

Operational KPI Library

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What gets measured gets managed: these are the KPIs I use to diagnose a business in the first 30 days and run it week to week after that. No company needs all of them. We pick the 10 to 15 that tie directly to your cash, your margins and your growth constraint, then build them into a weekly scorecard your team owns.

Each table lists the measure, how it is calculated, and what it tells leadership.

1. Financial health & cash

Cash is the first scorecard: these show whether the business funds itself and where margin leaks.

KPI	How it's calculated	What it tells you
Gross margin %	$(\text{Revenue} - \text{COGS}) \div \text{Revenue}$	Pricing power and direct-cost control
Contribution margin by product/line	Revenue – variable costs, per line	Which products, services or locations actually make money
Operating (EBITDA) margin %	$\text{EBITDA} \div \text{Revenue}$	Overall operating efficiency
Net profit margin %	$\text{Net income} \div \text{Revenue}$	Bottom-line profitability after all costs
Operating cash flow	Cash in from operations – cash out	Whether profit is turning into cash
Free cash flow	Operating cash flow – capex	Cash available for debt, growth or owners
Cash runway (months)	$\text{Cash on hand} \div \text{average monthly net burn}$	How long the business survives at current burn
13-week cash forecast accuracy	Forecast vs. actual cash, by week	Reliability of short-term cash planning

KPI	How it's calculated	What it tells you
Days sales outstanding (DSO)	$AR \div Revenue \times \text{days in period}$	How fast customers pay
Days payable outstanding (DPO)	$AP \div COGS \times \text{days in period}$	How long you hold supplier cash
Days inventory outstanding (DIO)	$Inventory \div COGS \times \text{days in period}$	How long cash sits on the shelf
Cash conversion cycle	$DSO + DIO - DPO$	Days between paying suppliers and collecting from customers
AR aging over 60/90 days	% of receivables past 60 and 90 days	Collection risk and bad-debt exposure
Working capital ratio	$Current\ assets \div current\ liabilities$	Short-term liquidity
Debt service coverage ratio (DSCR)	$Net\ operating\ income \div debt\ service$	Ability to carry and qualify for debt
Overhead as % of revenue	$SG\&A \div Revenue$	Fixed-cost discipline as the business scales
Break-even revenue	$Fixed\ costs \div contribution\ margin\ \%$	Monthly sales needed to cover the business
Budget variance	Actual – budget, by line	Where spending is drifting from plan
Month-end close time (days)	Days from period end to closed books	How fast leadership gets reliable numbers

2. Sales & revenue

These show whether growth is predictable, profitable and repeatable.

KPI	How it's calculated	What it tells you
Revenue growth %	$(\text{This period} - \text{prior period}) \div \text{prior period}$	Growth trajectory, MoM and YoY

KPI	How it's calculated	What it tells you
Revenue per employee	$\text{Revenue} \div \text{FTEs}$	Organizational leverage
Recurring revenue share	$\text{Recurring revenue} \div \text{total revenue}$	Predictability of the base
Average order / ticket value	$\text{Revenue} \div \text{number of orders}$	Basket size and upsell effectiveness
Units per transaction	$\text{Units sold} \div \text{transactions}$	Cross-sell effectiveness
Lead-to-customer conversion %	$\text{New customers} \div \text{qualified leads}$	Sales process effectiveness
Sales cycle length (days)	Average days from first contact to close	Speed of revenue and cash forecasting
Win rate %	$\text{Deals won} \div \text{deals decided}$	Competitiveness and fit
Pipeline coverage	$\text{Weighted pipeline} \div \text{period quota}$	Whether targets are reachable
Customer acquisition cost (CAC)	$\text{Sales} + \text{marketing spend} \div \text{new customers}$	Cost to win a customer
CAC payback (months)	$\text{CAC} \div \text{monthly gross profit per customer}$	How fast acquisition spend comes back
Marketing ROI / ROAS	$\text{Revenue attributed} \div \text{marketing spend}$	Which channels earn their budget
Sales per rep / per salesperson	$\text{Revenue} \div \text{reps, by period}$	Team productivity and coaching needs
Quote-to-close ratio	$\text{Quotes accepted} \div \text{quotes issued}$	Pricing and proposal effectiveness
Discount rate %	$\text{Discounts given} \div \text{gross sales}$	Margin given away to close
Forecast accuracy %	$\text{Actual} \div \text{forecast revenue}$	Reliability of sales planning

3. Customer

Keeping and growing existing customers is cheaper than finding new ones; these show how well you do it.

KPI	How it's calculated	What it tells you
Customer retention rate %	$(\text{End customers} - \text{new}) \div \text{start customers}$	Loyalty and repeat business
Churn rate %	$\text{Customers lost} \div \text{start customers}$	Where the base is leaking
Customer lifetime value (LTV)	$\text{Avg. gross profit per customer} \times \text{avg. lifespan}$	What a customer is worth
LTV : CAC ratio	$\text{LTV} \div \text{CAC}$	Whether growth spending creates value
Repeat purchase rate %	$\text{Customers with 2+ purchases} \div \text{all customers}$	Product and experience stickiness
Net Promoter Score (NPS)	$\% \text{ promoters} - \% \text{ detractors}$	Likelihood of referrals
Customer satisfaction (CSAT)	$\% \text{ satisfied responses}$	Quality of each interaction
Online review rating & volume	Average stars and count, by platform	Public reputation driving demand
First response time	Avg. time to first reply on inquiries	Service responsiveness
First-contact resolution %	$\text{Issues solved on first contact} \div \text{total}$	Service efficiency and training
Complaint rate	$\text{Complaints} \div \text{orders or customers}$	Quality issues surfacing to customers
Return / refund rate %	$\text{Returns or refunds} \div \text{sales}$	Product quality and expectation gaps
Revenue concentration	Top 10 customers' share of revenue	Dependence risk on a few accounts

4. Operations & productivity

This is where a COO earns the fee: throughput, quality and cost per unit of work.

KPI	How it's calculated	What it tells you
Cost per unit / per order / per job	Total operating cost ÷ output	True cost to deliver
Throughput	Units, orders or jobs completed per period	Capacity actually delivered
Capacity utilization %	Actual output ÷ maximum capacity	Room to grow before adding cost
Cycle time	Avg. time from start to completion	Speed of the core process
On-time delivery / completion %	Delivered on time ÷ total	Reliability of commitments
First-pass yield %	Units right the first time ÷ total units	Process quality
Rework / error rate %	Items redone or corrected ÷ total	Hidden cost of poor quality
Defect rate (PPM or %)	Defects ÷ units produced	Product quality
Overall equipment effectiveness (OEE)	Availability × performance × quality	Production asset efficiency
Downtime hours	Unplanned stoppage hours per period	Reliability of equipment and process
Backlog	Open orders or jobs not yet started	Demand vs. capacity balance
Order fulfillment time	Order received to shipped or delivered	Customer-facing speed
SOP coverage %	Core processes documented ÷ total core processes	How dependent the business is on individuals
Process compliance %	Audited steps followed ÷ steps audited	Whether SOPs are actually used
Safety incident rate	Recordable incidents per 200,000 hours worked	Workplace safety and liability exposure

KPI	How it's calculated	What it tells you
Vendor on-time / quality score	On-time, complete, defect-free deliveries ÷ total	Supplier reliability

5. People & labor

Labor is usually the largest controllable cost; these show whether you have the right people doing the right work.

KPI	How it's calculated	What it tells you
Labor cost as % of revenue	Total payroll + benefits ÷ revenue	Labor efficiency against sales
Revenue or output per labor hour	Revenue or units ÷ hours worked	Productivity per hour paid
Overtime %	Overtime hours ÷ total hours	Scheduling and staffing gaps
Scheduled vs. actual hours	Actual hours ÷ scheduled hours	Schedule discipline
Employee turnover %	Separations ÷ average headcount	Retention and culture health
90-day new-hire turnover %	New hires leaving within 90 days ÷ new hires	Hiring and onboarding quality
Time to fill (days)	Days from opening to accepted offer	Recruiting speed
Time to productivity	Days until a new hire meets standard	Onboarding and training effectiveness
Absenteeism rate %	Unplanned absent days ÷ scheduled days	Engagement and coverage risk
Training hours per employee	Training hours ÷ headcount	Investment in capability
Span of control	Direct reports per manager	Management structure efficiency

KPI	How it's calculated	What it tells you
Employee engagement / eNPS	Survey score	Morale and retention risk
Commission / incentive cost %	Incentive pay ÷ revenue it drove	Whether pay plans drive the right results

6. Supply chain, inventory & distribution

Inventory is cash on a shelf; these show how efficiently it moves from supplier to customer.

KPI	How it's calculated	What it tells you
Inventory turnover	COGS ÷ average inventory	How often stock sells through
Inventory accuracy %	Counted matches ÷ SKUs counted	Trust in system quantities
Stockout rate %	Orders or SKUs out of stock ÷ total	Lost sales from under-stocking
Fill rate %	Units shipped on first order ÷ units ordered	Ability to meet demand from stock
Dead / slow-moving stock %	Inventory with no sales in 90+ days ÷ total	Cash trapped in the wrong products
Shrinkage %	(Book – physical inventory) ÷ book	Loss from theft, damage or error
Perfect order rate %	On time × complete × undamaged × correctly invoiced	End-to-end fulfillment quality
Order picking accuracy %	Correct picks ÷ total picks	Warehouse execution quality
Orders picked per labor hour	Orders ÷ warehouse labor hours	Warehouse productivity
Dock-to-stock time	Receipt to available-for-sale	Receiving speed

KPI	How it's calculated	What it tells you
Supplier lead time & variability	Avg. and range of PO-to-receipt days	Reorder planning and safety stock needs
Freight cost as % of sales	Inbound + outbound freight ÷ revenue	Logistics cost control
Landed cost variance	Actual vs. standard landed cost (incl. duties)	Import cost surprises hitting margin
Purchase price variance	(Actual – standard price) × quantity	Buying effectiveness

7. Technology, systems & controls

These show whether systems give leadership trustworthy data and protect the business from error and fraud.

KPI	How it's calculated	What it tells you
Manual process hours	Hours/week spent on re-keying, spreadsheets and workarounds	Automation opportunity
System adoption %	Active users ÷ intended users	Whether tools are actually used
Data accuracy rate %	Records passing audit ÷ records checked	Trust in reports
Reporting lag	Days from event to dashboard	How current leadership's view is
Integration error rate	Failed syncs (POS, accounting, CRM) ÷ total	Hidden reconciliation work
System uptime %	Available hours ÷ total hours	Reliability of critical systems
Software spend per employee	SaaS + IT cost ÷ headcount	Tool sprawl and cost control
Reconciliation exceptions	Unmatched items per bank/merchant reconciliation	Control gaps and fraud risk

KPI	How it's calculated	What it tells you
Chargeback / dispute rate %	Chargebacks ÷ card transactions	Payment risk and processor standing
Payment processing cost %	Total processing fees ÷ card volume	Merchant-fee leakage
Audit findings / control exceptions	Open findings per period	Compliance and internal control health
Insurance claims & loss ratio	Claims paid ÷ premiums	Risk management effectiveness

8. Industry-specific KPIs

The measures above apply to every business; these add the ones that matter most in specific industries.

Retail

KPI	How it's calculated	What it tells you
Sales per square foot	Revenue ÷ selling square feet	Productivity of the store footprint
Same-store sales growth %	Growth at stores open 12+ months	Organic growth vs. new openings
Conversion rate %	Transactions ÷ store traffic	Floor sales effectiveness
Gross margin return on inventory (GMROI)	Gross margin ÷ average inventory cost	Profit earned per inventory dollar
Sell-through rate %	Units sold ÷ units received	Buying and merchandising accuracy
Markdown %	Markdowns ÷ gross sales	Over-buying and pricing pressure
Sales per labor hour	Revenue ÷ store labor hours	Staffing aligned with traffic

Construction & real estate development

KPI	How it's calculated	What it tells you
Budget vs. actual cost per project	$\text{Actual} \div \text{budget, by cost code}$	Cost control on each job
Schedule variance	Actual vs. planned milestone dates	Whether jobs finish on time
Change order rate %	$\text{Change order value} \div \text{contract value}$	Scope control and estimating quality
Estimating accuracy %	$\text{Final cost} \div \text{estimated cost}$	Reliability of bids
Gross margin per project	$(\text{Contract value} - \text{job cost}) \div \text{contract value}$	Which job types to pursue
Permit approval time	Days from submission to permit issued	Pre-construction bottlenecks
Punch-list items at turnover	Open items at handover	Quality of finished work
Draw / payment cycle time	Days from draw request to funds received	Project cash flow
Cost per square foot	$\text{Total project cost} \div \text{square feet}$	Comparability across projects

Property management & short-term rentals

KPI	How it's calculated	What it tells you
Occupancy rate %	$\text{Nights booked} \div \text{nights available}$	Demand capture
Average daily rate (ADR)	$\text{Room revenue} \div \text{nights booked}$	Pricing strength
RevPAR	$\text{ADR} \times \text{occupancy}$	Revenue performance per available unit-night

KPI	How it's calculated	What it tells you
Net operating income (NOI) per unit	(Revenue – operating expenses) per unit	True unit-level profitability
Booking lead time	Days between booking and arrival	Pricing and demand-forecasting window
Direct booking share %	Direct bookings ÷ total bookings	Dependence on platform fees
Cleaning / turnover cost per stay	Turnover cost ÷ stays	Cost of each guest changeover
Maintenance response time	Hours from request to resolution	Guest and tenant experience
Guest review score	Average rating, by platform	Ranking and future demand
Damage claims rate	Claims ÷ stays, and recovery %	Protection of the asset
Rent collection rate %	Rent collected ÷ rent due (long-term)	Tenant quality and cash reliability
Vacancy days between tenants	Days a unit sits empty	Leasing efficiency

Manufacturing & pharma

KPI	How it's calculated	What it tells you
Batch yield %	Good output ÷ theoretical output	Material efficiency
Right-first-time batch %	Batches released without deviation ÷ total	Process and compliance quality
Batch release cycle time	Production complete to QA release	Speed to sellable inventory
Deviations & CAPAs open	Count and age of open investigations	Regulatory risk

KPI	How it's calculated	What it tells you
Scrap / waste rate %	Scrapped material ÷ total material	Cost of waste
Labor cost per unit	Direct labor ÷ units produced	Production labor efficiency
Changeover time	Minutes between production runs	Flexibility and lost capacity
Prescription / order turnaround time	Order received to shipped	Patient and customer service level

Payments & financial services

KPI	How it's calculated	What it tells you
Processing volume & growth	Monthly volume processed	Portfolio scale and momentum
Net revenue (basis points)	Net revenue ÷ volume	Margin per dollar processed
Merchant attrition %	Merchants lost ÷ active merchants	Portfolio retention
Approval / authorization rate %	Approved ÷ attempted transactions	Lost sales from declines
Underwriting time	Application to approval	Onboarding speed
Loss / fraud rate (bps)	Losses ÷ volume	Risk control effectiveness

Getting started

We start with a short diagnostic, not a dashboard project:

1. **Baseline (weeks 1-2):** pull 12 months of financial and operating data and calculate where you stand today.
2. **Select (week 3):** agree on 10-15 KPIs tied to your biggest constraint, each with one owner and a target.

3. **Build (weeks 3–4):** set up a one-page weekly scorecard, automated from your existing systems where possible.
4. **Run (ongoing):** a 30-minute weekly KPI meeting where owners report numbers and commit to actions.