

BRIGHTADVISOR®

KPI Dashboard Template

Track the Metrics That Drive Your Business

What Are KPIs and Why Do They Matter?

Key Performance Indicators (KPIs) are quantifiable metrics that reflect how effectively your business is achieving its most important objectives. They transform raw financial data into actionable intelligence, giving you a clear picture of what is working, what needs attention, and where to invest next.

Without KPIs, business decisions rely on intuition and anecdotal evidence. With them, leadership teams can identify trends early, allocate resources strategically, and hold every department accountable to measurable goals.

Businesses that track KPIs consistently are 2.5x more likely to report above-average financial performance than those that rely on ad hoc reporting.

Characteristics of Effective KPIs

- **Specific:** Clearly defined with no room for ambiguity
- **Measurable:** Quantifiable with reliable data sources
- **Actionable:** Connected to decisions your team can actually make
- **Relevant:** Directly aligned with your business goals and strategy
- **Time-bound:** Measured over a defined period with regular review cadence

How to Use This Template

The following pages organize essential KPIs into four categories. For each metric, we provide the formula, a target range, and context on why it matters. Select the KPIs most relevant to your business, establish baselines, and begin tracking them monthly. Over time, you will build a data-driven culture that fuels sustainable growth.

Essential KPIs by Category

Financial Health

These metrics reveal the fundamental financial strength and stability of your business.

KPI	Formula	Target Range	Why It Matters
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Gross Profit Margin	$(\text{Revenue} - \text{COGS}) / \text{Revenue} \times 100$	50-70% (service) 30-50% (product)	Measures core profitability before overhead
Net Profit Margin	$\text{Net Income} / \text{Revenue} \times 100$	10-20%	Shows bottom-line profitability after all expenses
Current Ratio	$\text{Current Assets} / \text{Current Liabilities}$	1.5 - 3.0	Measures ability to pay short-term obligations
Quick Ratio	$(\text{Cash} + \text{Receivables}) / \text{Current Liabilities}$	1.0 - 2.0	Liquidity test excluding inventory
Debt-to-Equity Ratio	$\text{Total Liabilities} / \text{Total Equity}$	0.5 - 1.5	Indicates financial leverage and risk level

Revenue & Growth

Growth metrics track your trajectory and the efficiency of your customer acquisition and retention efforts.

KPI	Formula	Target Range	Why It Matters
Monthly Recurring Revenue	Sum of all recurring subscription revenue	Steady upward trend	Predictable revenue base for forecasting
Revenue Growth Rate	$(\text{Current} - \text{Prior}) / \text{Prior} \times 100$	15-25% YoY	Measures pace of business expansion
Customer Acquisition Cost	$\text{Total Sales \& Marketing} / \text{New Customers}$	Varies by industry	Efficiency of your growth spending
Customer Lifetime Value	$\text{Avg Revenue} \times \text{Avg Lifespan} \times \text{Profit Margin}$	3x+ of CAC	Long-term value of each customer relationship
Churn Rate	$\text{Lost Customers} / \text{Start Customers} \times 100$	<5% monthly	Rate at which customers leave your business

Cash Flow

Cash flow KPIs ensure your business has the liquidity to operate, invest, and weather unexpected challenges. Profitability means nothing if you cannot collect.

KPI	Formula	Target Range	Why It Matters
Operating Cash Flow		Positive and growing	

	Cash from operations (per cash flow statement)		Cash generated by core business activities
Free Cash Flow	Operating Cash Flow - Capital Expenditures	Positive	Cash available for dividends, debt, or reinvestment
Days Sales Outstanding	(Accounts Receivable / Revenue) x Days	30-45 days	Speed of collecting from customers
Days Payable Outstanding	(Accounts Payable / COGS) x Days	30-60 days	How long you take to pay suppliers
Cash Conversion Cycle	DSO + DIO - DPO	As low as possible	Time to convert investments into cash flows

Operational Efficiency

Efficiency metrics reveal how well your business converts inputs (people, capital, inventory) into revenue and profit.

KPI	Formula	Target Range	Why It Matters
Revenue per Employee	Total Revenue / Number of Employees	\$150K-\$300K+	Workforce productivity and scalability
Overhead Ratio	Overhead Costs / Total Revenue x 100	<25-35%	Measures cost discipline in support functions
Inventory Turnover	COGS / Average Inventory	4-8x per year	How efficiently inventory is sold and replaced
AR Turnover	Net Credit Sales / Avg Accounts Receivable	8-12x per year	Effectiveness of credit and collection policies

Start with 5-8 KPIs that align with your top business priorities. Tracking too many metrics at once dilutes focus. You can always expand your dashboard as your reporting maturity grows.

How to Build Your KPI Dashboard

A dashboard is only useful if it is accurate, accessible, and reviewed regularly. Follow these five steps to create a dashboard that your leadership team will actually use.

1. Define your strategic objectives. Before selecting KPIs, clarify the 3-5 goals that matter most this year. Every metric on your dashboard should connect directly to one of these goals.
2. Select 5-8 KPIs and establish baselines. Pull historical data for at least 3-6 months to set realistic baselines. Without a starting point, you cannot measure progress.
3. Choose your dashboard tool. Options range from a simple spreadsheet to dedicated platforms like Databox, Klipfolio, or your accounting software's built-in reporting. The best tool is the one your team will actually open.
4. Automate data collection wherever possible. Manual data entry is the enemy of consistent reporting. Connect your accounting, CRM, and operations systems to feed data into your dashboard automatically.
5. Establish a review cadence and act on insights. Schedule weekly quick reviews (15 minutes) for operational KPIs and monthly deep dives (60 minutes) for financial and strategic KPIs. The cadence matters more than the duration.

Recommended Review Cadence

Frequency	Focus Area	Attendees	Duration
Weekly	Operational KPIs: cash position, AR/AP aging, revenue pipeline	Operations team	15 min
Monthly	Financial KPIs: margins, growth rate, cash flow, efficiency ratios	Leadership team	60 min
Quarterly	Strategic KPIs: LTV/CAC, market position, annual goal progress	Executive team + board	90 min

BrightWealth® clients receive a customized KPI dashboard built from their bookkeeping data, updated automatically each month. Our advisory team reviews the numbers with you and translates them into clear action items. Contact us to get started.