

From Good to Great: Elevating Your Data Visualization Game

Financial data dashboard



(Petrova, 2023)

This dashboard accommodates management and higher management levels, like CFO, the financial auditor, and other stakeholders. Visualizing financial data is a great way to present the general history of an organization in a nutshell which will consequently boost the decision-making process. Crucial metrics incorporating profit and loss movement, cost and income study, net and gross margins and sales figures are all within fingertip. This type of intelligence provides CFOs and the financial teams with the framework for growing success.

With the help of the above financial dashboard, businesses can improve their finance reports, save time and money, and analyse real-time insights, which help to improve financial health, enable them to make good decisions, and drive growth (Bottrell, 2023).

How a good visualisation helps strategic decisions by using overall financial data for the finance team or CFO!

Graphs, charts, and interactive visual representation play a significant role in improving and understanding complex financial data from whole organizations. An interactive dashboard makes it easier to comprehend intricate financial data and helps stakeholders quickly grasp important insights. Through interactive visualisation, users gain the capability to explore and analyse data in real-time, ultimately emphasising more informed decision-making processes (Nicholson, 2023).

In the above dashboard, different charts are used, like line charts, bar charts, and donuts over pie charts, to present data effectively. All complex financial data can be simplified by representing different charts (Nicholson, 2023).

What visualisation make good or bad dashboard!

Kolokolov (2023) advises against using background images, 3D charts, fancy fonts, and excessive colours in dashboards. These elements can reduce clarity, distort data, hinder readability, and impair comprehension. In the above visualisation meet all these requirements.

Let's discuss why It's good visualisation or a good dashboard.

Dashboard meets all five Tufte's principles, including numerical representation, proper labelling, maximising space used to represent data, and minimising the use of decorative elements, which does not help for clear understanding. The targeted audience is truly clear like CFO, clearly identify the key message and what story you want to convey by using different visualisations, such as bar charts, line charts, and donut charts. The title of the dashboard is simple, which conveys a clear message about the audience.

Pie charts are bad to use as per visualisation principles (Skelton, 2015), here, instead of pie charts, donut charts are used to convey the proportion of total expenses in expense charts.

Donut charts also have limitations like pie charts, so why are we using donut charts in this dashboard?

We only need to show three categories. Obviously, we can consider alternative visualisations like bar charts or stacked bar charts, but donut charts are more visually engaging and effective at conveying the message of data. We already use two bar charts if all charts of the same type distort the main message. The main aim of visualisation is to communicate well and avoid misleading interpretations.

Here, if we observe the "gross margin" chart and the "expense vs. income" chart, both are starting from zero baseline, and both bar charts have a Y-axis (Claus O. Wilke [no date]).

- **Serve clear purpose of visualisation and know your audience.**

The above visualisation serves a clear purpose of data. How can we say its purpose is clear if we look at the dashboard, a visualisation of complex financial data to understand insight into the health of the company and what trend of profit is going? The purpose is clear; visualisation provides a quick overview of the financial health of the company to his CFO, stakeholders, and financial team. (Pantoliano, 2012).

- **Make data understandable and simple.**

The visualisation is easy to understand, and there is no unnecessary complexity in the overall dashboard. A clear highlight of net sales is at the top left of the dashboard. By looking at this, you can easily understand overall sales and the growth of sales compared to the previous month with real-time insight. Net sales are crucial metrics to understand company performance, which can be simply understood through visualisation. We can easily understand the gross margin of company (top right charts of dashboard) performance between income and expense over a monthly basis from August 2020 to January 2022 (Hammond, 2023).

It is also easy to understand the trend of profit and loss even without deep knowledge of finance background or without the help of any tech or accounting team by just looking at the net profit line chart, which is at the middle of the dashboard (Hammond, 2023).

We easily understand expenses separately by just looking at donut's charts (left bottom charts) over pie charts, which follow an important Tufte's rule (Hammond, 2023).

With the help of expense vs. income bar charts (bottom right), we can easily read and understand all components of expense and income. (Hammond, 2023).

- **Tell the truth about data.**

Charts on the dashboard show real-time data; how can we say that?

If we look at net sales at the top left, which are showing positive sales growth compared to the previous month, it looks like real time. All information is conveyed with the help of different graphs without omitting valuable information. So, the dashboard also follows the principles of data accuracy, accountability, etc (Andrewtk, 2020).

- **Don't distort the data.**

How do we say the dashboard is not misleading or distracting from the main message?

The message and purpose of the visualisation are noticeably clear. Net sales are highlighted in bold, showing a comparison percentage with the previous month, which is an important metric to understand positive and negative sales growth. In gross margin charts, we can see a clear average margin, which is highlighted by a yellow horizontal line, and we can see an understandable comparison between expense and income, just as we can see the trend of net profit over time in net profit charts. All visualisations emphasise visual clarity, and there are no unnecessary elements that distract from the main message or understanding of the dashboard (Gomes [no date])

- **Make the user think about data.**

If I look at this dashboard, it tells a simple story about the financial health of the company. finance team, the CFO can easily understand trends with the help of different visualizations. We can make strategic decisions for the growth of the company, not just for the finance team or CFO, but also for the general user, who has a considerably basic understanding of the chart and can easily understand it and reach a point of result (J, 2023).

- **Aesthetic and colour mapping**

Colour is used in dashboards to make them look interactive and clean; there is no overuse of colour in dashboards, which avoids distortion from the analysis of information conveyed in dashboards. Two-three colours are used in the visualisation; if we look at the percentage comparison of the previous month in the net sales visualisation, the green colour is used to highlight positive growth. Blue-green colour is used for comparison of gross margin charts with white background where information can easily be read. Same as for expenses, net profit, and expense vs. income charts (Cheyne, 2022).

One more question come in mind why this visualisation is using various chart!

Choosing the right chart is important to convey information in an understandable way. Different charts make it easier to understand complex information for everyone. It will be more visually interesting and engaging. Let's look at dashboards. If we use bar charts instead of line charts to understand the trend of net profit (middle-bottom), it's difficult to understand the actual trend over time because bar charts look like the same gross margin charts (Gulbis, 2016).

If this visualisation is good So still have any scope of improvement!

If we look at gross margin charts, proper labelling is not there; if we add labelling above bar charts, then it makes comparison much easier to understand. If we look at the net profit line charts and add labels at all points of the graph, it is easy to understand the monthly basic with the correct numbers (Pursey, 2020).

If we look at Expense vs. Income Charts, labelling is already there over bar charts, but only partial labelling is present. If labelling were to be over income and total operating costs, it will be helpful to understand the correct number of both components (Chabot, 2021).

The chart showing expenses vs. income could be improved with a higher data-ink ratio. Reducing unnecessary gridlines and chart elements that do not help in understanding the data, which can enhance clarity (Chabot, 2021).

Overall Conclusion

The financial data dashboard presented a clear purpose of giving a quick summary of the health of the organization to all stakeholders, the CFO, and the financial team. Using different visualisations such as bar charts, line charts, and donut charts complicated financial data is simplified and made understandable. visualisations meet principles of accuracy, accountability, and clarity by providing real-time data without compromising the original message. The selection of proper charts and absence of the superfluous elements encourage the engagement of users and planning. The dashboard although efficient in giving information, there is still room for improvements as for instance, adding proper labelling on certain charts and improving the data-ink ratio for clarity. The dashboard proves the adroitness of data visualization for better decisions and efficacy of an organization.