

METRICS CHEAT SHEET

Use this equation cheat sheet to easily reference how to measure these important business performance metrics!

GROSS PROFIT MARGIN =
 $(\text{Revenue} - \text{Cost of Goods Sold}) / \text{Revenue}$

NET PROFIT =
 $\text{Total Revenue} - \text{Total Expenses}$

NET PROFIT MARGIN =
 $\text{Net Profit} / \text{Total Revenue}$

DEBT ASSET RATIO =
 $\text{Total Liabilities} / \text{Total Assets}$

RETURN ON ADVERTISING SPEND (ROAS) =
 $\text{Ad Revenue} / \text{Cost of Ad Source}$

CUSTOMER ACQUISITION COST (CAC) =
 $(\text{Ad Spend} + \text{Marketing Salaries} + \text{Commissions} + \text{Bonuses} + \text{Overhead}) / \text{New Customers}$

TIME TO PAYBACK =
 $\text{CAC} / \text{Monthly Fees Paid} - \text{OR} - \text{CAC} / \text{Annual Fee}$

MARKETING ORIGINATED CUSTOMER PERCENTAGE =
 $(\text{Total New Customers} - \text{Non-Marketing Originated}) / \text{Total New Customers}$