### **Sales Metrics and KPIs**

* **Conversion Rate**:
  + The percentage of leads that convert into paying customers. It indicates the effectiveness of the sales process.
* **Customer Acquisition Cost (CAC)**:
  + The cost associated with acquiring a new customer, including marketing and sales expenses.
* **Average Order Value (AOV)**:
  + The average amount spent by a customer per transaction. It helps measure sales performance and customer value.
* **Sales Growth**:
  + The increase in sales over a specific period. It indicates business expansion and market penetration.
* **Churn Rate**:
  + The percentage of customers who stop doing business with a company over a specific period. A low churn rate indicates high customer satisfaction and retention.

**Revenue**: Revenue in sales refers to the total money generated from selling goods or services during a specific period. It is a critical indicator of a company's financial performance, representing the top line or gross income from which costs are deducted to determine net income.

Formula: Total Units Sold×Sales Price per Unit

**Cogs**: Cost of Goods Sold (COGS) refers to the direct costs incurred in producing the goods sold by a company. This includes the cost of materials and labor directly used to create the product. It does not include indirect expenses such as distribution costs and sales force costs.

Formula: Beginning Inventory+Purchases During the Period−Ending Inventory

**Profit**: Profit in sales measures the financial gain a company achieves when its revenue exceeds its expenses. It is calculated at different stages to provide insights into various aspects of financial performance.

Formula:Net Profit=Revenue−(COGS+Operating Expenses+Interest+Taxes)

**Profit Margin**: Profit Margin is a key financial metric that measures the percentage of revenue that remains as profit after various costs are deducted. It indicates how well a company manages its expenses relative to its revenue.

Formula:Profit Margin=(RevenueGross Profit​)×100

**Operating Expenses**: OperatingExpenses are the costs required to run a company’s core business operations on a daily basis. These expenses are crucial for maintaining the company’s functionality and are subtracted from gross profit to determine operating profit.

**Operating income**: Operating income is a critical metric in financial analysis, providing insights into a company's operational efficiency and profitability before considering non-operational expenses.

**Other Expenses**:Other expenses in the sales domain encompass costs like interest payments, non-operating expenses, and taxes that impact a company's profitability and financial statements.

**Net Income**: NetIncome, also known as net profit or net earnings, is a critical financial metric that represents the amount of profit a company retains after deducting all expenses from its total revenue. It is a key indicator of a company's profitability and financial health.

Formula:Net Income=Revenue−(Operating Expenses+Other Expenses+Interest+Taxes)