

Financial Services KPIs

KPI	Formula	Definition
Accounts Receivable Turnover	$\text{Net Value of Credit Sales} / \text{Average Accounts Receivable}$	Shows the firms ability and effectiveness in collecting debts and issuing credits. The lower this metric is, the less the company struggles with collecting payments and debt thus having more assets ready to be invested into growth.
Accounts Payable Turnover	$\text{Value of Purchases for a Given Month} / \text{Remaining Accounts Payable}$	This metric indicates the rate at which a company pays its average payable amount to creditors. If the turnover ratio is falling when compared to previous periods it indicates that an organization is having trouble paying its debt. If the value increases, then the company is paying its creditors back at a faster rate than before.
Budget Variance	Projected Budget Compared to Actual Budget Totals	This metric is used to indicate whether the budgeted or baseline amount of expenses or revenue meet the expectations. A minimal budget variance indicates that the actual expenses are equal or lower than the projected ones, or the revenue is higher than anticipated.
Days Sales Outstanding	$(\text{Accounts Receivable} / \text{Total Credit Sales}) * \text{Number of Days}$	Measures the average amount of days it takes for the company to collect money on a previous project.
Resource Utilization	Compare Billable Time vs. Non-Billable Work	Indicates how effectively a company uses its resources. Could be used on a project dashboard for a better overview of project performance.
Expense Management	Percentage of Errors from Employee Travel and Expense Vouchers	Indicates any errors such as insufficient documentation, wrong charge codes, or no receipts due to employee error.
Net Promoter Score	% of Promoters-% of Detractors	Ask customers how likely they are to recommend the provided service. Separate responses into three categories. Promoters (10-9), Passives (8-7), or Detractors (0-6).
Employee Turnover Rate (ETR)	$\text{Number of Employees Who Have Departed Company} / \text{Average Number of Employees}$	High ETR means a company should spend some time and money into workplace culture, employment packages, and work environment.

For a review of your KPIs, [contact us](#) for a free consultation!