5 Essential Sales & Marketing KPIs and Dashboards

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1. Cost-Per-Lead

- **What it is:**

Your campaign costs divided by the number of leads you generate.

- **Why you need it:**

It is critical to have an automatic way to track your cost-per-lead on all campaigns because it tells you which are the most cost-efficient and deliver the highest ROI. And given all the campaigns you probably have going on at once, you don't have time to track the cost and performance of each campaign manually.

You need to be able to compare at-a-glance the cost-per-lead from each marketing channel — paid search, events, display ads, retargeting, organic search, content syndication, direct mail and more. This comparison enables you to answer the question, “Which channels work best?”
Also, to improve campaigns, you need the ability to evaluate, for example, an A/B test on a landing page. Which landing page generates the lowest cost per lead? Make that your control and perform your next test so you can continually optimize your marketing machine.

2. Cost-Per-Acquisition

- **What it is:**

Your campaign costs divided by the number of sales you generate.

- **Why you need it**:

If you can push your measurements beyond lead generation to customer acquisition, you’ll have a measure that’s even more valuable in helping to allocate your marketing spending. That’s because not all leads are created equal. Those that are higher quality convert better.
Perhaps you have a low cost-per-lead on your pay-per-click campaigns and a much higher one from events. By tracking cost-per-acquisition, however, you may discover that event leads convert better and are more cost effective.
Thus, you can optimize the use of your marketing budget by allocating more dollars to channels and campaigns with the lowest cost-per-acquisition metrics.
You can also compare the cost-per-acquisition between multiple events to help decide which events to participate in during the following year.

3. Pipeline Contribution

- **What it is:**

The dollar amount of the sales pipeline generated through marketing or sales activities.

- **Why you need it:**

Both sales and marketing are responsible for revenue generation, and you want to know how much each team contributes. Also, since marketing initiatives often have

a longer lead time than sales efforts, you should review a pipeline contribution dashboard to determine whether their contribution over time is growing.
This dashboard does not get into the nitty-gritty of programs, such as direct mail campaigns versus pay-per-click. Because it focuses on the big picture, however, it's ideal for sharing with members of top management who want to know whether their marketing and sales teams are pulling their weight.

4. Pipeline Velocity and Acceleration

- **What it is**

Bear with me on this one. It's a little more complicated, but it's worth understanding. Frequently, when we think about speed, we're looking at automobile dashboards that measure miles per hour. Pipeline velocity measures are similar in that they too are averages. However, they instead look at the average sales dollars your pipeline produces each day.
To calculate it, you need to know:

  - How many qualified opportunities are in your pipeline
  - Your average sales win rate (the average percentage of opportunities that become closed deals)
  - Sales dollars per deal
  - Average sales cycle

Here's the equation:
(Pipeline opportunities x Average sales win-rate x Average sales dollars per deal)/ Average Sales Cycle in Days = Pipeline Velocity.
For example, here's the equation for a company:
(100 opportunities x 40% average sales win-rate x $7,500 average sale)/ 30-day sales cycle = $10,000 a day.

- **Why you need it**:

Just like when you're driving, pipeline acceleration is putting your foot on the pedal to bump up the $10,000 a day pipeline velocity. There are two ways to accelerate pipeline velocity. You can increase the numerator or reduce the denominator of the pipeline velocity equation.
To increase the numerator, you could turn up any of three knobs on the dashboard — opportunities, sales win-rates or deal size. To amplify win rates, you'll want to be

able to drill deeper to see conversion rates at each stage in the pipeline. For instance, your dashboard might delineate the number of opportunities that convert to demos, the number of demos that result in proposals, and the number of proposals that result in deals. This detailed data enables you to look for the pipeline areas of where you have the most significant leverage to rev up conversions.
You can also try to reduce the length of the sales cycle. It's helpful if you can see the sales cycle length by each salesperson or other segments. Perhaps you'll find one rep has a shorter sales cycle than others. If so, find out what they're doing differently. Alternatively, you can examine the overall sales process to find areas for increased efficiency, tweak your process and find out if it reduces the sales cycle.

5. Web Traffic Sources

- **What it is**

A measure of where the traffic on your website comes from — direct (typing your URL into their browser), organic (from search engines such as Google), referral (clicking on links on other sites), and campaigns. It should also show the number of sessions and the bounce rate by source.

- **Why you need it**:

It enables you to make judgments about the quality of visitors from different sources by comparing bounce rates. Also, you'll be able to see the success of various campaigns, your search engine optimization program (the driver of organic traffic) and your initiatives, such as guest blogging, to develop links on other quality sites. This information helps you direct future marketing efforts to those that are most successful.
Dashboards can provide a wealth of information that helps you know where to focus your energies and how to improve your marketing programs. While there are many dashboards and KPIs to consider, the above are staples for marketing departments seeking to optimize the use of their resources.

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