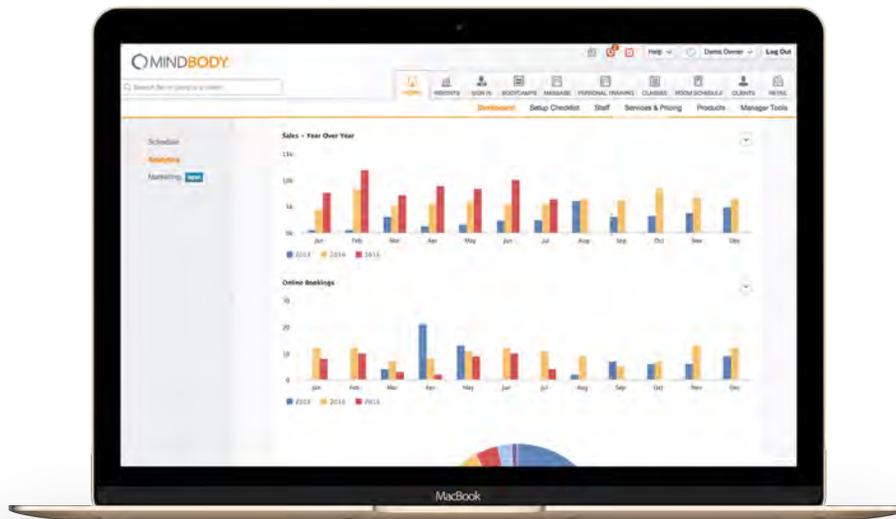




MINDBODY WHITE PAPER

Measuring the Health of Your Business



Your business means a great deal to you. You want to see it succeed and make sure it's healthy. But how do you define and measure success? Success means something different for each business owner, but there is really only one way to measure it: metrics. Metrics are numbers that guide your success in good times and bad. So which specific metrics should you track?

Your Business's Vital Signs: Key Performance Indicators

While all metrics are insightful, your key performance indicators (KPIs) are the specific metrics that help you track what you've determined to be the most important measurements of your success. KPIs are tied to targets/objectives. They measure your performance in a certain area of your business and help you see what's working and what needs more attention.

For example, if repeat business is important to your success, then client retention is a KPI that you will want to track. By measuring the same KPI over time, you can watch your business improve month over month and year over year.

While there are many different KPIs that you can choose to measure your success, the following are five of the most common metrics that successful businesses of all industries and sizes monitor. By measuring metrics like these, you can monitor the health of your business.



1. Revenue

What it measures: The amount of money you make in various aspects/revenue streams of your business, including income from classes, services and products

What it tells you: How much money your business is making—or possibly losing—and why

How you can track it: Monitoring your income versus your expenses in all aspects of your business



2. Referrals

What it measures: How your newest clients are finding out about you

What it tells you: How to better refine your marketing efforts, as well as how many new clients your current clients are bringing in to your business

How you can track it: Asking your newest clients how they heard about your business; Rewarding current clients with a referral program



3. Client Growth

What it measures: How successful you are at marketing and attracting new clientele

What it tells you: The number of clients you have at a given point in time

How you can track it: Comparing your client base on a regular basis



4. Online Sales

What it measures: The amount of sales that your business has outside of your brick-and-mortar location

What it tells you: How important your online revenue stream is to your bottom line

How you can track it: Software tool that tracks sales you've completed online, and shows you trends over time



5. Retention

What it measures: The percentage of clients who keep returning to your business over time after a set period of time or introductory offer

What it tells you: How successful your business is at providing an exceptional client experience and exceeding client expectations

How you can track it: Comparing your committed client base over a set period of time against total visitors during the same period

Take Your Business's Temperature

Now that you know what to measure to determine exactly how your business is doing at any moment, set up your own reporting system to track these KPIs over time. We're sure they'll help you keep your business strong and healthy!



To learn first-hand how MINDBODY can position your business for success, schedule a guided tour today at mindbodyonline.com/talk-to-a-sales-specialist or give us a call at 0203.397.4810.