

TOP 100 KPIs



by Nicolas Boucher

Accounting KPIs

- Return on Equity**
Measures how much profit a company generates with the money shareholders have invested
 $\frac{\text{Net Income} / \text{Total Equity}}$
- Working Capital Ratio**
Measures a company's ability to meet its short-term financial obligations
 $\frac{\text{Current Assets} / \text{Current Liabilities}}$
- Debt-to-Equity Ratio**
Measures the proportion of a company's financing that comes from debt versus equity
 $\frac{\text{Total Debt} / \text{Total Equity}}$
- Accounts Receivable Turnover**
Measures how quickly a company collects outstanding debts from customers
 $\frac{\text{Net Credit Sales} / \text{Average Accounts Receivable}}$
- Accounts Payable Turnover**
Measures how quickly a company pays its suppliers
 $\frac{\text{Total Supplier Purchases} / \text{Average Accounts Payable}}$
- Gross Profit Margin**
Measures the percentage of revenue that is left over after deducting the cost of goods sold
 $\frac{(\text{Revenue} - \text{Cost of Goods Sold}) / \text{Revenue}}$
- Net Profit Margin**
Measures the percentage of revenue that is left over after deducting all expenses, including taxes
 $\frac{\text{Net Income} / \text{Revenue}}$
- Invoice Processing Time**
Measures how efficiently accounting is at processing invoices
 $\frac{\text{Total Invoices processed} / \text{Total time spent on invoice processing}}$
- Fixed Asset Turnover**
Measures how effectively a company uses its fixed assets to generate sales
 $\frac{\text{Revenue} / \text{Net Fixed Assets}}$
- Inventory Turnover**
Measures the number of times inventory is sold and replaced during a period
 $\frac{\text{Cost of Goods Sold} / \text{Average Inventory}}$

Cash KPIs

- Cash Burn Rate**
Net Cash spent by a company in a specific time frame
 $\frac{\text{Cash Spent (monthly average)} - \text{Cash Received (monthly average)}}$
- Average Days Delinquent**
Measure the average number of days that payments are overdue or delinquent beyond the agreed payment terms
 $\frac{\text{Days Sales Outstanding (DSO)} - \text{Best Possible Days Sales Outstanding (BPDSO)}}$
- Operating Cash Flow**
Money generated by daily operations
 $\frac{\text{Net Income} + \text{Non-Cash Expenses} - \text{Increase in Working Capital}}$
- Free Cash Flow**
Measures how effectively a company uses its fixed assets to generate sales
 $\frac{\text{Net Income} + \text{Non-Cash Expenses} - \text{Increase in Working Capital}}$
- Overdues Ratio**
Measures your effectiveness of collecting cash and the quality of your receivables
 $\frac{\text{Overdues} / \text{Total Receivables}}$
- Days of Inventory Outstanding**
Average number of days that a company holds inventory for before turning it into sales
 $\frac{\text{Average Inventory} / \text{Yearly Cost Of Goods Sold (COGS)} \times 365 \text{ days}}$
- Days Sales Outstanding**
Measures how much profit a company generates with the money shareholders have invested
 $\frac{\text{Average Account Receivables} / \text{Annual Sales} \times 365 \text{ days}}$
- Days Payables Outstanding**
Average number of days that it takes a company to pay its suppliers
 $\frac{\text{Average Account Payables} / \text{Yearly Cost Of Goods Sold (COGS)} \times 365 \text{ days}}$
- Cash Conversion Cycle**
Days to convert inventory into cash flows from sales
 $\text{DIO} + \text{DSO} - \text{DPO}$
- Cash Reserves in Days**
Measures of how long your organisation could survive if cash dried up tomorrow
 $\frac{\text{Cash Reserves} / \text{Average Daily Expenses}}$

CEO KPIs

- Revenue Growth**
Measures the increase in revenue from one period to another
 $\frac{\text{Current period revenue} - \text{Previous period revenue} / \text{Previous period revenue}}$
- Market Share**
Measures the company's portion of the total market sales within its industry
 $\frac{\text{Total Sales of the Company} / \text{Total Sales of the Market}}$
- Employee Productivity**
Measures the overall productivity and efficiency of the workforce
 $\frac{\text{Total Productive Hours} / \text{Total Worked Hours}}$
- Innovation Index**
Assesses the company's ability to foster innovation and drive new product development
 $\frac{\text{Revenue derived from New Products} / \text{Total Revenue}}$
- Brand Equity**
Measures the perceived value and strength of the company's brand in the marketplace.
 $\frac{\text{Brand Awareness} \times \text{Brand Perception} \times \text{Brand Loyalty}}$
- Market Expansion**
Measures the company's success in expanding into new markets or segments
 $\frac{\text{Revenue from New Markets} / \text{Total Revenue}}$
- Sustainability Metrics**
Measures the company's progress in achieving sustainability goals, such as improving energy efficiency, or implementing sustainable practices.
 $\frac{\text{Sustainability Goals Achieved} / \text{Total Sustainability Goals}}$
- Employee Turnover**
Measures the rate at which employees are leaving the company
 $\frac{(\text{Number of Employees who left during the period} / \text{Average Number of Employees during the period}) \times 100}$
- Cash Flow**
Measures the cash inflows and outflows of the company during a given period
 $\frac{\text{Operating Cash Flow} + \text{Investing Cash Flow} + \text{Financing Cash Flow}}$

SaaS KPIs

- Customer Churn Rate**
Percentage of customers lost in a given time frame
 $\frac{\text{Customers lost} / \text{Total Customers}}$
- New Buyer Growth Rate**
Speed at which you gain new customers over defined periods of time
 $\frac{(\text{New buyers this month} - \text{New buyers last month}) / \text{New buyers last month}}$
- Lifetime Value**
Revenue from a customer over the retention time period
 $\frac{\text{Customer Value} \times \text{Average Customer Lifespan}}$
- Average Revenue Per User**
Average revenue generated per customer
 $\frac{\text{Total revenue} / \text{Total number of customers}}$
- ARR Per FTE**
Measures how efficient the company is at generating revenue per employee
 $\frac{\text{ARR} / \text{FTE}}$
- Monthly Recurring Revenue**
Monthly revenue from customers with a subscription
 $\frac{\text{Number of customers} \times \text{Average billed amount}}$
- Customer Acquisition Costs**
Amount of money a company spends to get a new customer
 $\frac{\text{Cost of Sales and Marketing} / \text{Number of New Customers Acquired}}$
- Runway**
Time that a startup has before they run out of finances
 $\frac{\text{Current Cash Balance} / \text{Burn Rate}}$
- SaaS Quick Ratio**
Compares revenue added (new business) vs revenue lost (churn)
 $\frac{(\text{New MRR} + \text{Expansion MRR}) / (\text{Churned MRR} + \text{Contraction MRR})}$
- Total Addressable Market**
Market size of a product/service in value that the company can achieve
 $\frac{\text{Annual Contract Value per client} \times \text{Number of potential clients}}$

Investors KPIs

- Return on Investment**
How much money you made compared to your investment
 $\frac{\text{Income from asset} / \text{Asset invested}}$
- Dividend Payout Ratio**
Provides insights into the company's dividend sustainability and potential for future payouts
 $\frac{\text{Dividend} / \text{Net income}}$
- Earnings per Share**
Company's profitability on a per-share basis
 $\frac{\text{Net Income} / \text{Average number of outstanding shares}}$
- Price-to-Earnings Ratio**
Price of a company's shares relative to its earnings
 $\frac{\text{Market Price per Share} / \text{Earnings per Share}}$
- Dividend Yield**
Return on investment from dividends
 $\frac{\text{Annual Dividend per Share} / \text{Market Price per Share}}$
- Share Buyback Ratio**
Reflects commitment to returning capital to shareholders and increasing the value of remaining shares
 $\frac{\text{Total Shares bought back} / \text{Total Marketcap}}$
- Current Ratio**
Company's ability to pay its current liabilities with current assets
 $\frac{\text{Current Assets} / \text{Current Liabilities}}$
- Quick Ratio**
Company's ability to pay its current liabilities with quick assets
 $\frac{(\text{Current Assets} - \text{Inventories}) / \text{Current Liabilities}}$
- Gross Margin Ratio**
Measures the profitability of a company's products or services
 $\frac{(\text{Revenue} - \text{Cost of Goods Sold}) / \text{Revenue}}$
- Net Promoter Score**
Measures customer satisfaction and loyalty
 $\frac{\% \text{ of Promoters} - \% \text{ of Detractors}}$

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HEADCOUNT KPIs

- Headcount**
Number of active people working for a company at a certain time
 $\frac{\text{Number of active employees full time} + \text{leaving employees}}$
- Full Time Equivalent**
1 FTE equivalent of a standard working hours contract. Example: a part time at 50% = 0.5 FTE
 $\frac{\text{Number of hours in the employee contract} / \text{Standard working hours}}$
- Revenue per Employee**
Indicates the efficiency of the workforce in generating revenue
 $\frac{\text{Total Revenue} / \text{Number of employees}}$
- Natural attrition**
Number of employees planned to leave the company based on the actual contractual situation
 $\frac{\text{Planned retirement} + \text{Planned end of limited contract}}$
- Capacity**
Calculates the number of hours available from direct workforce
 $\frac{\text{Number of FTEs over a period} \times \text{working hours available for one FTE}}$
- Capacity increase flexibility**
Calculates how much capacity can be increased without having to recruit new employees
 $\frac{\text{Flexible time account not used} + \text{Overtime} + \text{Temporary change of hours available in part-time contracts}}$
- Capacity decrease flexibility**
Calculates how much capacity can be decreased without having to discontinue employment contracts
 $\frac{\text{Flexible time account} + \text{Temporary change of hours available in part-time contracts} + \text{Temporary workers time}}$
- Absenteeism**
Calculates the % of time not worked due to illness
 $\frac{\text{Illness days} / \text{Total working days}}$
- Time to fill**
Measures how long it takes to fill in an open position
 $\frac{\text{Average number of days between job opening and contract signed by candidate}}$

CAPEX KPIs

- Acquisition**
Total amount spent on acquiring fixed assets
 $\frac{\text{Purchase Cost} + \text{Direct Costs}}$
- Commitment Ratio**
Measures total amount committed for future fixed asset purchases versus CAPEX budget
 $\frac{\text{Future Purchase Contracts} / \text{CAPEX Budget for the year}}$
- Asset Turnover**
Revenue generated per dollar of fixed assets.
 $\frac{\text{Revenue} / \text{Fixed Assets}}$
- Return on Assets**
Profit generated per dollar of fixed assets
 $\frac{\text{Net Income} / \text{Fixed Assets}}$
- Capitalized R&D**
Measures the amount of R&D costs capitalized vs total R&D Spent
 $\frac{\text{R\&D Capitalized} / \text{R\&D Spent}}$
- Internal Rate of Return**
Expected rate of return on fixed asset investment
 $\frac{(\text{Future Value} / \text{Present Value}) \wedge (1 / \text{Number of Periods}) - 1}$
- Depreciation**
Value of fixed assets consumed over time
 $\frac{\text{Acquisition} / \text{Useful Life}}$
- Payback Period**
Time required to recoup the investment in fixed assets
 $\frac{\text{Total Investment} / \text{Annual Cash Flow}}$
- Net Present Value**
Present value of future cash flows from fixed assets
 $\frac{\text{Net Cash Flows} / [(1 + \text{discount rate}) \wedge \text{Number of periods}]}$
- Utilization**
Degree to which fixed assets are being used
 $\frac{\text{Actual Production} / \text{Maximum Production} \times 100\%$

BALANCE SHEET KPIs

- Maintenance Costs Ratio**
This KPI measures the cost of maintaining and repairing PP&E relative to the initial or net book value of the assets
 $\frac{\text{Maintenance Costs} / \text{PPE} / \text{PPE Value}}$
- Liability Aging Analysis**
Identifies any potential issues with timely payment and help take appropriate actions
 $\frac{\text{Categorize liabilities based on their due dates (e.g., current, 30-60 days, 60-90 days, etc.)}}$
- Interest Coverage Ratio**
It measures a company's ability to pay interest expenses on its debt
 $\frac{\text{Earnings Before Interest and Taxes (EBIT)} / \text{Interest Expenses}}$
- Return on Capital Employed**
Measures the return generated on all capital employed in the business, including both equity and debt
 $\frac{\text{Operating Profit} / (\text{Equity} + \text{Debt})}$
- Cash Flow Adequacy Ratio**
Measures a company's ability to generate sufficient cash flow to cover its operating expenses
 $\frac{\text{Operating Cash Flow} / \text{Operating Expenses}}$
- Depreciation Expense Ratio**
Measures the rate at which the value of PP&E is depreciating over time
 $\frac{\text{Depreciation expenses} / \text{Fixed Assets Value}}$
- Liability Coverage Ratio**
Measures the ability of a company to cover its liabilities with its available assets
 $\frac{(\text{Total Assets} - \text{Intangible Assets}) / \text{Liabilities}}$
- Assets Lifespan**
It helps in tracking the duration for which assets are productive and provides insights into replacement or maintenance requirements
 $\frac{\text{Average of historical age of all assets weighted by value of assets}}$
- Goodwill-to-Total Assets Ratio**
Measures the proportion of goodwill (arising from acquisitions) in relation to total assets & help identify potential impairment risk
 $\frac{\text{Goodwill} / \text{Total Assets}}$

TAX KPIs

- Effective Tax Rate**
Measures the actual tax rate paid on taxable income
 $\frac{\text{Total Income Tax Expense} / \text{Taxable Income}}$
- Marginal Tax Rate**
It measures the tax rate paid on an additional dollar of income
 $\frac{\text{Change in Tax Liability} / \text{Change in Taxable Income}}$
- Taxable Income**
Measures the amount of income subject to tax after allowable deductions and exemptions
 $\frac{\text{Gross Income} - \text{Deductions} - \text{Exemptions}}$
- Deferred Tax Asset/Liability**
Measures the expected tax liability or benefit from temporary differences between book and tax values
 $\frac{(\text{Book Value} - \text{Tax Value}) \times \text{Tax Rate}}$
- Tax Audit Rate**
Measures the frequency and scope of tax audits
 $\frac{\text{Number of Tax Audits} / \text{Total Tax Filings}}$
- Effective Tax Planning Rate**
Measures the rate of tax savings resulting from tax planning strategies
 $\frac{\text{Tax Savings} / \text{Taxable Income}}$
- Stock to Sales Ratio**
Stock to sales ratio is the measure of the inventory amount in storage versus the number of sales
 $\frac{\text{Inventory value} / \text{Sales value}}$
- Backorder Rate**
Tracks the number of delayed orders due to stockouts.
 $\frac{\text{Number of Undeliverable Orders} / \text{Total Number of Orders}}$
- Scrap Rate**
Measures the quality of the inventory and is used to decrease the non-quality costs.
 $\frac{\text{Scrap expenses over the period} / \text{Average inventory over the period}}$
- Inventory Shrinkage**
Measures the shrinkage due to damage, miscounts and fraud.
 $\frac{\text{Ending inventory value} - \text{Physically counted inventory value}}$
- Dead Stock**
Dead stock is inventory no one wants to buy. Measures efficiency of supply chain.
 $\frac{\text{Amount of unsellable stock in period} / \text{Amount of available stock in period}}$

Inventory KPIs

- Average Inventory**
Amount of inventory a company has on-hand during a period
 $\frac{(\text{Beginning inventory} + \text{Ending inventory}) / 2}$
- Days on Hand**
Days on hand (DOH) is the average days before inventory is sold
 $\frac{(\text{Average inventory for period} / \text{Cost of sales for period}) \times 365}$
- Cost of Carry**
Percentage of total inventory value a company pays to maintain inventory in storage
 $\frac{(\text{Inventory Service Costs} + \text{Inventory Risk Costs} + \text{Capital Cost} + \text{Storage Cost}) / \text{Total Inventory Value}}$
- Sell-through Rate**
Comparison of the inventory amount sold and the amount of inventory received from a manufacturer.
 $\frac{\text{Number of units sold} / \text{Number of units received}}$
- Time to Receive**
Measures the efficiency of stock receiving process.
 $\frac{\text{Time for stock validation} + \text{Time to add stock to records} + \text{Time to prep stock for storage}}$

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