

Professional Services KPIs

KPI	Formula	Definition
Average Revenue per Direct Labor Employee (Dollars)	Revenue / # of COGS Employees	Will express the average revenue generating power of each employee per month.
Average Gross Profit per Direct Labor Employee (Dollars)	Gross Profit / # of COGS Employees	Expresses the average amount by which an employee pays for themselves and generates additional revenue for the business.
Average Revenue per Billable Day	Revenue / # of Billable days in Month	Illustrates average daily revenue of the business. This removes fluctuations based on number of days per month.
Direct Labor %	Total Billed Hours / Total Hours Recorded	This formula shows what percentage of time COGS employees are spending generating revenue for the company.
Average Revenue per Customer	Revenue / # of Customers	Will express the average revenue brought in by each customer.
Average Revenue per Service Delivered	Revenue / # of Services Offered	Will express the average revenue brought in by each service line.
Customer Satisfaction Score	Sum of All Customer Input Scores / Number of Customer Inputs	Will result in a score that reflects average customer satisfaction rating with respective business and service. Usually, scores are between 1-10. 1 being not satisfied and 10 being fully satisfied.
Net Promoter Score	% of Promoters - % of Detractors	Ask customers how likely they are to recommend provided service. Separate responses into three categories. Promoters (10-9), Passives (8-7), or Detractors (0-6).
Average First Response Time	Total # of Inquiries / # of Inquiries responded to within 1 day	Will display company's ability to respond to customer inquiries on a timely, efficient, and consistency basis.
Gross Profit per Employee Hour	Gross Profit / Total # of Hours worked by employees	Gives a quantitative image of how much gross profit is generated through each hour of employee labor
Average Labor per Employee	Total # of Labor Hours/ Total # of Employees	Expresses the average amount of hours each employee is working, could be used to determine if there is too much work and not enough employees
Average Sales per Labor Hour	Total Sales/ Total # of Hours Worked by Employees	Expresses the average amount of Sales generated by each hour of input by employees
Revenue per Square Foot	Total Revenue / Square Footage of place of business	Gives an idea of revenue generated from each square foot that is under use of the business for operations
Gross Profit by Client	(Total Revenue generated by Client - Total Cost of Client) / Total Revenue generated by Client	The profit contribution of each Client toward the overall business profitability
Effective Bill Rate	Total Revenue in a Given Period / Total Hours Worked in a Given Period	Effective billing rate is a great metric for evaluating your profits. Understanding this metric will allow

		you to identify if you are efficient enough with your time or if you need to raise your rates
Gross Margin by Service Type	Gross Revenue by service/COGS by Service	This will help understand which services are more profitable
Employee Utilization	Number of Actual services provided/ potential services in a period	Measures the time employees actually spend on project-related work, relative to their availability.

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

