



Everyone **up** to speed and on **BOARD!**

# Innovation Accounting Template



Innovation accounting quantifies the market value of new business opportunities that are fundamentally ambiguous and uncertain – the breakthroughs and disruptors.

## LEVEL 1: CUSTOMER FOCUSED DASHBOARDS

**Goal: Create a measurable cadence in which real live customers “flow through the experiment factory.”**

Examples:	Potential Measures for Your Startup / New Venture:
<ul style="list-style-type: none"> <li>• <b>Customer discussions</b> (Number of customers talked to each week)</li> <li>• <b>Customer feedback</b> (Number of customers that provide product feedback each week)</li> <li>• <b>Conversion rates</b> (Number of customers that try the product)</li> <li>• <b>Per Customer Revenue</b> (Amount a customer is willing to pay)</li> </ul>	<ol style="list-style-type: none"> <li>1.</li> <li>2.</li> <li>3.</li> <li>4.</li> </ol>

## LEVEL 2: LEAP OF FAITH ASSUMPTIONS DASHBOARDS

**Goal: Test and validate (or invalidate) Leap of Faith Assumptions through rapid learning activities**

Examples:	Potential Measures for Your Startup / New Venture:
<ul style="list-style-type: none"> <li>• Repeat purchase rates</li> <li>• Retention rates</li> <li>• Willingness to pay a premium price</li> <li>• Referral rates</li> <li>• Word of mouth referrals</li> <li>• Ability to take revenue from one customer and invest it into a new customer acquisition</li> <li>• Ability to recruit new customers as a side effect of normal usage</li> </ul>	<ol style="list-style-type: none"> <li>1.</li> <li>2.</li> <li>3.</li> <li>4.</li> </ol>

## LEVEL 3: NET PRESENT VALUE DASHBOARDS

**Goal: Aggregate specific metrics that represent the most important drivers of the long-term business model**

Examples:	Potential Measures for Your Startup / New Venture:
<ul style="list-style-type: none"> <li>• Number of visitors</li> <li>• Percent of visitors that sign-up for free accounts and become users</li> <li>• Percent of users that pay money</li> <li>• Amount of money paid by each user</li> <li>• Number of buyers and sellers</li> <li>• Number of product listings</li> <li>• Number of transactions</li> <li>• Revenue per transaction</li> </ul>	<ol style="list-style-type: none"> <li>1.</li> <li>2.</li> <li>3.</li> <li>4.</li> </ol>