

How To Calculate Your Key Business Metrics, Rapidly Increase Your **ACV** & **10X Your Profits!**



Hey its Sam Malsom... Founder & CEO of the [Online Wealth Society.Com \(My Clients Have Made Millions\)](https://www.onlinewealthsociety.com) & Creator of the **C.A.L.V.O Funnels + Flywheel Method!**

Welcome to this special PDF training that will teach how to calculate your **business metrics** so you can first of all diagnose the bottleneck in your business and then fix it FAST!

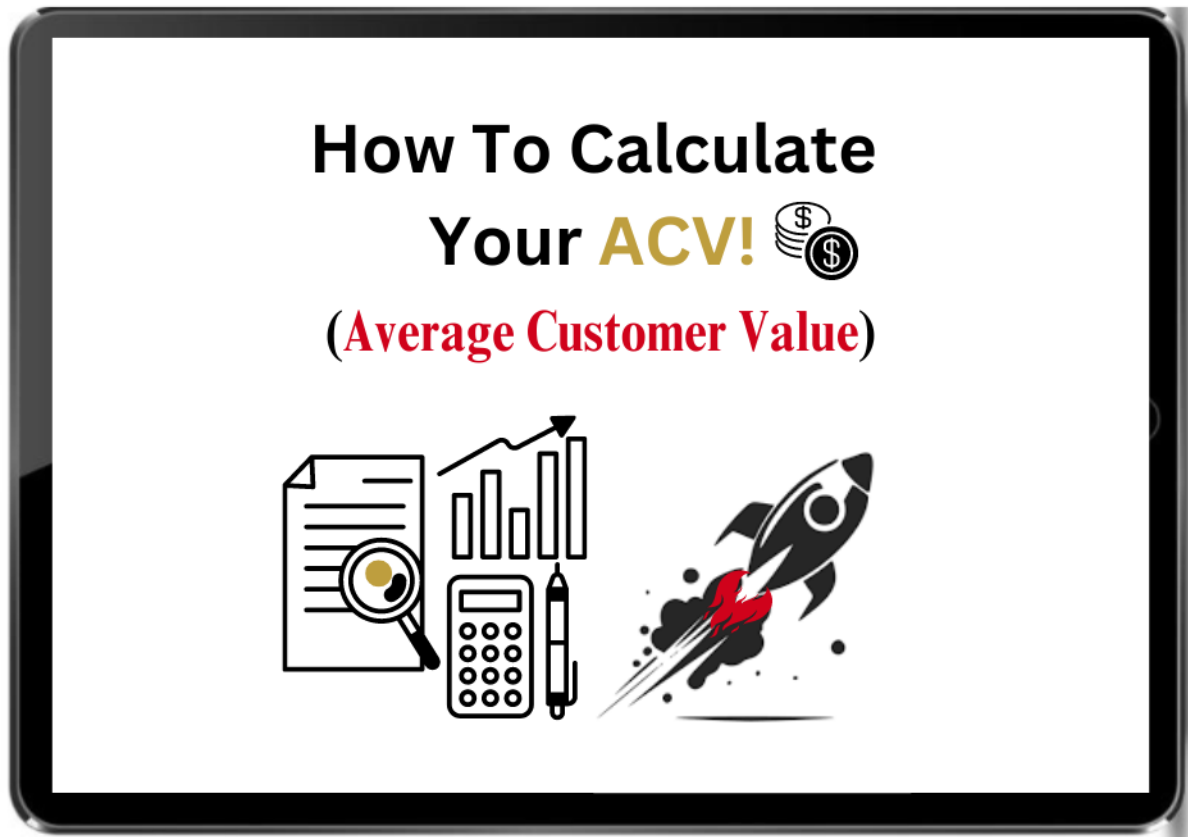
This advanced training is for business owners running paid traffic that are making over \$10,000 - \$100,000+ per month!

Online business at the end of the day comes down to **SIMPLE MATHEMATICS** in relation to 3 constituent parts...

- 1) Offer(s)
- 2) Funnel
- 3) Traffic Campaign

And when you know your numbers, you know what is working and what is not working so you can make adjustments & grow FAST! I will also share the **KEY INSIGHT** on how to rapidly increase your **ACV** which stands for (*Average Customer*

Value) so you can massively increase your **traffic, leads, appointments & PROFITS!**



Average Customer Value (ACV) refers to the average revenue generated from a customer over a specific time period, typically calculated on an annual basis.

It helps businesses understand the financial contribution of each customer and informs decisions related to marketing, sales, and customer retention strategies.

ACV is calculated using the following **formula**:

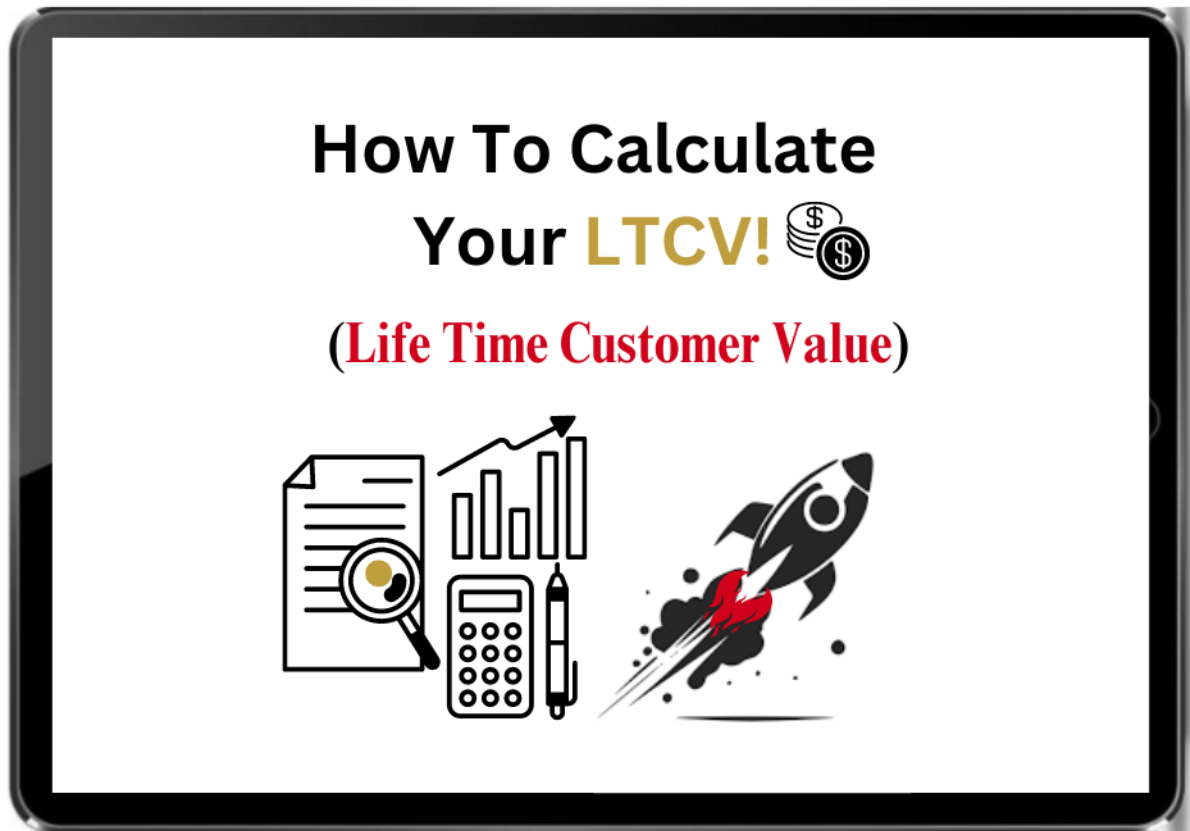
$$\mathbf{ACV = \frac{\text{Total Revenue From Customers}}{\text{Number of Customer}}}$$

This metric is crucial for evaluating the effectiveness of customer acquisition strategies and for forecasting future revenue based on current customer relationships.

This metric give you a measurable understanding of the...

**OVERALL HEALTH OF YOUR BUSINESS IN TERMS OF REVENUE
GENERATED FROM EACH CUSTOMER OVER TIME!**

I personally use this metric every 90 days (quarterly) & 12 months (annually!)



Life Time Customer Value (LTCV) is the total revenue a business expects to earn from a customer over the entire duration of their relationship.

It helps businesses assess the long-term value of acquiring and retaining customers.

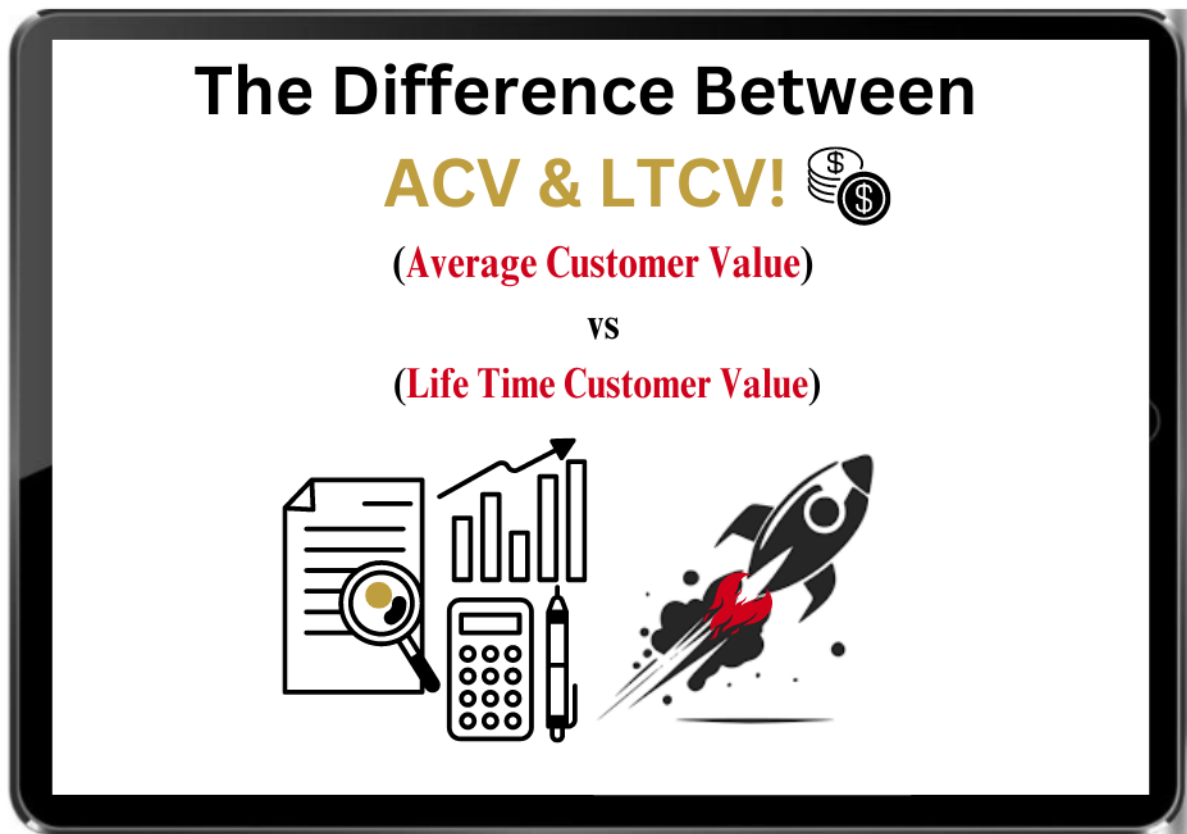
LCV is calculated using the following **formula**:

LTCV

$$\begin{aligned} & \text{Average Purchase Value} \times \\ & \text{Average Purchase Frequency} \times \\ & \text{Total Amount of Customers} \end{aligned}$$

Understanding LTCV helps you make informed decisions about marketing investments, customer retention efforts, and overall business strategy, as it emphasizes the importance of maintaining customer relationships over time.

Again, this metric is calculated every 12 months (annually)



The main differences between **Average Customer Value (ACV)** and **Life Time Customer Value (LTCV)** are:

1. **Time Frame:**

ACV measures the average revenue generated from a customer over a specific period (usually annually).

LTCV estimates the total revenue expected from a customer over their entire relationship with the business.

2. **Purpose:**

ACV helps evaluate the short term & annual financial performance of customer relationships.

LTCV focuses on the long-term value and profitability of acquiring and retaining customers.

3. Calculation Components:

ACV considers total revenue divided by the number of customers in a given period.

LTCV incorporates factors like average purchase value, purchase frequency, and expected customer lifespan.

In summary, ACV is more about current performance, while LTCV is about future potential and long-term value.

These 2 Mathematical Business Calculations (ACV & LTCV) Allow You To Check The Overall High Level HEALTH Of Your Business In Terms of Revenue & Customers Like a Doctor Checks His Patients!



<https://www.onlinewealthsociety.com/>

How To Calculate Your **AVV!** (Average Visitor Value)



Great work... You now know the 2 high level business metrics that you need to keep tabs on.

Now were going to dive deeper by covering the **KPI METRICS** that must be tracked in relation to your **FUNNEL + TRAFFIC CAMPAIGN!**

The following metrics will give you an indication on which part of your funnel & traffic campaign needs fixing so you can...

- Generate more **targeted LEADS**
= Measured by **CPL (Cost Per Lead!)**
- Book more **qualified APPOINTMENTS**
= Measured by **CPBC (Cost Per Booked Call)**
- Convert more monthly recurring **CUSTOMER SALES**
= Measured by **AVV (Average Visitor Value) & AOV (Average Order Value)**
- Sell more high-ticket **CLIENT SALES**

= Measured by **CPA (Cost Per Acquisition)**

I go deeper into the traffic metrics inside my **Client Acquisition Accelerator** course inside module #9 (**Traffic & Lead Generation System – STAGE #2 – Growing To \$1M-\$3+M/Year With Paid Ads & AI!**)



Average Visitor Value (AVV) is a metric that estimates the average revenue generated from each VISITOR to a web page or sales page within your sales funnel.

It helps businesses assess the effectiveness of their traffic sources and overall funnel page performance.

Calculation:

AVV can be calculated using the following **formula:**

$$\mathbf{AVV} = \frac{\text{Total Revenue From Specific Page}}{\text{Total Visitors}}$$

Importance:

Performance Insight: AVV provides insight into how well a web page or sales page within your funnel converts traffic into revenue.

Optimization: By understanding AVV, businesses can identify which traffic sources or campaigns yield the highest returns and optimize accordingly.

Marketing Strategy: It helps in evaluating the return on investment (ROI) of marketing efforts and making informed decisions on budget allocation.

Application Within a Sales Funnel:

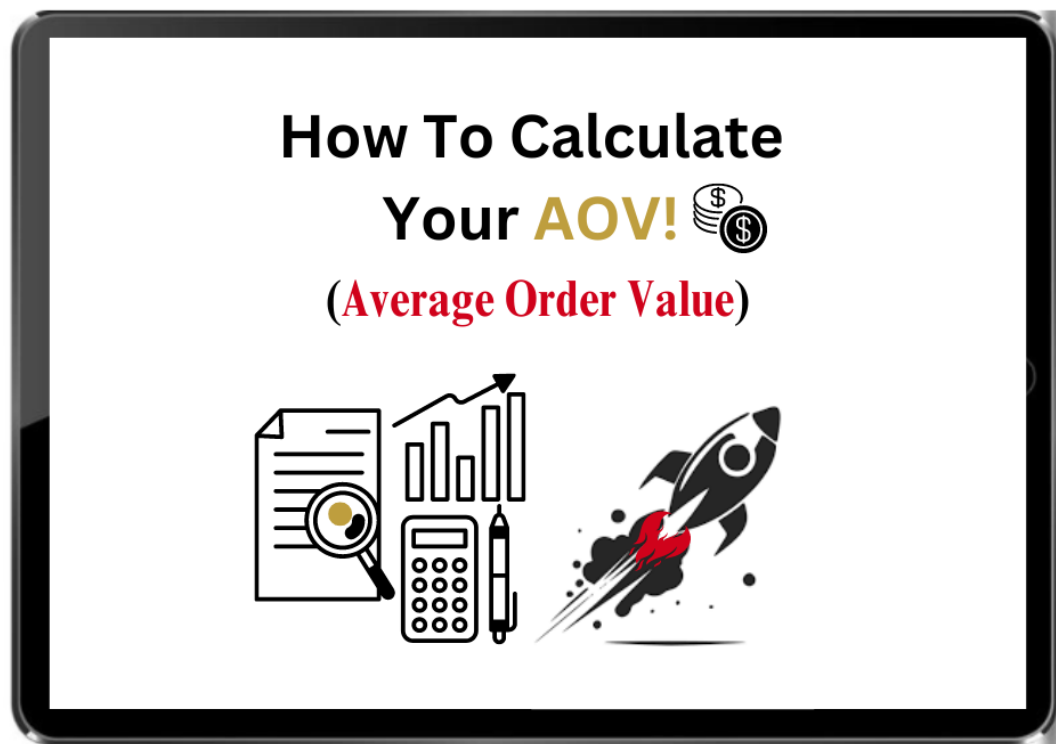
Top of Funnel: Identify how different sources of traffic contribute to overall revenue.

Middle of Funnel: Assess how effectively visitors are nurtured using E.B.M (*Educational Based Marketing*) into leads or customers.

Bottom of Funnel: Evaluates the conversion rates and how many visitors ultimately make a purchase.

By analyzing AVV, businesses can refine their strategies to maximize revenue from each visitor throughout the sales funnel.

I personally use this funnel calculation on the sales page of my I.C+C funnel.



Average Order Value (AOV) is a key advanced metric that measures the average amount spent by customers per transaction in a given period. It helps businesses understand purchasing behavior and optimize pricing strategies.

This is usually required when running a tripwire funnel or self-liquidation funnel on the front-end of your business model, where you have up-sells, down-sells and cross-sells as soon as a customer has purchased the first product.

Which in essence increases the average order value of the funnel.

Calculation:

AOV is calculated using the **formula**:

$$\text{AOV} = \frac{\text{Total Revenue From Front-End Funnel}}{\text{Number of Orders}}$$

Importance:

Revenue Insights: AOV indicates how much customers typically spend within a front-end sale funnel, helping businesses to gauge sales performance.

Marketing Strategies: Understanding AOV can inform upselling, down-selling and cross-selling strategies to encourage higher spending per order throughout a funnel.

Budgeting and Forecasting: AOV assists in revenue projections and financial planning.

Application in Sales Funnel:

Top of Funnel: Helps identify the effectiveness of promotions aimed at increasing order values.

Middle of Funnel: Guides product recommendations to maximize average order size.

Bottom of Funnel: Evaluates the impact of discounts & bonuses on final purchase amounts.

By monitoring AOV, businesses can implement targeted strategies to enhance customer spending and overall profitability of a specific front-end sales funnel.

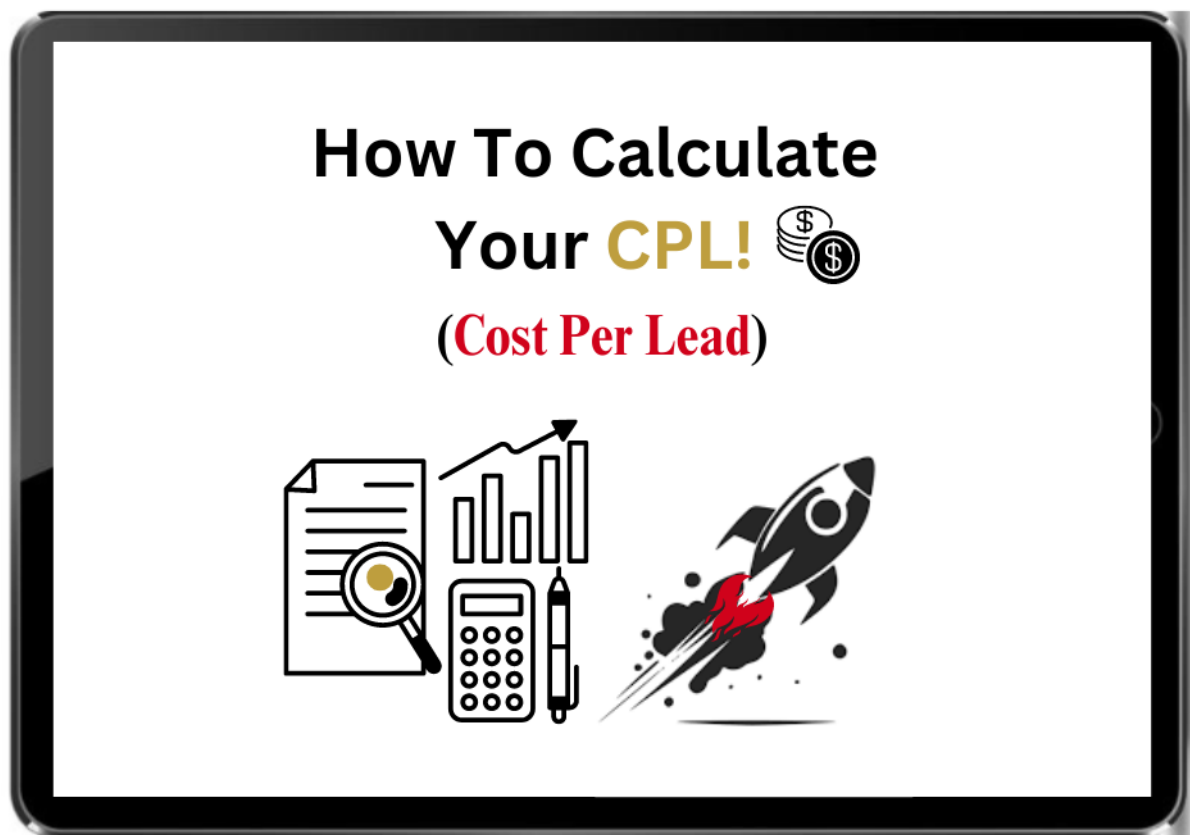
IMPORTANT: If you are making less than \$100,000/Month you do not need a front-end sales funnel. Which means AVV & AOV are more advanced metrics needed when you need to scale with a lower ticket offer priced at \$7 - \$97!

All you need when below 6-figures per month is a high-ticket application funnel so you can sell over the phone and / or over the DM's by focusing on the following KEY PERFORMANCE INDICATORS!

CPL = Cost Per Lead

CPBC = Cost Per Booked Call

CPA = Cost Per Acquisition



Cost Per Lead (CPL) is a TRAFFIC metric that measures the cost associated with acquiring a lead through a paid traffic campaign.

It helps businesses assess the efficiency and effectiveness of their marketing efforts in generating potential leads to build your email list.

Calculation:

CPL is calculated using the **formula**:

$$\text{CPL} = \frac{\text{Total Traffic Campaign Cost}}{\text{Number of Leads Generated}}$$

Importance:

Budget Management: CPL helps businesses understand how much they are spending to acquire each lead that joins your list, aiding in budget allocation and cost control.

Performance Measurement: It allows for the evaluation of different traffic sources or campaigns, helping to identify which are most effective in generating leads.

ROI Assessment: By comparing CPL with the potential revenue generated from leads, businesses can assess the overall return on investment.

Application in a Traffic Campaign:

Optimization: Marketers can refine their targeting and ad strategies to lower the CPL cost.

Resource Allocation: Helps in deciding where to invest more cash in campaigns that yield lower CPL and higher lead quality.

Lead Quality Evaluation: While CPL focuses on cost, businesses should also consider the quality of leads generated, as higher-quality leads may justify a higher CPL.

Performance Tracking: If your CPL is high, you have a problem with your ads.

This could be a problem with the following

- **Ad Imagery / Video**
- **Ad Hook**
- **Ad Story**
- **Messaging / Copy**
- **Ad Offer**
- **Targeting**

High CPL = Cost Per Lead... can be fixed by improving the constituent parts listed above & must be fixed FAST!

IMPORTANT: When you can increase your ACV (*Average Customer Value*) & LTCV (*Life Time Customer Value*) you can spend more to acquire a LEAD compared to your competitors!

Which means you can buy traffic, leads and customers on the major ad networks like Facebook, YouTube, Instagram & LinkedIn and still be profitable, while your competition will simply be losing money because they are paying too much for a lead / customer!

This is why its super important to sell a HIGH-TICKET OFFER for \$3,000 - \$10,000... All the way up to \$100,000 per sale when running paid traffic!

This is how you RAPIDLY INCREASE YOUR ACV!

And as the MARKETING GREAT Dan Kennedy once said...

“The Business That Can Spend The Most To Acquire a Lead / Customer WINS!”



By monitoring CPL, businesses can enhance their lead generation strategies, ensuring they maximize the effectiveness of their traffic campaigns.

How To Calculate Your **CPBC!** (**Cost Per Booked Call**)



Cost Per Booked Call (CPBC) is a metric used to measure the cost incurred to secure an appointment or booked call through a **VSL phone application sales funnel** or an **E.B.M webinar funnel** with a call to action to book a call on your calendar!

It helps businesses evaluate the efficiency of their campaigns in generating qualified calls with potential customers.

Calculation:

CPBC is calculated using the **formula:**

$$\mathbf{CPBC = \frac{\text{Total Traffic Campaign Cost}}{\text{Number of Booked Calls}}}$$

Importance:

Budget Management: CPBC provides insights into how much is spent for each booked call, assisting in effective budget allocation.

Campaign Effectiveness: It helps assess the performance of different marketing channels or strategies in driving appointment bookings.

ROI Evaluation: By comparing CPBC with the potential revenue from calls, businesses can evaluate the average return on investment of their traffic campaign in relation to each call.

It tells you HOW much each call being taken is worth to you and your business using an AVERAGE!

It also tells you HOW much you are spending to book a call!

How To Use This Metric In a VSL Appointment Booking Funnel:

VSL = Video Sales Letter!

Optimization: Marketers can adjust their targeting and messaging to lower CPBC and increase the volume of booked calls.

Performance Tracking: Monitoring CPBC over time helps identify the effectiveness of your VSL (*Video Sales Letter*)

If your CPBC is high, your...

- **VSL**
- **Messaging**
- **Offer**
- **CTA (Call To Action)**

...to book a call is OFF and not resonating with traffic / target market you're attracting with your ads and it needs to be fixed FAST!

Quality Assessment: While focusing on cost, it's also essential to consider the quality of leads generated from booked calls, as higher-quality leads can justify higher costs.

By analyzing CPBC, businesses can refine their appointment booking strategies, ensuring they effectively convert leads into meaningful customer / client call conversations.

How To Calculate Your **CPA!** (**Cost Per Acquisition**)



Cost Per Acquisition (CPA) also known as CPC (Cost Per Customer) is a key metric that measures the cost incurred to acquire a new customer / client through a paid traffic campaign.

It reflects the total cost associated with converting a lead into a paying customer / client.

Calculation:

CPA is calculated using the **formula:**

$$\mathbf{CPA =} \frac{\text{Total Traffic Campaign Cost}}{\text{Number of Customers Acquired}}$$

Importance:

Budget Efficiency: CPA helps businesses understand how effectively they are spending their traffic budget to acquire new customers.

Performance Assessment: It allows for the evaluation of different traffic sources or campaigns, helping identify which are most effective in driving customer acquisitions.

ROI Measurement: By comparing **CPA** with your (AVC (Average Customer Value), businesses can determine the profitability of their traffic, marketing and sales efforts.

Application in a Sales Funnel:

Optimization: Marketers can refine targeting, ad creative, lead capture page and your sales page / VSL page to lower the CPA cost while maximizing conversions.

Strategy Development: Understanding CPA helps in developing strategies that balance acquisition costs with revenue goals.

Benchmarking: Monitoring CPA over time allows businesses to set benchmarks and assess the effectiveness of their campaigns against industry standards.

By analyzing CPA, businesses can enhance their sales funnel & offer strategy, ensuring that they efficiently convert traffic into profitable customer / client relationships.⁹

When your ACV is greater than your CPA cost...



**YOU HAVE A PROFITABLE MILLION DOLLAR BUSINESS ON YOUR HANDS
WHICH MEANS YOU CAN SCALE FAST!**

Awesome, hope you got some value from this training...

Talk soon

Sam Malsom

Founder & CEO: <https://www.onlinewealthsociety.com/>

