

Key Performance Indicators Cheat Sheet

Understanding the Key Performance Indicators or KPIs to measure when assessing your sales performance is important to success. That's why we created this cheat sheet to help you identify and understand the KPIs you should be measuring.

METRIC	PURPOSE	NOTES
Customer Acquisition Cost (CAC)	CAC simply calculates how much it costs you to gain customers/clients. When your number is going down, it's a good indicator that you're doing a lot of the right things and that your efforts are improving results.	Calculate by dividing all costs spent to get new customers by the number of new customers acquired in a specific period of time.
Cost Per Lead, Cost Per MQL, Cost Per SQL	Calculates how much it costs you to generate leads. Used to assess the effectiveness of your marketing efforts and to calculate ROI.	Calculate by dividing all costs associated for generating leads by the number of leads created in a specific period of time.
Lead Conversion Rate	Measure the conversion rate from one stage of the funnel to another. There are a variety of conversion rates that can and should be monitored.	Here are common conversion rates to track: <ul style="list-style-type: none"> • Visit to Lead Rate • Lead to Qualified Lead (QL) Rate • QL to MQL Rate • QL to SQL Rate • QL to Opportunity Rate • QL to Customer Rate
Lead Velocity	A crucial measurement assessing the growth of lead volume.	Lead velocity is calculated by determining the month-over-month growth rate of lead volume in a defined period of time.
Closing Rate	Assess the volume of prospects that must reach the end of your sales process to win a new account.	Divide the number of prospects that reach closed/won status by the number of that reach the end of your sales process.

(Continued on next page)

METRIC	PURPOSE	NOTES
Fit Rate	Assess the volume of prospects that must enter your sales process to get one to reach the end.	Divide the number of prospects that reach the end of your sales process by the number that enter it.
Win Rate	Assess the effectiveness of your entire sales process.	Divide the number of prospects that reach closed/won status by the total number of prospects that enter your sales process.
Lead Channel Origination Rate	This metric tracks where your leads originate. It's important to know where your leads are coming from so that you can track results, ROI and determine how to allocate your resources in the future.	To calculate, choose a channel and classification of lead (QL, MQL, SQL). Then divide the number of leads that originate from the channel by the total number of leads at the classification you are measuring.
Lifetime Value (LTV)	A prediction of the net profit attributed to the entire future relationship with a customer.	Calculate by multiplying the expected gross profit from a customer for a year by the number of years you expect to keep customer.
Pipeline Vitality	A healthy pipeline balancing opportunities and sales value through the entire pipeline.	There are two common measurements for this approach: <ul style="list-style-type: none"> • By opportunity - ratio of opportunities in the first half of pipeline vs. opportunities in last half. • By sales value - the ratio of total opportunity value to probability adjusted value.

Website Resources

Subscribe to The Demand Creator Blog: <http://blog.imaginellc.com>

The Demand Generation Hub: <http://hub.imaginellc.com>

The Growth Barriers Diagnostic: <http://growth.imaginellc.com/growthbarrieresdiagnostic>

The Imagine Channel: www.imaginellc.com/imagine-channel

485 Ritchie Highway

Suite 201

Severna Park, MD 21146

410-544-7878

www.imaginellc.com

© 2016 Imagine LLC. All Rights Reserved.