

Illuminate your business: the value of reporting

Sadly, many of the current pressures you are likely to be experiencing with the business environment are not under your control as they are external to your own operations.

Thankfully, there are many areas that you can control if you have a clear understanding of your own business. Up-to-date and accurate information will shine some bright lights into dark corners, making it far easier for you to make well judged strategic and operational decisions.

Managing the vast amount of data that a business generates is impossible without effective IT. Thankfully, with good reporting capabilities at your fingertips you can choose which business activities you monitor, and at what intervals. By basing decisions on the best possible management information you greatly increase the chances that they will be the right ones for your business in the short, medium and long-term.

Any effective IT system will provide a range of different reporting tools that enable you to generate information precisely where and when you need it. The different ways of obtaining key business performance information include standard IT system reports that can be run on a schedule and then be printed or output to e-mail.

Then there is real-time data that can be exported into a wide range of analysis tools such as Excel, turned into easy-to-understand tables and charts and then incorporated into planning documents and presentations. These are ideal for you to do 'what if?' analysis, seeing the financial consequences of certain decisions before you make any firm decisions. Finally, there are top-end reporting tools such as SAP Crystal Reports which, when integrated with your POS system, will provide customised views of every aspect of your business. In short, you should have the option of an almost unlimited range of reports for every conceivable information need in your business.

Of course, all these reporting tools can be daunting, so partnering with an IT supplier with sufficient resources and skills is absolutely

essential. They will be able to work with you to define what you really need to analyse and understand about your business, including sales, inventory, debt, cash, marketing activity and required reporting.

On sales, you should be able to see key performance data such as sales by group (e.g. manufacturer, category and staff); sales performance by period (e.g. year on year or month by month); and total and gross profitability by any group. It's immensely valuable, for instance, to see which are your most profitable manufacturers, products and staff when you are setting sales targets, planning new orders, setting special offers or deciding how to reward individual employees.

On inventory, you need a range of views (both high-level and drilled-down) on quantity and value of stock. You also need to track stock turn; identify whether you are moving stock around unnecessarily between locations; determine what stock you have sold and what has been returned to the manufacturer, and what stock you have that is sitting around unsold and losing value by the week.

Of course, you need very frequent snapshots on aged debt - vital if you have credit or rental operations. On cash, systematic reporting needs to be undertaken to ensure you can reconcile your till on a regular basis; plus understand the payment methods that customers are using.

Marketing and promotions is, of course, a huge area where it is vital to assess what is working and what is not so you can make the best choices on expenditure. There is, for instance, huge potential value in being able to report on and then contact the customers whose warranties are about to expire; or to send special offers on high margin accessories to those who have bought big ticket, low-margin items in the past.



the IT factor

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The top-end reporting packages will also automate the sending of customer correspondence and then set up and track associated actions - all adding value to your customer relationships and ensuring increased profitability for your business.

Finally, in this brief snapshot on the value of reporting, don't forget required reporting in areas such as NVLRO, GfK and on warranty sales. Again, a good IT system will make short work of these.

With today's wide-ranging reporting tools and a top-notch IT supplier, there's absolutely no excuse for being in the dark when it comes to your business.