# Key Metrics Worksheet

*A worksheet for KPI calculations*

Some KPI's are simply raw numbers from the P&L or Balance Sheet, such as sales to date. High level numbers to check frequently for performance include **Sales, Sales by enterprise, Gross Profit, Gross Profit by enterprise, Labor expense by week and YTD, and Net Profit.**

**Net Operating Cash:** Net Profit + Additional cash inflows - Additional Cash Outflows

**Gross Margin:** ( (sales - COGS) / sales ) * 100 OR (gross profit / sales) * 100

- Gross margin should be reviewed by enterprise and for the entire operation

**Sales per Employee:** Sales / Number of employees

- You will need to calculate the number of FTE equivalents for this to be consistent

**Sales per Acre:** Sales / Number of Acres

- This breeds questions, such as acres, or acres farmed? Do sales include donations or fundraising efforts or grant income?
- Be consistent. Be relative to strategic goals. You may need to look at more than one permutation.

**Labor to Sales Ratio:** (Labor cost / Sales) *100

- This is a percent figure
- Use the same number every time (after payroll taxes, workers compensation, etc)

**Average Pay per Employee:** (SUM of (pay rate * hours per year)) / Total hours per year

- Can be a weighted average.
- A metric to see improvement in worker satisfaction over time
- With or without benefits? Be consistent.

**OpEx to Sales Ratio:** (OpEx costs / Sales) *100

- This is a percent figure
- Use the same number every time

**Marketing to Sales Ratio:** (Marketing costs / Sales) *100

- This is a percent figure
- Use the same number every time (are you including any market labor, for example)

**Repairs and Maintenance to Sales Ratio:** (R&M costs / Sales) *100

- This is a percent figure
- Use the same number every time (Just R&M or also vehicle repairs?)

**Fixed Expense to Sales Ratio:** (Fixed costs / Sales) *100
- This is a percent figure
- Use the same number every time

**Inventory Turns:** COGS / Inventory Cost
- We usually use the COGS based method
  - (units sold in given time period * cog per unit) / Inventory cost value) =
  - (units sold in given time period * cog per unit) / (units counted in inventory * cog per unit)
  - Tells you how many months or weeks of inventory you have
- Inventory turnover is a financial ratio showing how many times a company has sold and replaced inventory during a given period. A company can then divide the days in the period by the inventory turnover formula to calculate the days it takes to sell the inventory on hand.
  - For example, COGS for a retail store are $25,000 for the month. Beginning inventory was $100,000. Ending inventory was $50,000. Average inventory is $75,000. Therefore, Inventory turn ratio is 33%. We turned over 33% of inventory in a month. If we take 30 days and divide by 33%, we can see it will take 90 days to sell through our inventory.

**Sales per $1 of Assets:** Sales / Total Assets
- This is a dollar figure
- A measure of asset utilization

**Sales per $1 of Debt:** Sales / Total Debt
- This is a dollar figure
- A measure of debt utilization

**Average Debt Interest Rate:** (SUM of (loan balance * interest rate)) / Total debt
- This is a weighted average
- Evaluate refinance and payoff opportunities