The Right Metrics

In this video, we are covering the right metrics. Most likely, if you are a business owner, you've heard about this before. Metrics... measuring... KPIs... And if you haven't, we are going over on the first part of the video why it is important, what a KPI is and why a metrics can change what you are actually paying attention to. Then, we are going to go over the 3-step process so that you'll know what the most important metrics are for you and if they're gonna change or not and when. Along with, how are you going to track it so that you and your team will actually pay attention to this either week by week or month by month though it's ingrain in your company.

What the heck is a KPI? And why do we even care about metrics?

Well, the goal is to really pay attention to whatever you set at the beginning of the year. How far of progress you've made versus how far you've haven't. Because it really should be like a compass; where if you are moving forward, you know if you are moving in the right direction or not. But not only if it is the right direction, how far in that right direction. That's what metric is going to measure. How close are we? Where is your north and how far away are we from that? So that way, we can level up what is working and not pay attention to what's not. It is really about how much focus we have and what would we really need to pay attention to.

This is you being the captain of the ship and making sure that all pieces of your company are going in the right direction so that you can look at the holistic view.

KPI stands for key performance indicator. A lot of companies used that. It is pretty much you're saying your focus and priorities in metrics. Because you can't look at a hundred metrics every single day as the owner. You can make your team potentially do that stuff. But for you, you don't wanna see everything because it will cloud the water. You want one overarching metric; and then, each role should have something you are measuring for them also.

We are gonna go through step number 1. We've actually provided a template for you by the way. One of the reasons. like I've said before, of why this could change is because step number 1 is relating your current goals that you've made for the year; hopefully, we have quarterly goals too. Because if you have quarterly goals it is way too easier to know what metrics we need to pay attention to right off bat.

What I want you to have and you can pull out that KPI sheet. We also have a list of metrics that you can pick from. We'll go through step by step a little bit more on how to pick them in just a second. But in that way to can start letting it sip in on how many options there really are. What we wanna do though is to make sure that they align to whatever goal that you've set at the beginning of the year. For example, if you do care about gross annual revenue, that's your number goal that you are going after, that's probably a great overarching metric for you.

But, I want to caution you because a lot of the times that actually not telling the whole story. When we pick an overarching metrics, the one that you are paying attention to the most, definitely week by week at least, is the one that's gonna give you the biggest overall picture. Yes, we're gonna use the other ones later too. But, for example, I've heard this from Dan Martell, he says that facebook uses daily activity users as their overarching metric. One of the reasons is it is not how many new users coming in, it is how activity people and how many people are returning and coming back and how long they are using it for. How many daily active minutes are we actually using every single day. That's a crazy metric but it tells them how many ad revenue they have coming out at the end. You can check out Dan Martell at DanMartell.com. He talks and works with SaaS companies.

But go ahead and write down what you think is; then again, it does not have to be perfect right the second. What you think are some options for that overarching metric for you. It could also be net profit. You can make a million dollars or more on gross but how much are you actually keeping. That net profit might actually be a better indicator of how good the temperature check of how your business is doing. It is better than gross revenue. You could spend a ton in ad money and get a ton of customers and still not make any money in the long run.

It could also be impact, it does not have to be a money metric. When we do things with impact, I've worked with a lot of companies that are 7 figures plus and their owner made a lot of money. So they don't want to judge themselves and their company by money anymore. So, They'll do it by impact. How many people we've impacted? So they have to define what impact means to them to make sure that that is the overarching metric that they are looking for.

What I want you to do is to write a couple of options. And I'm gonna give you a minute or two to really try and highlight which one you think is the best one. The thing that I want to say that is really important is test it. You don't necessarily pick this one and always have it forever. If you think that it is easy to pick an annual gross number right now, then go ahead and do that. And see, as you are looking every single week, if it's giving you the information that you want about the company.

This is not a set and stone process; it is very fluid, which makes it very annoying. But if you stick with it, it would tell you the best things overarchingly about your company. So if you only have one metric to look at that would be the main metric that you could go by. So that's step number 1. I'm gonna give you one minute to go ahead and figure out what that key overarching metric for your company.

Step number 2, what we wanna to now is to take that structure that we've made from the very first video that we've updated in the second video in strengths. We wanna start correlating these metrics base on either the role or category. For example, we have marketing metrics, we don't need a hundred marketing metrics, we might have each role pay attention to one specific metric.

For example, in marketing, let's say that you have a couple of people in your marketing department. In that marketing department, when you look at what you are paying attention to because of your quarterly goals, let's say that it's traffic, the person who is running the SEO or running a specific ad campaigns, that's gonna be a core key metrics that you need to look at on whether or not you are hitting the traffic numbers that you need to. It might be you online business manager or your marketing manager that is actually recording those metrics and putting them in the sheet. But what we wanna do is to make sure that per category or per role, we can measure each piece. This in long term will go back to employee reviews, that you should be doing but you are not. The employee reviews will say this how we measure you on and you didn't hit the numbers that we wanted you to. Or this how we measure you one and you did an amazing job, so what more can we do?

All of these interrelate. I think that it is really important for you know that we are not picking metrics out in the air. If you don't care about have a bazillion facebook likes, it does not matter to measure it. If you facebook likes go down or your engagement goes down and does not a big piece of what you are really going after right now. Then, it is just an extra data that when you look at this KPI sheet, you will get overwhelmed. I don't want that, I want to keep out what is going to make you confuse. We are only going to keep 5 maybe 10 metrics at the most in one sheet that you are able to look at.

That being said, each department can have more different metrics, especially, if they doing paid ads. They're looking a lot more analytics than you for certain. But you wanna do is you want core metrics for each role or category also. That way, they'll know what to pay attention also. Because if you say, "We have 5 different initiatives. We are trying to work on this... this... that and the other thing." It will be hard for them to decide what is the important thing for them to do also.

If you don't have those pieces in place, (a) we can't know whether what we doing is working or not and (b) your employees and your contractors will start to get scattered on what you are focusing. When that happens, you really spread yourself too thin and you won't feel the momentum or progress that you need anyway.

That's number 2, I'm gonna give you 1 minute to go ahead and put what you potentially think, again take a look at that huge metrics list that we have. What you potentially think are the core metrics for each role or category.

Finally, take that KPI template and I want you to do something with it. You can write this down until the callus come home but if you don't actually use it, you just wasted your time. What I like to do is put that KPI template in a dashboard, if you guys have a dashboard where you keep everything, and if you don't, you should have one place where you keep everything. What I want

you to do is on your weekly team meeting, during that time, I want you to actually pull out the KPI sheet. If you don't want anyone else to see your gross revenue number or whatever it is, you can the one person that have an access to it.

But ideally, you want the people on your team update that KPI sheet, knowing that you will look at it in monday morning or whenever you have that weekly team meeting. Even if it's a monthly meeting, you will look at it then so it has to be updated by them beforehand. If it is for you, you need to make sure that you do that too. If you have a dashboard that pull out all your metrics, you can look at that also.

But what I want you to do is put a time and place in you calendar, ideally in your team meeting, to be looking at that KPI metrics spreadsheet. If you don't and metrics is put are put in the way side, this is one of the most important things you can to do to know where you are going and how to make incremental shifts that will make huge difference in your business.

Please don't just throw this piece away. Please make sure that you carry it all the way and even set reminders on your phone to look at it. Set reminders on your amazon echo. Please set yourself the accountability or have your owner-operator relationship, have your operator slap you around to make you look at those metrics. Otherwise, we float around and because of that we can feel that we are not making enough progress. Sometimes you are, you just don't realize it.

Please take this actions right now. Go ahead and put it in your calendar. What we also do is during our team meeting we have an agenda, in the calendar invites it has the links. You can just click that and you are all set. It's resistant free as humanly as possible so that way you actually do it and use them. Otherwise, there's no point.

Hope you have a fantastic day and got a lot of this. If you really want more, make sure to check OwnerBox.com. There are all sort of structured informations that you can do little pieces at a time that will incrementally improve your business and get you out of the boxes in your structure and more into the owner box. Thanks.