

# Video Name | Transcript

Jill Prendergast & Amy Smith

June 2026

Jill Prendergast:

Hi, thanks for joining us today, and Amy, thank you for being here with me, as we talk about decision fatigue and how it's costing you money. Amy and I both are fractional CFOs in the Cincinnati market and we spend a lot of times with our clients talking about KPIs and data, and what it takes to make decisions and how to make decisions. So with that, I'm going to kick it off to Amy, and say, how do you see your clients using data and data to drive KPIs in their business?

Amy Smith:

I will go two ways with this. I have clients that use too much data and some that don't use enough data at all. The clients that have too much data, they have systems that sometimes produce too many KPIs or too much data that they're looking at that doesn't help with any decision making.

Jill Prendergast:

Yeah. There's always that risk, right? There's that risk of not having good data. And the KPIs are fed with poor data, and then that leads to poor decision making.

Amy Smith:

Exactly. And sometimes even when the systems don't talk, you're getting, like you said, bad data out, and you're utilizing that bad data to make decisions for your company.

Jill Prendergast:

I think there's just so much. It's around data, data, data. It's been the topic for the last five years. How can we get more data? How can we get accurate data? And it leads into business leaders being inundated with so much data that they get fearful of making decisions because they don't know if the data's correct, which is going into the KPIs or looking at the right KPIs. How do they shepherd themselves? How do they know? And sometimes they don't know at all, right?

Amy Smith:

Yeah. And I think too, taking some of that data that is bad and trying to understand what they want out of that data is what we intend to help them with is looking through all that bad data or all the noise to get them to make good decisions.

Jill Prendergast:

Yeah. And every industry has different KPIs. You play in a different industry than I play in. We have separate KPIs for our clients. When you're just starting out building KPIs and decision making, and you've been in a fatigue state, how could you drive people to certain data points to look at? Percentage of revenue is a KPI I look at on every expense line. It's something I feel like helps tell a story. What are some of the KPIs you feel like have been beneficial? Or how do you start a client to start looking at KPIs or narrowing it down?

Amy Smith:

Yeah. I think utilizing the ones that we can use across the board, any industry. I think those are great to start with because then it actually looks at your data on a high level.

Jill Prendergast:

Yeah. And industry KPIs can work for organizations and they cannot work for organizations. Everybody that I talk to immediately says, "What are the industry KPIs we should be looking at?" Well, let's talk about your business. Let's get under the hood. Where are you at in a certain segment? Where do you want to go? What KPIs do we need to look at? Are you just trying to maintain and stabilize? Are you on a growth trajectory? And put numbers to that that can be driven into KPIs.

In the construction industry, a big KPI for me is backlog. How much backlog? What's your average month of backlog? Those are critical things to be looking at as a leader because they tell us what's coming at us in a contract world. Same thing in a professional service world. We have KPIs of how many engagements are we looking at, and what new client prospecting and those.

But there aren't necessarily form fit KPIs to everything. How I look at something in our organization in the fractional practice might be different than how tax and assurance look at it within the same business. So you can take it down into the business segments as well. And it's probably good to do that. KPIs can add a lot of value, but they really need to be targeted probably into what works for you based on now and then tweaked later. Not tweaking every other month, but tweaking on a reoccurring basis to make sure they're at the right look of where you're at and where you want to go. And are they really helping you get there? Because there's KPIs that don't help you get there.

Amy Smith:

Well, exactly. And I think you touched a good point in looking at specifics with industry. Some work, some do not work, and they could be, with my manufacturing clients, they're completely different. So you wouldn't do the same KPIs for both manufacturing clients. But also understanding, like you said, where they want to go with these KPIs. What decisions do they need to make? Because if you're starting a new line, you'll be looking at different KPIs than acquiring another business. And so what does your company need to do to achieve those goals? So like you said, understanding what they want to do, where they want to go for the future, then you can understand what data needs to pull together to get to those decisions.

Jill Prendergast:

Yeah. I think it's no different than financials. Financials need to tell a story. KPIs need to give you a point of data within the storyline. And they've got to connect. And a lot of people, I've walked into organizations where it's like, here's our 35 KPIs. And my first question is, what does this tell you? And they're like, "Well, we've got 35 KPIs." Okay, well, step that back. What decisions can you make from this five? Oh, we don't need any of those. These are the targeted ones. Then don't pull those. Just look at these. Well, even in a background for an idea, it might come necessary to look at those later on, but right now it's really these five, and focus there.

Because otherwise, I mean, I look at data all the time, and I can get overwhelmed and I cannot make decisions. I also think it's critical a lot of times for owners to not feel like they need 120% of the data points, which is what they're trying to do with a robust number of KPIs. You need to streamline that back into what do you really need to know. A lot of people can make decisions off 85%. That's scary for a lot of entrepreneurs, but sometimes you make better decisions. You just have to be willing to be looking at the right things so that you can pivot if something in that 85% decision doesn't work, and be willing to try again or try a different way.

Amy Smith:

Well, and understanding the risks of moving the needle.

Jill Prendergast:

Yeah. Because if you're constantly changing what you're looking at, you're never actually seeing your business.

Amy Smith:

Well, but also constantly looking at the same things that are wrong is bad too. I have clients that it's not just KPIs. They spend too much time looking at the detail and looking at every single line and what does it mean? And they're taking too much time doing that when they should just be kind of looking at the big picture and trying to make decisions through that way instead of looking at each line item.

Jill Prendergast:

Yeah. I think it is a good point. Besides KPIs, you got chart of accounts. And a lot of people think chart of accounts is too low level for a CFO to look at. I've walked into an organization with 1,200 chart of accounts. And it's like I jokingly say to people, at one point I worked for someone who could tell you what a brick costs in Alabama versus what a brick costs in North Carolina. It's like, but why do you want to know that from your financials? Why do you want to segment it out? Why do you want to spend all that time coding it to that level? It's like shrink it down.

Your chart of accounts should be able to tell you informed decisions in buckets and sub-segments, not sub-sub-segments. And if you've got a question or something's thrown off, you can dive in and look at that in detail because the detail's in one bucket, it's not spread over 45 buckets. Because I might want to know just what in total our bricks cost us. I don't know. But I think chart of accounts is another area that

people think, oh, the CFO shouldn't go there. The CFO should. It's the basis of all the data flowing through their financials. It's how you organize the information. It's how you organize the story.

Amy Smith:

Yeah. If you're not going to start at the bottom level, you won't understand where the big picture is.

Jill Prendergast:

Yeah. And then if you have multiple entities, you're a real estate developer and a construction business, and all these other things and you have a different chart of accounts across every organization, that consolidation process to get you informed decisions on a higher full scale portfolio level is almost impossible. You'll take more time getting it put together than you will analyzing it.

Amy Smith:

Yes. That's because pulling all that data together, you can't pull all that data together. It just doesn't make sense and it would take too much time.

Jill Prendergast:

And by the time you get it done, it's irrelevant because it's so far out. Go ahead.

Amy Smith:

But then on the flip side, I see too where I have clients that aren't even looking at KPIs, and then they're asking to help make decisions. And you ask them those questions, "Well, where do we start? What are we looking at? What are we wanting to achieve here?" So I think it's really important to get with the owners of the organizations to understand what they want to look at first, and then you as the CFO can kind of open everything up and understand where they need to go. Because a lot of smaller organizations sometimes don't need the specific KPIs. They just need the overall kind of standard financial ones, and then kind of looking at the data in different ways to make decisions.

Jill Prendergast:

I mean, easy KPIs. We're talking like average day to pay or average day to collect. Simple KPIs can be incredibly important for younger startup entities, or even entities that are not looking to always grow, but maintain, but it's still making sure you're paying attention to certain key metrics. It's really important.

Amy Smith:

And we did that with one of my clients actually that they had different products, and so they were starting up a new product line, and so we were trying to figure out, well, what makes sense to look at to compare what's similar where you had different KPIs for those different products. And so we kind of looked to see what's going to match that product, and then we started pulling together what that detail

should look like for that new product line and kind of compared. That's the thing too is making sure you're updating the KPIs when something changes, when the market changes, when something happens in the business. So you need to change the way you're looking at the KPIs sometimes as well.

Jill Prendergast:

Yeah, I completely agree. And sometimes it can take an organization 18, 24, 36 months to really know their business and their KPI structure. And it shouldn't be so aggressive we've got to get this locked down in three months. Because you're going to be shortsighted, you're going to miss things that are really critical. And market pivot is huge. I mean, we've seen that in the last six years. The market has been swinging. It's swinging a little bit right now day to day.

Every business owner and leadership team should be paying attention to the market and how that impacts them. I think right now there are certain segments in an industry that are taking dips because of what's going on and then there are some that are having windfalls from it too. And that happens. We saw that with tariffs. It continues. And you've got to pay attention to those things and understand how they impact you. And KPIs can help with that. But then I think also just really making sure your financial data is set up correctly to give you that informed decision because that is one massive KPI you should be looking at every month is does it tell the story? Is it telling what we need? And if not, where are we off? And then a second set of KPIs really drives you home into what you're potentially missing on the financials.

Amy Smith:

Yeah. Well, and going even a little bit deeper, sometimes you have data and KPIs and financials for certain departments within your company. You need to watch out for those because sometimes they'll just be way too specific, and a lot of times that only works for really large companies.

Jill Prendergast:

Everyone has different things that they're looking at towards their own goals because we've developed budgets. And not everyone has a budget, but I think there's something to maybe doing a 10% up, 10% down budget to just off last year's actuals so you have a give and take of your breakeven point, which could be another thing that you're paying attention to. And it leads to just everybody rowing in the same boat the same direction. And that's what I think organizations who really want to sustain and grow, and have a mission and they're driving towards it, if they're looking at some kind of KPIs, that's half the battle of cutting down on the decision fatigue. Because when you don't have that insight, you can really burn out trying to figure it out.

Amy Smith:

Yep.