



Name

Date

CONTENT MODULE SUMMARY SHEET

The Importance of KPIs

INTRODUCTION

In this video session, Barry Lusk, Iron Forums Executive Director, moderates a panel discussion on the importance of Key Performance Indicators (“KPIs”) in running a business. The panel consists of three Iron Forum members: David Trine, Ted Pattison, and Chris Nedza. Any of these men would be happy to discuss KPIs with you.

SCRIPTURE

Commit your work to the Lord, and your plans will be established.

— Proverbs 16:3

His master said to him, ‘Well done, good and faithful servant. You have been faithful over a little; I will set you over much...’

— Matthew 25:21

CONTENT

“Math Matters” when running any type of business.

Four Basic Rules when Developing KPIs

1. KPIs should be simple to understand.
2. You should only focus on the KPIs that matter.
3. KPIs should be easy to calculate.
4. KPIs should be timely.

Your ability to develop and track critical KPIs is very important to potential buyers when trying to sell your company. Iron Forums’ monthly snapshots will now include examples of KPIs you may want to include in your discussion.

NOTE: We have added the KPI examples only to enhance the table conversations and we do not want the session to turn into a KPI scorecard.

DISCUSSION QUESTIONS

1. What are some of the key leading (vs. lagging) activities in your organization that determine success? Are you tracking these weekly and if not, why?
2. What takeaways do you have for the four basic rules when developing KPIs.
3. Review and discuss the KPI examples on the revised Snapshot located on the back.



Rate your last 30 days on a scale of 1-10, where 5 is average and 10 is the best it can be.

FAMILY

Intimacy with Jesus _____ [time in the Word / quality prayer time / attending small group / corporate worship]

And He said to him, "YOU SHALL LOVE THE LORD YOUR GOD WITH ALL YOUR HEART, AND WITH ALL YOUR SOUL, AND WITH ALL YOUR MIND." This is the great and foremost commandment. — Matthew 22:37-38

Marriage _____ You _____ Your Wife [quality time together / communication / praying together / time for fun]

Husbands, love your wives, as Christ loved the church and gave himself up for her. — Ephesians 5:25

Parenting / Children _____ [1 to 1 quality time / awareness of their struggles / do you seek their forgiveness?]

Train up a child in the way he should go; even when he is old he will not depart from it. — Proverbs 22:6

Staff _____ [annual staff turnover rate / cultural fit with values / Get it, Want it, Capacity for it (GWC)]

And we urge you, brothers, admonish the idle, encourage the fainthearted, help the weak, be patient with them all. — 1 Thessalonians 5:14

Sales _____ [YOY rev growth / % of recurring rev / # new customers / % rev from top 3 customers]

"His master said to him, 'Well done, good and faithful servant. You have been faithful over a little; I will set you over much...'" — Matthew 25:21

Marketing _____ [customer acquisition cost as % of rev / # of leads / website traffic / lead conversion rate]

Behold, I will do something new. Now it will spring forth; Will you not be aware of it? I will even make a roadway in the wilderness — Isaiah 53:19

Operations _____ [gross margin % and trends / inventory turnover rate / vendor challenges / OH as % of revenue]

But all things should be done decently and in order. — 1 Corinthians 14:40

Finances _____ [EBITDA / cash flow / debt levels / internal controls]

For which of you, desiring to build a tower, does not first sit down and count the cost, whether he has enough to complete it? — Luke 14:28

Leadership _____ [aware of your strengths and weaknesses / 30 day growth / Revenue dependent on you?]

Shepherd the flock of God that is among you, exercising oversight, not under compulsion, but willingly, as God would have you; not for shameful gain, but eagerly; not domineering over those in your charge, but being examples to the flock. — 1 Peter 5:2-3

BUSINESS

Major Issue for Discussion