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25 KPIs for Consulting Firm Success

Measuring the metrics of any consulting firm can be a challenging process, and with so many data points available it can be difficult to determine which metrics will provide the highest return for your business.

Our CMap consulting experts have provided a **25 point checklist of KPIs** that our most successful clients are using to drive their consulting firm's success.

The 5 Golden KPIs

KPI	Description	OK	Good	Great
Rule of 40	Annual revenue growth % + EBITDA % must equal 40% (or more) - *i.e. Revenue growth of 10% + EBITDA of 30% = Rule of 40* achieved	40	50	60
EBITDA Margin	The strongest indicator of company value and financial health	20%	30%	50%+
Project Margin	% of profit on every engagement	50%	60%	80%
Billable Utilization	% of time employees spend on chargeable delivery (usually weekly)	60%	75%	90%
Pipeline Value	Total value of all qualified pipeline opportunities (usually quarterly)	3x Revenue target	4x Revenue target	5x Revenue target

Sales

KPI	Description	OK	Good	Great
New business revenue	Revenue growth from new clients (annual)	10%	25%	40%
Cross-sell revenue	% of total revenue from additional services from existing clients (annual)	30%	40%	50%
Extension revenue	% of total revenue from extending services with existing clients (annual)	50%	75%	100%
Growth rate	% of revenue increase in total revenue (annual)	10%	25%	40%
Retention rate	% of customers who renew, extend or cross-sold to i.e. are using at least one service YoY	75%	90%	100%

Marketing

KPI	Description
Av. Proposal value	Fairly obvious - but you may also want to split by offering or service line. Range is completely dependent on your niche. Most firms will try and increase this YoY
Pipeline volume	No. of deals you have at different stage gates (Good: you have stage gates! Great: Everyone follows stage gates fastidiously). Pipeline value is a golden KPI - but you will want to cross-reference with a "pipeline volume" KPI to ensure the number vs. shape of deals isn't dramatically changing

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Marketing (cont.)

Metric	Description	OK	Good	Great
Proposal-to-win-rate	Percentage of proposals submitted that result in a winning contract or project	<30% or >70%	<40% or >60%	50%
Proposal-to-close velocity	Sales cycle length from proposal submission to closed-won	2 months	1 month	2 weeks

Finance

Metric	Description	OK	Good	Great
Recognized & Forecast Revenue	Measures past & forecast revenue performance vs target (booked, committed, pipeline, still to find)	10% variance	5% variance	2% variance
Overheads as % Revenue	Measures your operating (non-project delivery) expenses as % of revenue	<5% or >25%	<10% or >20%	15%
Day Sales Outstanding	Average number of days it takes to collect payment after a sale	60	30	14
Cashflow - Current Ratio	Ability to pay off current liabilities with its total current assets such as cash & accounts receivable	1.5x	2x	3x

Delivery

Metric	Description	OK	Good	Great
Project Recovery Rate	Measures delivery performance (time/budget) of your live and completed projects	80%	90%	95%
Net Promoter Score	Measures customer loyalty, satisfaction & enthusiasm for your services through potential to recommend to others	30	40	50

Operations

Metric	Description	OK	Good	Great
Productive Utilization	Measures the % of time consultants are working on value adding activities such as chargeable projects, sales & marketing, IP + billable utilization target	80%	90%	100%
Average Revenue per Consultant	Measures the average revenue generated per chargeable consultant vs. Av fully loaded cost	2.5x	4x	6x
Time-to-hire	From interview to contract (in days)	45	30	15
Consultant Attrition Rate	Measures the % consultants leaving the business over a defined period	<5% or >25%	<10% or >20%	15%
eNPS Score	Employee engagement i.e. measures the level of involvement & enthusiasm of your people (full-time and contract)	30	40	50