



RozStrategies:

THE ULTIMATE CHEAT SHEET

TO PROFITABLE TAX RESOLUTION MARKETING

KEY PERFORMANCE INDICATORS (KPI'S)

WHAT MOST TAX, ACCOUNTING AND LAW FIRMS DON'T MEASURE – BUT SHOULD!!

Successful solo and small firm owners know their KPI's like the back of their hand. They realize that the key to generating healthy profit margins, cash flow and to thrive is to “know thy numbers”.

Most business owners only need to keep track of a few key indicators, which measure the performance of their marketing and sales efforts, to ensure that their firms are prosperous, growing and on the right track. See below for the most important ones:

- 1 CPL = (Cost Per Lead)** Divide the total dollars spent on a specific marketing or advertising campaign by the total number of leads derived from that strategy. **A good rule of thumb is your CPL should be in the \$100-\$200 range.**
- 2 CPA = (Cost per Acquisition/New Client)** Divide the total dollars spent on a specific marketing or advertising strategy by the total number of new clients generated by that campaign. **A good rule of thumb is your CPA should be in the \$700-\$1,000 range.** Remember: that each new tax resolution client has a minimum value of \$5,000 to you.
- 3 ACV = (Average Case Value)** Divide the total value of all new business from a specific strategy by the number of clients/cases from that campaign. **A good rule of thumb is your ACV should be in the \$5,000-\$8,000 range.**
- 4 RPL = (Revenue per Lead)** Divide the total revenue derived from a specific campaign by the total number of leads the campaign generated. **A good rule of thumb is your RPL should be in the \$1,000 range.**

- 5 **PSR = (Pipeline Size per Rep/Sales Person)** How many prospective cases/clients, and the value of those, does each rep have in their pipeline.
- 6 **ALT = (Average Length of Sales Cycle/Transaction)** Divide the total number of new clients/cases by the number of days it takes from the creation of the lead to closing the sale. **A good rule of thumb is your ALT should be in the 0 to 30 day range.** If your ALT is more than 30 days you should revisit the structure of your sales/closing process.

The above Key Performance Indicators will tell you how well your marketing is performing at any given point in time. Below, are KPI's that are just as important as they help you spot trends so you can make course corrections before it's too late.

- How many leads converted into QUALIFIED prospects? – sometimes we are lulled to sleep by a full pipeline, however, all leads are not created equal, and many times leads from certain sources will never close, or close at very low rates.
- How many qualified prospects convert into closed sales?
- How much revenue was generated today, this week? This month? This quarter?
- How much revenue was generated this week, month, quarter vs. last year.
- What is your rolling three-month, six-month revenue number, and how does that compare to last year?
- Which types of cases have the highest close rates? The lowest close rates? What are the ACVs for each? Why?