

How to create Daily Numbers for your company

Wholesalers have access to so much information these days it's easy to get lost in all the data.

The goal of the Daily Numbers is to provide a simple, daily reporting of your most important business information.

So often we are distracted from what's most important by things that are least important. These small distractions are known as the trivial many, and they are everywhere.

The Daily Numbers keep the focus on the most important parts of your business, the vital few.

This document will give you guidance on how to identify what your Daily Numbers should be, and how to create your daily reporting snapshot. The result will be a tool you can use every day to provide clarity and focus for your business.

Key concepts for your Daily Numbers

- **Capture only the Vital Few.** Include only need to know information – measure results that matter. Lose the nice to know stuff. Less is more. Focus on two or three key metrics that addresses your biggest problem, or biggest opportunity.
- **Send the numbers regularly, every day, as a reminder of what is most important.** As the name implies, the information should be compiled and viewed every day. There is power in seeing the numbers every day – remembering what's most important. We are easily distracted with trivia, but the Daily Numbers remind us to stay focused on what is most important.
- **The numbers must compel you to take action.** The Daily Numbers are action oriented information. The actual results are compared to the goal, and the numbers should drive action.

Here's an example of some Daily Numbers I've used previously:

Daily Numbers			
A/R, Inventory and Cash on Hand		Today's Date	
		4/13/2016	
Accounts Receivable	<u>Total</u>	<u>Days outstanding</u>	<u>Goal</u>
Company 1	390,000	6.83	8.00
Company 2	220,000	7.96	8.00
Company 3	496,000	33.06	30.00
Totals	1,106,000		
Inventory	<u>Total</u>	<u>Days on Hand</u>	
Company 1	1,785,000	30.60	28.00
Company 2	960,000	31.93	28.00
Company 3	726,000	41.39	35.00
Totals	3,471,000		
Cash on Hand	<u>Total</u>	<u>Available LOC</u>	
Line of Credit Balance	(178,000)	2,250,000.00	
Cash in Other Accounts	50,000		
	(128,000)	2,122,000	

In this example, I measured A/R collections, inventory on hand, and cash in the bank. The A/R and inventory are measured against the goals for each company. Right away, the Daily Numbers tell me if there's a collection problem, too much inventory, or a pending issue with our cash balance. I see this email in my inbox, and I'm on the phone to our collection people in Company 3 – "start dialing for dollars, our A/R is creeping up!" **Take immediate action based on the results of the Daily Numbers.**

Other examples of Daily Numbers

1. Gross profit per delivery stop
2. Product pick accuracy
3. Finished product loss (breakage, out of code) as a percentage of sales
4. Inventory count variance
5. Overtime hours for the month

There are countless metrics you could include in your reporting, but the key is to find the Daily Numbers that are most important for your company.

Below are tips to find your Vital Few

- **Think like Peter Drucker:** What gets measured gets managed. First, make sure you are measuring the right thing. Perhaps it's one of the examples above, or it's something else, so start with a few questions:
 - **What keeps you awake at night?** What is the one thing you are most concerned about in your business? Clearly identify it, and figure out how to measure it.
 - **What does your gut tell you that might be going wrong in the company?** What system can you put in place to track the problem, and set a goal to improve?
 - What is the info you know is most important – not just most interesting (like your sales). Just like the speedometer and fuel gauge on your car – what is the essential information you need to know each day?
 - **What problem(s) do customers complain about?** The customer is always right (except when they're not). Are they right this time?
- Manage what is important to your company – not necessarily what is a top priority for a supplier. Your business comes first.

The Daily Numbers can be a wonderful tool to keep you focused on the most important issues in your business. We are only human, and our memory isn't getting any better, the Daily Numbers help us remember the top priority every single day. **Keep it simple, identify your Vital Few, and take action to improve your business today.**