

CHECKLIST

UNDERSTANDING BUSINESS METRICS



UNDERSTANDING BUSINESS METRICS CHECKLIST

This checklist helps entrepreneurs establish and maintain an effective system for tracking crucial business metrics. Follow these steps to build a data-driven foundation for your business success.

Checklist

1. Set Up Core Financial Tracking

- ☐ Implement basic accounting software for revenue and expense tracking
- ☐ Set up dashboard for monthly recurring revenue (MRR) and annual recurring revenue (ARR)
- ☐ Create cash flow monitoring system (operating, investment, and financing)
- ☐ Establish burn rate calculation and monitoring process

2. Establish Customer Metrics

- ☐ Calculate and track Customer Acquisition Cost (CAC)
- ☐ Set up system to measure Customer Lifetime Value (LTV)
- ☐ Implement Net Promoter Score (NPS) surveys
- ☐ Monitor customer retention rates and churn

3. Configure Operational Metrics

- ☐ Track resource utilization rates
- ☐ Measure task completion times for core processes

- ☐ Monitor cost per unit/service
- ☐ Set up quality control metrics (defect rates, customer complaints)

4. Create Monitoring Schedule

- ☐ Set up daily vital signs check (15 minutes: cash position, sales, support tickets)
- ☐ Schedule weekly metric reviews (30 minutes: acquisition, sales pipeline, marketing)
- ☐ Plan monthly deep-dive sessions (2 hours: profitability, growth rates, efficiency)

5. Implement Automation and Team Integration

- ☐ Set up automated data collection tools
- ☐ Create central dashboard for team visibility
- ☐ Establish metric-based warning systems
- ☐ Assign metric monitoring responsibilities to team members

6. Review and Optimize

- ☐ Compare metrics against industry benchmarks quarterly
- ☐ Update metrics and goals based on business growth
- ☐ Document and share insights with team members
- ☐ Adjust tracking systems based on team feedback

Final Step: Schedule monthly review sessions to evaluate the effectiveness of your metrics tracking system and make necessary adjustments to better align with your business goals.