A guide to Key Performance Indicators(KPIs) for the Financial Controller

Section 1: Instructions for using the KPI Guide in your Performance Management System

- Identify the relevant KPIs: Depending on your role in the organization, you may want to focus on different KPIs. For example, HR professionals may want to track cost per hire, while managers may be more interested in the time-to-fill metric.

- Determine the time frame: Decide on the time frame for tracking each KPI. For example, you may choose to track the number of qualified technical candidates sourced and engaged per month.

- Collect the data: Collect the necessary data to calculate each KPI. For example, to calculate the candidate acceptance rate, you will need to know the number of job offers accepted and the total number of job offers.

- Calculate the KPIs: Use the formulas provided in the table to calculate each KPI.

- Interpret the results: Once you have calculated the KPIs, interpret the results to evaluate the effectiveness of the performance management system. For example, if the time-to-fill metric is high, it may indicate that the recruitment process needs to be streamlined.

- Use the results to make improvements: Regularly collect the necessary data for each KPI. Keep track of the results over time to monitor performance, identify areas for improvement, and ensure compliance with regulations. Use the insights gained from the KPIs to make improvements to the performance management system. For example, if the candidate satisfaction rate with the recruitment process is low, consider making changes to improve the candidate experience.

Section 2: Key Performance Indicators For Financial Controller

KPI	***Detailed Description***	***Formula***
Revenue Growth Rate	This KPI measures the rate at which the company's revenue is growing over a specific period.	(Current Period Revenue - Previous Period Revenue) / Previous Period Revenue x 100
Gross Profit Margin	This KPI assesses the profitability of the company's core operations by measuring the percentage of revenue remaining after deducting the cost of goods sold.	(Revenue - Cost of Goods Sold) / Revenue x 100
Operating Expense Ratio	This KPI measures the efficiency of the company's cost management by evaluating the percentage of revenue used to cover operating expenses.	Operating Expenses / Revenue x 100
Return on Investment (ROI)	This KPI evaluates the profitability of an investment by calculating the percentage return generated relative to the cost of the investment.	(Net Profit from Investment / Cost of Investment) x 100
Current Ratio	This KPI assesses the company's short-term liquidity and its ability to meet its current liabilities with its current assets.	Current Assets / Current Liabilities
Debt-to-Equity Ratio	This KPI measures the proportion of debt and equity financing in the company's capital structure, indicating its level of financial leverage.	Total Debt / Total Equity
Working Capital Turnover	This KPI evaluates the efficiency of the company's working capital management by	Revenue / Working Capital

	measuring how effectively it generates revenue from its working capital.	
Accounts Receivable Days	This KPI measures the average number of days it takes for the company to collect payment from its customers after a sale is made.	(Accounts Receivable / Average Daily Sales) x Number of Days
Inventory Turnover	This KPI assesses the efficiency of inventory management by measuring the number of times inventory is sold and replaced within a specific period.	Cost of Goods Sold / Average Inventory
Return on Assets (ROA)	This KPI evaluates the profitability of the company's assets by measuring the percentage of net income generated relative to its total assets.	Net Income / Total Assets x 100