

Cheat Sheets

A guide for designers to understand different organisational functions, their objectives and key metrics.

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NB. This list summarises the key objectives and metrics for the most common corporate functions. It is not supposed to be an exhaustive list but a summary of what's common to encounter in today's corporations globally. Objectives and metrics will vary on the sector within which the organisation operates.

Marketing

General Objectives:

- **Understanding Customer Needs:** Marketing aims to deeply understand the needs, preferences, and behaviours of customers. This involves market research, data analysis, and consumer insights to identify target markets and segments.
- **Creating Value Propositions:** Marketing develops and communicates the value proposition of the corporation's products or services. This involves crafting messages that resonate with the target audience and differentiate the offerings from competitors.
- **Generating Demand:** Marketing is responsible for generating demand for the company's products or services through various channels such as advertising, promotions, and sales efforts. This includes both attracting new customers and retaining existing ones.
- **Building Brand Equity:** Marketing endeavours to build and maintain the corporation's brand equity. This involves establishing a strong brand identity, fostering positive brand associations, and ensuring consistent brand messaging across all touchpoints.
- **Adapting to Market Dynamics:** Marketing also monitors market trends, competitor activities, and changes in consumer behaviour. It adapts strategies accordingly to stay relevant and competitive in the marketplace.

Key Measurements:

- **Customer Acquisition Cost (CAC):** CAC measures the cost of acquiring a new customer. It is calculated by dividing the total cost of marketing and sales efforts by the number of new customers acquired within a specific period.
- **Customer Lifetime Value (CLV):** CLV estimates the total revenue a business can expect from a single customer over the duration of their relationship with the company. It helps determine the long-term profitability of acquiring and retaining customers.
- **Conversion Rates:** Conversion rates measure the percentage of people who take a desired action, such as making a purchase, signing up for a newsletter, or downloading a whitepaper, in response to a marketing campaign.
- **Website Traffic and Engagement Metrics:** These metrics include the number of website visitors, page views, time spent on the site, bounce rate, and click-through rate (CTR). They indicate the effectiveness of online marketing efforts and the level of engagement with the company's digital content.
- **Social Media Metrics:** Metrics such as likes, shares, comments, followers, and engagement rates on social media platforms provide insights into the effectiveness of social media marketing campaigns and the level of audience engagement.
- **Brand Awareness and Perception:** Surveys, brand mentions, sentiment analysis, and brand recall studies help measure the level of awareness, perception, and sentiment surrounding the company's brand in the market.
- **Customer Satisfaction and Net Promoter Score (NPS):** These metrics gauge customer satisfaction and loyalty by measuring how likely customers are to recommend the company to others. NPS is calculated based on responses to the question, "How likely are you to recommend our company/product/service to a friend or colleague?".

Sales

General Objectives:

- **Meeting Sales Targets:** Sales teams are typically tasked with meeting or exceeding predefined sales targets, which are often set based on revenue goals, market demand, and growth objectives. Achieving these targets contributes directly to the company's financial success.
- **Acquiring New Customers:** One of the primary objectives of the sales function is to identify and acquire new customers. This involves prospecting, lead generation, and engaging potential buyers to convert them into paying customers.
- **Increasing Market Share:** Sales efforts aim to increase the company's market share by outperforming competitors and capturing a larger portion of the market. This may involve penetrating new markets, expanding into new geographic regions, or targeting specific customer segments.
- **Maximising Customer Lifetime Value:** Sales teams work to maximise the lifetime value of customers by upselling, cross-selling, and promoting additional products or services. By expanding the range of offerings sold to existing customers, sales contribute to revenue growth and profitability.
- **Achieving Profitability and Margins:** While the primary focus of sales is on revenue generation, it's also important to achieve profitability targets and maintain healthy profit margins. Sales professionals often need to balance pricing strategies with customer expectations and market dynamics to optimise profitability.

Key Measurements:

- **Sales Revenue:** This is the total revenue generated from sales of the company's products or services within a specific period. It is the primary indicator of the sales team's effectiveness in driving revenue.
- **Sales Volume:** Sales volume measures the total quantity or number of units sold within a specific period. It provides insight into the level of demand for the company's offerings and the sales team's ability to move inventory.
- **Win Rate:** Win rate measures the percentage of opportunities or deals that are successfully closed or won compared to the total number of opportunities pursued. It reflects the sales team's effectiveness in converting leads into customers.
- **Average Deal Size:** This metric calculates the average monetary value of individual deals closed by the sales team. It provides insight into the typical size and value of sales transactions.
- **Sales Conversion Rate:** Sales conversion rate measures the percentage of leads or prospects that are converted into paying customers. It helps assess the effectiveness of the sales team in closing deals and converting opportunities into revenue.

Operations

General Objectives:

- **Optimising Efficiency:** One of the primary objectives of the operations function is to optimise efficiency across all areas of the organisation. This involves streamlining processes, eliminating waste, and improving productivity to reduce costs and enhance profitability.
- **Ensuring Quality:** Operations aims to ensure that products or services meet or exceed the quality standards expected by customers. This involves implementing quality control measures, conducting inspections, and continuously improving processes to minimise defects and errors.
- **Managing Supply Chain:** Operations oversees the management of the supply chain, including procurement, inventory management, logistics, and distribution. The objective is to ensure a smooth flow of materials and resources from suppliers to production facilities and ultimately to customers while minimising costs and lead times.
- **Optimising Capacity and Resources:** Operations is responsible for optimising the utilisation of resources, including labour, equipment, and facilities, to meet production demands and customer requirements efficiently. This involves capacity planning, resource allocation, and scheduling to maximise throughput and minimise idle time.
- **Ensuring Regulatory Compliance:** Operations ensures that the organisation complies with relevant laws, regulations, and industry standards governing its operations. This includes adhering to safety regulations, environmental regulations, labour laws, and quality standards to minimise legal and regulatory risks.
- **Managing Costs and Budgets:** Operations is responsible for managing costs effectively and optimising budgets to achieve operational objectives within financial constraints. This involves cost control measures, budget planning, variance analysis, and cost-saving initiatives to maximise profitability.

Key Measurements:

- **Capacity Utilization:** This measurement assesses the extent to which available production capacity is being utilised. It helps operations managers optimise resource allocation and plan for future capacity needs.
- **Cycle Time:** Cycle time measures the total time required to complete a process or operation, from start to finish. It helps operations managers identify bottlenecks, streamline workflows, and improve productivity.
- **Customer Returns:** The number or percentage of products returned by customers due to quality issues.
- **Order Fulfillment Cycle Time:** The time it takes to process and fulfil customer orders from receipt to delivery.
- **Cost per Unit:** The total cost of producing each unit of product, including direct and indirect costs.

IT

General Objectives:

- **Ensuring IT Infrastructure Reliability and Security:** One of the primary objectives of the IT department is to maintain a reliable, secure, and resilient IT infrastructure that supports the organisation's operations. This includes managing networks, servers, databases, and other IT systems to minimise downtime and mitigate cybersecurity risks.
- **Providing IT Support and Service Delivery:** The IT department is responsible for providing timely and effective support to end-users, resolving technical issues, and ensuring that IT services meet agreed-upon service levels. This includes helpdesk support, troubleshooting, and incident management.
- **Driving Digital Transformation:** IT plays a key role in driving digital transformation initiatives across the organisation. This involves leveraging technology to automate processes, improve efficiency, enhance customer experiences, and enable new business models.
- **Enabling Business Continuity and Disaster Recovery:** The IT department is tasked with developing and implementing business continuity and disaster recovery plans to ensure that critical IT systems and data can be restored quickly in the event of disruptions or disasters.
- **Managing and Securing Data:** IT is responsible for managing and securing the organisation's data assets, including data storage, backup, and recovery. This involves implementing data governance policies, ensuring compliance with data protection regulations, and protecting sensitive information from unauthorised access or breaches.
- **Supporting Collaboration and Communication:** IT facilitates collaboration and communication within the organisation by providing tools and platforms such as email, messaging apps, video conferencing, and collaboration software. The objective is to enable seamless communication and collaboration among employees, teams, and stakeholders.

Key Measurements:

- **System Uptime and Availability:** This metric measures the percentage of time that critical IT systems and services are operational and available for use by end-users. It helps assess the reliability and performance of IT infrastructure and services.
- **Incident Resolution Time:** This metric measures the time it takes to resolve individual IT incidents or service requests. It helps IT departments prioritise and allocate resources effectively to address critical issues and meet service level agreements (SLAs).
- **Service Level Agreement (SLA) Compliance:** SLA compliance measures the extent to which IT services meet agreed-upon service level targets, such as uptime, response times, and resolution times. It helps ensure that IT services align with business requirements and customer expectations.
- **Technology Adoption and Utilisation:** These metrics track the adoption and utilisation of new technologies and IT solutions within the organisation.
- **Return on Investment (ROI):** The financial or operational benefits realised from investments in new technologies, measured against the initial cost of implementation.

Products

General Objectives:

- **Defining Product Strategy:** The product function is responsible for defining the overall product strategy aligned with the company's business goals and market opportunities. This involves conducting market research, analysing customer needs, and identifying opportunities for innovation and differentiation.
- **Developing Product Roadmap:** The product function creates and maintains a product roadmap that outlines the vision, features, and enhancements planned for the product over time. The roadmap serves as a guide for product development efforts and helps prioritise initiatives based on customer feedback and market demand.
- **Driving Product Innovation:** The product function fosters a culture of innovation and continuous improvement by exploring new ideas, technologies, and features that can enhance the product's value proposition and competitive advantage. This involves staying abreast of industry trends, emerging technologies, and customer needs.
- **Managing Product Lifecycle:** The product function manages the entire product lifecycle from conception to end-of-life, including product planning, development, launch, and ongoing maintenance. It ensures that products evolve to meet changing market dynamics and customer requirements over time.
- **Optimising User Experience (UX):** The product function focuses on optimising the user experience to ensure that the product is intuitive, easy to use, and provides value to customers. This involves conducting user research, usability testing, and iterative design improvements to enhance usability and satisfaction.
- **Driving Customer Success and Adoption:** The product function collaborates closely with customer success and sales teams to drive product adoption, usage, and retention. It helps identify opportunities to improve customer satisfaction, address user feedback, and deliver value-added features and services.

Key Measurements:

- **Monthly Recurring Revenue (MRR):** MRR measures the total recurring revenue generated from subscription-based services within a specific month. It provides insight into the company's revenue growth and the stability of its subscription business model.
- **Churn Rate:** Churn rate measures the percentage of customers who cancel or unsubscribe from the service within a specific period. It reflects customer attrition and retention rates, providing insight into customer satisfaction and loyalty.
- **User Engagement Metrics:** Various metrics track user engagement and usage of the product.
- **Net Promoter Score (NPS):** NPS measures customer satisfaction and loyalty by asking customers how likely they are to recommend the product to others. It helps assess overall customer sentiment and identify promoters, detractors, and passives.
- **Conversion Metrics:** Conversion metrics track the effectiveness of product-related efforts in converting leads to customers.

Finance

General Objectives:

- **Financial Planning and Analysis (FP&A):** The finance function is responsible for developing financial plans, budgets, and forecasts that align with the company's strategic goals and objectives. This involves analysing financial data, market trends, and performance metrics to inform decision-making and resource allocation.
- **Financial Reporting and Compliance:** Finance ensures that the company's financial statements, reports, and disclosures are accurate, transparent, and compliant with regulatory requirements and accounting standards. This includes preparing financial statements, filing regulatory reports, and coordinating audits with external auditors.
- **Cash Flow Management:** Finance manages the company's cash flow to ensure liquidity, optimise working capital, and meet financial obligations such as debt payments, payroll, and supplier invoices. This involves forecasting cash flows, monitoring cash balances, and implementing cash management strategies to maximise cash efficiency.
- **Capital Allocation and Investment Decisions:** Finance plays a key role in allocating capital and making investment decisions that maximise shareholder value and support long-term growth. This includes evaluating investment opportunities, assessing risk-return trade-offs, and prioritising projects based on strategic objectives and financial criteria.
- **Risk Management:** Finance identifies, assesses, and mitigates financial risks that could impact the company's performance and profitability. This includes managing risks related to currency fluctuations, interest rate changes, credit exposures, and market volatility through hedging, insurance, and risk management strategies.

Key Measurements:

- **Revenue:** Revenue measures the total income generated from the sale of goods or services. It is a primary indicator of the company's top-line performance and growth.
- **Profitability Metrics:**
 - **Gross Profit Margin:** It measures the percentage of revenue remaining after subtracting the cost of goods sold (COGS). It reflects efficiency of production and pricing strategies.
 - **Operating Profit Margin:** It measures the percentage of revenue remaining after subtracting operating expenses. It indicates company's profitability from core operations.
 - **Net Profit Margin:** It measures the percentage of revenue remaining after subtracting all expenses, including taxes and interest. It reflects the company's overall profitability.
- **Cash Flow Metrics:**
 - **Operating Cash Flow:** It measures the cash generated or used by the company's core business operations. It indicates the company's ability to generate cash from its day-to-day activities.
 - **Free Cash Flow:** It measures the cash remaining after deducting capital expenditures from operating cash flow. It represents the cash available for distribution to shareholders, debt repayment, or investment in growth opportunities.

HR

General Objectives:

- **Talent Acquisition and Recruitment:** HR aims to attract, hire, and onboard top talent to meet the organisation's staffing needs and strategic objectives. This involves developing recruitment strategies, sourcing candidates, conducting interviews, and making job offers.
- **Employee Development and Training:** HR focuses on developing employees' skills, knowledge, and competencies to enhance their performance and career growth. This includes providing training programs, professional development opportunities, and coaching and mentoring initiatives.
- **Performance Management:** HR is responsible for establishing performance management processes to set performance expectations, provide feedback, and evaluate employee performance. This includes conducting performance appraisals, setting goals, and identifying development areas.
- **Employee Engagement and Retention:** HR aims to create a positive work environment where employees are engaged, motivated, and committed to the organisation's goals. This involves implementing initiatives to boost employee morale, improve job satisfaction, and reduce turnover rates.
- **Diversity, Equity, and Inclusion (DEI):** HR promotes diversity, equity, and inclusion initiatives to foster a diverse and inclusive workplace where all employees feel valued and respected. This includes implementing policies and programs to address bias, promote diversity hiring, and create an inclusive culture.

Key Measurements:

- **Employee Turnover Rate:** Employee turnover rate measures the percentage of employees who leave the organisation within a specific period. It helps assess retention efforts and identify areas for improvement in employee engagement and satisfaction.
- **Cost-per-Hire:** Cost-per-hire measures the average cost incurred to hire a new employee, including recruitment advertising, agency fees, and hiring-related expenses. It helps assess recruitment costs and optimise hiring processes to reduce expenses.
- **Employee Engagement Score:** Employee engagement score measures employees' level of engagement, satisfaction, and commitment to the organisation. It is often measured through employee surveys or pulse surveys and helps identify factors influencing employee morale and motivation.
- **Training Effectiveness:** Training effectiveness measures the impact of training programs on employee performance, skills development, and job satisfaction. It helps evaluate the return on investment in training initiatives.
- **Diversity Representation:** Diversity representation measures the percentage of employees from different demographic groups within the organisation, such as gender, ethnicity, age, and disability status. It helps track progress toward diversity and inclusion goals.

C-Suite

General Objectives:

- **Setting Strategic Direction:** The C-suite is responsible for defining the organisation's mission, vision, and strategic goals. They develop long-term strategies and plans to drive growth, innovation, and sustainable competitive advantage in the marketplace.
- **Driving Business Performance:** The C-suite focuses on achieving financial and operational excellence by setting performance targets, monitoring key performance indicators (KPIs), and driving initiatives to optimise efficiency, productivity, and profitability.
- **Fostering Innovation and Agility:** The C-suite promotes a culture of innovation and agility by encouraging experimentation, embracing change, and adapting quickly to market dynamics and emerging trends. They invest in research and development (R&D) and promote innovation initiatives to drive product development and differentiation.
- **Ensuring Corporate Governance and Compliance:** The C-suite upholds high standards of corporate governance and ensures compliance with laws, regulations, and ethical standards. They establish policies, procedures, and controls to mitigate risks, protect assets, and uphold the organisation's reputation.
- **Creating Stakeholder Value:** Ultimately, the overarching objective of the C-suite is to create sustainable value for stakeholders, including shareholders, employees, customers, and the broader community. They make strategic decisions that maximise shareholder returns while balancing the interests of other stakeholders and contributing to societal well-being.

Key Measurements:

- **Revenue Growth:** Measures the increase in total revenue over a specific period, indicating the organisation's ability to generate sales and expand its business.
- **Profit Margin:** Measures the percentage of revenue that translates into profit after deducting all expenses, indicating the organisation's profitability.
- **Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA):** Measures the organisation's operating profitability before accounting for non-operating expenses.
- **Return on Investment (ROI):** Measures the return generated on investments made by the organisation, indicating the efficiency of capital allocation.
- **Market Share:** Measures the organisation's share of the total market within its industry or segment, indicating its competitive position.
- **Customer Satisfaction Score (CSAT):** Measures the satisfaction level of customers with the organisation's products or services, indicating its ability to meet customer needs and expectations.
- **Net Promoter Score (NPS):** Measures the likelihood of customers recommending the organisation's products or services to others, indicating customer loyalty and advocacy.
- **Key Performance Indicators (KPIs):** Measures specific performance metrics aligned with organisational goals and objectives. These are function-specific.
- **Operational Efficiency:** Measures the organisation's ability to minimise costs and resources while maximizing output and productivity.
- **Time to Market:** Measures the time it takes for the organisation to develop and launch new products or services, indicating its agility and ability to innovate.