

# Proposed sets of Indicators

## Company Indicators

- What is your sales model
- (Existing KPI) Portfolio Size
- Annual sales in units
- Geographical area








## Operational Performance Indicators

- Number of systems sold
- Average Selling price
- Number of sales per sales agent
- Rate of technical issues per system
- Inventory Turnover
- Sales agent churn rate
  
- Customer Satisfaction / net promoter score - tbd

New definitions –  
for discussion







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# Details Required per Indicator







	DEFINITION. A concise explanation for what the indicator represents.
	WHY DOES IT MATTER? Analytical insights of each indicator that make each indicator, as defined here for standardized reporting, useful for analysis by companies and investors.
	CALCULATION. How to generate the indicator from data inputs.
	NOTES. Considerations for using each indicator, including commentary on what is included in the definition and calculation, as well as practical considerations for use with real data
	Considerations by BUSINESS MODEL.
	WORKING GROUP. (i. Which Technical WG is it allocated to and ii. Status of being discussed across the WG (i.e. feedback consolidated across KPI WG)
	STATUS. Is it agreed and final or subject to discussion? (red/amber/green)

Over time we may include results and feedback/ tips from piloting exercise.







# What is your sales model

	Pick all that apply: <input type="checkbox"/> Direct Sales <input type="checkbox"/> Via Partners <input type="checkbox"/> PayGo <input type="checkbox"/> Cash <input type="checkbox"/> Other
	PayGo or Cash sales companies have very different financing needs. Understanding the sales approach provides context for the rest of the financial and performance metrics and supports comparability
	CALCULATION : n/a
	NOTES. PayGo means that a respondent is responsible for financing the accounts receivable from PayGo customer contracts.
	Considerations by BUSINESS MODEL.
	STATUS. subject to discussion







# (Existing KPI) Portfolio Size

	Total number of customers in portfolio and/or total USD value of the accounts receivable from PayCo contracts
	The size of a company's current portfolio is indicative of the scale of its operations and growth trajectory. While not conclusive, the size of a PayGo portfolio has implications for the financing structure and expectations around the maturity and sophistication of a company's systems/processes.
	CALCULATION: # of active [Contracts]/Reported Account Receivables Value
	NOTES. Customers who have made no payments in the preceding 90 days are deemed to be inactive and are not included in the portfolio size. (check if this needs to be updated... Should align with the assumptions in the Portfolio Quality Work Group's write-off definitions)
	Considerations by BUSINESS MODEL.
	STATUS. Final







# Geographical area

	In which geographical areas are you serving customers? (more than 1 answer possible) <input type="checkbox"/> East Africa <input type="checkbox"/> West Africa <input type="checkbox"/> Southern Africa <input type="checkbox"/> South Asia (except India) <input type="checkbox"/> India <input type="checkbox"/> Southeast Asia <input type="checkbox"/> South/Central America <input type="checkbox"/> Other <input type="checkbox"/> name the country /countries
	The geographic focus indicates the unique social, economic, and political factors that affect a company's strategy. Unique market features may dictate what type of products and approaches work best in each region.
	CALCULATION: None
	Companies should check all that apply.
	Considerations by BUSINESS MODEL.
	STATUS. subject to discussion

# Total Net Sales







	DEFINITION. Net total number of systems sold from the business's start of operations
	WHY DOES IT MATTER? Measure the size of the company according to the systems sold which can be used for further portfolio analysis.
	CALCULATION. All sales – returns & repossessions measured from the business's start of operations
	NOTES. <ul style="list-style-type: none"><li>• This indicator should consider only sales of the entire SHS to the final user of the system</li></ul>
	Considerations by BUSINESS MODEL.
	STATUS. subject to discussion

# Average Selling price







	DEFINITION. Mean price of all systems sold (should we differentiate between PAYGo vs Cash sales or other / more categories?)
	WHY DOES IT MATTER? Important to understand the type of systems sold and customers targeted. Useful for other financial analysis of the company.
	CALCULATION. Sum of sales revenue/ # systems sold. Should we add timeperiod? Quarterly, annually, other, both?
	NOTES. <ul style="list-style-type: none"><li>• Sales revenue should consider all the payments expected to be received from the customer in case of PAYGo, including customer down payments and deposits</li><li>• Includes all units sold, irrespective of whether they are repossessed or written off</li><li>• Normalize to USD?</li></ul>
	Considerations by BUSINESS MODEL.
	STATUS. subject to discussion









# Number of sales per sales agent (João)

	DEFINITION. Total number of systems sold per sales agent
	WHY DOES IT MATTER? Core measure on sales analysis to monitor and control the cost of client acquisition. Also useful for internal performance review.
	CALCULATION. Sum of systems sold/ average # of active sales agents.
	NOTES. <ul style="list-style-type: none"><li>• Sales agents are considered active if performed a sale in the previous 60 ? days.</li><li>• Average number of active sales agents during that same period</li></ul>
	Considerations by BUSINESS MODEL.
	STATUS. subject to discussion

# Rate of technical issues per system (João)

	Ratio between the systems with technical issues among all systems sold
	WHY DOES IT MATTER? Important indicator on customer service to understand customer experience and further possible costs incurred with the aftersales service
	CALCULATION. Sum of systems with technical issue/ # systems sold (gross or net?).
	NOTES. <ul style="list-style-type: none"><li>• The technical issues considered should prevent the client to full use of the system.</li><li>• What time period should we add? 90 days vs generic? Other?</li></ul>
	Considerations by BUSINESS MODEL.
	STATUS. subject to discussion

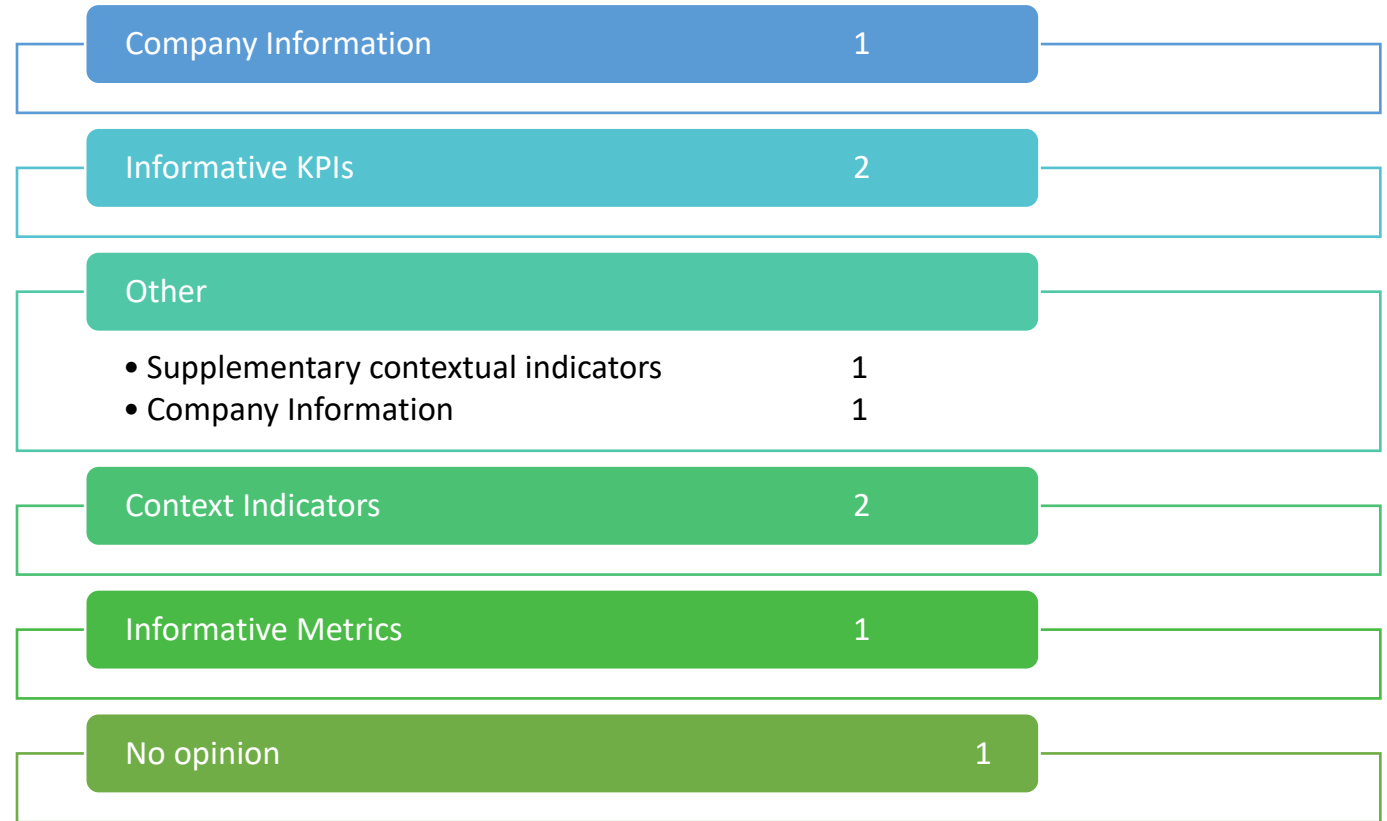
# Sales Agent Churn Rate

	Fraction of sales agents that have gone inactive over the previous 60 days.
	WHY DOES IT MATTER? Related to sales strategy, this indicator shows the reliability of the sales agents network which has directly relation with the sales units of the company.
	CALCULATION. $\text{Sum of sales agents that have gone inactive} / \text{average \# sales agents}$
	NOTES. <ul style="list-style-type: none"><li>• A sales agent is considered inactive if not performed a sales in the previous <b>60</b> days.</li></ul>
	Considerations by BUSINESS MODEL.
	STATUS. subject to discussion

# Prioritizing Informative KPIs

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Q1 Should we talk about

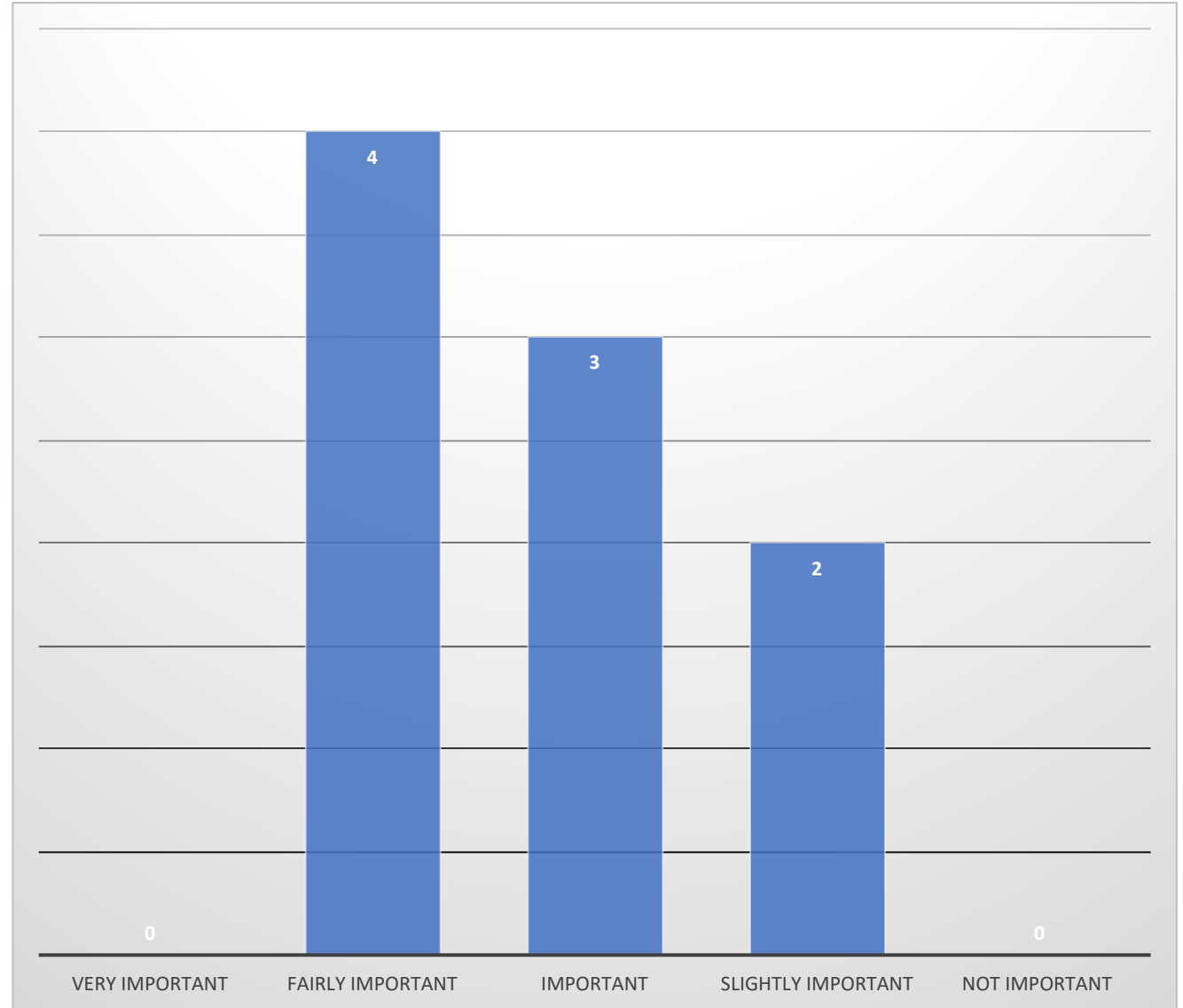


# Total Overview of prioritized Company Indicators

What is your sales model	4.5
Is your business model cash based or PAYGO	4.5
Existing Portfolio Size KPI	4.3
Annual sales in # of units	4.1
Total units sales to date	4.0
In which geographical area are you serving customers	3.7
Warranty length vs Contract length	3.6
Maturity of the company	3.6
General PAYGO terms	3.6
Default / repossession terms	3.6
Collection Proces	3.5
What is the product system size	3.4
How do you offer After Sales Service to your customer	3.4
Existing Standards Compliance KPI	3.4
Existing EBITDA Breakeven KPI	3.3
What customer segments do you serve	3.2
What is the typical income range of your customers	3.2
What are the typical accessories you offer to a customer in a bundle	3.1
What does your product and service enable	3.1
Existing FX Exposure KPI	3.1
What is the typical use case of your customers	2.7
Where is the management team based	2.6

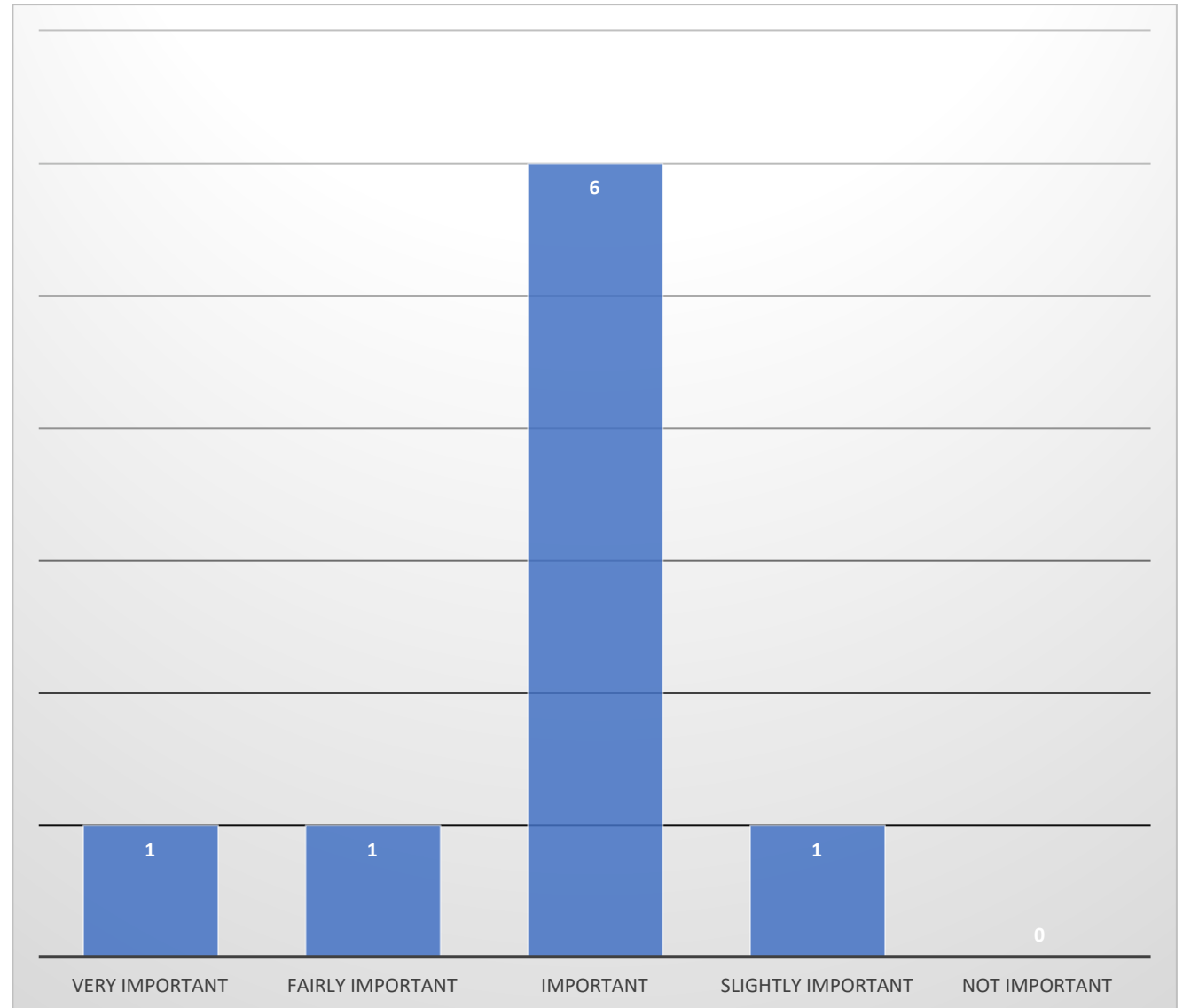
# What customer segments do you serve

- Average score 3.2
- Remarks
  - As DFI it is important for us to know their customer base and impact made
  - Hard / expensive for companies to track – should be able to get a decent sense from the product categories
  - KPIs should be definitive, not an essay. To answer this question properly, you would need several paragraphs and so not appropriate for a KPI



## What is the typical income range of your customers?

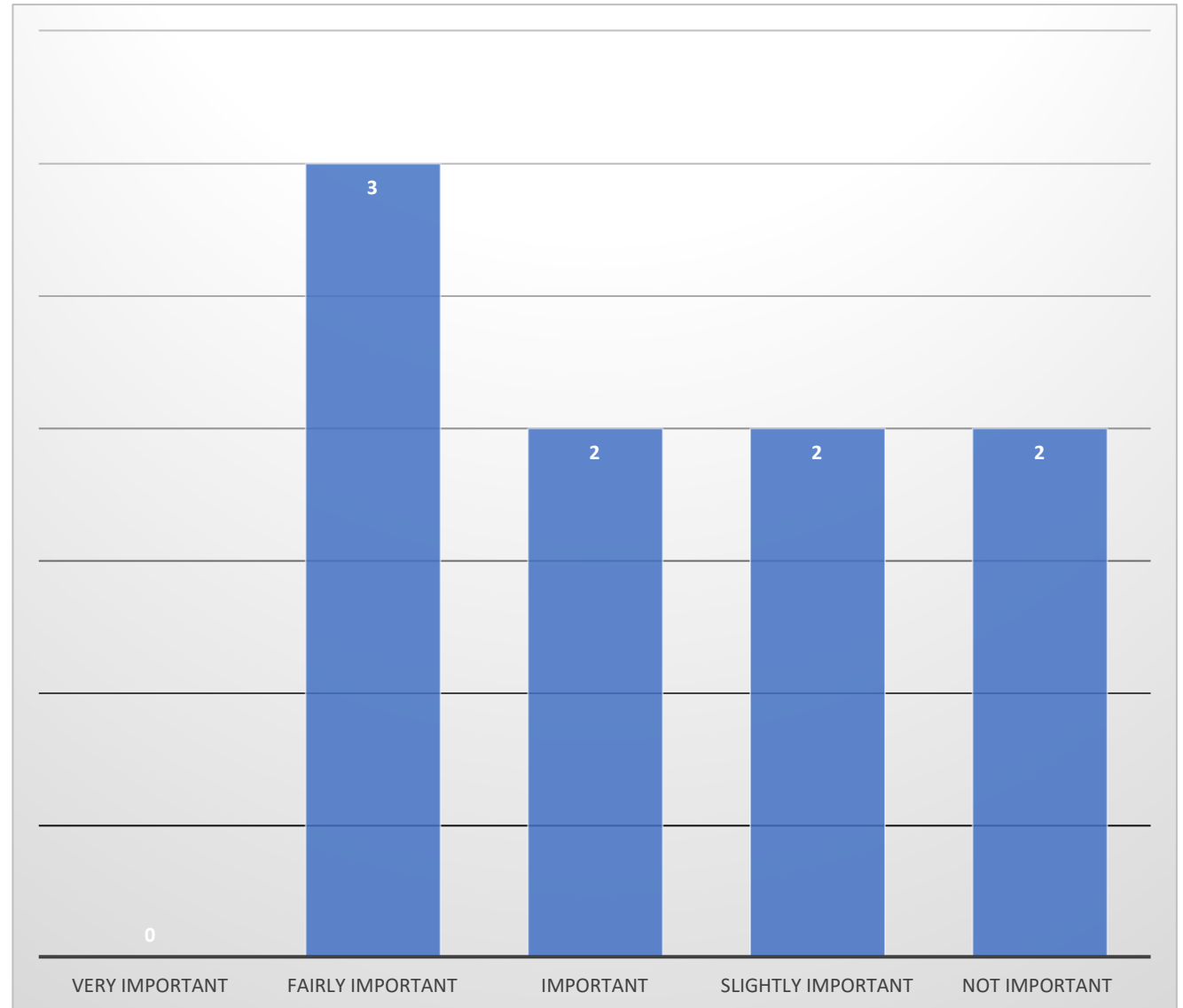
- Average score 3.2
- Remarks
  - To understand affordability
  - Hard / expensive for companies to track – should be able to get a decent sense from the product categories
  - Gives a sense of the proportion of the population targeted and is measurable





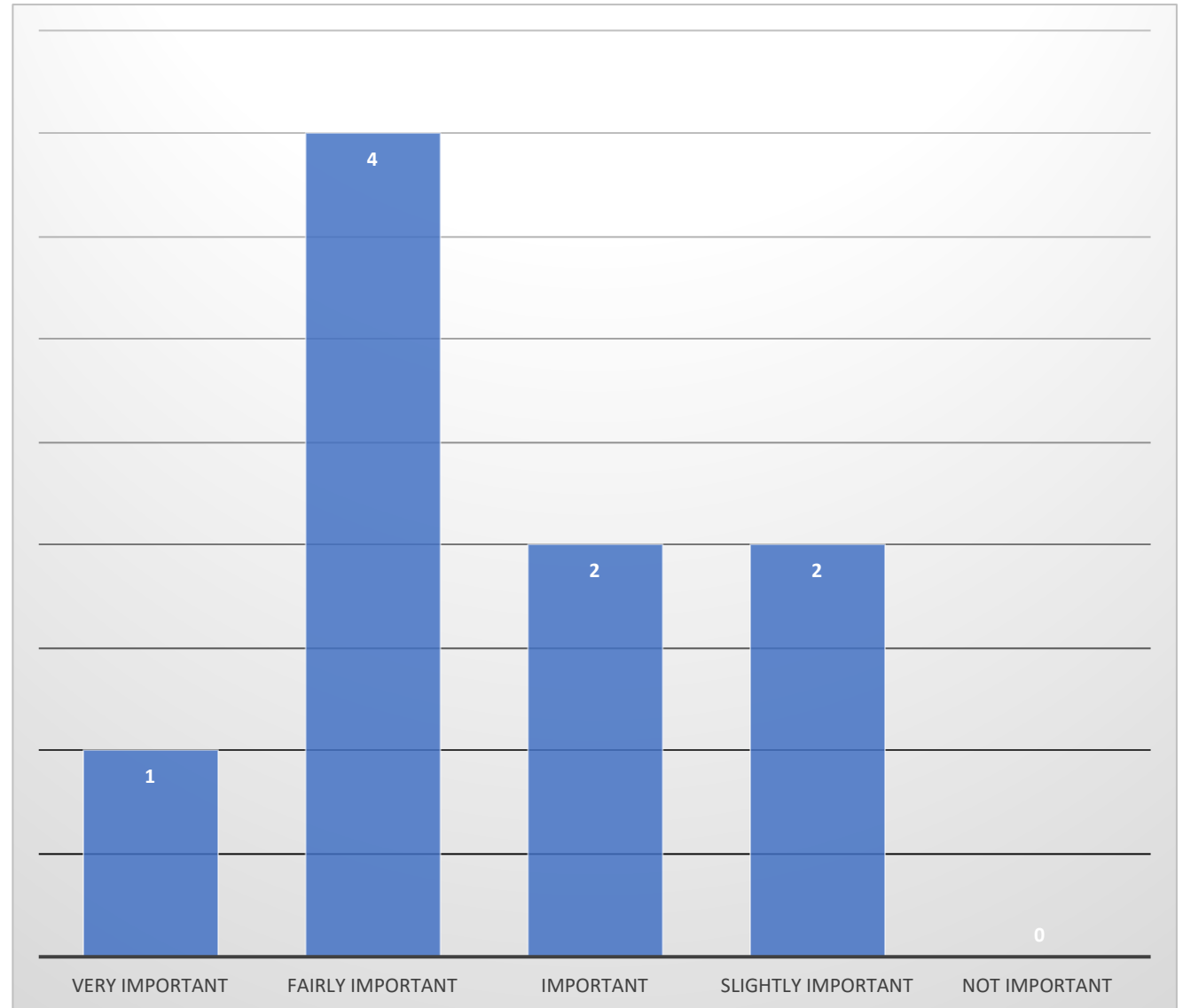
## What is the typical use case of your customers

- Average score 2.7
- Remarks
  - This is not a KPI, it's a narrative



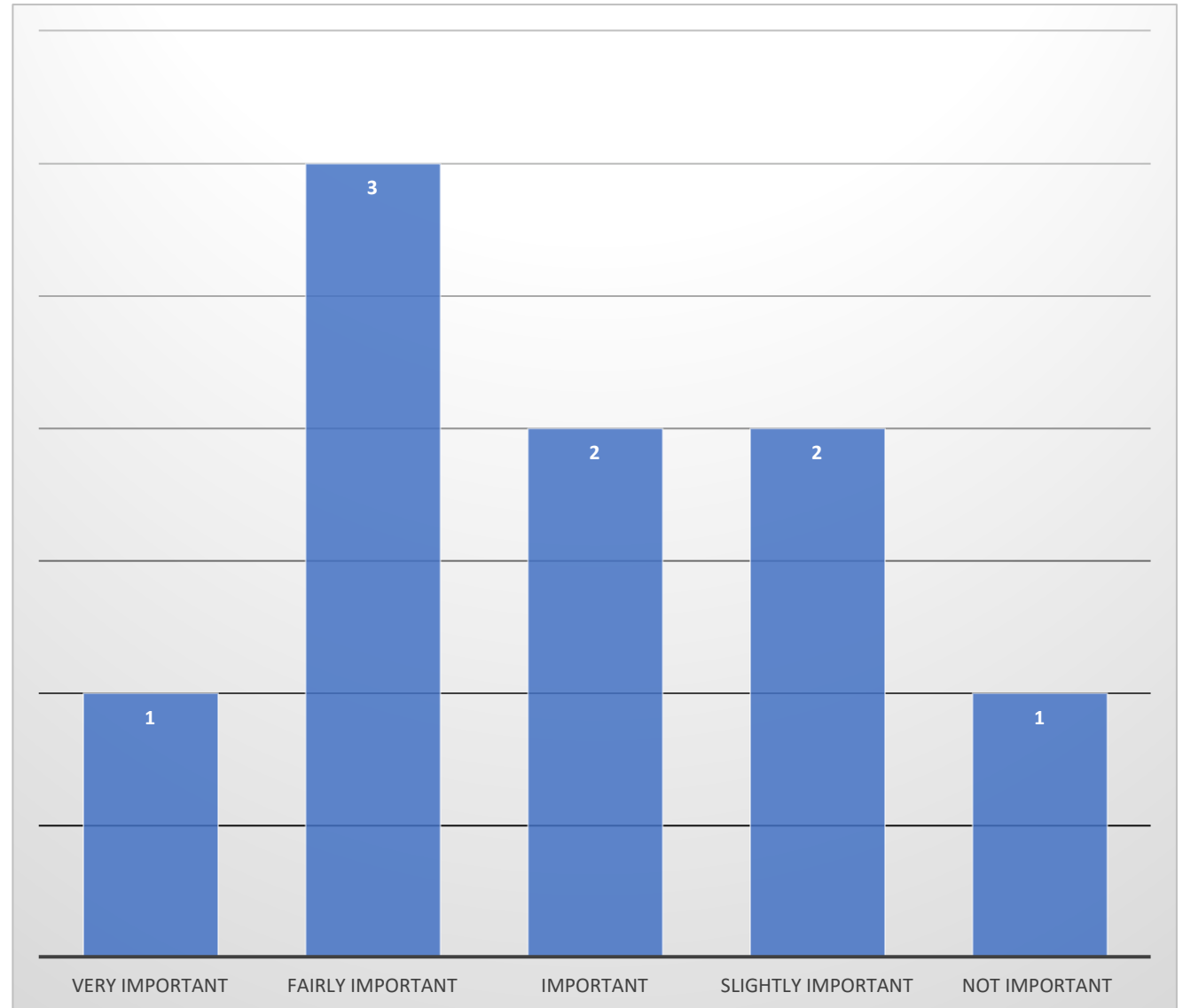
## What is the product system size?

- Average score 3.4
- Remarks
  - Gives a general sense of system size. However, many companies offer multiple system sizes so very difficult to turn into a sensible KPI (for example, average system size is a pointless metric)



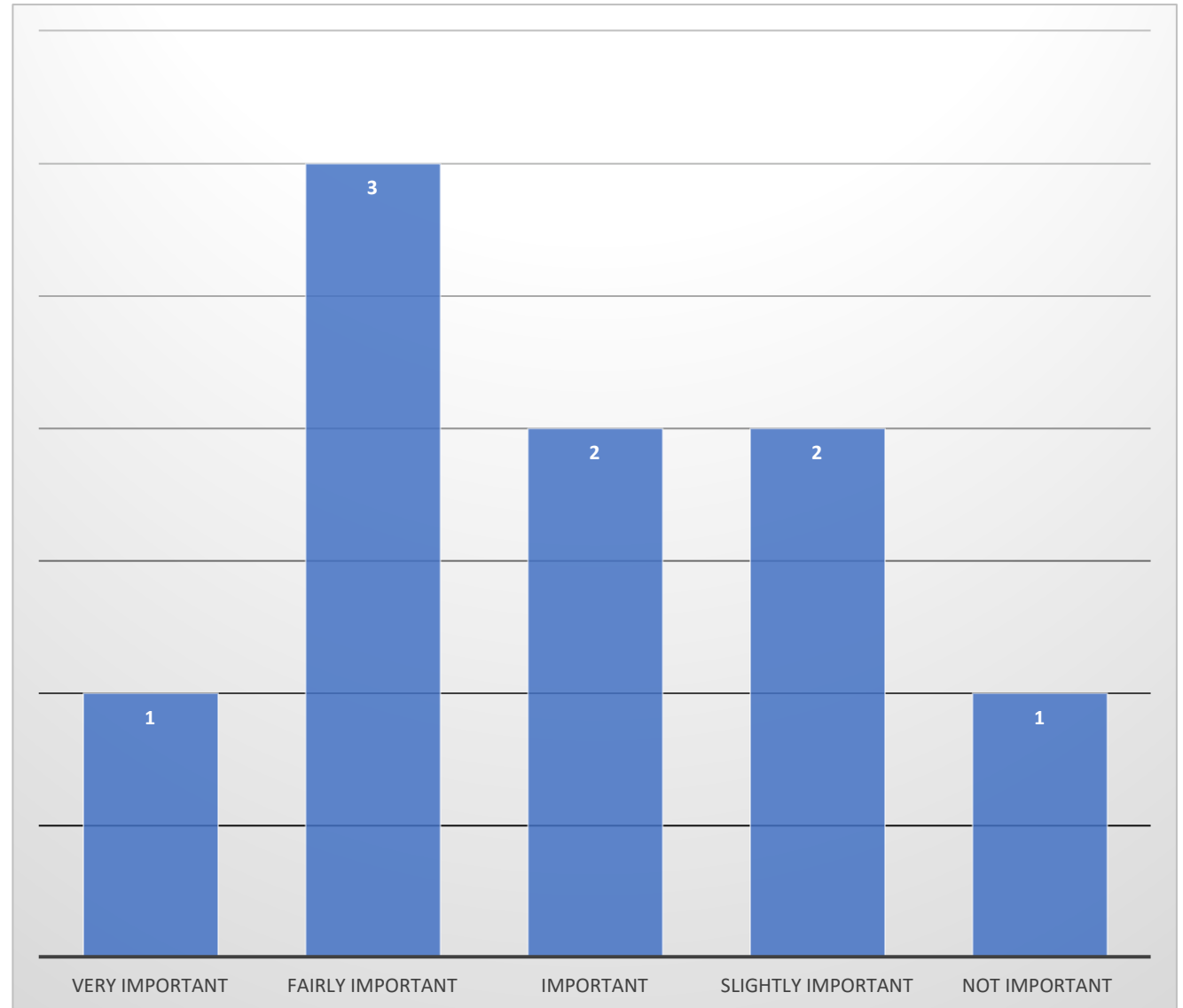
What are the typical accessories you offer to a customer in a bundle?

- Average score 3.1
- Remarks
  - To understand why there is productive use available
  - Provides general positioning



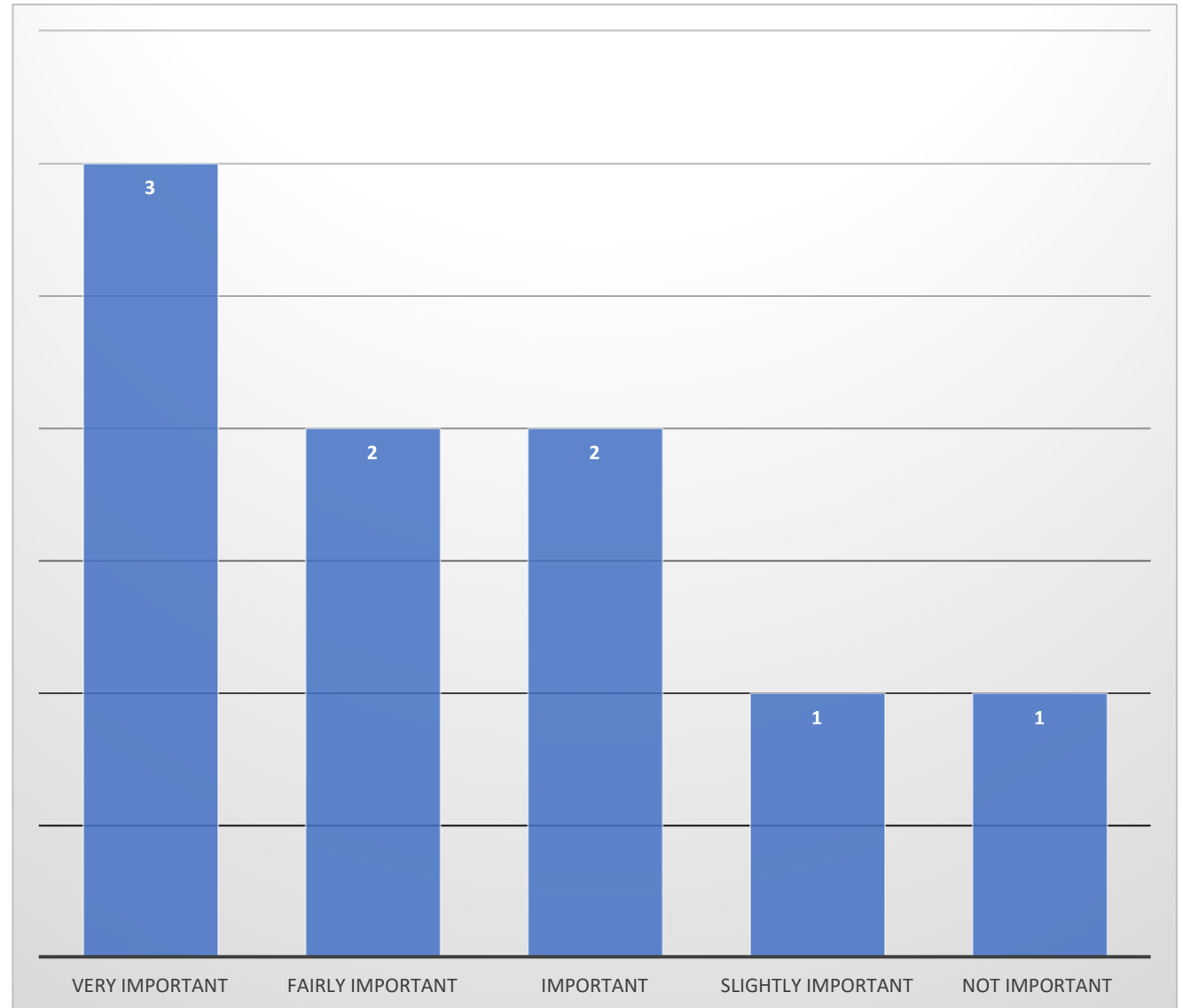
## What does your product and service enable

- Average score 3.1
- Remarks
  - As above
  - Don't understand the point of this question (other than the completely obvious of course)



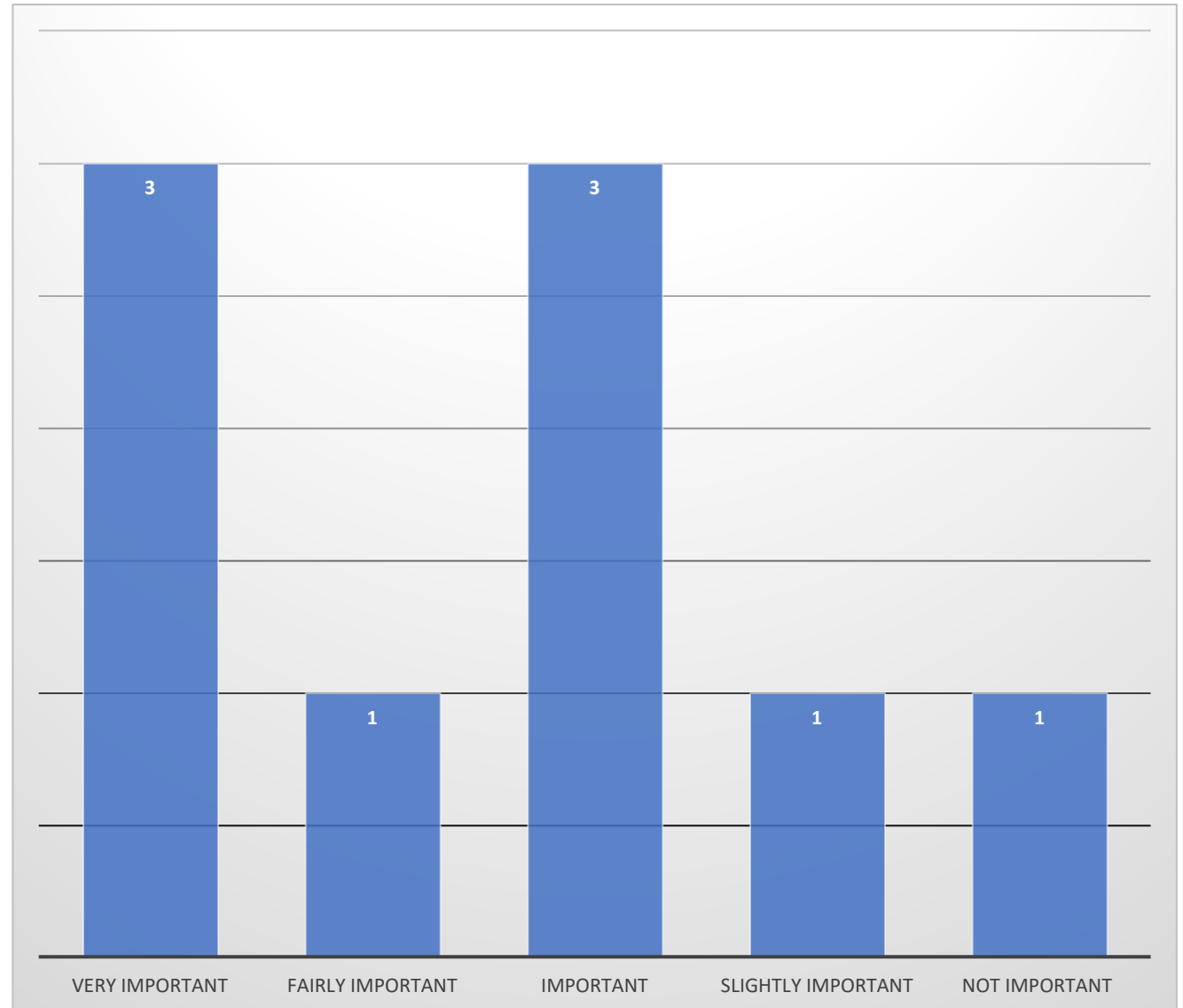
## Warranty length vs contract length

- Average score 3.6
- Remarks
  - Ideally, this would be rolled into a “standards” indicator
  - irrelevant



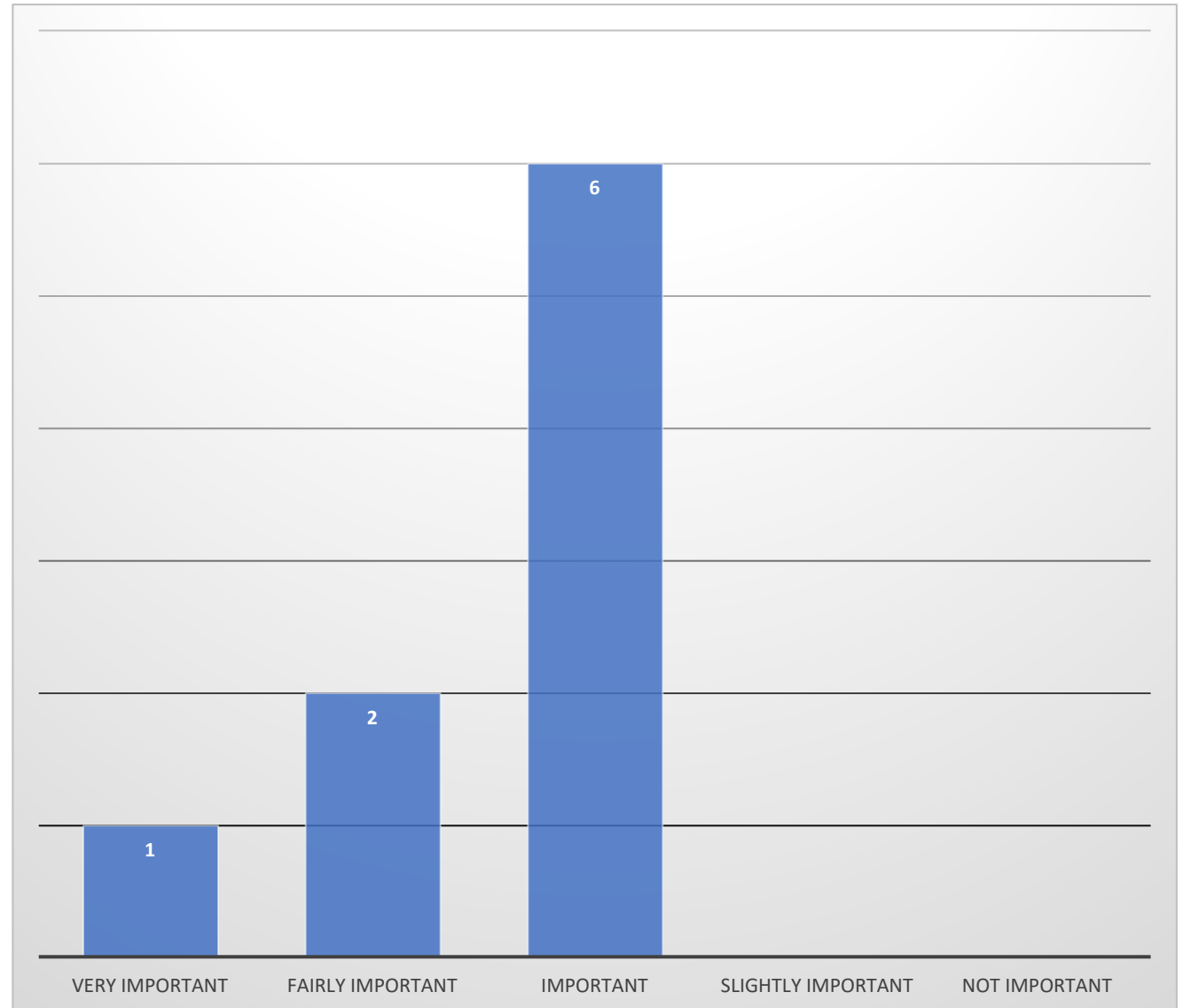
## How do you offer After Sales Service to your customers

- Average score 3.4
- Remarks
  - This needs to be standardized, i.e. levels of service that contain x,y,z, etc
  - Does not make sense as a question



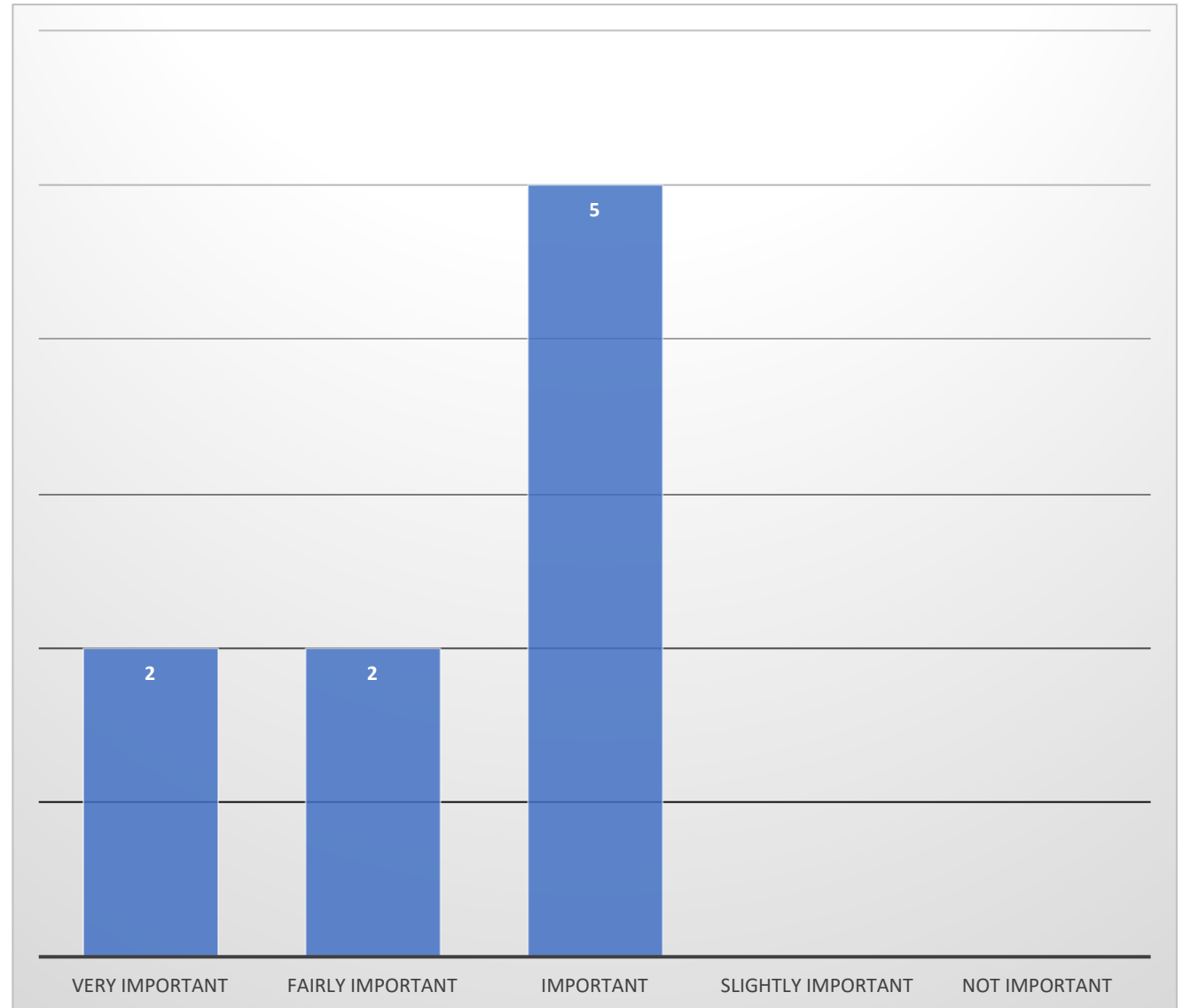
## Existing Standards Compliance KPI

- Average score 3.4
- Remarks
  - As above, standards can be changed from a yes/no to a level-based rating, ie level 1 is base, level 2 is level 1 + x,y,z; level 3 is level 2 + a,b,c, etc
  - It is not really a question, rather a check box



## In which geographical area are you serving customers

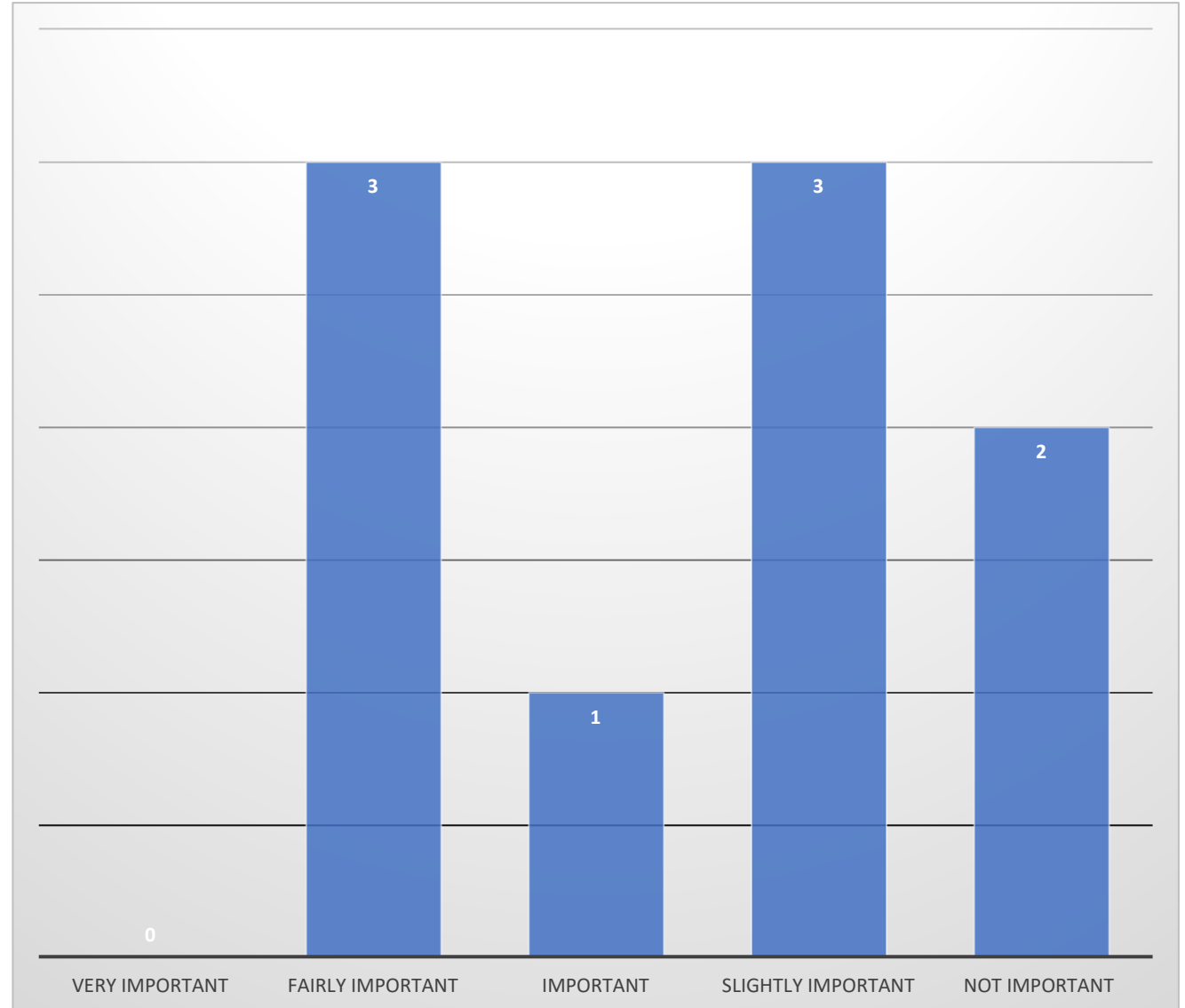
- Average score 3.7
- Remarks
  - To compare peri urban vs rural
  - Helpful in determining diversity of portfolio, especially if it can be provided for products sold on credit as a subcategory
  - Useful to have a sense of which countries are served





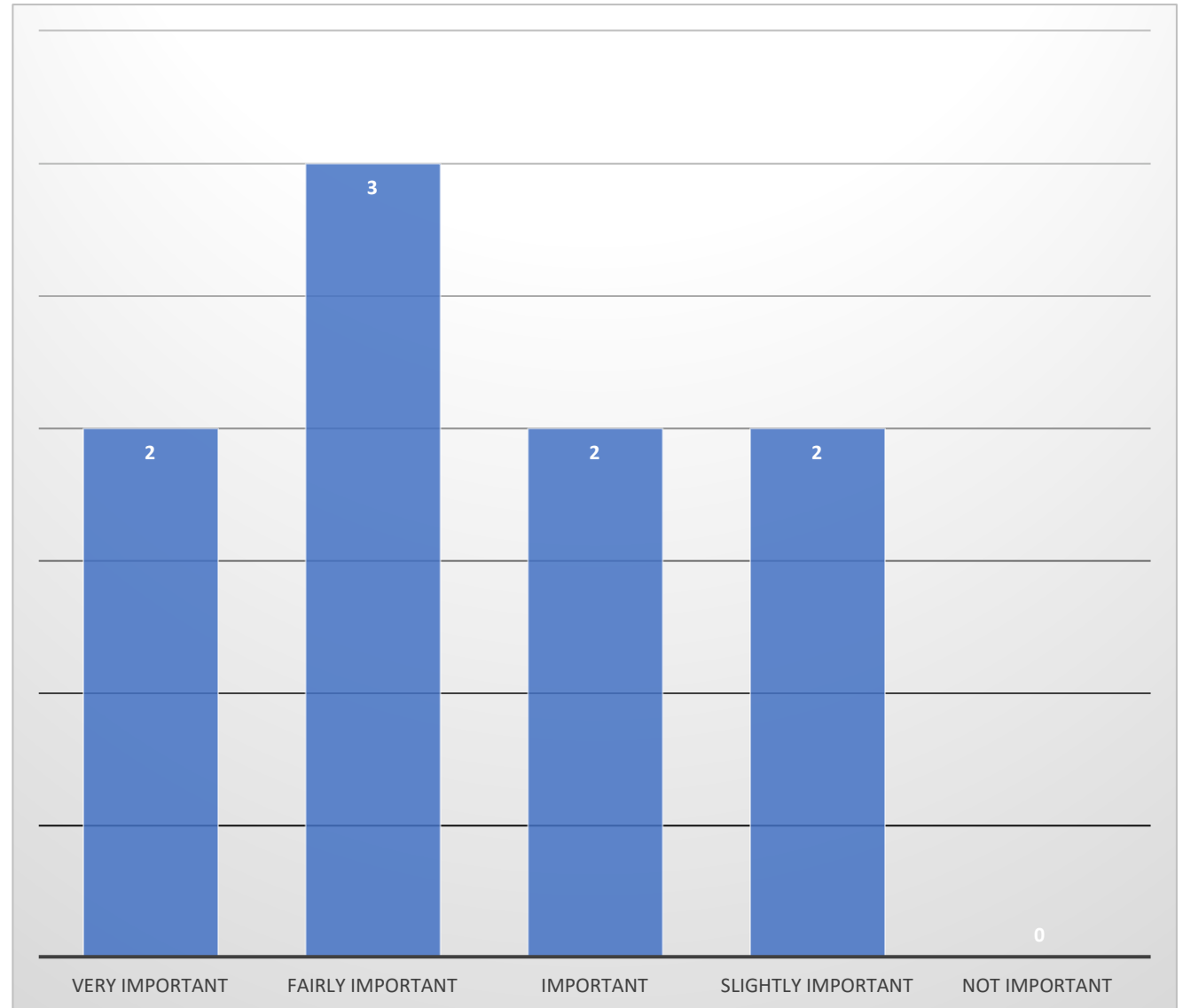
## Where is the management team based

- Average score 2.6
- Remarks
  - Management that is close to their customer understand the business better and also cost related
  - Management overheads as percentage of costs also important
  - No value



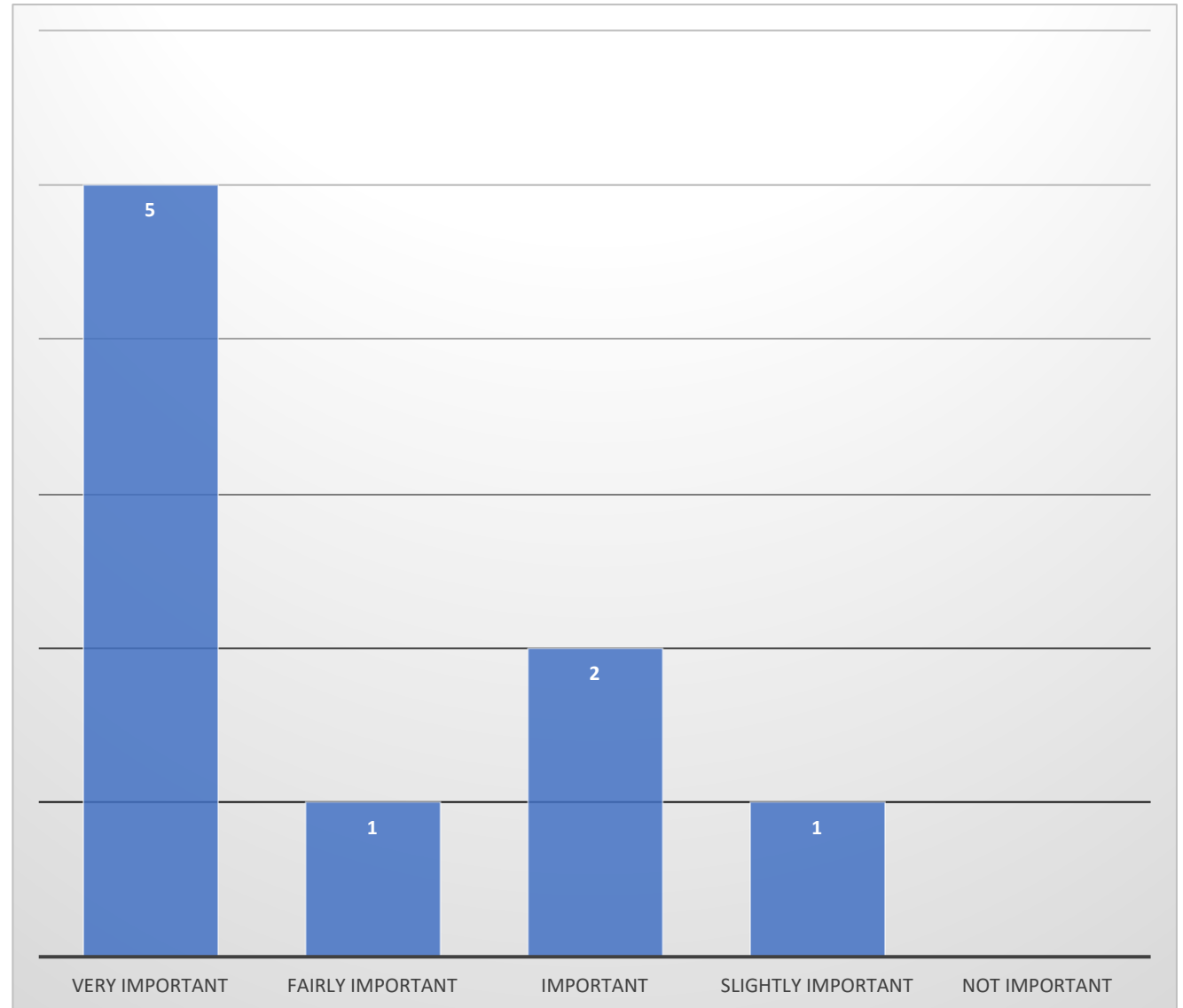
## Maturity of the company

- Average score 3.6
- Remarks
  - Easy to measure
  - Provides some context



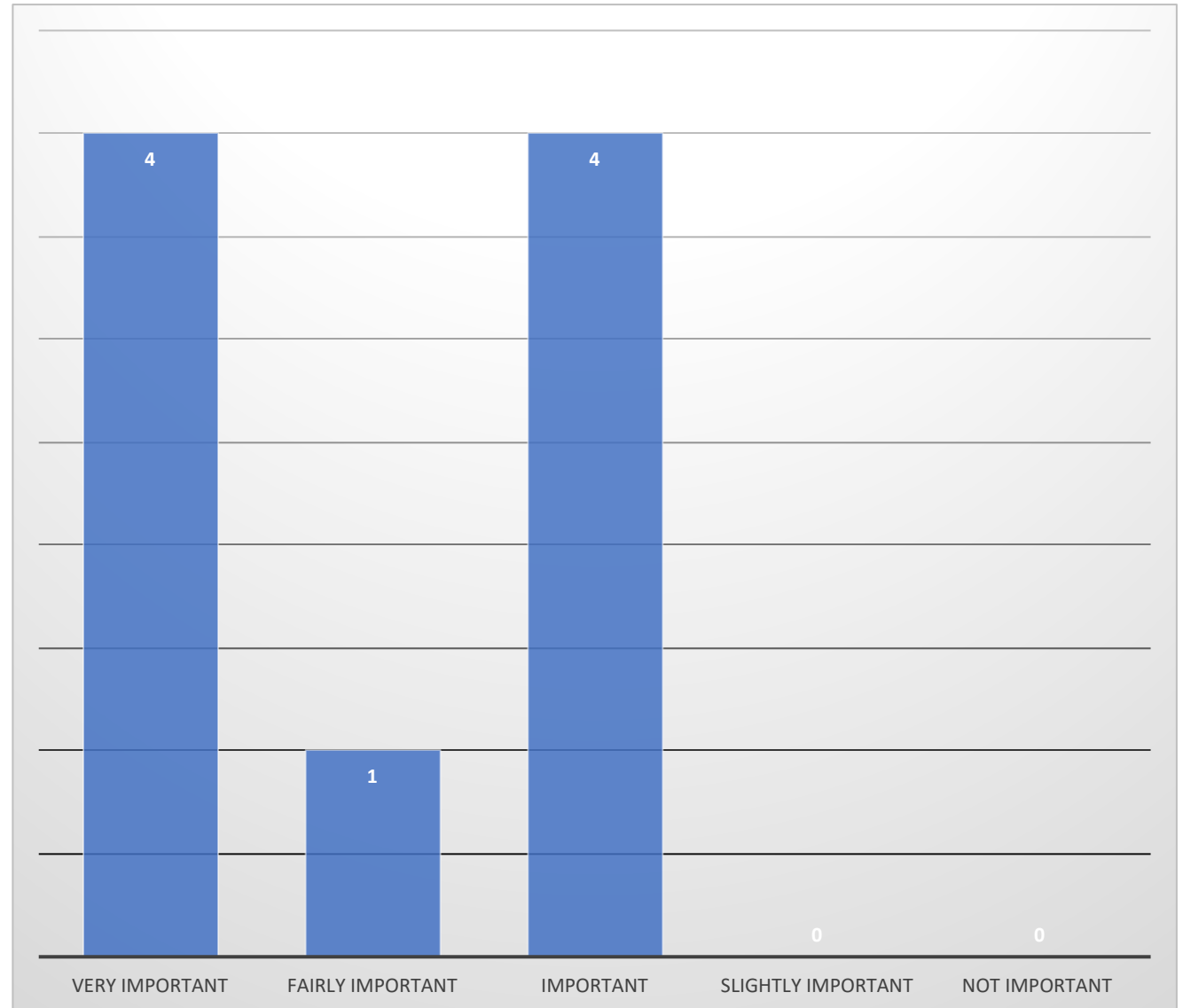
## Annual sales in # of units

- Average score 4.1
- Remarks
  - Required to justify projections
  - Important, but many companies will not publish this. Needs careful definition to be useful



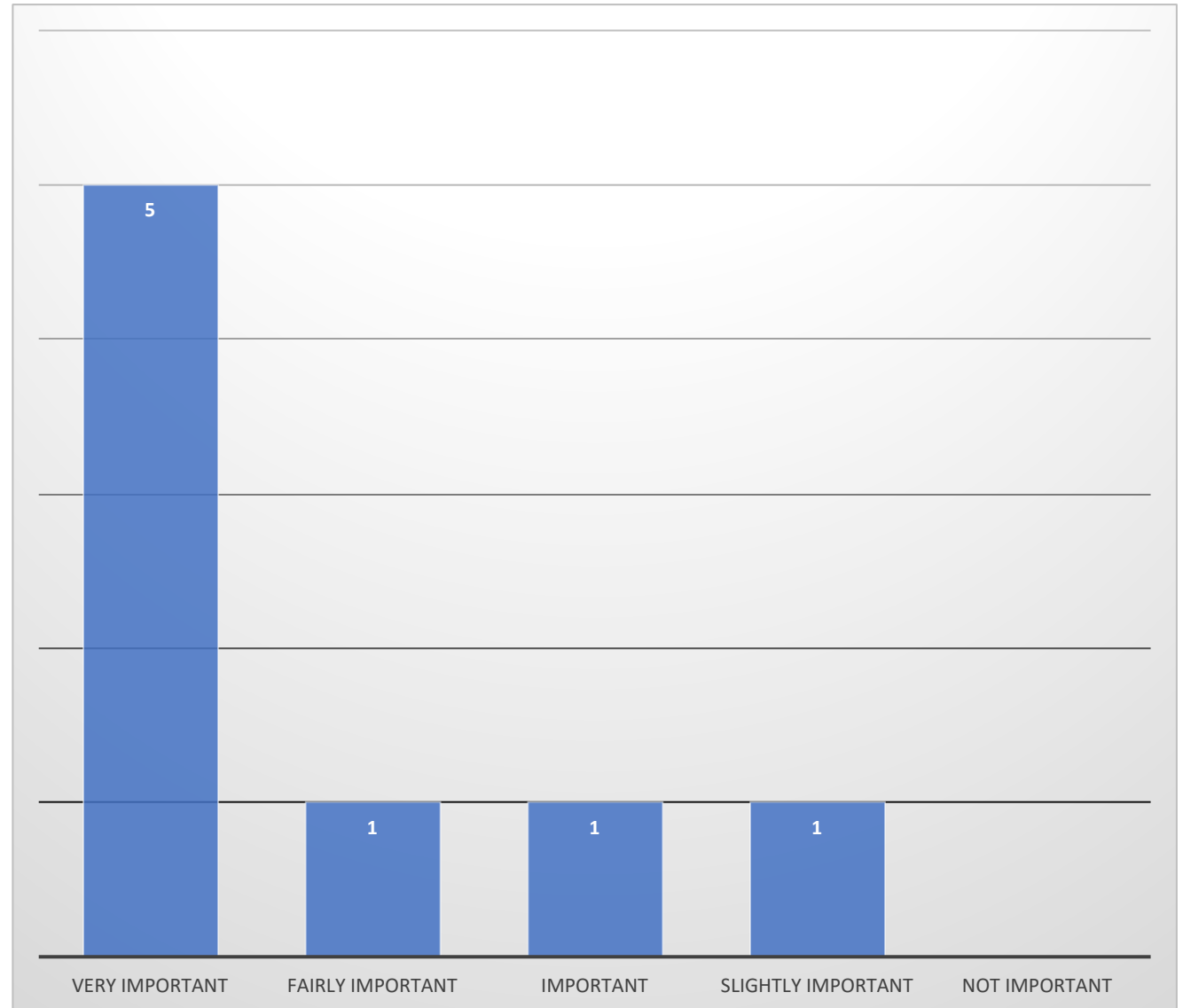
## Total unit sales to date

- Average score 4.0
- Remarks
  - S.a.
  - Units themselves may be misleading as will skew toward companies selling smaller units, perhaps a MW capacity sold indicator?
  - Important but many companies will not publish this. Needs careful definition to be useful



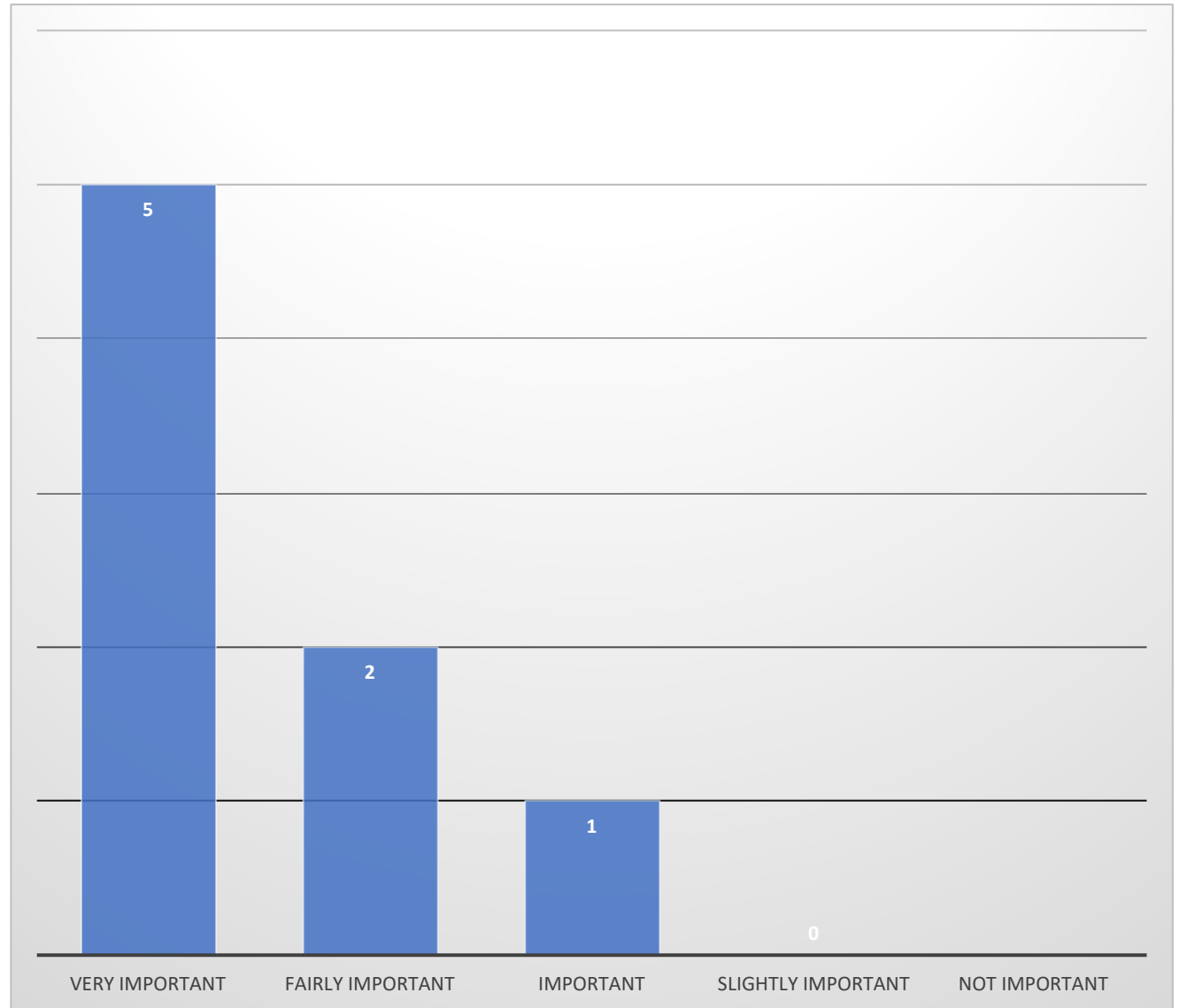
## Existing Portfolio Size KPI

- Average score 4.3
- Remarks



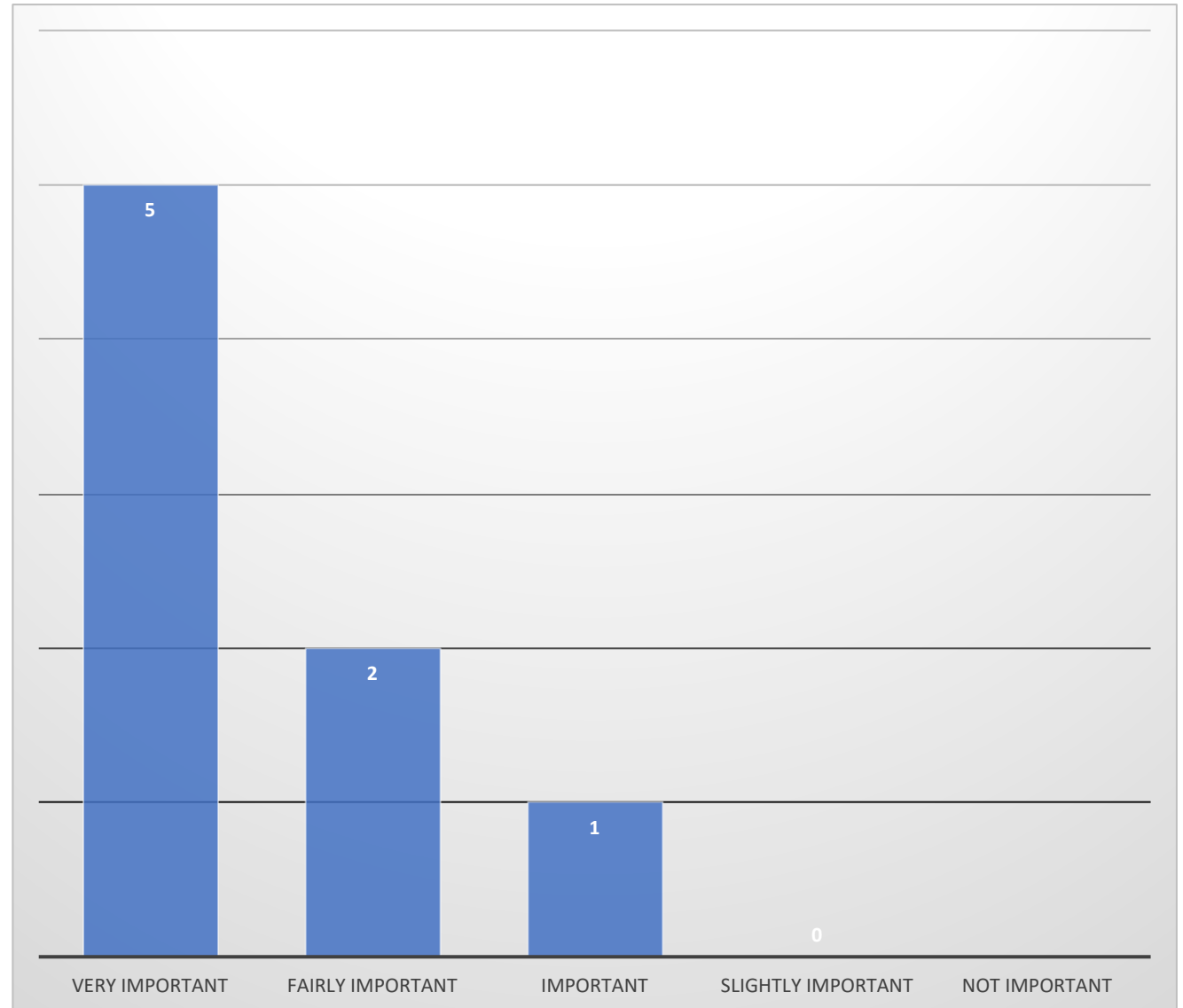
# What is your sales model

- Average score 4.5
- Remarks



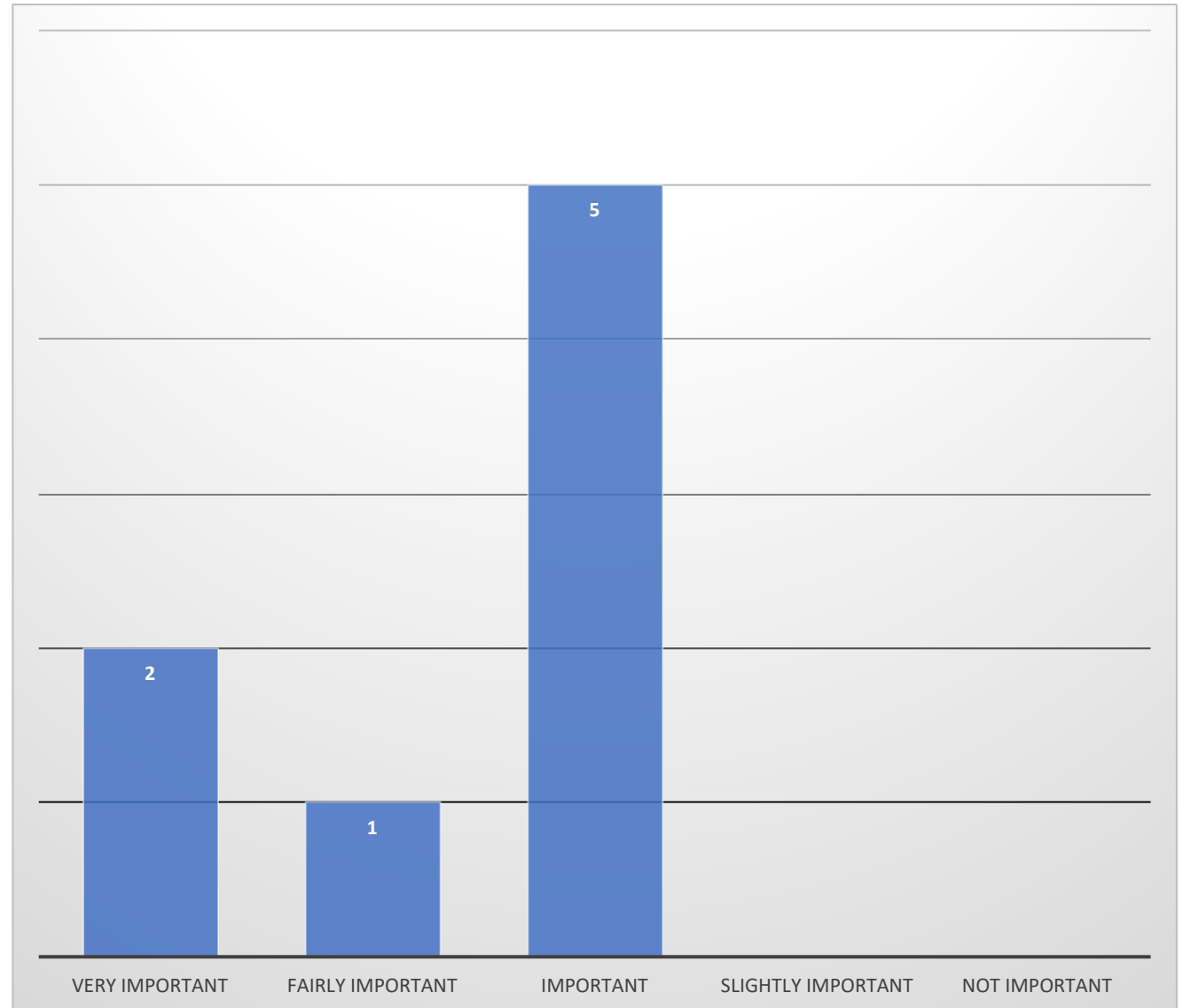
## Is your business model cash based or PAYGO

- Average score 4.5
- Remarks
  - Needs to be percentage sales based on cash vs credit
  - Obvious?



## General PAYGO terms

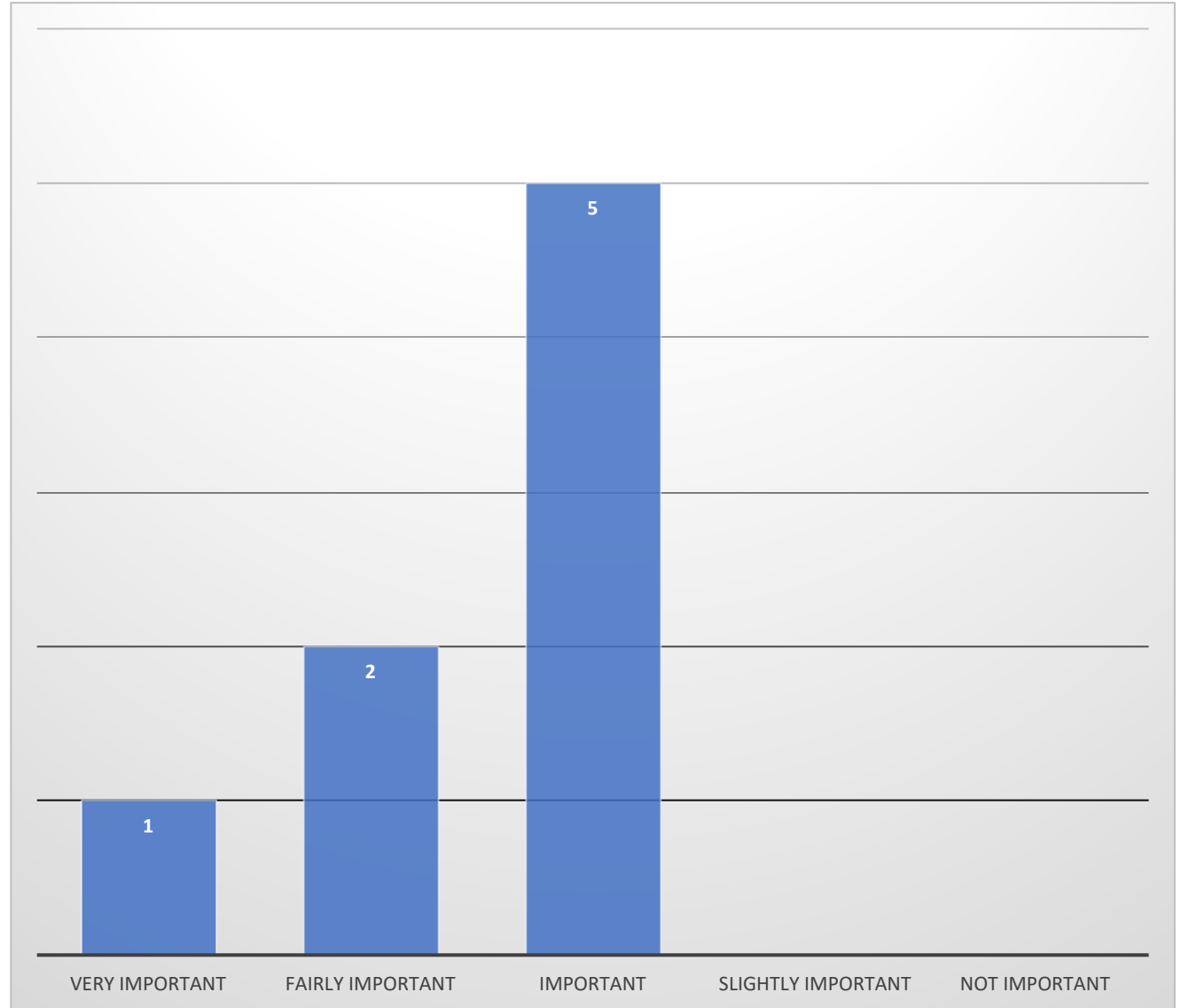
- Average score 3.6
- Remarks
  - Need to standardize – otherwise too many variables
  - Not a KPI





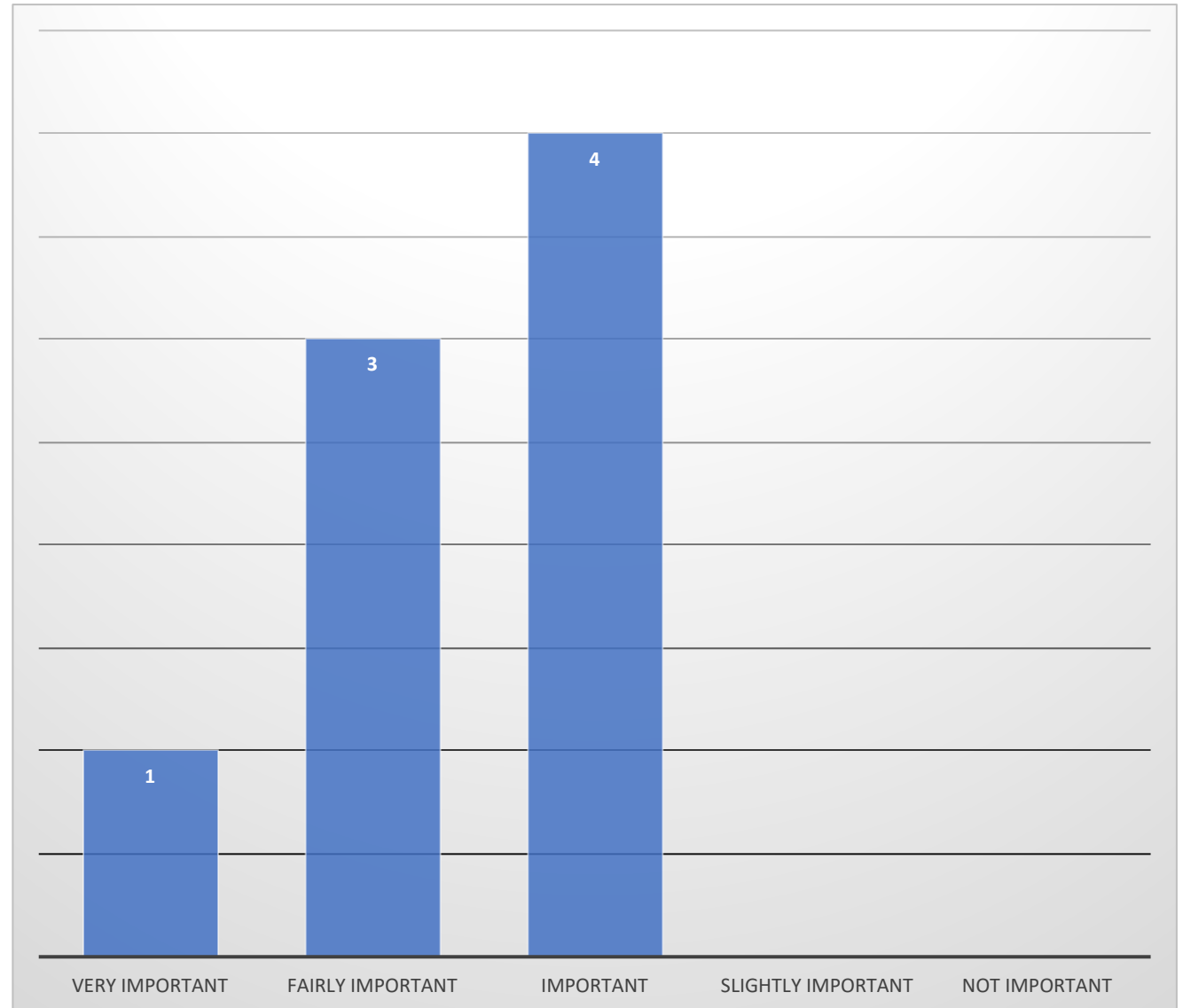
# Collection Process

- Average score 3.5
- Remarks
  - This will vary. Its part of a narrative but not a KPI



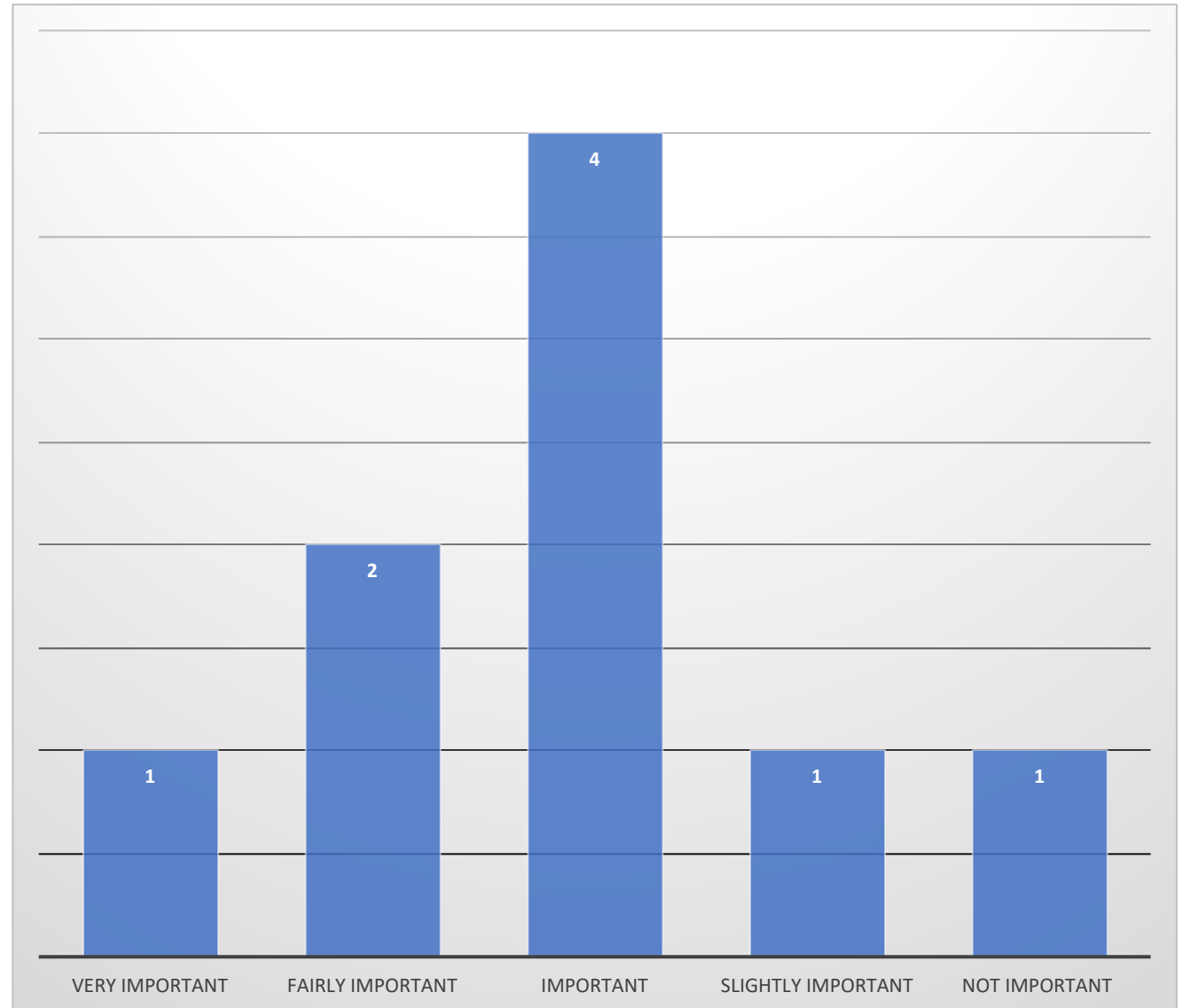
## Default / repossession terms

- Average score 3.6
- Remarks
  - Need to standardize
  - Not a KPI



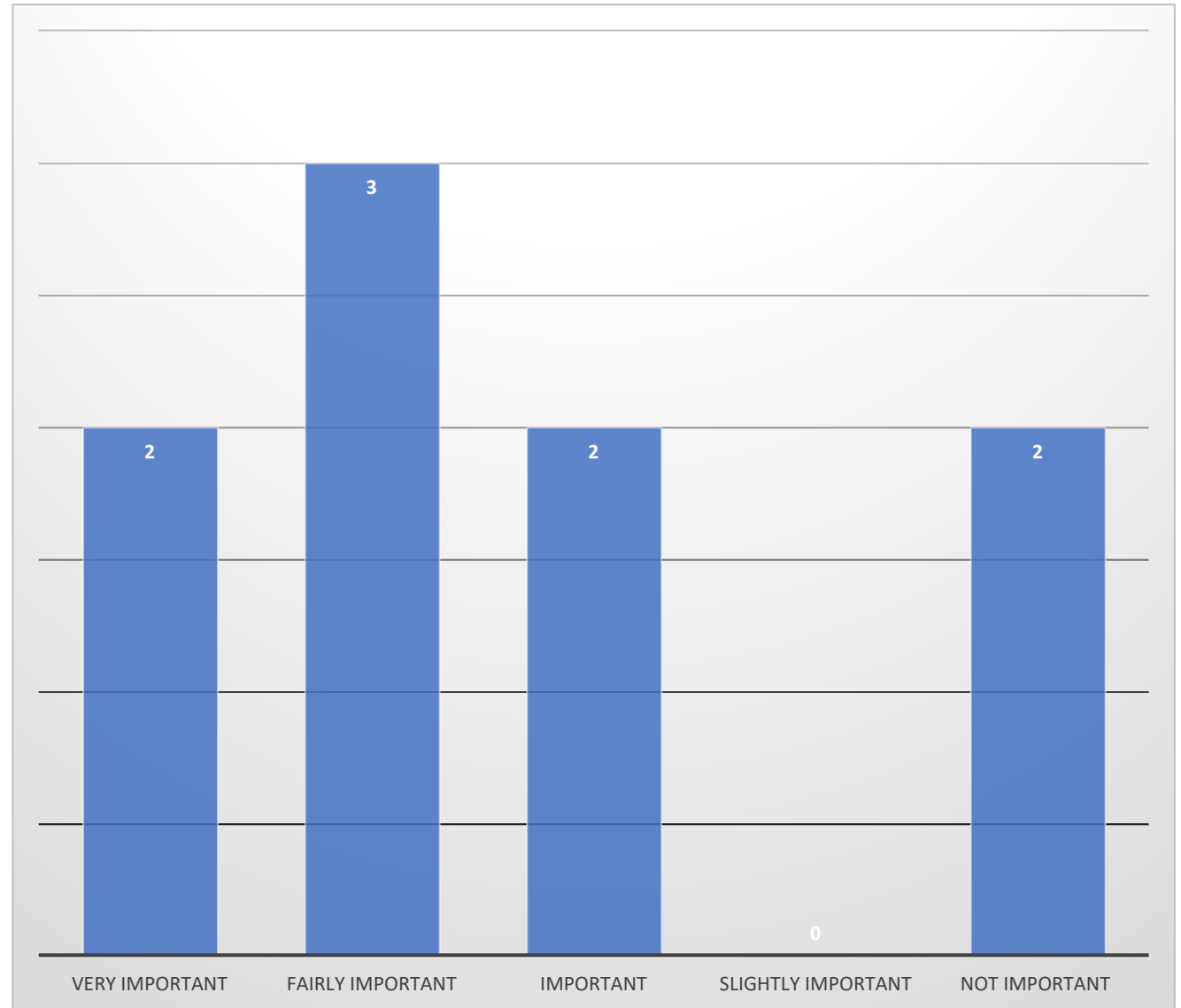
## Existing FX Exposure KPI

- Average score 3.1
- Remarks
  - Yes, but definition needs to be improved, or perhaps a measure of what a 10% relative appreciation of main currency borrowed will do
  - Difficult to quantify



## Existing EBITDA Breakeven KPI

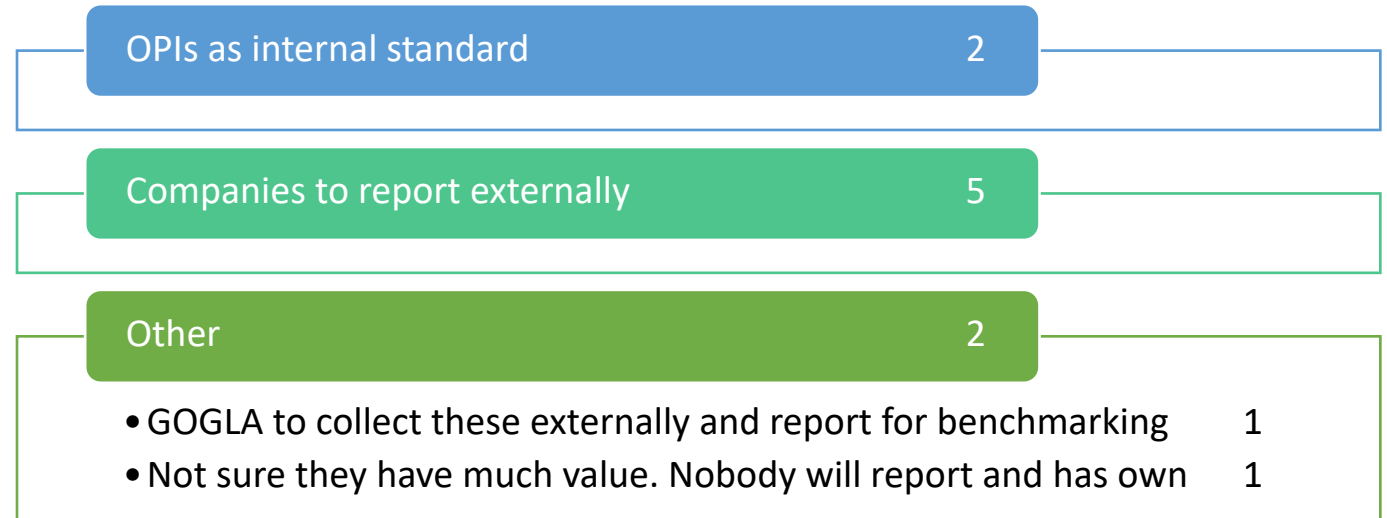
- Average score 3.3
- Remarks
  - To better understand unit economics
  - EBITDA not a good measure for PAYGo companies, EBITDA can be manipulated, and simply knowing yes/no here not really that helpful
  - Adds no value



# Prioritizing Operational Performance Indicators

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# Q1 Should we talk about

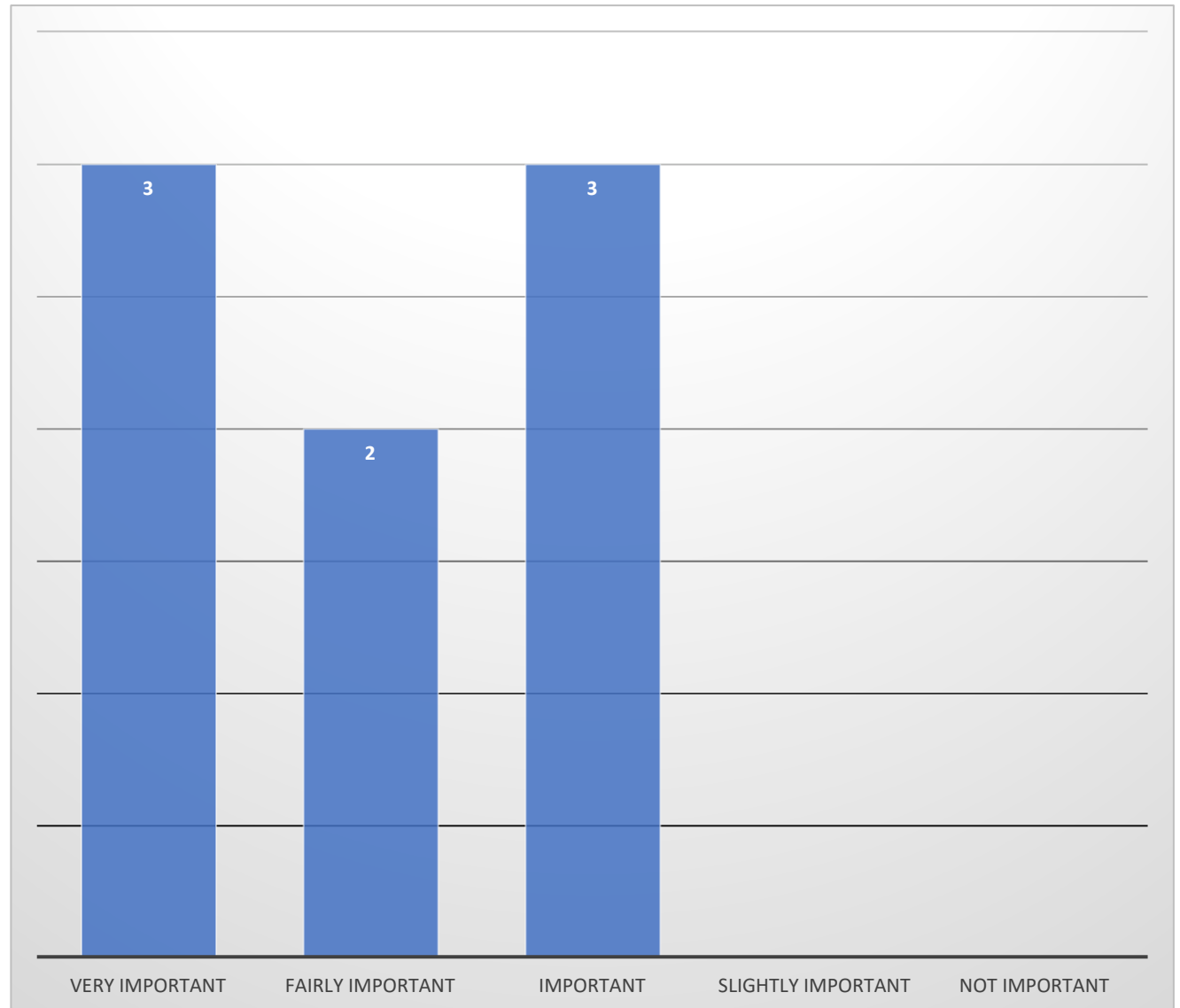


# Total Overview of prioritized Operational Performance Indicators

number of systems sold	4.4
avg selling price	4.1
number of sales per sales agent	4.1
Rate of Technical Issues per system	4.0
Avg Time to resolve technical issue per system	3.4
number of clients per customer service agent	3.3
inventory turnover	3.3
Sales Agent Churn rate	3.3
distribution of sales per outlet	3.1
Avg Customer Distance from Service Center	3.0
time to install a client	2.9
number of call received	2.8
number of missed calls	2.5
number of service centers	2.2

## Rate of Technical issues per system

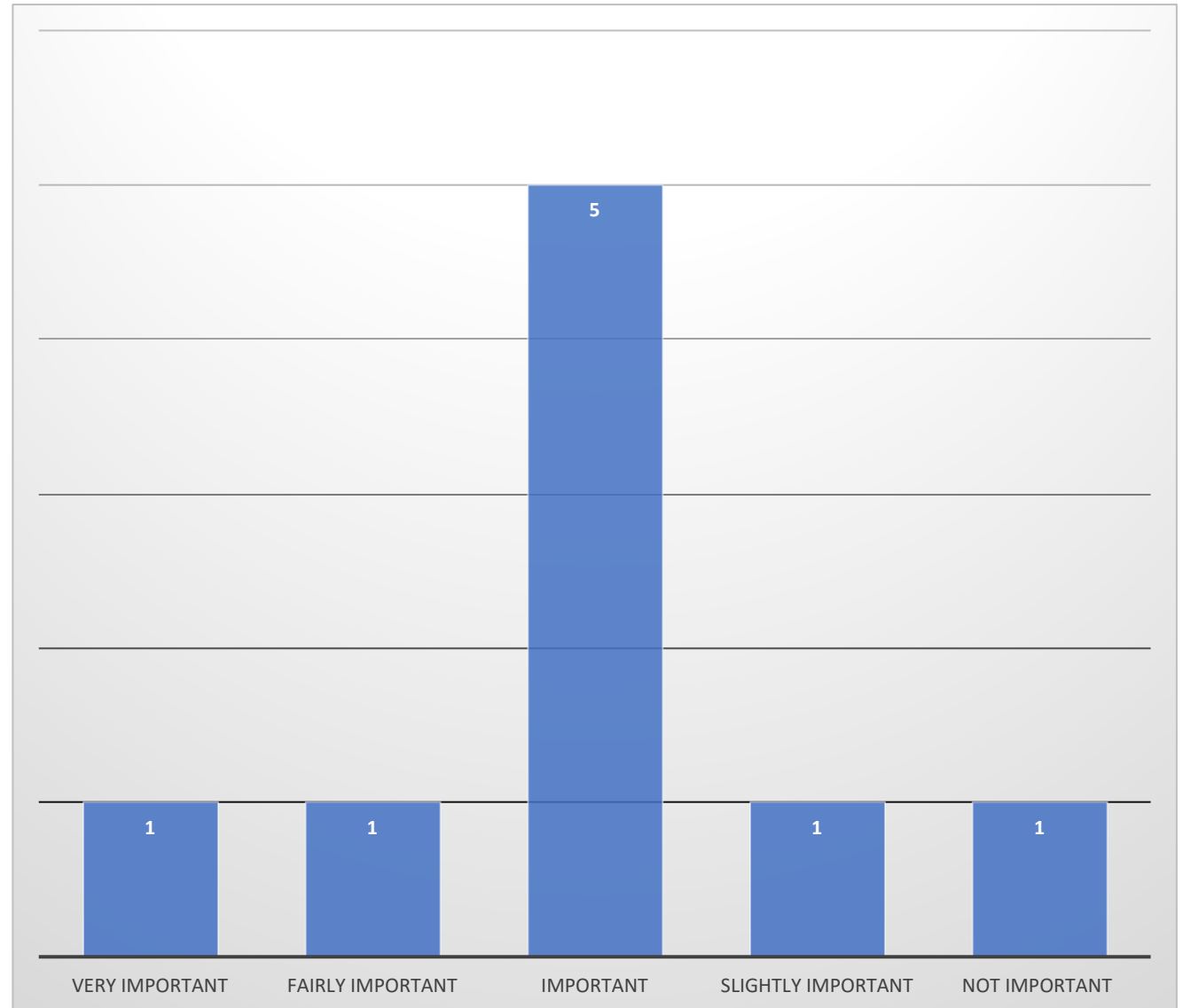
- Average score 4.0
- Remarks
  - How do you quantify this





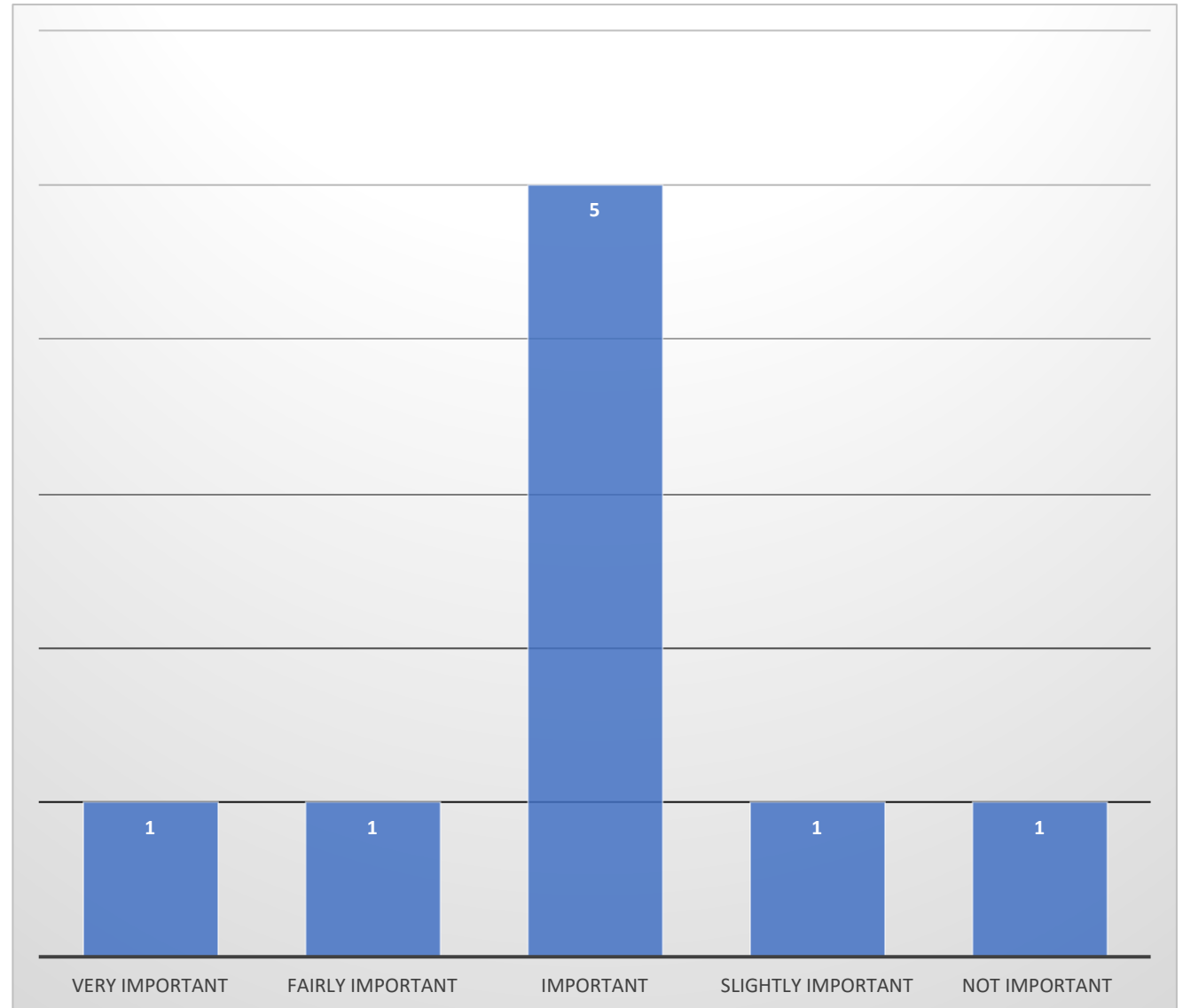
## Avg Customer Distance from Service Center

- Average score 3.0
- Remarks
  - This is important within the servicing costs
  - Does not add value



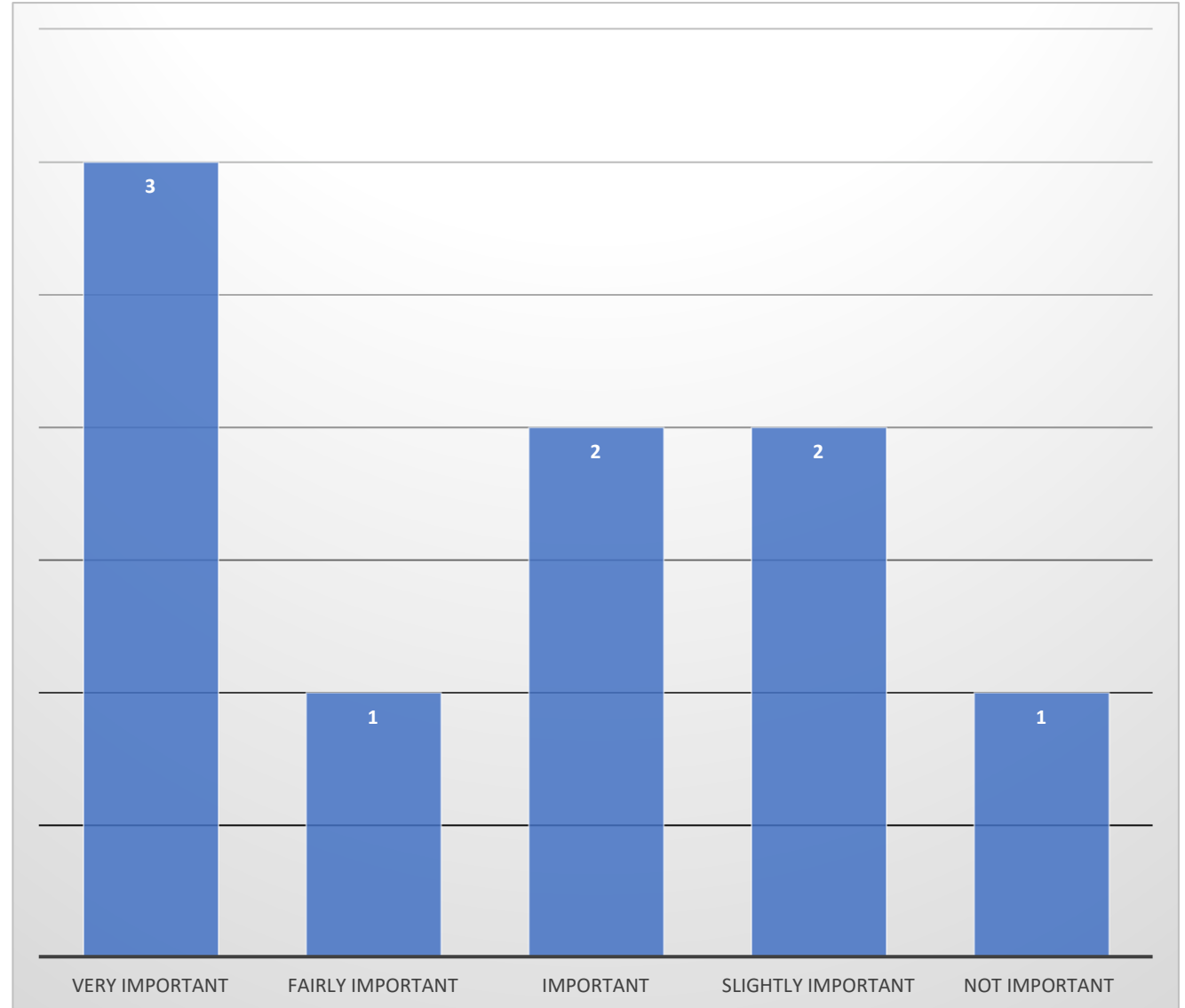
## Avg Time to resolve technical issue per system

- Average score 3.4
- Remarks
  - This is important within the servicing costs
  - Useful internal indicator but cannot easily compare across companies



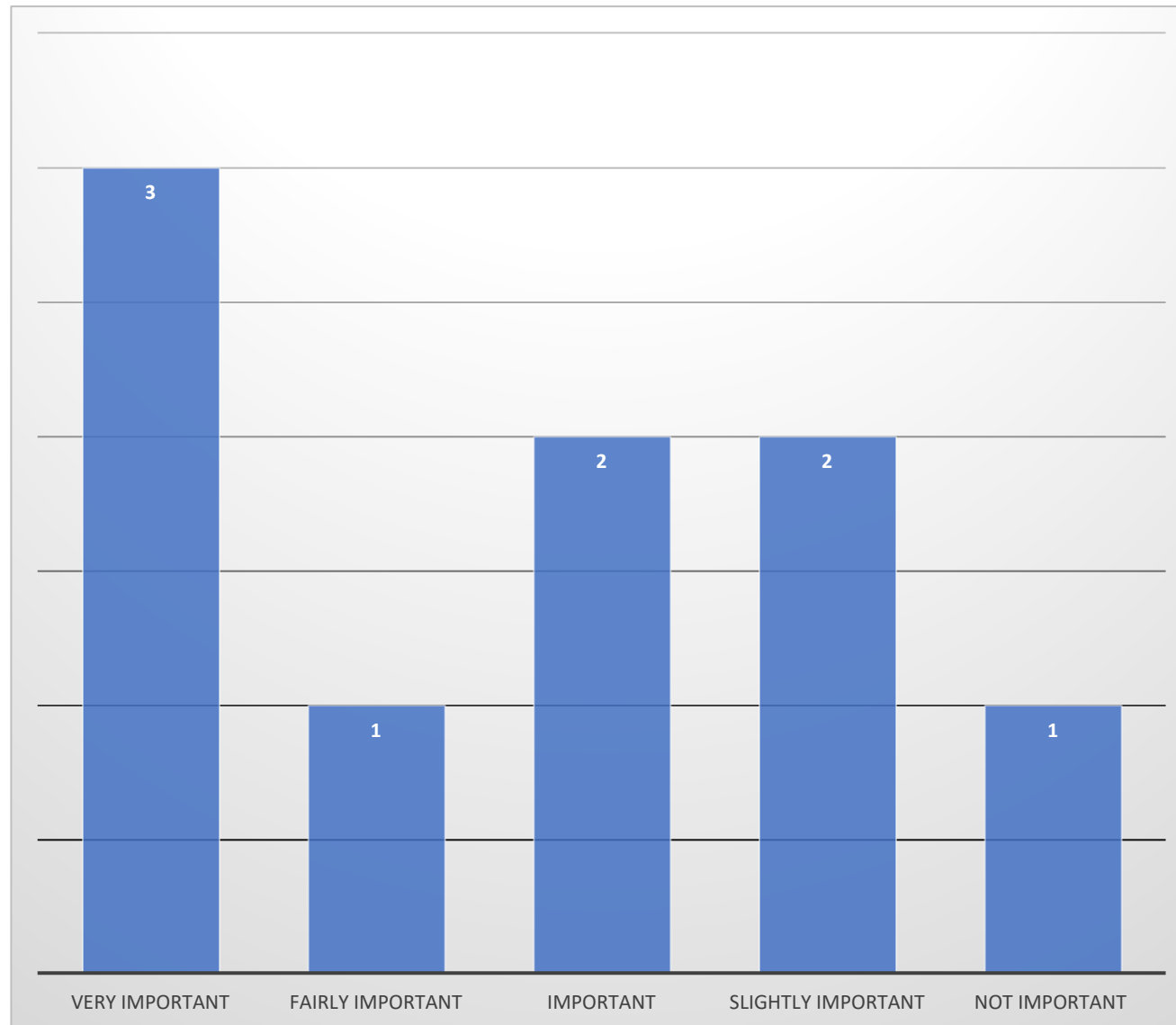
## Number of clients per customer service agent

- Average score 3.3
- Remarks
  - This is important within the servicing costs
  - Adds no value; depends on the level of technology support



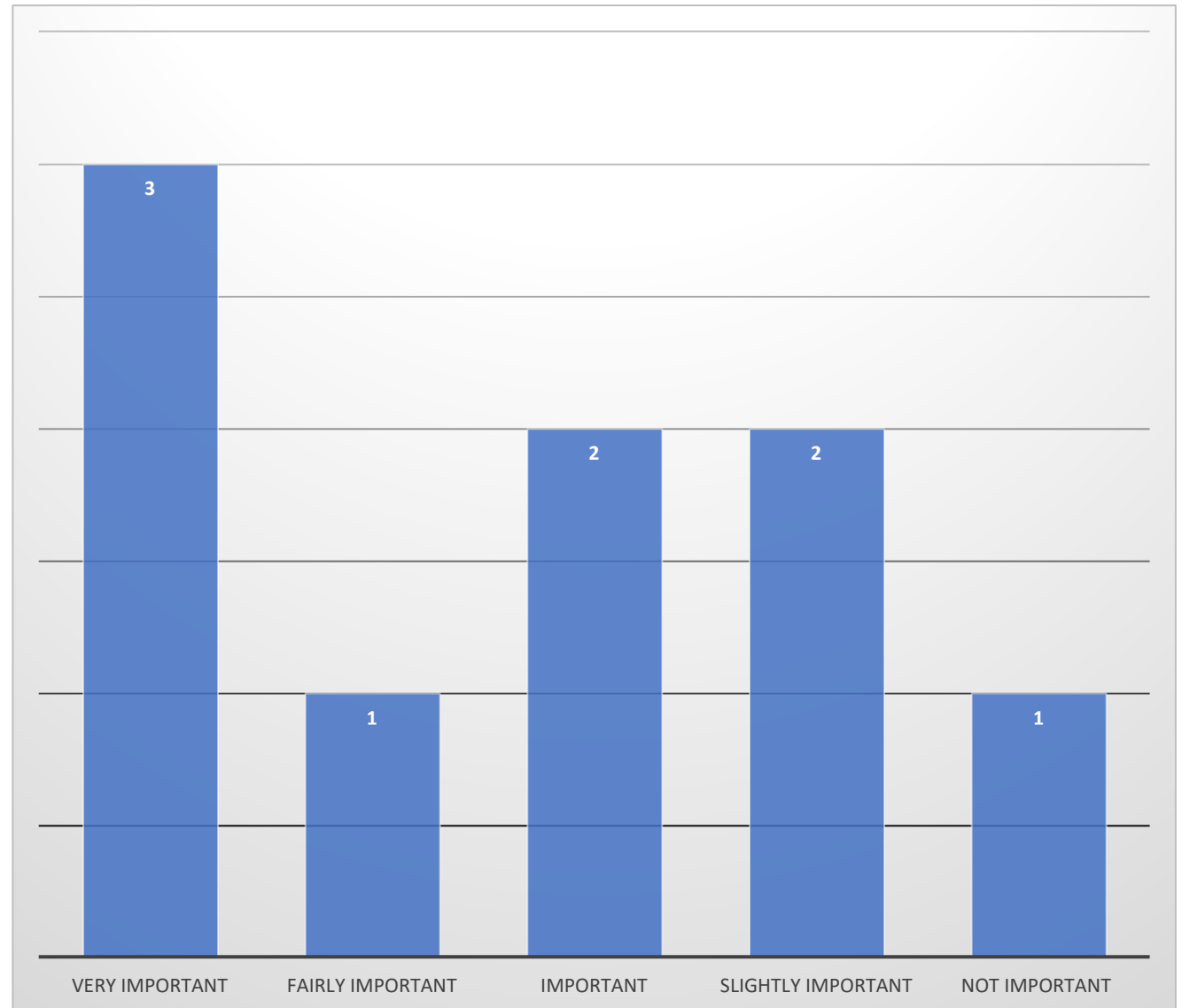
## Number of calls received

- Average score 2.8
- Remarks



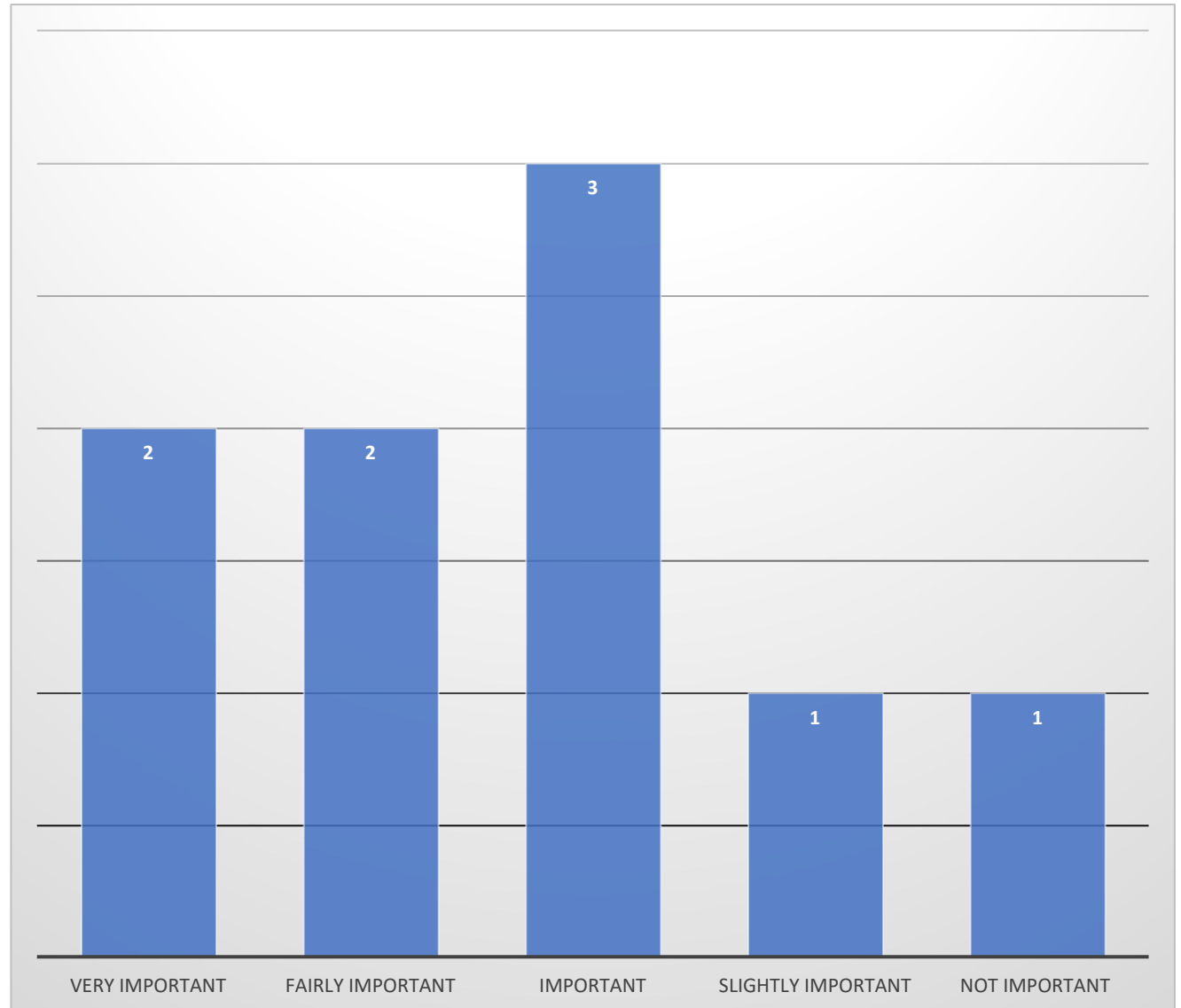
## Number of missed calls

- Average score 2.5
- Remarks



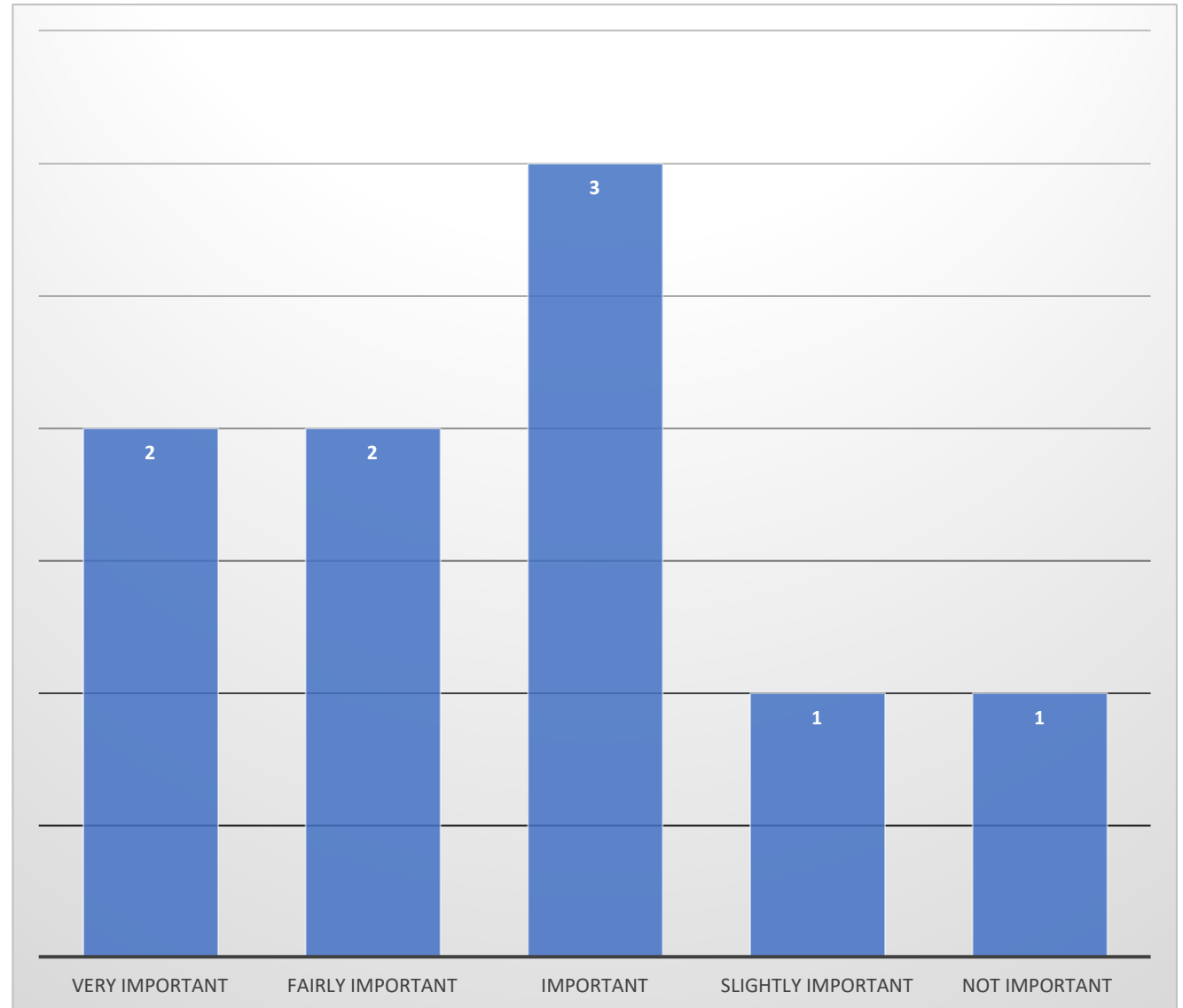
# Inventory Turnover

- Average score 3.3
- Remarks
  - Some companies over value inventory



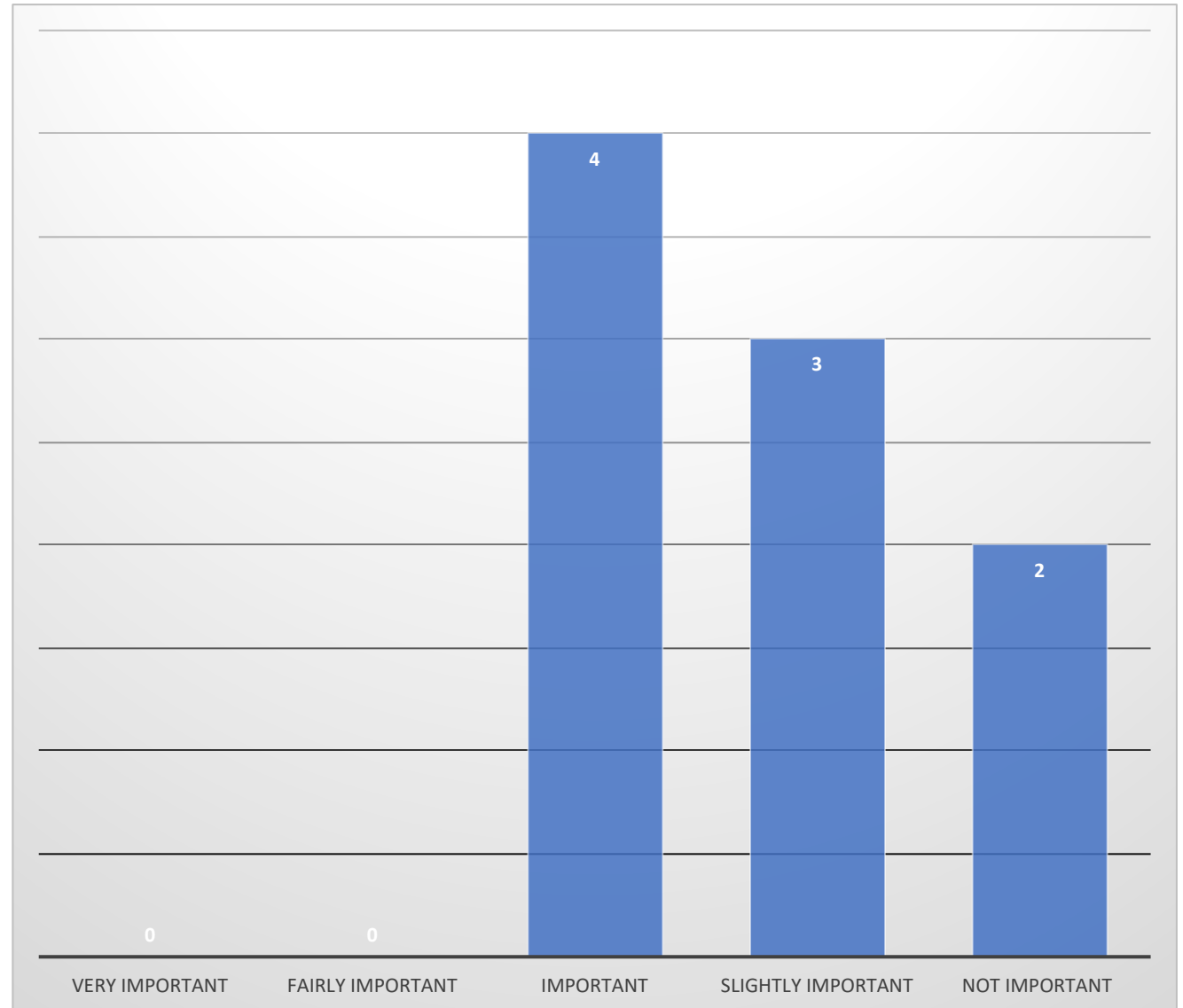
## Time to install a client

- Average score 2.9
- Remarks
  - Important for unit economics



## Number of service centers

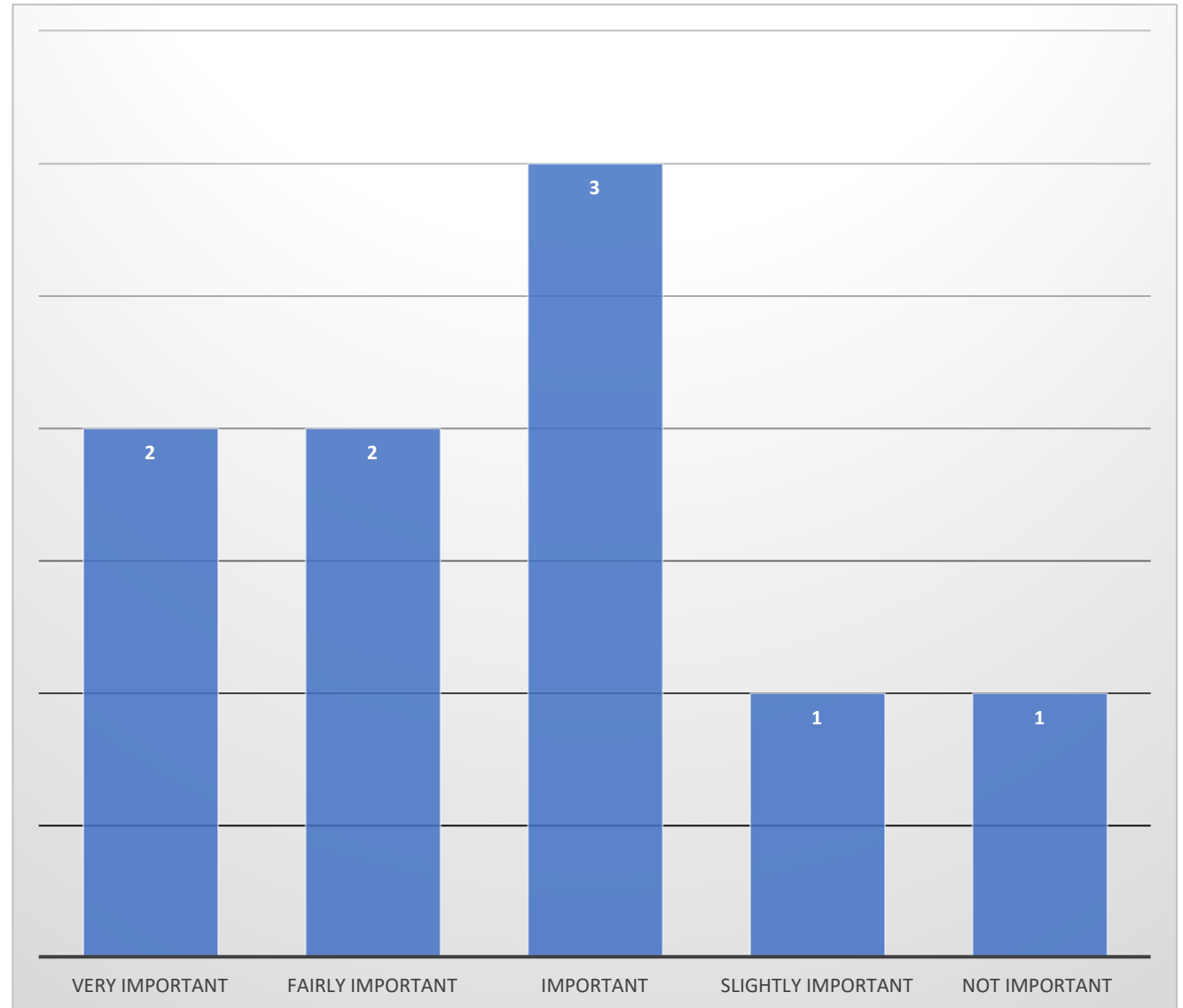
- Average score 2.2
- Remarks
  - Would rather use the metric Number of Service Centers per Clients as a stronger measure
- Other suggestions:
  - Customer location, distance to installation site
  - Distribution costs
  - Utilisation rate of unit
  - Difficult to make generic





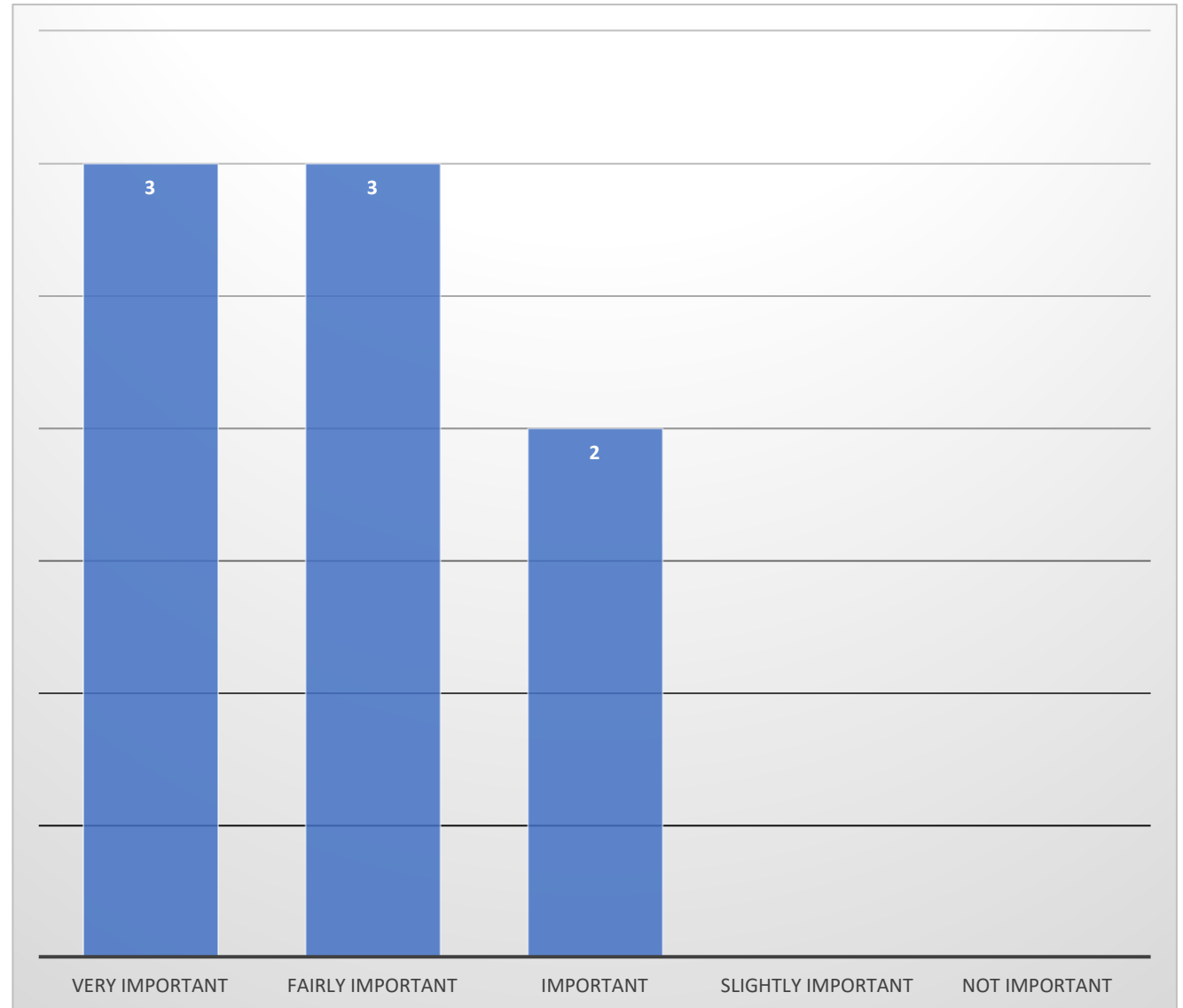
## Number of systems sold

- Average score 4.4
- Remarks
  - This is not a logistics indicator



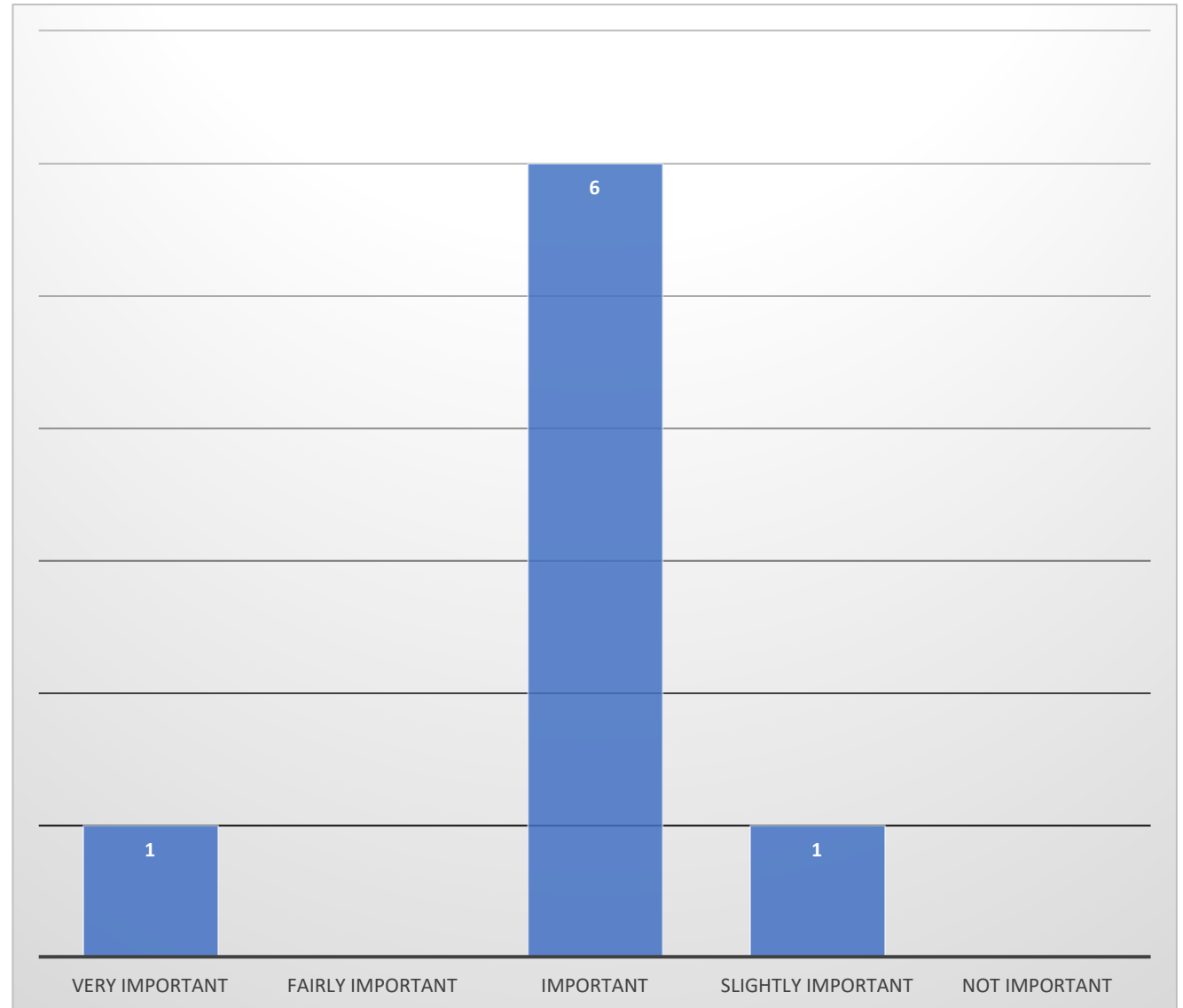
## Avg selling price

- Average score 4.1
- Remarks
  - Makes no sense when you have a range of products



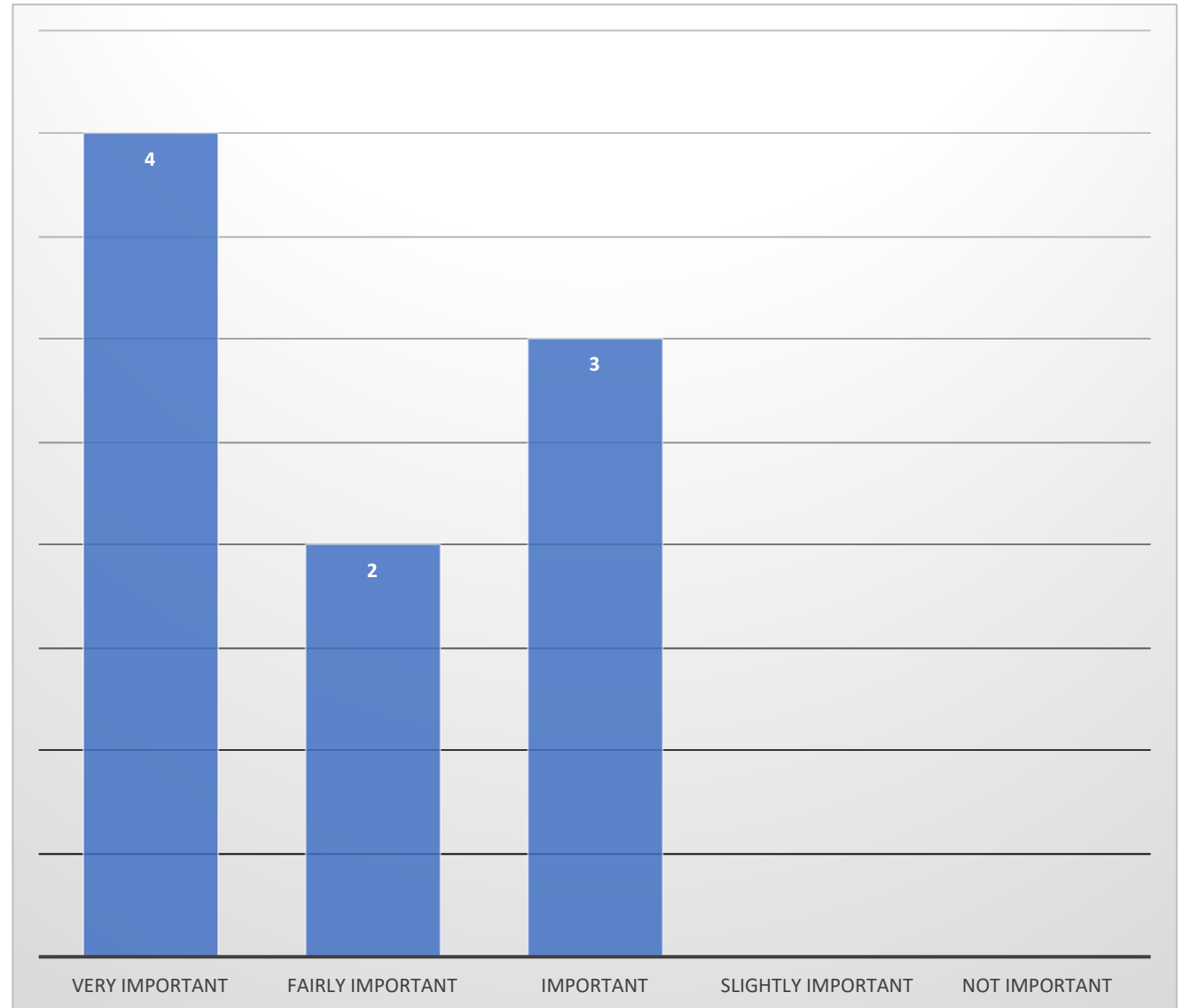
## Distribution of Sales per Outlet

- Average score 3.1
- Remarks
  - Adds no value (assumes you have sales outlets for example)



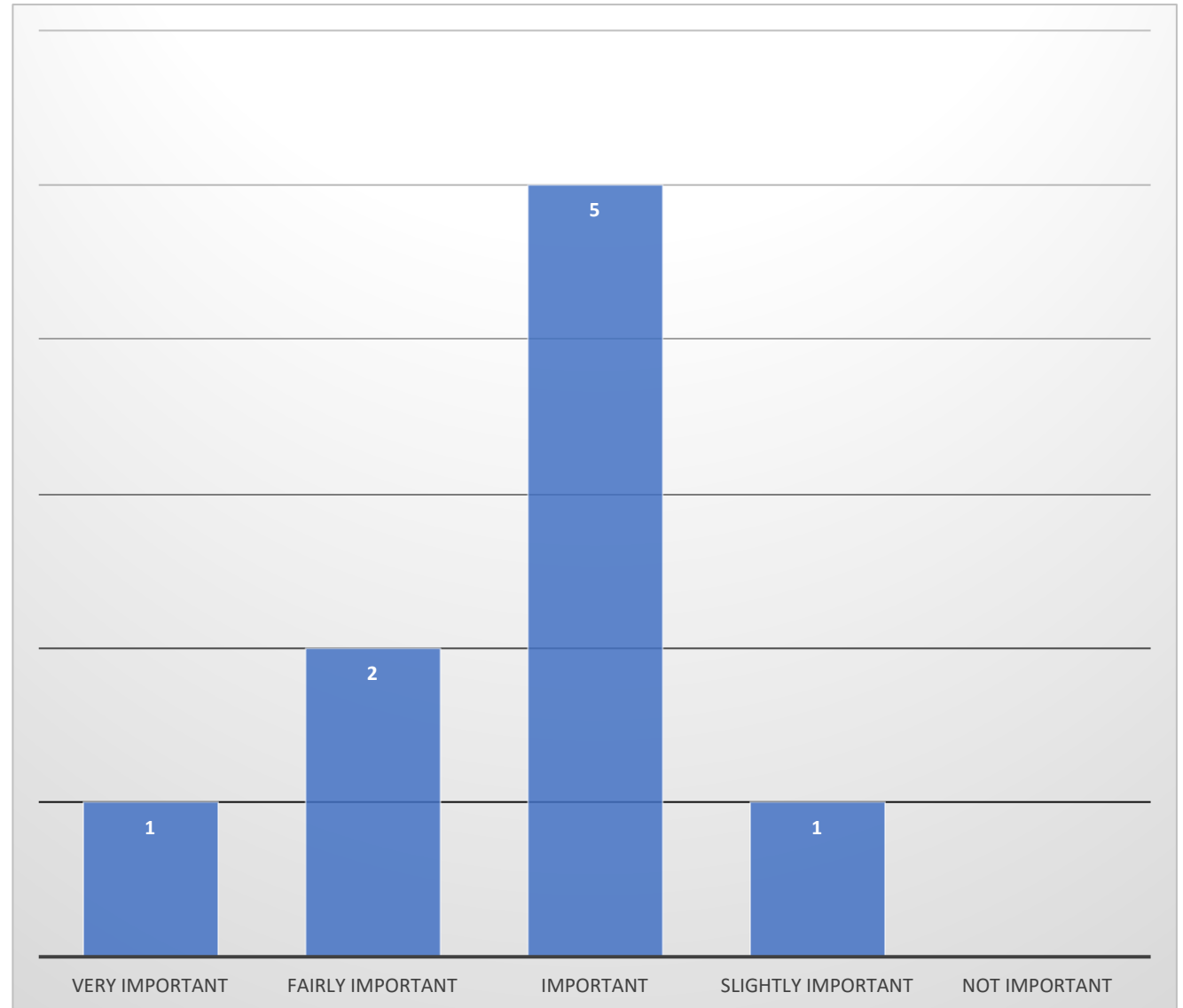
## Number of Sales per SalesAgent

- Average score 4.1
- Remarks
  - This is a useful internal metric but rather obvious



# Sales Agent Churn Rate

- Average score 3.3
- Remarks
  - This is a useful internal metric



# Additional remarks

- There should be an overall customer satisfaction indicator
- Needs rethinking; what is the purpose, what do we definitely need to measure? This increasingly looks like an attempt by software system vendors to have their metrics mandated
- Details will be important for consistency of application / measurement
- Special emphasis should be given to limiting the number of additional KPIs/metrics/etc to only those that are essential for providing context to differentiate companies. Perhaps going through the exercise of looking at existing companies on these metrics to determine where that differentiation is needed the most could be instructive