The Tableau Public Link to the dashboards is Financial Dashboards | Tableau Public

https://public.tableau.com/app/profile/suresh.kumar.muvvala/viz/FinancialDashboards/Story1?publish=yes

KPI's definitions displayed in the dashboard.

1. **Gross Profit / Gross Profit Margin:**

This is an intermediate — but critical — measure of the profitability and efficiency of the company's core business. It's calculated as gross profit divided by net sales, and is usually expressed as a percentage. Gross profit is net sales minus cost of goods sold (COGS), which is the direct cost of producing the items sold. Calculating profit as a percentage of revenue makes it easier to analyze profitability trends over time and to compare profitability with other companies. The formula for calculating gross profit margin is:

Gross profit = Net sales – COGS

Gross profit margin = (Net sales – COGS) / Net sales x 100%

2. **Return on Sales (ROS)/Operating Margin:**

This metric looks at how much operating profit the company generates from each dollar of sales revenue. It is calculated as operating income, or earnings before interest and taxes (EBIT), divided by net sales revenue. Operating income is the profit a company makes on sales revenue after deducting COGS and operating expenses. ROS is commonly used as a measure of how efficiently the company turns revenue into profit. The formula for return on sales is:

Return on sales = (Earnings before interest and taxes / Net sales) x 100%

3. **Net Profit Margin:**

This is a comprehensive measure of how much profit a company makes after accounting for all expenses. It's calculated as net income divided by revenue. Net income is often regarded as the ultimate metric of profitability — the "bottom line" — because it's the profit remaining after deducting all operating and non-operating costs, including taxes. Net profit margin is usually expressed as a percentage. The formula for net profit margin is:

Net profit margin = (Net income / Revenue) x 100%

4. **Operating Cash Flow Ratio (OCF):**

This liquidity KPI ratio measures a company's ability to pay for short-term liabilities with cash generated from its core operations. It's calculated by dividing operating cash flow by current liabilities. OCF is the cash generated by a company's operating activities, while current liabilities include accounts payable and other debts that are due within a year. OCF uses information from a company's statement of cash flows, rather than the income statement or balance sheet, which removes the impact of non-cash operating expenses. The formula for operating cash flow is:

Operating cash flow ratio = Operating cash flow / Current liabilities

5. **Current Ratio:**

This shows a company's short-term liquidity. It's the ratio of the company's current assets to its current liabilities. Current assets are those that can be converted into cash within a year, including cash, accounts receivable and inventory. Current liabilities include all liabilities due within a year, including accounts payable. Generally, a current ratio below one may be a warning sign that the company doesn't have enough convertible assets to meet its short-term liabilities. The current ratio formula is:

Current ratio = Current assets / Current liabilities

6. **Working Capital:**

This liquidity measure is often used in conjunction with other liquidity metrics, such as the current ratio. Like the current ratio, it compares the company's current assets with its current liabilities. However, it expresses the result in dollars instead of as a ratio. Low working capital may indicate that the company will have difficulty meeting its financial obligations. Conversely, a very high amount may be a sign that it's not using its assets optimally. The formula for working capital is:

Working capital = Current assets – Current liabilities

7. **Quick Ratio/Acid Test:**

The quick ratio is a liquidity risk KPI that measures the ability of a company to meet its short-term obligations by converting quick assets into cash. Quick assets are those current assets that can be converted into cash without discounting or writing down the value. In other words, quick assets are current assets – inventory. The quick ratio is also known as the acid test ratio because it's used to measure the financial strength of a business. It reflects the organization's ability to generate cash quickly to cover its debts if it experiences cash flow problems. Companies often aim for a quick ratio that's greater than one. The quick ratio formula is:

Quick ratio = Quick assets / Current liabilities

8. **Selling, General and Administrative (SG&A) Ratio:**

This efficiency metric indicates what percentage of sales revenue is used to cover SG&A expenses. These expenses can include a broad range of operational costs, including rent, advertising and marketing, office supplies and salaries of administrative staff. Generally, the lower the SG&A ratio, the better. The formula for SG&A ratio is:

SGA = (Selling + General + Administrative expense) / Net sales revenue

9. **Debt-to-Equity Ratio:**

This ratio looks at a company's borrowing and the level of leverage. It compares the company's debt with the total value of shareholder's equity. The calculation includes both short-term and long-term debt. A high ratio indicates that the company is highly leveraged. This may not be a problem if the company can use the money it borrowed to generate a healthy profit and cash flow. The formula for debt-equity ratio is:

Debt-to-equity ratio = Total liabilities / Total shareholders' equity

10. **Sales Growth Rate:**

One of the most critical revenue KPIs for many companies, sales growth shows the change in net sales from one period to another, expressed as a percentage. Companies often compare sales to the corresponding period during the previous year, or quarter-to-quarter changes in sales during the current year. A positive value indicates sales growth; negative values mean sales are contracting. The formula for sales growth rate is:

Sales growth rate = (Current net sales – Prior period net sales) / Prior period net sales x 100

References:

1. 30 Financial Metrics and KPIs to Measure Success in 2023 | NetSuite