STAGE 03 · CONVICTION

Evidence Should Move Confidence — Not Manufacture Certainty.

- Leaders rarely have complete information, and waiting for it has a cost of its own.
- The useful question is not "are we sure?" but "how much more sure are we than last month?"
- One improving metric is interesting. Three reinforcing metrics across pipeline, margin and cash is a reason to move.

THE STAGE MOST TEAMS SKIP

Insight → decision

Most frameworks run straight from insight to decision. Naming conviction separately is what gives a leadership team language for disagreement.

Conviction Becomes a Leadership Posture

MORE CONFIDENCE

MORE CAUTION

ACCELERATE	PROCEED AND MONITOR	INVESTIGATE	PROTECT / CORRECT
Multiple · independent · consistent	**Positive but thin**	**Conflicting · unexplained**	**Deteriorating · reinforcing**
Several unrelated measures point the same way. Move faster, commit more, extend the bet.	Evidence supports the course but not more exposure. Continue, with a defined checkpoint.	Signals disagree, or a result contradicts its own assumption. Buy information before commitment.	Evidence points to decline. Preserve cash, optionality and the downside case first.

The same set of numbers can justify any of the four. What changes is how much the evidence agrees with itself.

POLL 2 · ROUND 1

Revenue Is Up 12% Year Over Year. What's Your Posture?

ACCELERATE

PROCEED AND MONITOR

INVESTIGATE

PROTECT / CORRECT

That is everything you know. Vote now.

Same Question. Three More Facts.

Gross margin	DSO	Growth concentration
–2.1 pts	+9 days	One segment

ACCELERATE

PROCEED AND MONITOR

INVESTIGATE

PROTECT / CORRECT

Nothing about the business changed between those two votes.

Your conviction did.

More data isn't the objective.
Better-informed conviction is.

STAGES 04 & 05 · 27–34 MIN

DECISION + ACTION

What are we going to do — and how will we execute?

STAGE 04 · DECISION

Data Informs the Decision. Leaders Still Own It.

JUDGMENT

The evidence never covers the whole question. Someone closes the gap.

TRADEOFFS

Every choice spends something — cash, capacity, attention, or optionality.

RISK

Name the downside case out loud before committing, not after.

TIMING

Deciding later is a decision, and it carries a cost you should be able to state.

Northline's choice: re-price the segment and tighten terms — rather than slow the growth.

STAGE 05 · ACTION

The Decision Log

Ownership · Resources · Timing · Accountability — on one page, written before the outcome is known.

DECISION	Re-price Segment A and tighten payment terms	EXPECTED OUTCOME	+2.0 pts gross margin · −8 days DSO
OWNER	CFO	REVIEW DATE	November 30
DATE	September 15	ACTUAL OUTCOME	+1.0 pts gross margin · −6 days DSO
EVIDENCE	Gross margin −2.0 pts · DSO +9 days	LEARNING	Directionally correct. The expected magnitude was too aggressive.
CONVICTION	Proceed and monitor	*Written before the review, not after.*	

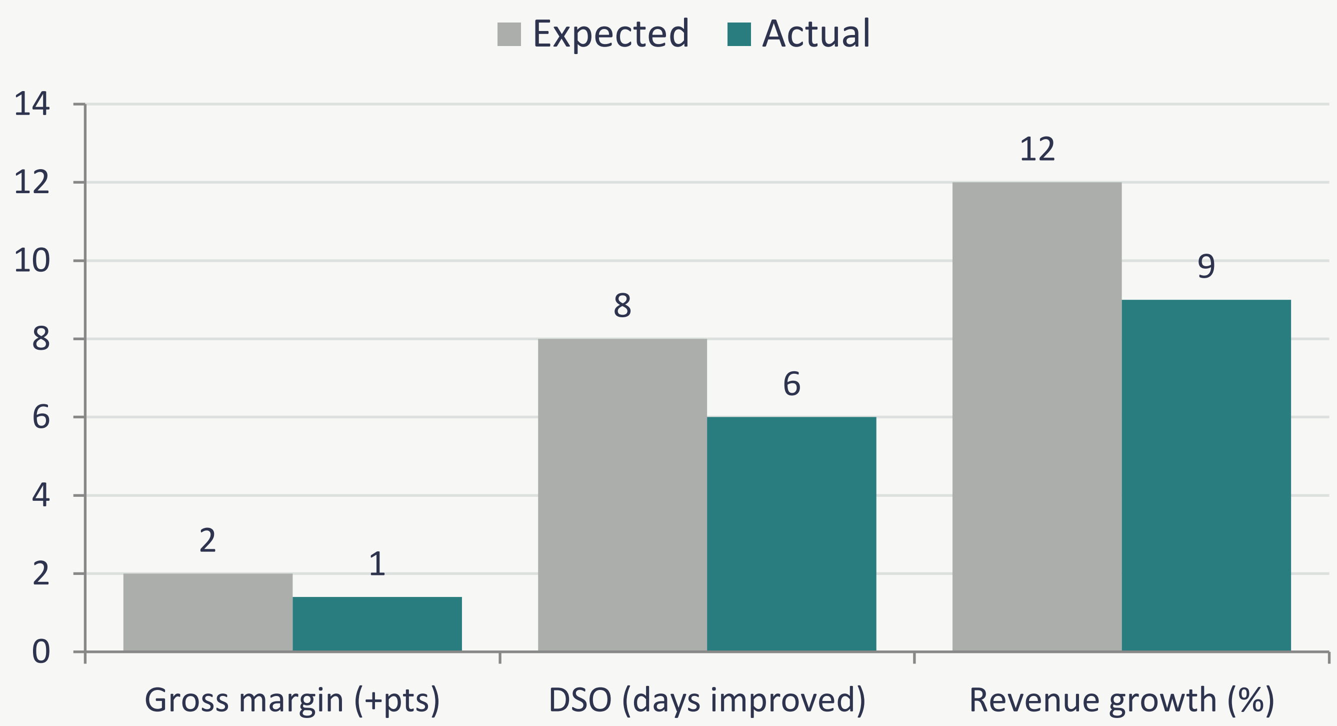
If you don't record what you expected, you can't tell a good decision from a lucky outcome.

STAGES 06 & 07 · 34–41 MIN

OUTCOME + LEARNING

Did it work — and what do we carry into the next decision?

Activity, Output, Outcome — Three Different Things



ACTIVITY

We re-priced the segment and rewrote the terms.

OUTPUT

New pricing live across the segment in 60 days.

OUTCOME

Margin recovered and cash conversion improved.

Boards care less about what you did and more about what changed because you did it.

The Loop Closes — and the Next One Starts Better

What we learned

Part of the growth had been purchased with payment terms. The segment was never as profitable as the top line suggested.

What changed permanently

Margin-adjusted growth joined the monthly package. The assumption is now visible every month.

What that becomes

New information — which is simply data for the next turn of the wheel.

POLL 3

After a Major Decision, Does Your Leadership Team Formally Compare Expected to Actual?

A Always — it's part of our cadence

B Sometimes, for the biggest calls

C Rarely

D We move straight to the next decision

Learning is the stage most organizations skip — and the only one that compounds.

OBJECTIVE 04

The Leadership Questions Your Reporting Should Answer

Can we fund the plan without new capital?	*Cash flow · DSO · working capital*
Is our growth profitable, or purchased?	*Margin-adjusted growth · segment margin*
Is the pipeline strong enough to commit to hiring?	*Pipeline coverage · win rate · sales cycle*
Are we keeping the customers we spend to acquire?	*Retention · CAC · payback*
Do we have the capacity to deliver what we sold?	*Workforce capacity · utilization*

Notice the direction: the question comes first, and the reporting follows. Most packages are built the other way around.

Where AI Shortens The Loop

An accelerator of the flywheel — not a stage of it.

SIGNAL DETECTION

"Compare actual results against budget, forecast and prior year. Identify the five variances most likely to require a management decision."

CONVICTION

"What evidence supports our belief that margin deterioration is pricing-driven? What evidence contradicts it?"

LEARNING

"Compare the expected outcomes in our decision log against actual results. Which assumptions should we update before the next decision?"

Three prompts a finance team could run this week — against their own data, not a demo.

AI can accelerate the decision-making flywheel.

It does not eliminate the need for trusted data, context, judgment, governance or leadership accountability.

Where Is Your Organization Today?

LEVEL 1
REPORTING
We know what happened.

LEVEL 2
INSIGHT
We understand why.

LEVEL 3
DECISION
Reporting regularly changes what we do.

LEVEL 4
LEARNING
We formally compare expected outcomes against actual results.

LEVEL 5
COMPOUNDING
Learning from prior decisions improves future decisions.

The goal isn't Level 5 reporting. It's Level 5 decision-making.

Five Questions for Your Next Leadership Meeting

1

What decision are we trying to make?

2

What signals would increase our confidence?

3

What signals would challenge our assumptions?

4

What outcome are we trying to create?

5

What will we learn from the outcome and apply to the next decision?

If a leadership team consistently asks these five questions, the flywheel begins to turn.

At Your Next Leadership Meeting

01	**Pick one decision**	Identify one meaningful decision the team needs to make.
02	**Identify 3–5 signals**	What information actually matters to that decision?
03	**State your conviction**	Accelerate, Proceed and Monitor, Investigate, or Protect / Correct.
04	**Make the decision**	Name the owner and what happens next.
05	**Write down the expected outcome**	Define what success looks like — and when you will review it.

One meeting. One decision. Thirty minutes.

Don't leave your next leadership meeting with a better dashboard.

Leave with a decision.

Better decisions.
Better outcomes.
Faster learning.

The organizations that win are rarely the ones with the most data.
They are the ones that turn this wheel faster.

I'd like someone at CLA to follow up with me regarding:

A	Data — we can't agree on the numbers, or we don't trust them yet
B	Signal — we have reporting, but it doesn't tell us what actually matters
C	Conviction & decision — we see the signals, but decisions stall or get relitigated
D	Outcome & learning — we decide, but we never compare expected to actual
E	No follow up needed, just send the materials — flywheel, decision log, and the five questions

Questions?

Thank you!

Andre Creighton, MBA

CAAS Chief Financial Officer

andre.creighton@CLAconnect.com

CLAconnect.com

CPAs | CONSULTANTS | WEALTH ADVISORS