



KPI ENCYCLOPEDIA

A Comprehensive Collection of KPI Definitions for

FINANCE



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Finance KPI Encyclopedia

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Finance

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- Accounts Payable (AP)
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- Treasury

— — — A Finance Department manages a firm's long-term and day-to-day monetary operations and strategy. Its size varies based upon total employee head count, total revenue, industry and overall business strategy.

Finance

KPI Encyclopedia

Cost

- **Total Expense per Finance Employee** – The total expense incurred by the company over a defined period of time divided by the total number of Finance Department employees.
- **Finance Expense as a Percentage of Total Expense** – Total finance-related expense incurred by the company divided by the total operating expense of the company over the same time period, as a percentage.
- **Finance Expense as a Percentage of Total Revenue** – Total expense incurred by the Finance Department divided by the total revenue earned by the company over the same time period, as a percentage.
- **Finance Expense per Employee** – The total expense incurred by the Finance Department over a certain period of time divided by the total number of company-wide employees.
- **Finance Occupancy Expense as a Percentage of Finance Expense** – Total occupancy-related expense incurred by the Finance Department divided by the total Finance expense over the same time period, as a percentage.
- **Total Expense: Finance** – The total expense incurred by the Finance Department for a given time period
- **Total Expense: Finance Outsourcing** – The total expense incurred by outsourcing Finance Department activities over a given period of time.
- **Share Buyback as a Percentage of Net Income** – The total dollar amount of shares repurchased by the company divided by the net income generated by the company over the same period of time, as a percentage.
- **Cost of Goods Sold (COGS)** – The total cost of goods sold to customers over a certain period of time. COGS typically includes production/manufacturing costs, and the cost of carrying the inventory before it is sold.
- **Cost of Goods Sold (COGS) as a Percentage of Sales** – The total cost of goods sold (COGS) to customers divided by total sales over a certain period of time.
- **Cost of Capital** – The total cost of capital (financing through equity, debt, or both) incurred by the company over a certain period of time.
- **Average Dividend Payout Ratio** – The total dollar amount of dividends paid out divided by the total net income generated by the company over the same period of time, as a percentage.

Cost (Cont.)

- **SG&A as a Percentage of Sales** – The total sales, general and administrative-related expenses divided by total sales generated over the same period of time, as a percentage.
- **Total Operating Expense as a Percentage of Sales** – Total operating expense for the company divided by the total dollar amount of sales generated over the same period of time.

Headcount

- **Finance Headcount Ratio** – The number of company-wide, full-time equivalent employees (FTEs) divided by the total number of Finance employees.
- **Total Revenue per Finance Employee** – Total revenue generated by the company divided by the total number of Finance employees.
- **Total Headcount: Finance** – The total number of Finance Department employees working for the company.

Organizational

- **Current Ratio** – The total dollar value of a company's current assets (assets that can be converted to cash) divided by the total dollar value of a company's current liabilities (a company's debts or obligations), as a percentage.
- **Debt-to-Worth Ratio** – The total amount of company liabilities (debt) divided by total shareholder equity (assets minus liabilities), as a percentage.
- **Quick Ratio** – The total dollar amount of a company's current assets minus the total dollar value of the company's product inventory, divided by the company's currently liabilities (debt) over the same period of time, as a percentage.
- **Management Levels: Finance** – The total number of management levels, or layers, in the Finance Department.
- **Span of Control: Finance** – The average number of Finance employees reporting to each Finance manager.
- **Organizational Structure: Finance** – A yes/no metric indicating whether the Finance function is carried out in a single location (centralized) or spread across multiple offices/regions (decentralized).



Finance (Cont.)

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Revenue

- **Internal Return on Investment (ROI)** – The total gains (dollar amount) generated the company's internal investments divided by the total amount invested over the same period of time, as a percentage.
- **Gross Profit** – Total revenue generated minus the cost of goods sold (COGS) over a certain period of time.
- **Gross Profit as a Percentage of Sales** – Total revenue generated minus the cost of goods sold (COGS) divided by the total sales generated over a certain period of time, as a percentage.
- **Gross Profit Margin** – Total revenue generated minus the cost of goods sold (COGS) divided by total revenue (sales + interest, royalties, etc.) generated over the same period of time, as a percentage.
- **Market Cap** – The total dollar value of the outstanding shares of a company; can be calculated by multiplying shares outstanding by the current value of a single share.
- **Median Sales** – The median dollar amount of sales generated by the company over a certain period of time.
- **Net Profit as a Percentage of Sales** – Total net profit (before taxes) divided by the total sales generated over the same period of time, as a percentage.

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