

BUSINESS MODEL METRICS



How to use
Example

Business Model Metrics

Business Model Metrics help you to monitor the performance of your business. With Business Model Metrics you can select measurable performance indicators in four categories: service quality, customer satisfaction, online potential and financial viability. Measuring and monitoring these indicators helps you to understand how your business is doing and if you need to make adjustments.

Tips for use

The Business Model Metrics can be used individually but also by a group of people. The cards will stimulate and provoke discussion about how you can best measure the performance of your business (idea).

Download the Business Model Metrics to brainstorm about the metrics that are relevant for your business. Take a look at the example for SportsGym to get inspired and learn about the practical application of the cards.

How to use

When you want to innovate or grow your business, it is important to be clear about what you want to achieve. With clear objectives you can define performance indicators or metrics to monitor the progress towards these objectives.

To be of practical use, the metrics have to be 'SMART', i.e. specific, measurable, achievable, realistic and timely. The Business Model Metrics help you to set 'SMART' metrics for your business.

Categories of metrics

Business Model Metrics consist of a card deck with 32 metrics divided over four categories: service quality, customer satisfaction, online capability and financial viability.

Service quality

Metrics about the quality of your service or products, for example brand awareness or percentage of defects.

Customer satisfaction

Metrics about how satisfied your customers are with your product or service, for example Net Promotor Score (NPS) or cross-sell ratio.

Online capability

Metrics about how you are performing online, for example number of unique visitors or page views for your website.

Financial viability

Metrics about the financial performance of your business, for example profitability or return on investment.

The Business Model Metrics

Each card describes a metric and why it could be important for your business. It also describes how the metric can be measured and monitored in practice. Measurement can be based on:

- Survey: questions to customers to gather quantitative customer data;
- Interview: dialogue with customers to gather deeper customer insights;
- Web/App analytics: analysis of how customers interact with your website or application;
- Data from financial systems: analysis of cash flows, costs and revenues;
- Data from order management systems: analysis of orders and fulfilment;
- Data from production systems: analysis of production process and products;
- Data from helpdesk systems: analysis of customer care.

Business Model Metrics game

An existing or new business (idea) can be used as starting point. Let one of the attendees explain the business. Each player is assigned one of the four categories and receives the eight cards belonging to that category. Each player gets five minutes to choose two cards that he or she feels would be best to measure the performance and progress of the described business. The players then put the cards on the table and briefly explain why they chose them. The metrics with the most convincing arguments can then be elaborated upon.

Example

industry	Transport
products & services	Transport of people and fresh goods
size of business	16,000 employees
revenue	\$6.5 bilion (2016)
location	San Francisco



Uber connects with a mobile app professional drivers as well as amateur drivers with passengers. Uber earns money by collecting a share of the passenger fee.

Uber's Business Model Metrics

Uber wants to know how well they serve their customers. To measure this, they use the Business Model Metrics. Three metrics have been selected for measuring customer satisfaction.

Out of stock

Out of stock guarantees a negative customer experience and has to be prevented. By keeping track of events Uber can prevent out of stock, they raise the tariffs on rides in event-areas, making them attractive for drivers. In this way as many as possible customers are served.

Net promotor score

To grow their customer group, it is important for Uber that clients promote the service to colleagues, friends and family. Uber stimulates this by asking clients to rate their experience at the end of every ride.

Unique visitors

For Uber the number of unique downloads of their app is an important metric of their popularity. It tells them something about the amount of people interested in their service.