



# Analyzing Retail KPIs Summary

The larger the retailer, the more complex the business becomes to manage. Effective gathering of data and analysis of a variety of Key Performance Indicators is crucial for managing the retailer’s success. It is also crucial for companies selling to retailers.

By analyzing a retailer’s KPIs over a period of 3-5 years and comparing them with their competitors or a peer group, retailers will often be able to identify opportunities for improvement and vendors will be able to uncover opportunities for their solutions.

The chart below summarizes the main KPIs for a retail organization. These are described in more detail in the other pages in this section of the WIKI.

Key Performance Indicators				
Widely used Through the Business	Buying and Merchandising	Store Operations	Finance	Marketing
<b>Sales</b> <ul style="list-style-type: none"><li>Sales vs Last Year</li><li>Sales vs Plan/Budget</li><li>Comparable Store Sales (Same Store Sales)</li><li>Sales per Square Foot</li><li>Sales per Linear Foot</li></ul> <b>Inventory</b> <ul style="list-style-type: none"><li>Inventory Turn</li><li>Availability in Stock %</li></ul> <b>Margins</b> <ul style="list-style-type: none"><li>Gross Margin %</li><li>Markdown %</li></ul> <b>Profit</b> <ul style="list-style-type: none"><li>Pre Tax Profit%</li></ul>	<b>Sales</b> <ul style="list-style-type: none"><li>Sell Through %</li></ul> <b>Inventory</b> <ul style="list-style-type: none"><li>GMROI</li><li>Fresh Stock %</li><li>Average Stock</li><li>Weeks of Supply</li></ul> <b>Margins</b> <ul style="list-style-type: none"><li>Markup %</li><li>GMROF</li></ul>	<b>Sales</b> <ul style="list-style-type: none"><li>Average Sale (Money)</li><li>Average Sale (Items)</li><li>Conversion Rate</li><li>Transaction Count</li></ul> <b>Inventory</b> <ul style="list-style-type: none"><li>Shrinkage</li><li>In-stock Availability%</li></ul> <b>Margins</b> <ul style="list-style-type: none"><li>Local Markdown%</li></ul> <b>Labor</b> <ul style="list-style-type: none"><li>Labor % Sales</li><li>Sales per FTE</li><li>Sales per Labor Hour</li><li>GMROL</li></ul>	<ul style="list-style-type: none"><li>Return on Capital Employed</li><li>Return on Net Assets</li><li>Interest Cover</li><li>Expense Lines % Sales</li></ul> <b>Corporate &amp; Shareholders</b> <ul style="list-style-type: none"><li>Share Price</li><li>Earnings per Share</li></ul>	<ul style="list-style-type: none"><li>Market Share</li><li>Share of the Purse/Wallet</li></ul> <b>Human Resources</b> <ul style="list-style-type: none"><li>Employee/ Associate Turnover</li><li>Training cost per Associate</li><li>Absentee %</li></ul>

This table shows a summary of the most important ones.

The KPIs in the left-hand column are widely used in many different departments. Others are more specific to a particular department or group of people.

KPIs are vital indicators of the health of a retail business. Understanding what they represent and how to manipulate them can mean success or failure.

Not all KPIs are on this chart. You can find the detail on these in the KPIs class module details of others in the Retail and Consumer Goods Industry WIKI.

You can find out how to calculate and use these KPIs in the KPI Analysis Tool, which you can also download from the Resources tab in the class.