



## MEASURES & METRICS EXAMPLES

You may have the words measures, metrics and KPI (Key Performance Indicator) being used by your accountant, business manager or money coach.

A **measure** is a value or number that comes from a measurement. A business can track its different types of measures as an outcome, activity or productivity.

A **metric** is a calculation between 2 measures, a percentage or a ratio. For each metric, the measured quantity has to relate directly to an overall business goal. Signs of a good metric include reproducibility and comparable to universal benchmarks.

A **KPI** is a measurable value when agreed upon by the business and tracked on a regular basis, helps the business owner, key department or an industry reveal their progress in achieving their business objectives compared to the target. The value can be measured over a particular time frame, and compared against past performance or a widely accepted benchmark.

As a business owner you need to determine which measures and metrics should be considered as KPIs in your business, and then track the performance of them on a regular basis.

Some examples:

MEASURES	METRICS	KEY PERFORMANCE INDICATORS (KPIs)
<ul style="list-style-type: none"><li>• Sales revenue</li><li>• Gross margin</li><li>• Net profit margin</li><li>• Average length of stay</li><li>• Average time to ship</li></ul>	<ul style="list-style-type: none"><li>• Revenue per employee</li><li>• Email open rate</li><li>• Customer acquisition cost</li><li>• Expenses per employee</li></ul>	<ul style="list-style-type: none"><li>• Profit per customer visit</li><li>• Times interest earned</li><li>• Inventory turnover</li><li>• Inventory to sales ratio</li><li>• On-time delivery %</li></ul>