

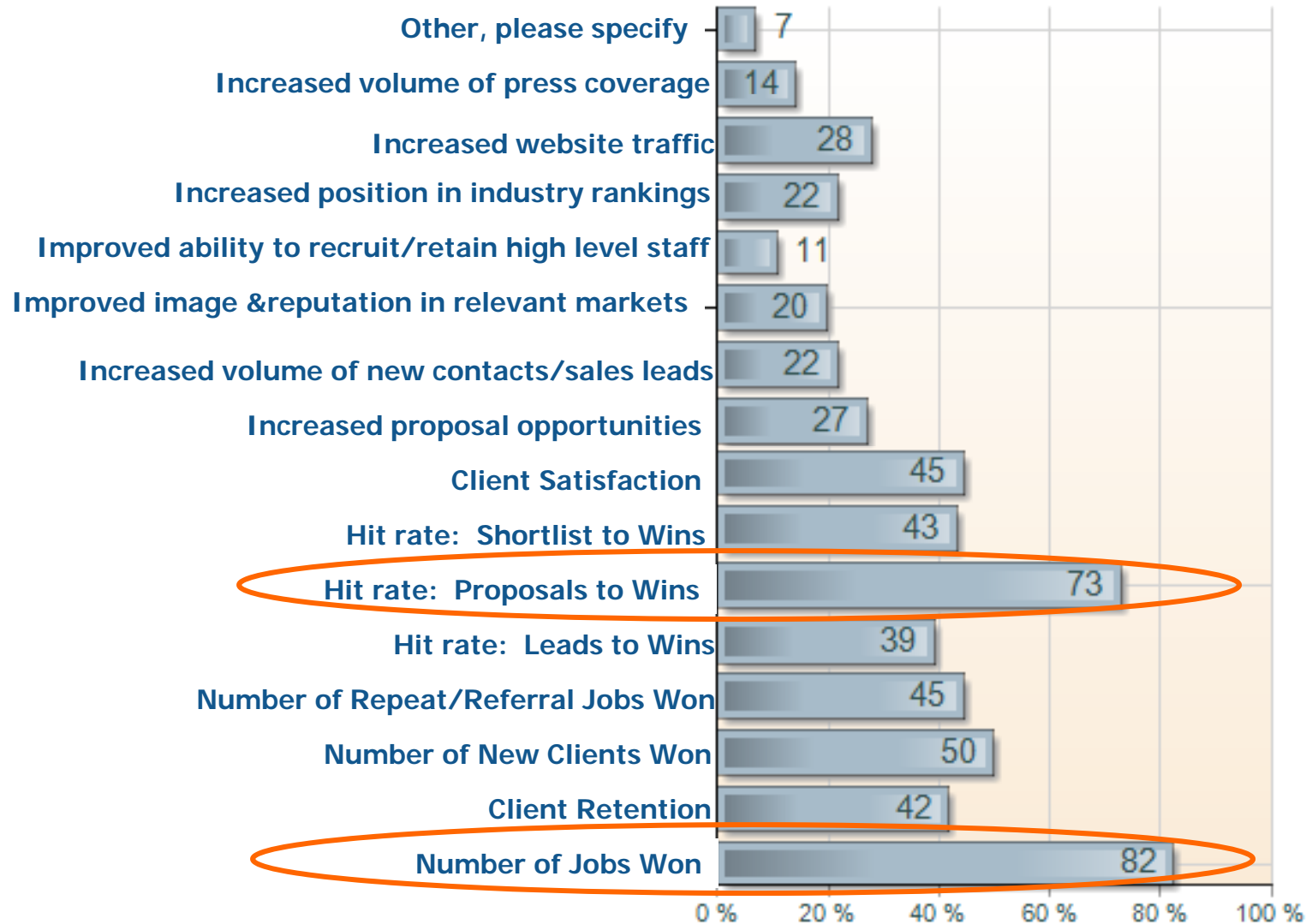
# Metrics that Matter

SMPS DC

June 19, 2012



## Check any of the following metrics your firm uses to calculate ROI:





## Hit Rate

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- Ratio of Wins to leads
- Ratio of Wins to RFP's
- Ratio of Wins to Shortlists



## Wins to Leads

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100 Leads resulting in 10 wins

=

Hit Rate of 10%

### Measures:

- **Lead/Prospect Building**
- **Market Research**
- **Networking**



## Wins to RFP's

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50 RFP's resulting in 10 wins

=

Hit Rate of 20%

**Measures Proposal Effort**



## Wins to Shortlists

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10 Shortlists resulting in 1 wins

=

Hit Rate of 10%

**Measures: Presentation Effectiveness  
Competitiveness**



## Burgess & Niple

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- 650 – person E/A
- 20 offices
- Headquarters: Columbus OH
- Ranked 129<sup>th</sup> on ENR's Top 500
- \$97.1 million total revenue (2008)



## Marketing Recovery Factor (MRF)

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$$\text{MRF} = \frac{\text{Contract Value}}{\text{Marketing \$ Spent}}$$

$$20 = \frac{\$100,000}{5,000}$$

Track by:

- Division
- Market Sector
- Client (starting in 2009)





## Cost Recovery Factor (CRF)

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$$\text{CRF} = \frac{\text{Earnings}}{\text{Operating Costs}^*}$$

$$1.1 = \frac{\$1,100,000}{1,000,000}$$

- \* Operating Costs
- Salary
  - Overhead
  - Expenses

Track by:

- Division
- Market Sector



## On Line Measurement Tools

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- Google Analytics
- PR Web
- Vocus
- Constant Contact



# Sally Handley, FSMPS

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Logo Design:  
Carol Monahan  
Design-Solutions



## HMC Metrics

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$$\text{Capture Ratio} = \frac{\text{New Contracts \$}}{\text{Expenses \$}}$$

$$\% \text{ of Net Revenue} = \frac{\text{Expenses \$}}{\text{Net Revenue}}$$



## First Step

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- Define and select metrics that are most appropriate for the situation, your targets and your initiatives.



## SmithGroup

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- Architecture, engineering, interiors planning
- 800 staff
- 7th largest architecture and engineering firm in the U.S. (BD&C "Giants" survey, July 2009)

Susan R. Arneson, CPSM

Vice President, Corporate Marketing Dir.



# Smith Group

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**Repeat Work:** Net revenue generated from existing or past clients, active within the last two years, expressed as a percent of total net revenue. Net revenue equals new client net revenue plus work from current contracts plus CM (change memoranda) from current contracts.

**Rationale:** This is one of the most critical of our metrics and there is no standard detailed enough to rely upon for outside comparison. The emphasis of this metric is to evaluate how well we perform on projects and how well we maintain the client relationship. We have espoused a goal of 70% repeat work and this will permit us to understand how much we actually do achieve.




Just do it...

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The image shows the cover of a book titled "Marketing Metrics De-Mystified: Methods for Measuring ROI and Evaluating Your Marketing Effort". The cover features a green background with a light blue circular graphic on the left side. The title is in a bold, red font, and the subtitle is in a smaller, black font. At the bottom, the publisher's name "Sally Handley Inc." is displayed in blue, with the tagline "Marketing Matters...Consulting/Training/Staffing" in a smaller font below it. The cover is framed by a dark grey vertical bar on the left and a light blue horizontal bar at the bottom.

**Marketing Metrics  
De-Mystified:**  
Methods for Measuring ROI and  
Evaluating Your Marketing Effort

 **Sally Handley Inc.**  
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