

FREE GUIDE · 5 INDICATORS

The 5 indicators every SME should watch every morning.

Most SMEs have data: invoices, orders, timesheets, stock. What is missing is visibility into what actually matters, at the right moment. This guide covers the 5 indicators that answer the questions every owner asks each morning: the formula, the benchmark target and the most common pitfall for each.

A dashboard is not a report with 40 charts.

It is a single page that answers, in seconds, the five questions that decide a manager's week: **where am I making money, when will I run out of stock, who is paying me late, what am I delivering late, and what does production actually cost.**

These 5 indicators show up, with small variations, in almost every project we run with industrial, services and distribution SMEs. The data already exists in your company, in Excel, in your ERP, or in tracking sheets. The work is connecting it, cleaning it, and presenting it so anyone can understand it.

1	Real margin per product or service	where you make money and where you lose it
2	Days of stock / available capacity	buying too late vs. capital tied up
3	Days Sales Outstanding (DSO)	the silent signal of cash-flow stress
4	On-Time Delivery (OTD)	what delays really cost
5	Cost per hour produced	the real cost, not the budgeted one
✓	Self-assessment checklist	how many can you see today, in under 5 minutes?

1

Real margin per product or service

Where the company makes money and where it loses it.

Not the theoretical margin from the price list: the **real** margin, after deducting materials, labour time, logistics and mistakes. Most owners know their revenue; few know, product by product, where they earn and where they are unknowingly subsidising customers.

FORMULA

Gross margin % = (Revenue - Direct costs) ÷ Revenue × 100 · by product family or service type

WHAT TO SHOW ON THE DASHBOARD

Gross margin (%) by product family or service type, compared with the previous month and the defined target. Sorted worst to best: the eye goes straight to the problem.

COMMON PITFALL

Splitting indirect costs "equally" across products. That distorts everything: start with direct costs only, then refine. An imperfect but consistent margin beats an "exact" one that nobody keeps updated.

THE QUESTION IT ANSWERS

"If you had to cut 20% of your catalogue tomorrow, would you know exactly what to cut?" If the answer is no, this is the first indicator to build.

2

Days of stock or available capacity

How long until you run out, or how much capital is sitting on a shelf.

This indicator prevents two costly, symmetrical mistakes in stock management: buying too late (line stoppage, rush orders, special freight) and buying too early (capital tied up that your cash flow needs elsewhere). In services businesses, the equivalent is capacity: how many production hours are still free this week.

FORMULA

Days of coverage = Current stock ÷ Average daily consumption · by critical reference

WHAT TO SHOW ON THE DASHBOARD

Days of coverage per critical reference, with a visual red alert below the threshold set by the company (e.g. 10 days). No need to track all 2,000 references: the 20 critical ones remove 80% of the surprises.

COMMON PITFALL

Using annual average consumption. Seasonality distorts this: use a short moving average (4 to 8 weeks) so the indicator reacts to the actual pace of the business.

THE QUESTION IT ANSWERS

"What is about to run out before it actually runs out?" That is the difference between managing stock and putting out fires.

3

Days Sales Outstanding (DSO)

How many days pass, on average, between issuing an invoice and getting paid.

A profitable company can run into serious cash-flow trouble simply because its customers pay late. DSO is the silent signal of that stress: when it rises, the company is financing its customers, usually without charging them interest for it.

FORMULA

$$\text{DSO} = (\text{Accounts receivable} \div \text{Revenue for the period}) \times \text{number of days in the period}$$

WHAT TO SHOW ON THE DASHBOARD

Current DSO vs. target vs. the same period last year, filterable by customer or segment. The filter turns the number into action: it identifies who systematically pays late, so you can renegotiate terms or chase collection sooner.

COMMON PITFALL

Looking only at the average. Two customers sitting at 90 days hidden inside an average of 45 are a real risk that the average alone will never show. Also track the aged debt balance: how much is still outstanding past 60/90 days.

THE QUESTION IT ANSWERS

"Will I be able to make payroll and pay suppliers this month, with what customers still owe me?"

4

On-Time Delivery (OTD)

What percentage of orders leave on the date promised.

On-Time Delivery directly affects two things: customer satisfaction (customers rarely complain, they simply stop buying) and the hidden operational cost of delays — overtime, rush jobs, special freight and contractual penalties.

FORMULA

$$\text{OTD \%} = \text{Orders delivered on time} \div \text{Total orders delivered} \times 100 \cdot \text{weekly and monthly}$$

WHAT TO SHOW ON THE DASHBOARD

Weekly and monthly OTD, broken down by team, line or customer. The breakdown matters: an overall OTD of 92% can hide one line running at 70%, and it might be the line serving your best customer.

COMMON PITFALL

Measuring against a renegotiated date instead of the date originally promised. If every delay "disappears" behind a new deadline, the indicator stays green while the customer stays unhappy.

THE QUESTION IT ANSWERS

"Are we keeping the promise we made to the customer, or paying overtime to hide the fact that we aren't?"

5

Cost per hour produced (or per unit)

The real cost of what the company does, not the budgeted one.

The real cost includes what the budget does not see: idle time, rework, breakdowns and inefficiencies. When this number rises without production falling, there is something worth investigating, and the sooner the chart shows it, the cheaper the fix.

FORMULA

$\text{Cost/hour} = \text{Operational costs for the period} \div \text{Hours actually produced weekly}$

WHAT TO SHOW ON THE DASHBOARD

Cost per hour or per unit, by week, with the variation against the average of the last 3 months. The trend matters more than the absolute value: it is the deviation that triggers the right question at Monday's meeting.

COMMON PITFALL

Dividing by planned ("theoretical") values instead of actual hours. The indicator looks great on paper and is useless in practice: the waste disappears from the denominator.

THE QUESTION IT ANSWERS

"Are we becoming more efficient, or just busier?"



Checklist: can you see this today, in under 5 minutes?

Only tick what you can check right now, without asking anyone or opening 6 files.

☐ Real margin per product/service family, updated this month, compared against target.

☐ Days of coverage for the 20 critical references, with a visual alert below threshold.

☐ Current DSO and amounts outstanding past 60 days, with late-paying customers identified.

☐ Last week's OTD, by team, line or customer, against the originally promised date.

☐ Real cost/hour for the last 4 weeks, with the trend against the previous 3 months.

4-5 ✓ Your company has above-average visibility. Next step: automate the update, so nobody spends hours feeding the dashboard by hand.

2-3 ✓ You have pieces of the picture, but you are deciding with blind spots. Usually what is missing is connecting 2 or 3 data sources that already exist.

0-1 ✓ You are running on memory and gut feel, like most SMEs. The good news: the data already exists — with 2 to 4 days of actual work, the first indicators can be live.

HOW THIS GETS BUILT, IN PRACTICE

Connect the sources (Excel, ERP, tracking sheets) → clean and cross-reference the data → build a view any manager understands without technical training. In Power BI, a dashboard like this typically takes 2 to 4 days of actual work, then updates itself and is accessible from any device.

NEXT STEP

Want to know which of these 5 indicators are realistic with the data you already have?

In a free 30-minute diagnostic call, we look at your current data sources (Excel, ERP, tracking sheets) and tell you, with no commitment and no jargon, what can be built, how long it takes and where to start.

[Book a free call →](#)

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