50 ESSENTIAL KPI'S FOR SUPERIOR MANAGEMENT

INCREASE THE PERFORMANCE OF YOUR BUSINESS

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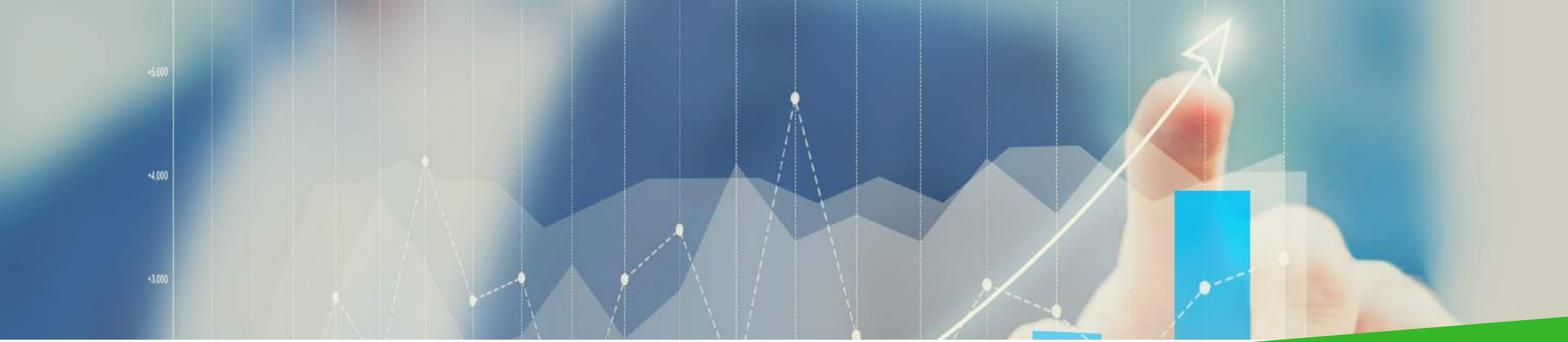

INTRODUCTION

Defining KPIs is essential to the good performance of a company. KPIs are key performance indicators that tell us what state the business is in and how far (or near) we are from meeting the stated goals. Based on the indicators and the company's performance, managers can make more informed decisions.
BAM tools such as Multipeers allow you to track KPIs continuously and in real time. Analysing performance consistently ensures that more attention is paid to meeting the objectives, effectively, increasing the degree of achievement of the objectives.
Continuous performance monitoring plays a key role in planning and subsequent control because it provides feedback on processes developed by the organization. The effectiveness of any control strategy depends to a large extent on the correct suitability of developed performance metrics and KPIs.

Here are 50 essential KPIs you can apply to your business.

KPI'S MARKETING

1. VISITS TO THE WEBSITE

This metric is essential in the online world we currently live in and shows us how many visits the website had in a given period. It's important not to confuse this metric with the number of people who visited the site: this indicator merely states how many visits users made to the site, and the same person could have accessed it several times. This indicator is critical to the success of the sales funnel because the more visitors you have, the greater the likelihood of generating leads and sales. You can easily find this value in the Google Analytics dashboard.

2. NUMBER OF ORGANIC VISITS

In terms of the number of visits to the website, the number of organic visits stands out. Organic visits are those that come to your site through search engine queries. People come to the site by searching for a certain keyword. So the more organic visits you have, the better positioned your site will be. This also means that the keywords you are using are the right ones for your business and the ones your target audience uses.

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KPI'S MARKETING

3. CONVERSION RATE
Having many visits on the website is very important and means that the same is performing well and appears in the search engines. However, it is not enough that the visitor navigates the site and leaves it without leaving a contact or without buying something. The conversion rate compares the number of visitors to the website with the number of visitors actually making a purchase. It's a very important indicator because it allows us to understand how appealing our website really is and if it is encouraging its visitors to make a purchase.

4. ROI
ROI means return on investment and measures the end result of an investment: it relates all the expenses involved in an action to the profits made by that same action. The formula for calculating ROI is as follows:
ROI = Net Profit (Total Profit from Investment - Cost of Total Investment) / Cost of Investment. If the ROI is greater than zero, it means that the investment was positive for the company. If it has negative values, there was a loss. It's one of the most important indicators in the marketing area since there must always be an evaluation of all the actions carried out.

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KPI'S MARKETING

5. COST BY LEAD
This indicator shows us how much it costs the company to acquire a lead. We get the value after dividing the amount of money invested in marketing by the number of leads generated. Studies report that the cost per lead generated through digital marketing is about 61% lower than the leads generated by traditional marketing. Knowing how much it costs us to generate a lead is essential so that we can redistribute the investments and improve the results.

6. VISITS GENERATED BY SOCIAL NETWORKS
If your company is communicating through social networks, you should always measure the impact it has on your website and business. It's no use putting good material into company profiles if it doesn't translate into visits and sales. Weekly, you should measure how many visits you had from each social network and should invest more in those that more visits generate. If a social network doesn't continuously generate any visit, you should consider whether it is worth continuing to invest in that network.

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KPI'S MARKETING

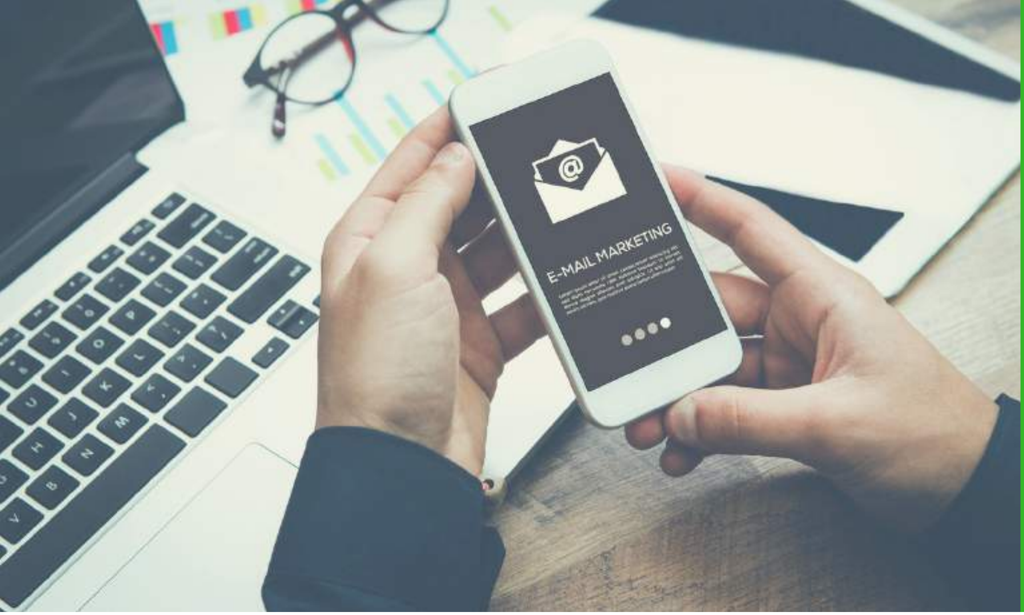
7. BOUNCE RATE
Bounce rate shows us the percentage of visitors who were only on one page of your site. The higher this ratio, the worse your performance will be, as it means that there were many visitors quickly giving up on exploring your site. This may mean that your site is not appealing or has little relevant information. Whenever this value is too high, you should invest time in improving the website. Otherwise, you may lose many business opportunities.

8. ANNUAL GROWTH RATE
The annual growth rate is calculated by comparing data between two consecutive years. At this rate, it becomes easier to perceive the annual performance of the campaigns and to withdraw the values that the effects of seasonality may cause. This annual growth rate also allows you to find trends.

KPI'S MARKETING

9. TRAFFIC ORIGING
Indicator that reveals the origin of a visit to the website. It's an important indicator for us to realize which social media strategies are working better, whether the newsletter is generating visits or if paid campaigns are producing results. Knowing what platforms our customers and potential customers are on is an important guide to all our action.

10. CLIENT RETENTION RATE
To obtain the customer retention rate simply add up the total number of customers and subtract the number of customers that have been lost in a certain period. Then just divide the result by the total number of customers. The higher the retention is, the lower the need to acquire new customers and the greater the likelihood of generating new sales for the same business portfolio.



KPI'S MARKETING

11. MARKETING E-MAIL OPENING RATE

Email marketing is one of the most common ways that Companies use to communicate with their current and potential customers. This rate measures the percentage of people who opened an email you sent. If the rate is too low, it is time for the company to think about changing its strategy, modifying its titles and using call to actions, for example.

12. NUMBER OF SUBMITTED PROPOSALS

The number of proposals is important to realize how many potential customers have expressed a real interest in buying something from our company. The number of proposals must always be based on the total number of contacts made.

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KPI'S SALES

13. SPEED OF SALE
Measuring the speed at which a sale is made is an important strategy to evaluate the company's performance in attracting customers and responding to their expectations.
The lower the sales cycle, the greater the effectiveness. Thus, it's essential to invest in actions that stimulate the customer's interest and in strategies that accelerate the purchase.

14. AVERAGE VALUE OF SALE
This indicator is the result of the division of revenue generated by a seller by the number of sales made by the professional in a given period. This indicator is important because it allows to establish a profile for the members of a team and allows people to adapt according to their characteristics.

KPI'S SALES

15. CHURN RATE

The Churn rate indicates the percentage of abandonment of a product or service, meaning the number of customers who have given up on continuing with your business. The higher the churn rate, the lower the company's chances of growth, as new customers will only serve to replace leaving customers and don't generate new wealth.

16. NUMBER OF WON DEALS

It's important to know the number of closed deals in a given period to create realistic goals. A good example of the applicability of this indicator is to compare 2 sellers and check the number of closed deals and the average ticket. There are salespeople who prefer to work better on the lead, spending more time with it, and this lead can have a greater return from that customer.

KPI'S SALES

17. CUSTOMER RECOMMENDATION INDEX
Indicator that shows us the percentage of current customers who arrived at the company due to the recommendation of another customer. To measure it, just ask the new customer how he met the company at the time of the sale. The best advertising for a business will always be word of mouth, so if this rate is too low you need to invest in this area to increase current customer satisfaction.

18. FOLLOW UP RATE
Few sales are made on first contact with the prospect. You need to keep in touch with him a few times. This indicator aims to answer the question: how many contacts are needed to make a sale? In this indicator it's also important to know how many customers close deals in the first three contacts. The answers to these questions will help define a new follow-up strategy.

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KPI'S SALES

19. OXYGENATION OF THE PORTFOLIO
This indicator gives us information about the amount of billing coming from customers who have never bought from us before It is very important to inject "fresh blood" into the client portfolio so that the company doesn't become too dependent on some clients. It's desirable that a company, regardless of the area of operation, can raise at least one new customer per month.

20. SALES PER PRODUCT
It's essential to know which company's products sell the most so the company knows what products it needs to promote. As a general rule, the disclosure should be greater for products with a higher sales volume. In addition, it is essential to analyse the history of this indicator. When a product is in fall sales this may mean that it takes a price change or an update on the characteristics of that product. At the same time, when you see a steady increase in sales, it is easier to prepare enough stock to respond to increased demand.

KPI'S FINANCIAL AREA

21. NET INCOME
It's one of the most important indicators for any company. We obtain this number by considering the total revenue after adding up the entire billing volume and deducting costs, depreciation and taxes.

22. NET INCOME MARGIN
The profit margin represents what the company earns on a percentage basis with each sale it makes. In addition to calculating net income to get the margin, companies must stipulate a value that is in line with what the market is willing to pay for their product. Knowing and monitoring the profit margin evolution is fundamental to maintaining a healthy and profitable operation over time.

KPI'S FINANCIAL AREA

23. EBITDA
EBITDA means Earning Before Interest, Taxes Depreciation and Amortization and is a way of calculating how much a company generates of resources only with its operation. The formula for achieving EBITDA is to calculate Sales - Operating Costs. This is a very important value for companies looking for investors and serves as a comparative point with other companies in the same industry.

24. MARKET SHARE
Market share means the participation of a company in the market in which it's located. This value can be found through billing measurement, quantity of customers, among others.

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KPI'S FINANCIAL AREA

25. CUSTOMER LIFETIME VALUE
This metric seeks to anticipate the profit that a company might have with a particular customer during the entire period of interaction with it. CLV is a very important metric that allows you to support your strategy and long-term planning.

26. UNCOLLECTIBLE ACCOUNTS
Controlling receivable accounts is crucial so that the company can balance its payable accounts and manage a healthy cash flow. This indicator evaluates what the company has to receive and how much of that amount is overdue or has not been paid.

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KPI'S FINANCIAL AREA

27. DEBT INDEX
The debt ratio is very important because it represents the weight of our debts relative to the assets that the company has. If the payment of debts and interest payments is higher than the profit obtained, the business is at risk. To calculate the debt ratio, the following formula is used: (Total liabilities / Total assets) x 100

28. BREAK-EVEN
The break-even point is an indicator that tells us what is the minimum amount of sales necessary to pay the total costs of the operation, thus preventing the company from suffering losses. It is an indicator that tells us where the sales start to generate profit. Calculated using the following formula: Fixed costs / Contribution margin

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KPI'S FINANCIAL AREA

29. AVERAGE RECEIVABLES TIME

In order to calculate the indicator of average term of receipts it is enough to make the average of term of receipt of all the invoices in a determined period. An even more adjusted form will be to average the weighted value of the invoices. This indicator shows us to what extent the company's cash flow is being adversely affected by the delay of the clients, forcing the company to finance itself to face its payments.

30. AVERAGE TICKET

The Average Ticket indicates the average value that each customer buys and the calculation is made by dividing the volume of sales made in a certain period by the number of customers who bought in that period.

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KPI'S FINANCIAL AREA

31. FIXED COSTS
Fixed costs are expenses that don't vary even with billing changes. Fixed costs include maintenance costs with machines and salaries, among others. The increase in fixed costs could have adverse consequences on the profitability of the company, so it is important to constantly monitor it.

32. REVENUE BY EMPLOYEE
This indicator shows us the performance of a team. To get it, simply divide the amount of revenue by the number of employees of the company during a specific period of time.

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KPI'S IT AREA

33. UPTIME INDEX
This is one of the most important IT metrics. It tells us how long IT applications have been available to users, so the longer it is, the better the IT structure performs. It is essential that the company's technological infrastructures are always available so that productivity rates remain constant.

34. AVERAGE SERVICE TIME
Another very important metric is the average time that professionals take to respond to requests placed in the service desk. The faster the service and the resolution of the situation, the better the IT performance.

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KPI'S IT AREA

35. PERFORMANCE OF APPLICATIONS

This is one of the most important IT metrics, and for this purpose, it is necessary to use monitoring tools that constantly evaluate the performance of the applications from an end user's perspective. Companies increasingly outsource the management of their IT assets to specialized companies that guarantee security, high performance and permanent availability.

36. OFFLINE TIME

This KPI serves to analyze the average time an IT device or infrastructure was unavailable. It is a metric known as MDT (mean down time). This metric averages all the time that the service was unavailable to users, for any reason. This value is obtained through the sum of the time the system was unavailable divided by the number of occurrences in that period.

KPI'S HUMAN RESOURCES

37. EMPLOYEE TURNOVER RATE
It indicates the number of employees who leave and enter the company, during a certain period. For the company, this index should be as low as possible because it means there is retention of talent. A high index may indicate a low attractiveness of the company in relation to the competition,

38. ABSENCE
Absenteeism measures employee absence rates and indicates the actual reasons for absences or delays. Absenteeism may be linked to poor working conditions, such as ergonomics in the company or bad environment in the team.

KPI'S HUMAN RESOURCES

39. TURNOVER COSTS

In order to calculate this indicator, it's necessary to include all the expenses with the payment of the contractual terminations and to add all legal and procedural costs. It is also necessary to add the expenses with the replacement of the professional who left, besides the investment in training.

40. RATIO BETWEEN EXTRA HOURS AND WORKED HOURS

This indicator is linked to the concept of productivity and demonstrates the relationship between the amount of overtime (paid or accumulated in the time bank) and total hours worked. It's an important indicator for analysing the overload, operational capacity and labor allocation

KPI'S HUMAN RESOURCES

41. EMPLOYEE SATISFACTION INDEX
This index is calculated by collecting opinions from employees, who can respond to surveys where they show their satisfaction on a numerical scale. The higher this level, the better the human resources area will be and the greater the motivation of employees to work.

42. AVERAGE COST BY EMPLOYEE
This indicator shows us how much it costs, on average, each employee of the company. It is obtained after adding all personnel expenses (salary, food allowance, holiday and Christmas allowances, contributions to the State, among other expenses) and divided by the total number of employees of the company.

KPI'S PRODUCTIVITY

43. PRODUCTIVITY PER UNIT OF TIME
Indicator that shows us the quantity of products or services produced by the company in a given unit of time (hour, day, ...). This metric is very relevant for the planning of sales and productive resources, whether they are raw materials or human resources.

44. IDLE TIME
It reveals the length of time a productive unit (machine, line, person, etc.) was inactive and helps us realize the impact this stop has on production results and on the company's own results. With this data, it is possible to verify the real need to hire new employees, for example.

KPI'S PRODUCTIVITY

45. ON-TIME DELIVERIES
The number of deliveries within the forecast period is a very important indicator to evaluate the productivity of a company, since the larger the number, the higher the customer satisfaction and the productive capacity compared to the available resources.

46. PERCENTAGE OF DEFECTIVE PRODUCTS
It tells us which part of the production has left the production line defective. If the value is reduced and practically insignificant, the company doesn't need to worry too much about the issue. However, if this value is high and is in a growth line, it's a sign that the company needs to check the production machines or to renew their equipment and give more training to employees.

KPI'S PRODUCTIVITY

47. MEAN TIME TO REPAIR
This indicator is calculated using the following formula: MTTR = total stopping hours caused by failures / number of failures.
This indicator shows us the average time of each stop of the equipment due to failure and helps us to understand the implication that this stop has in the results of the production.

48. REPLACEMENT ASSET VALUE
Represents the replacement cost of the production capacity of a given set of assets, including production equipment, facilities, support and assets related to the production process.

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KPI'S PRODUCTIVITY

49. OVERALL EQUIPMENT EFFECTIVENESS
The overall efficiency of the equipment measures the efficiency that a given equipment has and is calculated through three other indicators: quality, performance and availability.
OEE = quality x performance x availability.
The quality indicator refers to the percentage of products manufactured without defects. The performance corresponds to the relationship between the actual production speed and the expected operating speed. Availability refers to the percentage of time the machine is available.

50. HOURS WORKING ON PRODUCTION
Indicator that shows us the amount of time required to perform the tasks of the productive area. This is very useful information for identifying bottlenecks and increasing efficiency on the production line.

CONCLUSION

Defining business indicators in a conscious way is fundamental for being able to analyze the business objectively. It is essential that the indicators analyzed show managers the way forward in order to correct errors and apply new strategies.

KPIs should be simple so that the entire team is able to understand them. If you have overly complicated KPIs, you run the risk of not being able to extract any useful information from your analysis. If employees don't understand the indicator, they can become unmotivated, which harms the company's performance. A KPI should be analysed frequently because only with constant monitoring are we able to understand whether we are correctly executing the company's strategy and generating value with our activity. You should always opt for indicators that can be measured easily and frequently so that you can make day-to-day decisions based on reliable and up-to-date information.

Finally, it is important to note that not all indicators are for all companies. There are indicators that fit one type of business but don't make any sense in other areas of activity. Defining meaningless or useless indicators will only create harmful noise to employees' performance and this will have a negative impact on the company's overall results.

About Multipeers

Multipeers is a business monitoring tool that allows you to have all the information sent to the user whenever something important happens, wherever he/she may be. In addition to ensuring that updated information is always available, it is also delivered in a graphically clean and interactive way. Thus, it allows analysing and taking actions immediately, improving individual performance and, consequently, increasing the efficiency of the organization.
Multipeers has a successful track record of more than 2,500 users that, on a daily basis, monitor some or all of the 50 KPIs presented here.
With Multipeers your company will reach a level of efficiency and control that you never thought possible, allowing you to focus your attention on what really matters: the success of your business!

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