

Identifying indicators is an essential step in the development of systems for your business, and every founder has different factors for measuring progress. Here are a few from Andrew's past guests; to learn how Andrew found his own, [READ THE STORY HERE](#).

HOST



Andrew Warner
MIXERGY

"Number of listeners is maybe my biggest indicator. It's simple, and it's effective. Am I giving my audience the kind of content they want? Does certain content drive people away? Podcast download growth each month is an easy way to tell"

INDICATOR: PODCAST DOWNLOADS GROWTH

$$\frac{(\text{Monthly Downloads} - \text{Previous Month Downloads}) \div (\text{Previous Month Downloads}) \times 100}$$

EPISODE #1235



Ian Crosby
BENCH

"We're working to develop a test that tells us whether an individual has financial mastery or not ... we'll track it like we track our other business metrics. How many people have we actually brought financial mastery to? How many this week? This month? Then we can make company decisions in a way that gets us to a million."

EPISODE #1380



Wade Foster
ZAPIER

"One indicator I look at to improve systems is to see whether we're repeatedly hiring more people for the same role. It spurs a discussion of whether there's a bigger systemic problem that needs to be solved, and why it requires so many people."

EPISODE #1410



Andy Rachleff
WEALTHFRONT

"At the early stages of your company the only thing that matters is product/market fit. If the dogs aren't eating the dog food then nothing else matters. The best proxy for product/market fit is exponential organic growth."

EPISODE #1530



Christopher Gimmer
SNAPPA

"Our biggest indicator for improving business systems is churn. If customers are cancelling their subscription at a faster rate than normal, it means there's something wrong with our software or we're not providing enough value."

INDICATOR: CUSTOMER CHURN

$$\frac{(\text{Cancelled Customers in the last 30 days} \div \text{Active Customers 30 days ago}) \times 100}$$

EPISODE #1480



Mario Nawfal
IBC GROUP

"My indicator now is very simple: profit. This is heavily overlooked by most entrepreneurs, including myself, almost bankrupting one of my companies two years ago. My strategy this year is to cash up and prepare for bad times in which I would be perfectly positioned not only to weather the storm, but grow when competitors are struggling to survive."

EPISODE #616



Harold Mann
MANN CONSULTING

"We're a professional services firm. Our database shows us the "total unused billable hours" at the beginning of every week. We want that number 'not zero, but not high.' If it's zero, then we have no breathing room ... if it's too high, we lose money."

INDICATOR: UNUSED BILLABLE HOURS

(total number of potential billable hours * number of employees) - scheduled work = unused billable hours

EPISODE #714



Jermaine Griggs
HEAR AND PLAY

"The driving metric behind my business is Lifetime Customer Value (LTV), which strengthens over time ... 'Recency' is the percent of my base that has bought or engaged with me in a specified period of time; 'frequency' is how often they have bought or engaged; and 'monetary' is how much they've spent in the same timeframe. If these are improving, there's no way profitability isn't."

EPISODE #1023



Tim Francis
PROFIT FACTORY

"What percent of my time am I spending in high-level activity? The only three things I should be doing are: 1) Strategy; 2) High Level Skill; 3) High Level Access. 'High Level Skill' includes activities like selling and negotiating. 'High Level Access' includes work like networking ... [and] financial management."

EPISODE #1488



Steli Efti
CLOSE

My biggest indicator is the sales productivity level of our revenue team. This indicator captures how effective the average member of your team is at driving revenue—allowing you to focus on keeping your top-performing reps happy, and take concerted effort to improve the performance of those lagging below the average. If you've got nothing but outliers on each side of your average, something is broken.

INDICATOR: SALES PRODUCTIVITY

Total Team Revenue (\$) for a Period ÷ Number of Reps on Your Team in that Period

EPISODE #1312



Timo Rein
PIPEDRIVE

"The most important sales indicator is your Sales Close Ratio. This tells you the percentage of prospects you contact that will eventually buy. If you qualify leads more effectively, or improve your conversion rates at key stages of your sales process – you can nudge that close ratio up and start closing more deals with the same amount of time invested. This is how to guarantee that you hit your sales goals."

INDICATOR: SALES CLOSE RATIO

Prospects Contacted / Deals Closed