KPI Tree Builder

Connect product metrics to revenue outcomes. One tree. No vanity metrics.

If your product team tracks feature velocity and your sales team tracks pipeline, you do not have alignment. You have two scorecards and zero accountability.

What is a KPI Tree?

A KPI tree connects your top-line revenue goal to the leading indicators that drive it. Every metric on the tree has an owner, a target, and a direct line to the metric above it.

When a number goes red, you know exactly where to look and who to talk to. When a number goes green, you know what caused it and how to repeat it.

Level 1: Revenue Target

Start with the number your board or leadership cares about. This is the root of the tree.

Annual revenue target: $_____

Quarterly revenue target: $_____

Monthly revenue target: $_____

Owner: _____   Review frequency: _____

Level 2: Revenue Drivers

Break the revenue target into its component parts. For most B2B companies:

1. **New business revenue**

   Target: $_____   Owner: _____   Leading indicator: Qualified pipeline value

2. **Expansion revenue**

   Target: $_____   Owner: _____   Leading indicator: NRR (net revenue retention)

3. **Renewal revenue**

   Target: $_____   Owner: _____   Leading indicator: Churn rate / retention rate

Level 3: Pipeline Metrics

Each revenue driver depends on pipeline inputs. Map them:

New Business Pipeline:

- Leads generated per month: _____   Owner: _____

- Lead-to-opportunity conversion rate: _____%   Owner: _____

- Opportunity-to-close rate: _____%   Owner: _____

- Average deal size: $_____   Owner: _____

- Average sales cycle: _____ days   Owner: _____

Expansion Pipeline:

- Accounts eligible for upsell: _____   Owner: _____

- Upsell conversion rate: _____%   Owner: _____

- Average expansion deal size: $_____   Owner: _____

Retention:

- Accounts up for renewal this quarter: _____   Owner: _____

- At-risk accounts: _____   Owner: _____

- Gross retention rate: _____%   Owner: _____

Level 4: Activity Metrics

These are the daily and weekly numbers your team actually controls:

- Outbound touches per SDR per week: _____

- Demos booked per week: _____

- Proposals sent per week: _____

- Customer health check-ins per CSM per week: _____

- Feature releases per sprint that tie to revenue: _____

- Content published per month that drives pipeline: _____

How to Build Your Tree

1. **Start at the top**

     Write down your revenue target. Work downward. Do not start from the bottom up.

2. **Every metric needs an owner**

     If nobody owns it, remove it from the tree. Unowned metrics are vanity metrics.

3. **Every metric needs a target**

     Not a range. A number. Something you can be above or below.

4. **Connect every level**

     If a Level 4 metric does not clearly drive a Level 3 metric, it does not belong on the tree.

5. **Review weekly**

     The tree is not a document. It is a dashboard. Put it on a screen your team sees every day.

Want to build this for your company with an experienced operator? Book a diagnostic call at

pmguru.org/booking.