

Financial training For non financial staff



The financial training specialists

Warning signs 5 (Budgeting, Profit)

We're looking at indicators that our business may be heading for financial trouble. This blog is about the internal monthly financial reports.

Is your internal financial report too long?

If it is, fewer people will read it, and those who do go through it will struggle to find the key information. In both cases fewer people will take appropriate action as a result of the issues highlighted within the report.

I did some financial training with a group of directors. We went through their Board financial report; all 16 pages of it. We highlighted the really important information within it: only about 12 lines of information! At the end of the day the Finance Director said "The report needs to be shorter, doesn't it. How about a single page?" One of his colleagues replied "How about half a page?"

And the director was right: half a page should be long enough to highlight the really key issues that enable appropriate action to be taken.

Another accountant told me that their Board report had grown to 100 pages over the years. That's not a report, it's a book! One summer they were short staffed and didn't produce the report for a couple of months. None of the directors asked where the missing report was &

So if our monthly report is too long it will either go unread, or fail to highlight the key issues requiring action.

How long is your finance report, and how well does it highlight the key issues?