



A MoveToSaaS E-Book

75 Best Practice SaaS Benchmarks for your Business Case



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1. Preface SaaS Benchmarks

This ebook is part of a series of posts on [understanding SaaS Metrics](#), applying SaaS Benchmarks, [building a recurring revenue business model](#), scaling the right sales plan and win funding for a SaaS business with a lean case.

I would like to thank David Skok and Steve Blank for their work which has inspired me tremendously. While presenting my own SaaS startup accells to investors and VCs, I came across David Skok's blogs on [SaaS metrics](#) and [Saas Models](#) and Steve Blank's [Udacity Online Course on How To Build a Startup](#) using the Lean Startup and Business Model Canvas approach. After we sold accells successfully to Ping Identity, I developed a strong desire to share my experience with other entrepreneurs. My goal was simple: to increase their chances for financing and success.

This is why I started working on [Lean-Case](#), a simulation tool for recurring revenue models, two years ago. I want you to avoid the pitfalls I have seen, by using the right formulas, applying the right assumptions, making the business case look appealing, and building a model to support scenarios and continuous analysis and tracking. Originally, benchmarking was an integral concept in Lean-Case but I learned that there was no single benchmarking data source that Lean-Case could leverage, but that there was a wealth of information regarding benchmarks spread across the web. This is how the idea for a separate service developed which we have called [Lean-Marks](#).

Based on our Lean-Case and Lean-Marks experience, we market all our experience with business modeling, business case simulation and benchmarking under [MoveToSaaS](#).

2. 75 Best Practice Benchmarks for your SaaS Business

This ebook provides SaaS entrepreneurs, Business Managers and Investors with an overview of top resources for SaaS and Software benchmarks.

Across those resources, we have selected 75 best practice benchmarks to make reasonable assumptions in numerous situations ... when creating your SaaS business case, when finding the right growth strategy, when trying to understand your performance or reviewing an investment proposal. You find all these benchmarks plus many more online at [Lean-Marks.com](#).

2.1 What are the benefits and limitations of benchmarks

Benchmarking is a common practice and sensible exercise to establish baselines, define best practices, identify improvement opportunities, and understand how to compete. Benchmarking helps companies gain an independent perspective. They can understand how well they perform against peers, identify and prioritize specific areas of improvement, validate assumptions as well as set performance expectations.

Benchmarking works well when the process being benchmarked is a standard one and essentially is the same for all units (either internal or external) participating in the exercise. For example, it's useful to compare the cost of developing the same widget, providing the same kind of online support or using the same kind of cloud service. But benchmarking is not informative when it is used to compare fundamentally different processes or products. For example, Dropbox would probably not benefit from studying SAP's selling process, a start up would not benefit from comparing its churn rate with the churn rate of public SaaS companies such as Salesforce or Box. Be reasonable and do not compare Apples and Oranges – simplistic benchmarking using aggregate statistics only has certain validity.

At [MoveToSaaS](#), we combine benchmarking with the strategic process of finding the right business focus. SaaS companies must focus on the right metrics for each stage of their product growth lifecycle.

- **Early stage startups** building a minimum viable product must focus on churn, feature use, and survival financing.
- **Later stage startups** ramping up marketing and sales must focus on key metrics like churn, cost-of-customer acquisition, and growth financing.
- **Growth companies** scaling their business and increasing their geographic scope must focus on key metrics such as customer acquisition cost (CAC), customer lifetime value (CLTV), customer segmentation, and geographic expansion.

2.2 How Do I Use Benchmarking in my Business Plan?

If I want to convince potential investors that my business idea is viable, to what extent and how should I use a benchmarking comparison of successful companies and consequently shape my plan?

Benchmarking based on available information about similar companies in other markets can be a useful way to add granularity and credibility to your business plan. Depending on how much information on these other examples you have, applying the benchmark company growth patterns, or ramp-up numbers, or market penetration can be useful.

But be careful as you do this. You should be sensitive to the factors you are considering because they come from a different time and a different market, and may not be relevant to your own business. Be respectful of these differences, and if at all possible adjust your numbers to reflect them. These adjustments will add to credibility to your plan.

We've seen plans and pitches in which entrepreneurs simply apply somebody else's growth rate or profitability to their own projections. And potential investors wonder if those projections are relevant to your business. It's a natural reaction, so anticipate it.

So, yes, use results from similar companies to help build your early projections. But do it carefully and with adjustments for your specifics. Then, it will give your plan credibility.

2.3 Where to find benchmarks for your SaaS and Software Business

There are many great sources to find and check benchmarks online. They cover countless insights on the general business economics, funding, sales and marketing, customer success as well as product and software development.

However, they are not easy to find, they only focus on specific functions or topics, it is difficult to put them into context, they come in PDF format and they cannot be searched and compared. On such a basis, it becomes really hard to check them out and make meaningful decisions.

This is why we setup [Lean-Marks.com](https://leanmarks.com) to cover the best sources of publicly available SaaS and Software benchmarks in one place for the following target groups:



- Entrepreneurs – require benchmarks to understand the unit economics of a customer, build their business case, evaluate their start-ups' performance
- Operational Executives – use benchmarks to assess their functional performance, e.g. revenue and customer growth, spending levels, ..

- CFOs – need benchmarks to assess their companies' performance and growth plans against specific peer companies
- Investors – have to be able to evaluate the performance of their portfolio companies

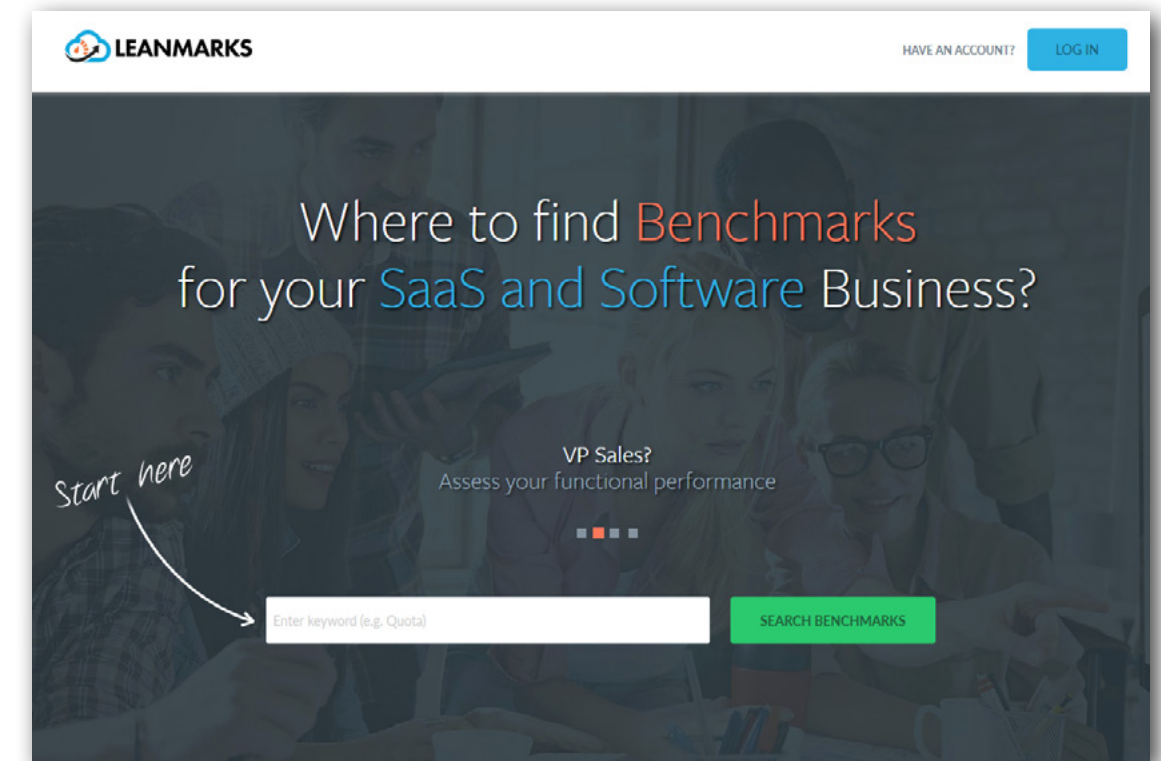


Fig. 1: Lean-Marks

On [Lean-Marks](https://leanmarks.com) (see figure 1), you can kick off searching for benchmarks with a fulltext search (e.g. enter the keyword “quota”).

- Lean-Marks shows relevant results for your search (see figure 2). With the search bar on your right, you can refine your search (e.g. search by benchmark publication or searching by several keyword categories).
- Each benchmark is referenced, tagged and visually represented (see figure 3).
- All benchmark sources covered on Lean-Marks enjoy high social media activity and virality. Lean-Marks is your starting point to dig deeper into them.

This ebook and the corresponding e-book provide a subset of benchmarks which are available on Lean-Marks.

If you come across other benchmark sources which Lean-marks should cover, please let us know.

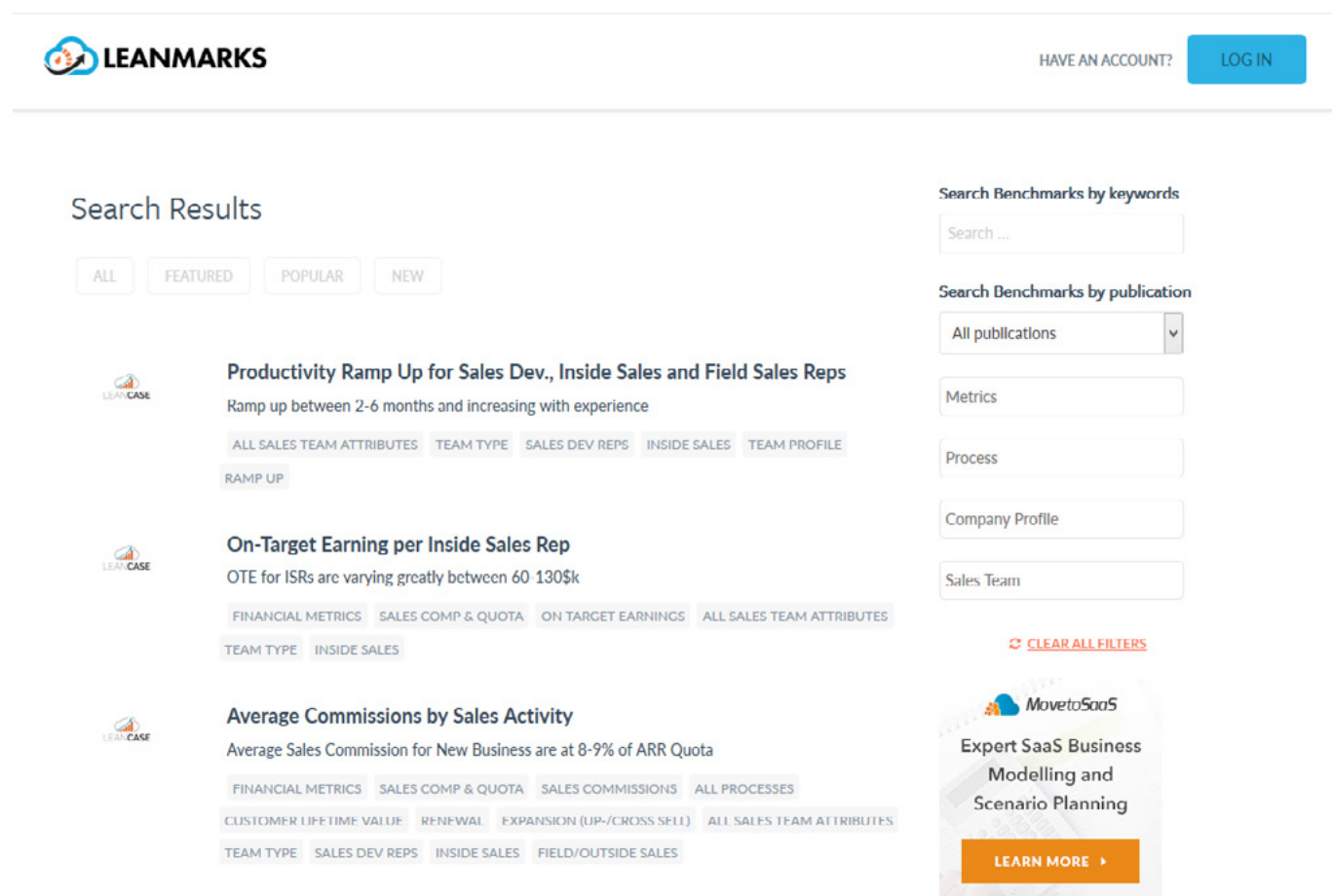


Fig. 2: Lean-Marks Search Results and Search Bar

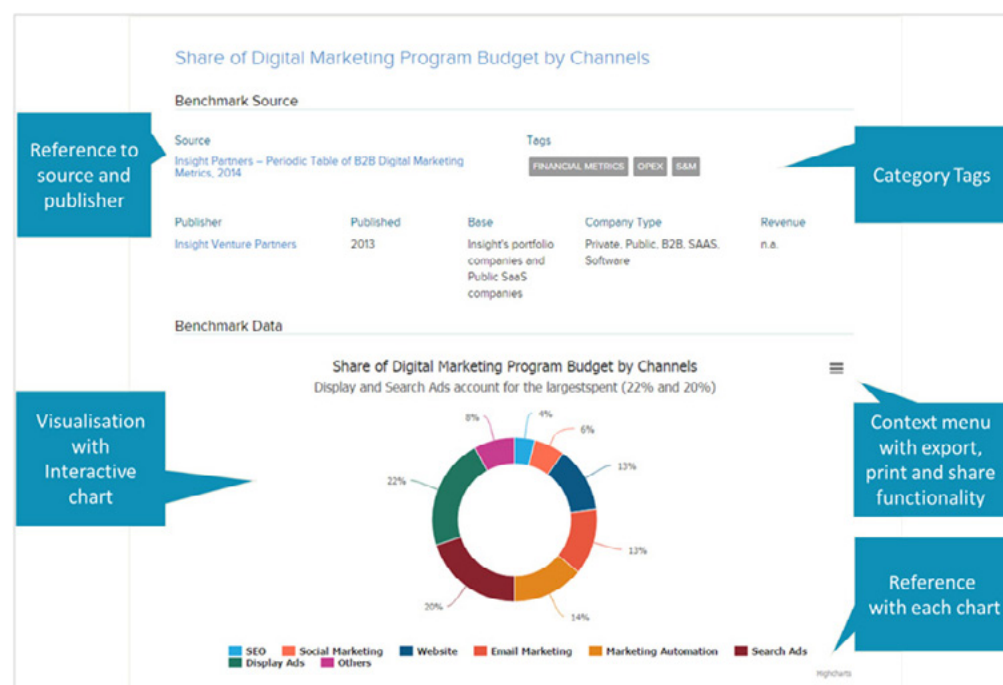


Fig. 3: Lean-Marks Benchmark Example

3. Benchmark Sources Covered

This is the overview of Benchmark Sources which Lean-Marks currently covers. Please refer to the appendix for an in-depth description of each source.

	SaaS Models and Scenarios in the Cloud, 2015	Aggregated Benchmarks for your SaaS Business Model
	Periodic Tables of SaaS Metrics, 2014	"Periodic Tables" of B2B Digital Marketing Metrics, SaaS Sales Metrics and SaaS Financial & Operating Metrics
	Benchmarking Public SaaS Companies, 2014	Key benchmarks of Public SaaS companies; revenue, customer success, sales, quotas, etc
	SaaS Survey, 2014	Growth, Sales models, Target customers, Go-to-market approach, CAC, Contract, Pricing, Services, Sales commissions, Gross margin, OPEX, Cost structure, Churn and retention, etc
	Your Daily Dose of Inbound, 2015	With the powerful, easy to use, integrated set of applications, businesses can attract, engage, and delight customers by delivering relevant, helpful, and personalized inbound experiences
	B2B Sales Conversion Rates, 2014	B2B Sales Conversion Rates – Lead to Opportunity, Lead to Deal
	Annual SaaS Metric Survey Report, 2014	SaaS and customer metrics, Acquisition, renewals and upsells, Retention and Acquisition costs, Free trials vs Freemium, Churn, etc
	Sales Development and Inside Sales Reports on Metrics & Compensation, 2014	Team Structure (number of reps, territories, experience level, average tenure, ramp up), Sales Quotas (basis, Quota based on ACV, Average number of deals, Quota achievement), Sales efficiency (average number of daily dials, dial attempts and connects)
	InsightSquared – New Benchmarks for Inside Sales Teams, 2014	Conversion rates, Average deal sizes, Number of bookings per rep, Sales cycles, Sales effort, Win rates, Sales cycles, Sales effort etc.

Xactly	SaaS Incentive Compensation Benchmark Report, 2014	Incentive plan design, Quota size, Quota attainment, Sales attrition etc
Salary.Com	Average Salary Ranges for Sales Jobs, 2015	Average Salary Ranges for Sales Jobs in Software Industries
Zendesk	Behavioral Cues of Customer Satisfaction, 2014	Customer Satisfaction by Countries, Industry, Politeness of customers, Email provider etc.
Openview	State of B2B Mobile Growth Metrics, 2015	Metrics for Mobile apps which are the next big wave in B2B SaaS
Kaseya	MSP Global Pricing Survey, 2014	IT services that MSPs deliver on the existing and emerging types of services they offer, incl. current service pricing and future pricing expectations,

4. SaaS Benchmarks for your Business Plan

If you start building your business case, you have to make a few choices. Are you starting from scratch and building your own Excel model, or can you reuse an older model which you used before, or could you even use a model someone else has built? Maybe you want to task experts like the guys at [MoveToSaaS](#) to help you build your model with simulation and reporting capabilities. However, if you are sick of Excel, you could also use a service like [LEAN-CASE](#) to create and share your case.

In all cases, for any of these options, you have to deal with business assumptions which typically fall into a few categories. Benchmarks in those categories help you to make your plan better. For This ebook, we are applying the same categories as used by the Lean-Case service. In the following chapters, we describe

- [SaaS Benchmarks for Sales Cost and Sales Targets](#) to capture
 - On-Target Earnings (OTE) of sales staff
 - Sales commissions
 - Annual Sales Targets (Quota)
- [SaaS Benchmarks to calculate the Average Contract Value](#)
- [SaaS Benchmarks on Lead Cost, and Pipeline Conversion](#) to capture the customer acquisition process with cost of leads and pipeline conversion parameters
- [SaaS Benchmarks on Churn and Gross Margin](#) to keep-and-grow customers and capture the customer retention process with churn and expansion rates and the profitability of service delivery with gross margins
- [SaaS Benchmarks on Key Metrics](#) such as Customer Acquisition Cost (CAC), Customer Lifetime Value (CLTV), Payback and the CLTV/CAC Ratio
- [SaaS Benchmarks on Opex, Product development and Cloud Services](#)

In addition, please check the appendix for more details on all [Top SaaS Benchmark Publications and Sources](#) which we have leveraged in this ebook.

For each chapter above, we have selected a groupd of relevant benchmarks. Each benchmark is described in the same structure providing you a short description with deep links as shown in the figure below.



Fig. 4: Example – Benchmark descriptions

Lean Marks provides you the benchmark source, the benchmark description, the major message behind the benchmarks and tags where you find similar benchmarks. At any time, you can click on the links to find additional information provided on Lean-Marks.



Fig. 5: Lean-Marks Benchmark Example

If you want to look up definitions of SaaS Metrics while reading through the benchmarks, please refer to our post [Lean SaaS Metrics – The Definitive Guide to create business impact](#). Feel free to launch the [Lean-Case Simulation Dashboard](#) to create your SaaS case.

Enjoy the read! And please share the link to This ebook and the ebook with the world.

5. SaaS Benchmarking – Sales Cost and Sales Target

This ebook provides SaaS entrepreneurs, Business Managers and Investors with the top 75 best practice benchmarks for your SaaS and Software business. Within this chapter we are covering Benchmarks to derive your Selling Cost. Sales Benchmarks are relevant to


- capture On-Target Earnings (OTE) of sales staff
- capture Sales commissions and
- capture Annual Sales Targets (Quota)


Depending on your Sales Model and your location your Sales Cost can vary significantly, e.g. the cost for a Direct Field Sales Rep are significantly higher than for an Inside Sales Rep, the cost of a Sales Manager in San Francisco is significantly higher than in the Mid West. It is relevant to capture the yearly total-cost-to-company in your sales plan which depends on your Sales Model.

If you are selling via a direct salesforce, you must capture the fully loaded cost of the Sales-force. If the Sales Unit represents a partner channel, you must capture the commissions you pay to the partner. If the Sales unit represents an inbound/outbound sales team, you should capture the total cost of that team.

And last but not least, the quota of a Sales Unit drives its performance which again very much depends on your sales model as well as your cost of selling.

5.1 Benchmarks to capture On-Target Earnings (OTE) of sales staff

	On-Target Earnings by Types of Sales Reps
	Field Sales Reps earn most (\$220k), 3.4 times more than Sales Engineer (\$64k)
	FINANCIAL METRICS - SALES COMP & QUOTA - ON TARGET EARNINGS - ALL SALES TEAM ATTRIBUTES - TEAM TYPE SALES DEV REPS - INSIDE SALES - FIELD/OUTSIDE SALES

	On-Target Earning per Inside Sales Rep
	OTE for ISRs are varying greatly between 60-130\$k
	FINANCIAL METRICS - SALES COMP & QUOTA - ON TARGET EARNINGS - ALL SALES TEAM ATTRIBUTES - TEAM TYPE INSIDE SALES

Insight Partners	On-Target Earnings by Types of Sales Reps
	Field Sales Reps (SRs) make 70% more in OTE than Business Development Reps and 215% more than Inside SRs
	FINANCIAL METRICS - SALES COMP & QUOTA - ON TARGET EARNINGS - ALL SALES TEAM ATTRIBUTES - TEAM TYPE - SALES DEV REPS - INSIDE SALES - FIELD/OUTSIDE SALES

Tomasz Tunguz	Ratio Of Sales to Headcount in Public Companies by Years since Founding
	The ratio increases from 1.5 in Year 1 to 2.1 in Year 7
	ALL SALES TEAM ATTRIBUTES - TEAM PROFILE - STRUCTURE

The Bridge Group	Years of Experience Required per Inside Sales Rep
	Average experience prior to hire is 2.7 years
	ALL SALES TEAM ATTRIBUTES - TEAM TYPE - INSIDE SALES - TEAM PROFILE - EXPERIENCE

The Bridge Group	Average Tenure per Inside Sales Rep
	Average Tenure per Inside Sales Repp averages 2.5 years
	ALL SALES TEAM ATTRIBUTES - TEAM TYPE - INSIDE SALES - TEAM PROFILE - TENURE

The Bridge Group	Annual Attrition Rates / Turnover for Inside Sales Reps
	Most companies have annual sales attrition of 15-25%
The Bridge Group	Ratio between Executive and Inside Sales Reps within Inside Sales Team
	Average Executive to Rep Ratio: 1:7
	ALL SALES TEAM ATTRIBUTES - TEAM TYPE - INSIDE SALES - TEAM PROFILE - STRUCTURE - MANAGEMENT
The Bridge Group	Average On-Target Earnings per Sales Development Rep
	OTE average \$72.1k with a 64% base component
	FINANCIAL METRICS - SALES COMP & QUOTA - ON TARGET EARNINGS - ALL SALES TEAM ATTRIBUTES - TEAM TYPE - SALES DEV REPS
The Bridge Group	Share of Incentive Components in Variable Compensation of Sales Development Rep
	A quarter of companies tie largest share of compensation to won opportunities
	FINANCIAL METRICS - SALES COMP & QUOTA - QUOTA BASE - ALL SALES TEAM ATTRIBUTES - TEAM TYPE - SALES DEV REPS
Xactly	Total Annual Variable Pay for Sales Representatives
	Sales Representatives in smaller companies make an average variable pay of \$100k, they make significantly less in larger companies
	FINANCIAL METRICS - SALES COMP & QUOTA - ON TARGET EARNINGS - ALL SALES TEAM ATTRIBUTES - TEAM TYPE - FIELD/ OUTSIDE SALES

Salary.Com	Inside Sales Salaries (Median – U.S. National Average)
	Inside Sales Salaries start a \$45k per year
Salary.Com	Median Salaries of Sales Representatives (Incentive Only)
	Median OTE of sales reps (incentive only) starts at \$54 k per year
	FINANCIAL METRICS - SALES COMP & QUOTA - ON TARGET EARNINGS - ALL SALES TEAM ATTRIBUTES - TEAM TYPE - SALES DEV REPS - INSIDE SALES - FIELD/OUTSIDE SALES
Salary.Com	Median Salaries of Account Management Manager/Director
	Median salary of account management manager starts at \$113 k per year
	FINANCIAL METRICS - SALES COMP & QUOTA - ON TARGET EARNING
Salary.Com	Median Salaries of Account Executive (US National Average)
	Median salary of account executive manager starts at \$77 k per year
	FINANCIAL METRICS - SALES COMP & QUOTA - ON TARGET EARNING
Salary.Com	Median Salaries of Customer Service Representative
	Median salary of customer service rep starts at \$33 k per year
	FINANCIAL METRICS - SALES COMP & QUOTA - ON TARGET EARNINGS

Salary.Com	Median Salaries of Sales Engineer
	Median salary of sales engineer starts at \$64 k per year
	FINANCIAL METRICS- SALES COMP & QUOTA- ON TARGET EARNINGS- ALL SALES TEAM ATTRIBUTES- TEAM TYPE- SALES DEV REPS

6. Benchmarks to capture Sales Commissions

	Average Commissions by Sales Activity
	Average Sales Commission for New Business are at 8-9% of ARR Quota
	FINANCIAL METRICS- SALES COMP & QUOTA- SALES COMMISSIONS- ALL PROCESSES- CUSTOMER LIFETIME VALUE- RENEWAL- EXPANSION (UP-/CROSS SELL)- ALL SALES TEAM ATTRIBUTESTEAM TYPE- SALES DEV REPS- INSIDE SALES- FIELD/OUTSIDE SALES

Insight Partners	Average Sales Commissions by Sales Activity
	Sales Commission average 8-9% for New Business, 6% for Up-sell Bussiness and 2% for Renewal Business
	FINANCIAL METRICS- SALES COMP & QUOTA- SALES COMMISSIONS- ALL SALES TEAM ATTRIBUTES- TEAM TYPE- SALES DEV REPS- INSIDE SALES- FIELD/OUTSIDE SALES

Pacific Crest	Sales Commissions by Sales Model
	Median Sales Commission for Inside Sales at 9% and for Field Sales at 10%
	FINANCIAL METRICS- SALES COMP & QUOTA- SALES COMMISSIONS- COMPANY PROFILE- SALES MODEL- FIELD SALES- INSIDE SALES- ONLINE SALES- CHANNEL SALES

7. Benchmarks to capture Annual Sales Targets (Quota)

 LEANCASE	Sales Quota per Year by Sales Functions
	Quota for Outside Sales Reps is up to 3x higher than for Inside Sales Reps
	FINANCIAL METRICS- SALES COMP & QUOTA- QUOTA- ALL SALES TEAM ATTRIBUTES- TEAM TYPE- SALES DEV REPS- INSIDE SALES- FIELD/OUTSIDE SALES
Insight Partners	ARR Quota per Quarter and per Year by Sales Functions
	Quota for FSR (\$800k-\$1300k/year) is almost 2 times higher than that of ISR (\$630k-\$720k/year)
	FINANCIAL METRICS- SALES COMP & QUOTA- QUOTA- ALL SALES TEAM ATTRIBUTES- TEAM TYPE- SALES DEV REPS- INSIDE SALES- FIELD/OUTSIDE SALES
Insight Partners	Ratio of Quota and Salary by Sales Functions
	ISR and FSR have somewhat similar ratios
	FINANCIAL METRICS- SALES COMP & QUOTA- ON TARGET EARNINGS- QUOTA- ALL SALES TEAM ATTRIBUTES- TEAM TYPE- SALES DEV REPS- INSIDE SALES- FIELD/OUTSIDE SALES
Tomasz Tunguz	Sales Quota for Inside and Outside Sales Reps
	Quota for Outside Sales Reps is much higher than for Inside Sales Reps
	FINANCIAL METRICS- SALES COMP & QUOTA- QUOTA- ALL SALES TEAM ATTRIBUTES- TEAM TYPE- INSIDE SALES- FIELD/OUTSIDE SALES

The Bridge Group	Quota Base for Inside Sales Reps Compensation
	Three quarter of companies assign their inside sales reps individual over shared quotas
	FINANCIAL METRICS- SALES COMP & QUOTA- QUOTA BASE- ALL SALES TEAM ATTRIBUTES- TEAM TYPE- INSIDE SALES
Insight Squared	Relative Win Rate of Inside Sales Team by Deal Size Quartile
	Large deals (quartile 4) are 20% less likely to be won than average deals
	FINANCIAL METRICS- SALES COMP & QUOTA- DEALS WON- COMPANY PROFILE- CONTRACT & PRICING- CONTRACT SIZE- ALL SALES TEAM ATTRIBUTES- TEAM TYPE- INSIDE SALES
Xactly	Quota Attainment of First Line Manager and Sales Team by Company Size
	While Sales Managers achieve 81% of quota, Sales Teams achieve an average of 75%
	FINANCIAL METRICS- SALES COMP & QUOTA- QUOTA ACHIEVEMENT- ALL SALES TEAM ATTRIBUTES- TEAM TYPE- FIELD/OUTSIDE SALES

8. SaaS Benchmarking – Annual Contract Value (ACV)

This ebook provides SaaS entrepreneurs, Business Managers and Investors with the top 75 best practice benchmarks for your SaaS and Software business. Within this chapter we are covering Benchmarks to calculate the Annual Contract Value.

The Annual Contract Value (ACV) is the average value of a service contract paid for 12 months. It is a good indication to understand Average ACV in different industries and for different solutions.

The ACV can depend on various factors

- Focus on new business or upsell business
- Company Growth (faster growing companies tend to have a higher share of upsell business)
- Sales Model (the ACV of an Inside Sales Model is lower than the ACV of a Field Sales Model)
- Pricing of Service Plans
- Contract Length (if companies sell on monthly basis, they measure Monthly Recurring Revenues (MRR) instead ACV – typically this can be compared if MRR are multiplied by 12)

Tomasz Tunguz	Average Revenues per Customer for Selected Public SaaS Companies
	Vevaa earns \$780k revenue per customer, much more than other companies
	FINANCIAL METRICS - CONTRACT VALUE - REVENUES - ARR

Pacific Crest	Median Annual Contract Size (ACV) per Customer
	Median annual contract size (subscription component only) at about \$21K per year
	FINANCIAL METRICS - CONTRACT VALUE - ACV

Totango	Share of Upsell Business by Growth Rate
	Fastest growing companies (>75% YoY revenue growth) have higher share of Upsell Business
	EXPANSION (UPGRADE) - FINANCIAL METRICS - GROWTH - GROWTH RATE - ALL PROCESSES - CUSTOMER LIFETIME VALUE - EXPANSION (UP-/CROSS SELL)

Insight Squared	Relative Deal Size and Bookings of Inside Sales Teams by Slow vs. Fast Growing Companies
	Fast growing companies win larger deals (2.8x on average) than slow-growing companies
	FINANCIAL METRICS - SALES COMP & QUOTA - BOOKINGS - GROWTH - GROWTH RATE - COMPANY PROFILE - CONTRACT & PRICING - CONTRACT SIZE - ALL SALES TEAM ATTRIBUTES - TEAM TYPE - INSIDE SALES

Insight Squared	Relative Deal Size of Inside Sales Teams by Won vs. Lost Deals
	Lost deals are 1.9 times larger than won deals on average
	FINANCIAL METRICS - SALES COMP & QUOTA - DEALS WON - ALL SALES TEAM ATTRIBUTES - TEAM TYPE - INSIDE SALES

Insight Partners	MRR per Deal and Number of Closed Deals per Quarter by Sales Functions
	FSR closes less deals but larger deals than ISR
	FINANCIAL METRICS - CONTRACT VALUE - MRR - ALL SALES TEAM ATTRIBUTES - TEAM TYPE - SALES DEV REPS - INSIDE SALES - FIELD/OUTSIDE SALES

Insight Partners	MRR Bookings by Company Growth Rate and by Source
	Hyper Growth companies get most MRR bookings from new logos while Scale Model peers from renewals
	FINANCIAL METRICS- SALES COMP & QUOTA- BOOKINGS- CONTRACT VALUE- MRR- GROWTH- GROWTH RATE

Insight Partners	Companies by Pricing Factors and by Contract Length
	COMPANY PROFILE- CONTRACT & PRICING- CONTRACT LENGTH- PRICING METRIC

Insight Partners	Professional Services Metrics (Revenue, Billable Hours, Hourly Rate, Target Utilization)
	54% SaaS companies offer Professional Service onboarding, earning 25% ACV from PS revenue
	COMPANY PROFILE- SERVICE TYPE- PROFESSIONAL SERVICES

9. SaaS Benchmarking – Lead Cost and Pipeline Conversion

This ebook provides SaaS entrepreneurs, Business Managers and Investors with the top 75 best practice benchmarks for your SaaS and Software business. Within this chapter we are covering Benchmarks to get customers. Benchmarks on the customer lifecycle are relevant for 2 phases – to get-a-customer as well as to keep-and- grow them.

The Get-a-Customer phase is divided into two stages to convert a lead into a paying customer:

- Get-a-Lead – defining the cost to acquire a qualified lead across lead channels
- Convert-a-Lead – defining the pipeline stages and conversion parameters to convert leads from one pipeline stage to the next – and finally into paying customers

9.1 Benchmarks to get leads

The Get-a-Lead phase defines the cost to acquire a lead across lead channels.

Cost of Leads can depend on a number of factors:

- Lead Channel
- Industry Target segment
- Share of Paid vs Unpaid Leads for the respective Lead Channel

Hubspot	Number of Monthly Visitors to Company Website by Industry
	Number of monthly visitors of software industry is similar to other industries
	COMPANY PROFILE - SERVICE OFFERING - SAAS - SW - HW - MIX - ALL PROCESSES - AWARENESS - SALES DEVELOPMENT - CUSTOMER LIFETIME VALUE - ACQUISITION

Hubspot	Number of Monthly Leads by Industry
	Number of monthly leads in software industry is similar to other industries
	ALL PROCESSES - AWARENESS - SALES DEVELOPMENT - CUSTOMER LIFETIME VALUE - ACQUISITION

Hubspot	Number of Monthly Opportunities by Industry
	Number of monthly opportunities in software industry is similar to other industries
	COMPANY PROFILE - SERVICE OFFERING - SAAS - SW - HW - MIX - ALL PROCESSES - AWARENESS - SALES DEVELOPMENT - CUSTOMER LIFETIME VALUE - ACQUISITION

Hubspot	Costs per Lead by Industry
	Software companies are paying higher costs per lead than other industries
	CAC - COMPANY PROFILE - SERVICE OFFERING - SAAS - SW - HW - MIX - ALL PROCESSES - CUSTOMER LIFETIME VALUE - ACQUISITION

9.2 Benchmarks to convert leads into customers

The Convert-a-Lead phase is defined by pipeline stages and the conversion parameters to convert leads from one pipeline stage to the next – and finally into paying customers. Conversion Parameters can also depend on a number of factors, e.g.

- Sales Model (e.g. Inside Sales vs Field sales)
- Marketing Channels (e.g. Website, Social Media, Webinars, ..)
- Availability of Freemium Models and Free Trials
- Company Growth

Tomasz Tunguz	Lead to Close Conversion Rate by Freemium Sales and Inside Sales
	Conversion Rate from Freemium models is about ten times lower than from Inside Sales
	ALL PROCESSES - EVALUATION - FREEMIUM OFFER - WIN RATE - ALL SALES TEAM ATTRIBUTES - TEAM TYPE - INSIDE SALES

Totango	Share of New Business Generated by Free Trials and Freemiums
	More than half of the companies derive >25% of their new business through trial and freemium conversions
	ALL PROCESSES - EVALUATION - FREEMIUM OFFER - TRIAL OFFER

Implisit	B2B Sales Conversion Lead-to-Deal
	Lead-to-Deal Conversion rates average 0.78% (Lead to Opportunity 13% – Lead to Deal 6%)
	ALL PROCESSES - EVALUATION - WIN RATE - PURCHASE

Implisit	B2B Sales Conversion Rates by Channel
	Lead-to-Deal Conversion rates average 0,78% – Referrals, Website and Social Media are most effective channels
	ALL PROCESSES - EVALUATION - WIN RATE

Implisit	Lead-to-Opportunity and Opportunity-to-Deal Conversion Rate
	18% webinar attendees convert to opportunities but only 2.5% close to deals
	ALL PROCESSES EVALUATION WIN RATE

Implisit	Closed-Won over Closed-Lost Opportunities Ratio
	Events, lead lists and partners more likely to be closed-lost than others
	ALL PROCESSES - EVALUATION - WIN RATE

Insight Partners	CTR, Like Rate, Conversion Rate, CPM, CPC in Facebook advertising
	Facebook raw lead conversion rates is at a low 0.7%
	ALL PROCESSES - AWARENESS - SOCIAL MEDIA

Insight Partners	Engagement Rate, Follow Rate and Raw Lead Conversion Rate from Twitter
	Twitter raw lead conversion rate is at 2.2%
	ALL PROCESSES - AWARENESS - SOCIAL MEDIA

Insight Partners	Cost per Engagement/Follower by Country from Twitter Advertising
	Cost per follower in the USA is almost 3 times higher than in the UK
	ALL PROCESSES - AWARENESS - SOCIAL MEDIA

Insight Partners	CTR and Raw Lead Conversion Rate from LinkedIn
	LinkedIn Raw Lead Conversion Rate is at a low 0.8%
	ALL PROCESSES - AWARENESS - SOCIAL MEDIA

Insight Partners	Conversion Rate by Pipeline Stages
	Conversion rate increases down the pipeline
	ALL PROCESSES - EVALUATION - FREEMIUM OFFER - TRIAL OFFER - WIN RATE

Insight Squared	Lead-to-Deal Conversion of Inside Sales Team in slow-growing companies (< 100% p.a.)
	Inside Sales Reps in slow-growing companies convert 3.5% of Leads into Deals
	FINANCIAL METRICS - SALES COMP & QUOTA - DEALS WON - GROWTH - GROWTH RATE - EVALUATION - WIN RATE - ALL SALES TEAM ATTRIBUTES - TEAM TYPE - INSIDE SALES - TEAM PROFILE - STRUCTURE

Insight Squared	Lead-to-Deal Conversion of Inside Sales Team in fast-growing companies (> 100% p.a.)
	Inside Sales Reps in fast-growing companies convert 1.1% of Leads into Deals
	FINANCIAL METRICS - SALES COMP & QUOTA - DEALS WON - GROWTH - GROWTH RATE - ALL PROCESSES - EVALUATION - WIN RATE - ALL SALES TEAM ATTRIBUTES - TEAM TYPE - INSIDE SALES

10. SaaS Benchmarking – Churn and Gross Margin

This ebook provides SaaS entrepreneurs, Business Managers and Investors with the top 75 best practice benchmarks for your SaaS and Software business. Within this chapter we are covering Benchmarks to keep and grow customers. The Keep-and-Grow phase is split into two stages to maximize retention and deal profitability with paying customers

- Retain customers – defining customer churn important to calculate the customer lifetime as well as revenue expansion of paying customers
- Deliver profitaby – defining the profitability of a paying customer also being relevant to calculate the customer lifetime value

10.1 Benchmarks to retain customers

The Monthly Churn Rate is the percentage of Monthly Recurring Revenues which are “churning,” that is, being lost on a monthly basis. In general, there is an important distinction between “Revenue Churn” and “Customer Churn”. Whereas Revenue Churn can result from customers downgrading their subscription, Customer Churn results from Customers who discontinue their subscriptions in a given month.

On the other hand, you have to consider the Monthly Expansion Rate which is the percentage of increase in monthly recurring revenue received from existing customers who increase their purchases of services. This can be achieved by selling more units within the customer’s plan or by the upgrade of a customer into a higher service tier. Ideally, expansion rates are higher than churn rates – delivering a negative net churn.

Tomasz Tunguz	Churn Impact on Revenue Growth
	Reducing Monthly Churn from 4% to 0% doubles MRR within 2 years
	FINANCIAL METRICS- REVENUE CHURN- CUSTOMER CHURN- GROWTH- REV GROWTH

Tomasz Tunguz	Sales and Marketing Spend Required to Double Revenue by Different Churn Rates
	When churn rates rise, more capital is burnt to maintain the same revenue
	FINANCIAL METRICS- CAC- CHURN- REVENUE CHURN- OPEX- S&M- GROWTH- REV GROWTH

Pacific Crest	Annual Net Dollar Retention from Existing Customers
	103% median annual net dollar retention rates including churn and upsell’s benefits.
	FINANCIAL METRICS- CHURN- REVENUE CHURN- ALL PROCESSES- CUSTOMER LIFETIME VALUE- RENEWAL

Totango	Preferred Method to Measure Churn
	Majority of companies measures churn by the number of customer lost
	FINANCIAL METRICS- CHURN- REVENUE CHURN- CUSTOMER CHURN

Totango	Annualized Revenue Churn
	35% of companies report high churn (>10%), while 31% have medium churn (5-10%)
	FINANCIAL METRICS- CHURN- REVENUE CHURN


Totango	Monthly Churn by Growth Rate of Companies
	Fastest growing companies (>75% YoY revenue growth) have the lowest churn
	FINANCIAL METRICS- CHURN- REVENUE CHURN- CUSTOMER CHURN- GROWTH- GROWTH RATE

10.2 Benchmarks to deliver profitably

In order to measure profitability, Gross-Margin is a key metric. Gross Margins primarily depend on the Type of Revenue (e.g. Recurring Revenues vs Professional Service Revenues). The Gross Margin on Recurring Revenues is the percentage of recurring revenues retained after paying the direct Cost of producing the services which were sold. This includes the cost of customer on-boarding, hosting and service.

The Gross Margin Professional Services is the percentage of one-time professional service revenues retained after paying the direct Cost related to that service. This includes the cost of one time services such as service setup, service integration or training.

Obviously, Gross Margins also depend on the scale of the company.

	Average Gross Margins by Revenue Types
	Gross Margins from Subscriptions are averaging 80% – whereas Gross Margins for Professional Services are around 30%
	FINANCIAL METRICS- CONTRACT VALUE- REVENUES- PROFITABILITY- GROSS MARGIN- COMPANY PROFILE- SERVICE TYPE- PROFESSIONAL SERVICES- SUBSCRIPTION SERVICES
Insight Partners	Median Gross Margins by Revenue Types
	Gross Margins for SaaS revenue is the largest (79%)
	FINANCIAL METRICS- PROFITABILITY- GROSS MARGIN- COMPANY PROFILE- SERVICE TYPE- PROFESSIONAL SERVICES- SUBSCRIPTION SERVICES
Tomasz Tunguz	Gross Margin Trends over Time for Public SaaS Companies
	Gross Margin of SaaS companies increase to 75% over time
	FINANCIAL METRICS- PROFITABILITY- GROSS MARGIN

11. SaaS Benchmarking – Key Metrics Payback and LTV/CAC Ratio

This ebook provides SaaS entrepreneurs, Business Managers and Investors with the top 75 best practice benchmarks for your SaaS and Software Business. Within this chapter we are covering Benchmarks to understand the Key Metrics Customer Acquisition Cost (CAC), Customer Lifetime Value (CLTV), Payback and the CLTV/CAC Ratio.

The Benchmarks listed below particularly help you to understand the short-term and long-term viability of your case:

- The short-term indicator Months to Recover CAC defines how fast you recover the CAC (ideally faster than 12 months).
- The long-term indicator LTV/CAC shows how many times the LTV exceeds the CAC (ideally a ratio greater than three)

For a detailed introduction, please refer to our [Infographic: Lean SaaS Metrics](#).

Tomasz Tunguz	Customer Acquisition Cost (CAC) per dollar of new ACV by Primary Sales Model
	Field Sales most expensive Sales Model – 50% of companies pay >\$1 per dollar of new ACV
	FINANCIAL METRICS- CAC
Totango	Retention Cost vs Acquisition Cost Tracking
	Significantly more companies measure their customer acquisition costs, compared to their customer retention costs
	FINANCIAL METRICS- CAC
Tomasz Tunguz	Payback of Customer Acquisition Cost (CAC) based on Revenues and Gross Margin
	CAC takes 1-2 years to payback
	FINANCIAL METRICS- CAC

12. SaaS Benchmarking – General Cost, Mobile Product and Cloud Service Pricing

This ebook provides SaaS entrepreneurs, Business Managers and Investors with the top 75 best practice benchmarks for your SaaS and Software business. Within this chapter we are covering a few operational Benchmarks.

There are many more operational benchmarks which you can look at and explore directly on Lean-Marks. We picked three categories for this ebook

- Benchmarks on general cost structures
- Benchmarks for Mobile Product Development and
- Benchmarks for Cloud Services Pricing

12.1 Benchmarks for General Cost Structure

Insight Partners	Expenses and Profitability Metrics by Company Growth Rate
	Hyper Growth Companies spend more (1.5-2 times) on S&M, R&D, G&A than average (Scale Model)
	FINANCIAL METRICS- OPEX- S&M- R&D- G&A- PROFITABILITY- GROWTH- GROWTH RATE

12.2 Benchmarks for Mobile Product Development

Openview	Mobile Product Development Expenses as Proportion of Revenue by Revenue Range
	Most companies with revenue >\$2M spend up to 20% revenue on mobile product development
	OPEX- R&D
Openview	Mobile Development Time by Strategy
	80% companies whose mobile strategy is secondary publish app within 6 months

Openview	Revenue Growth to Mobile Monthly Active Users Growth
	MAU starts slow but picks up at expansion stage (85% at revenue \$2M-10M)
	FINANCIAL METRICS- GROWTH- GROWTH RATE- REV GROWTH- COMPANY PROFILE- COMPANY SIZE

Openview	Median GAAP Revenue Growth Rate by Mobile Strategy
	Companies focusing on mobile grows Rev 1.8 times more than companies focusing on web
	FINANCIAL METRICS- GROWTH- GROWTH RATE- REV GROWTH

Openview	Mobile Monetization by Mobile Product Strategy
	70% companies focusing on web do not monetize their mobile supplementary strategy

12.3 Benchmarks for Cloud Services Pricing

Kaseya	Cloud Services Pricing for Cloud Exchange email services per mailbox per month
	Cloud Services Pricing for Cloud Exchange email services between 5-10\$ per mailbox per month
	OPEX- R&D- PROVIDERS- HOSTING METHODS


Kaseya	Cloud Services Pricing for Cloud Storage Services per GB per month
	Pricing for Cloud Storage Services around 0.25\$ per GB per month
	OPEX- HOSTING- PROVIDERS- HOSTING METHODS

Kaseya	Cloud Services Pricing for Cloud Backup Services per GB per month
	Pricing for Cloud Backup Services around 0.50\$ per GB per month
	OPEX- HOSTING- PROVIDERS- HOSTING METHODS
Kaseya	Cloud Services Pricing for Cloud SharePoint Services per user per month
	Pricing for Cloud SharePoint Services less than 5\$ per GB per month
	OPEX- HOSTING- PROVIDERS- HOSTING METHODS
Kaseya	Cloud Services Pricing for Private Cloud Services per environment (4vCPUs and 4GB/100GB with 2VMs) per month
	Pricing for standard Private Cloud Services around 300\$ per month
	OPEX- HOSTING- PROVIDERS- HOSTING METHODS
Kaseya	Cloud Services Pricing for Cloud Monitoring Services for 25 devices and 2500 metrics per month
	Pricing for Cloud Monitoring Services around 500\$ per month
	OPEX- HOSTING- PROVIDERS- HOSTING METHODS

Appendix A - SaaS Benchmarking – Top Benchmark Publications and Sources

This ebook provides SaaS entrepreneurs, Business Managers and Investors with the top 75 best practice benchmarks for your SaaS and Software business. Within this chapter we are covering the Benchmarks Sources used by Lean-Marks.

A.1 Lean-Case – SaaS Models and Scenarios in the Cloud, 2015

	
Source Link	Lean-Case – SaaS Models and Scenarios in the Cloud, 2015
Publisher	Lean-Case
Published	2015
Base	compares benchmarks across various benchmark providers

Description

With Lean-Case, you can leverage a SaaS Business Case modeling service to plot a transparent Go-to-SaaS business case taking your assumptions based on relevant benchmarks into account. You can use a proven SaaS business model, instead of worrying about building one yourself. Lean-Case leverages a unit economics approach to evaluate the viability of the go-to-market strategy and the dynamics of hiring new sales units. Lean-Case allows you to understand, plan, simulate and manage the cash-flow gap, lifetime values vs CAC, revenue recognition, cash and expense projections and profit margins effectively. It enables you to present and share an updated P&L for the new SaaS product line with your peers, investors or board in a winning way.

A.2 Insight Partners – Periodic Tables of SaaS Metrics, 2014

Insight Partners	
Source Link	Insight’s Periodic Tables of B2B Digital Marketing Metrics, SaaS Sales Metrics and SaaS Financial Operating Metrics
Publisher	Insight Venture Partners
Published	2014
Base	Insight’s Portfolio Companies

Description

Insight Venture Partners is a leading global private equity and venture capital firm founded in 1995. The company has raised more than \$8 billion and invested in more than 200+ growth-stage software, eCommerce, internet, and data-services companies. Insight Venture has created a series of Periodic Tables for SaaS and Software companies, including

Insight’s“Periodic Table of B2B Digital Marketing Metrics”provides the statistics and tactical trends that Insight Venture Partners has collected from its portfolio companies and observed across the industry. The Periodic Table reflects the complexity of the software marketing landscape but is not an exhaustive list of all marketing activities

Insight’s“Periodic Table of SaaS Sales Metrics”is compiled from benchmark information gathered from its SaaS portfolio companies and publicly available sources. The Periodic Table represents the core metrics that should be managed by Sales Executives

Insight’s“Periodic Table of SaaS Financial & Operating Metrics” provides a framework for the ‘dashboard’ of Financial and Operating metrics that can be used to monitor the overall health and operating efficiency of a SaaS business, along with some additional statistics that speak to tactical trends that Insight Venture Partners has observed across the industry

These Periodic Tables should be used in conjunction. The Periodic Tables for ‘SaaS Sales Metrics’ and ‘B2B Digital Marketing Metrics’ provide the underpinnings of the benchmark financial results that appear in the ‘SaaS Financial and Operating Metrics’. Several key metrics vary significantly as a function of company size and maturity, so in order to more precisely represent these benchmarks the data has been broken into two segments:

- Hyper Growth companies (<\$50M in annual revenue and/or growing >50% p.a.) and
- Scale Model companies (>\$50M in annual revenue and/or growing <50% p.a.)

A.3 Tomasz Tunguz – Benchmarking Public SaaS Companies, 2014

Tomasz Tunguz	
Source Link	Benchmarking SaaS Companies
Publisher	Tomasz Tunguz – Redpoint Ventures
Published	2014
Base	

Description

Tomasz Tunguz is a Partner at Redpoint Ventures. He blogs at www.tomtunguz.com. For this deck on Slideshare, Tomasz analyzed a basket of 41 publicly traded SaaS Companies. For each company, the progress was measured year-by-year since founding. The companies were segmented by their ACV. The deck includes Key benchmarks for SaaS companies such as revenue, customer success, sales, quotas, etc.

A.4 Pacific Crest – SaaS Survey, 2014

Pacific Crest	
Source Link	2014 Pacific Crest SaaS Survey – Part 1
Publisher	ForEntrepreneurs / David Skok – Pacific Crest
Published	2014
Base	

Description

[David Skok](#), a five time serial entrepreneur turned VC at Matrix, and [David Spitz](#) (@dspitz) from [Pacific Crest](#), an investment banking firm with a specific focus on SaaS, work together on a yearly basis. In 2014, they surveyed 200 SaaS companies on a variety of topics such as growth rates, CAC (cost to acquire a customer), gross margins, churn rates, etc. The goal of the survey is to provide useful operational and financial benchmarking data.

In Lean_Marks we are referencing a few samples of this survey. The report’s first part [2014 Pacific Crest SaaS Survey – Part 1](#) covers metrics on:

- Growth(median growth rate by company size, sales model, target customers)
- Go-to-market Approach(primary sales model, primary sales model by median initial contract size)
- Customer-acquisition-cost (CAC)(CAC for for \$1 of new ACV, CAC and share of new ACV on new customers vs. upsells vs. renewals, CAC by primary sales model)
- Contracting & Pricing (median annual contract size (ACV) per customer, share of new ACV on new customers vs. existing customers, new ACV from Freemiums/Free trials), average contract length, average billing period, contract length by contract size, primary pricing metric)
- Professional Services Impact on Go-to-Market(in % of 1st-year ACV by target customer), subscription gross margins)
- Sales Commissions(by median contract size, for renewals, upsells and multi-year deals)

The report’s second part [2014 Pacific Crest SaaS Survey – Part 2](#) covers metrics on:

- Cost Structure (gross margin, OPEX (S&M, R&D, G&A, EBITDA, FCF), growth rate, median cost structure by size and Sales & Marketing spend vs. projected growth rate)

- Churn and retention(annual gross dollar churn, annual customer churn, churn by contract length, contract size, primary distribution mode, annual net dollar retention from existing customers)
- Capital Requirements(capital raised, analysis of companies by capital raised, capital efficiency expectations – median levels for the group, actual/expected time and investment required to reach, ACV at which you expect to have FCF+)

A.5 HubSpot Blogs – Your Daily Dose of Inbound, 2015

Hubspot	
Source Link	HubSpot Blogs
Publisher	HubSpot Blogs
Published	2015
Base	900 Markerters – 7000+ Businesses

Description

HubSpot was founded in 2006 as a result of a simple observation: people have transformed how they live, work, shop, and buy, but businesses have not adapted. This mismatch led Brian Halligan and Dharmesh Shah to create the vision for the inbound experience and to develop HubSpot’s platform to support it. With the powerful, easy to use, integrated set of applications, businesses can attract, engage, and delight customers by delivering inbound experiences that are relevant, helpful, and personalized. HubSpot is, after all, on a mission to make the world more inbound, one business transformation after another. This “Demand Generation Benchmarks & Trends: Software Marketer Edition” report consists of data from over 900 other marketers across all industries. You’ll see stats like:

- Funnel benchmarks – including visitors, leads, MQLs and opportunities – for companies having the most success (and those that aren’t)
- Cost per lead benchmarks by revenue achievement, annual revenue, industry and company size
- Email open and clickthrough rates
- Marketing investments by tactic

A.6 Implisit – B2B Sales Conversion Rates, 2014

Implisit	
Source Link	B2B Sales Conversion Rates – Lead to Opportunity, Lead to Deal
Publisher	Implisit
Published	2014
Base	100++

Description

ImplisitincreasesSalesWinRateswithPredictiveAnalyticsAlgorithms that identify patterns and sentiment in customer emails and recommend instant improvements. Implisit technology updates your CRM seamlessly and effortlessly. The unique features match client and prospect communications to CRM records, and create missing contacts. In addition, Implisit will update your CRM fields to provide you with accurate and up-to-date forecast at any time. Implisit publishes impressive infographics, eBooks, whitepapers and manuals to help you get the most out of your CRM.

A.7 Totango – Annual SaaS Metric Survey Report, 2014

Totango	
Source Link	Totango – Annual SaaS Metric Survey Report
Publisher	Totango
Published	2014
Base	500 SaaS professionals (500 companies)

Description

Totango provides companies with customer insights that help understand which customers need attention and why, by monitoring customer behavior and usage in applications – along with critical relationship data from CRM, billing, and other systems.

In 2014, Totango surveyed over 500 SaaS professionals from 500 companies about the key performance indicators used to run their businesses, revealing unique insights into SaaS trends. The participating companies include:

- 93 companies with annual revenue <\$1M
- 190 companies with annual revenue between \$1M and \$10M
- 112 companies with annual revenue between \$10M and \$50M
- 39 companies with annual revenue between \$50M and \$100M
- 50 companies with annual revenue >100\$M

The survey reveals results for:

- Satisfaction with SaaS metrics
- Different focuses on customer acquisition, renewals and upsells
- Most important customer metrics
- Retention and Acquisition costs
- New business coming from Free trials versus Freemium
- Churn measurements
- Revenue increase from existing customers

A.8 The Bridge Group – Sales Development and Inside Sales Reports on Metrics & Compensation, 2014

The Bridge Group	
Source Link	The Bridge Group – Resources
Publisher	The Bridge Group, Inc.
Published	2015
Base	>200 B2B Technology Companies

Description

The Bridge Group specializes in building, expanding and optimizing inside sales strategies for smart technology companies. The Bridge Group published some great Inside Sales Resources:

The 2014 Sales Development Report on Metrics & Compensation is their fifth round of research since 2007 with a focus on how metrics & compensation change over time. In this round, 222 B2B technology companies with Sales Development Teams were surveyed, most offer SaaS and Software solutions. The report covers the Sales Development Model tasked with Pipeline generation, appointment setting, lead qualification and outbound prospecting. The report reveals:

- How the Sales Development (SDR) Groups are made up (number of reps, territories, experience level, average tenure, ramp up, team structure)
- SDR Quotas (basis of quota, average quota based on ACV, average number of deals, quota achievement)
- Sales efficiency (average number of daily dials, dial attempts and connects)
- Incentives & Compensation (OTE, duration of a SPIF)

The 2015 SaaS Inside Sales Report on Metrics & Compensation covers the metrics for Inside Sales Groups within SaaS companies, defined as Reps owning the entire sales cycle as an individual contributor and/or Reps in a team selling model sharing a territory with a field partner. The report reveals:

- How Inside Sales Groups are made up (number of reps, territories, segmentation into hunters and farmers, experience level, average tenure, ramp up)

- Sales quotas (basis of quota, average quota based on ACV, average number of deals, quota achievement)
- Sales efficiency metrics (average number of daily dials, dials attempts and connects)
- Incentives & Compensation (OTE)
- Top challenges for sales teams

Authors Peter Gracey and Matt Bertuzzi have built The Bridge Group – Sales Development Outbound Index – an Index on transactional CRM data, after analyzing more than 40 outbound prospectors and large volumes of lead, activity, and opportunity data. The Index consists of 3 KPIs:

- Reach Rate: What percentage of accounts engage in at least one meaningful, forward-progressing sales conversation?
- Pass Rate: What percentage of reached accounts are passed by a SDR to a Sales counterpart?
- Pipeline Rate: What percentage of SDR-passed accounts are accepted into the sales pipeline?

A.9 InsightSquared – New Benchmarks for Inside Sales Teams, 2014

Insight Squared	
Source Link	InsightSquared – New Benchmarks for Inside Sales Teams
InsightSquared	
Published	2014
Base	50+ companies

Description

Authors Zorian Rotenberg and Nick Christman from InsightSquared aggregated 12 months of detailed sales data for more than 50 growing software companies with inside sales teams to provide you with some benchmarks that help measure sales team’s performance on some new dimensions.

The benchmark answers a number of important questions:

- How does the sales process differ for companies growing at more than 20% per year? (Conversion rates, Average deal sizes, Number of bookings per rep etc.)
- Are big deals worth it?(Sales cycles, Sales effort, Win rates, Dollar per effort, etc.)
- How much performance variance within your sales team should you expect?(Number of deals, Deal sizes, Win rates by rep performance quartile etc.)
- Are you spending too much chasing bad deals?(Win/Loss cycles, Win/Loss deal sizes, Sales tasks per win/loss deal etc.)

The authors split software companies into two groups based on sales growth:

- Fast growth: 100%+ growth in the last 12 months
- Slow growth: 0 -100% growth int the last 12 months

A.10 Xactly – SaaS Incentive Compensation Benchmark Report, 2014

Xactly	
Source Link	Xactly – SaaS Incentive Compensation Benchmark Report
Publisher	Xactly Corporation
Published	2014
Base	> 100 companies

Description

Xactly takes incentive compensation from a dark art to a science, providing decision-makers with the data insights they need to tap the motivational power of their incentive compensation.

Xactly analyzed the sales and incentive compensation patterns of SaaS companies during 2013 to pinpoint the impact of compensation on sales performance. In this dynamic, high-growth environment, incentive compensation can play a key role in determining the success or failure of a business. For the study, Xactly leveraged its big data platform that includes aggregated and anonymous empirical data.

The findings reveal:

- Incentive plan design
- Median quota size for a primary quota-carrying sales representative (Account Executive)
- Average quota attainment
- Sales attrition

A.11 Salary.com – Average Salary Ranges for Sales Jobs, 2015

Salary.Com	
Source Link	Average Salary Ranges for Sales Jobs in the Software & Networking Industry
Publisher	Salary.com
Published	2015
Base	U.S. National Average

Description

If you want to learn about average salary ranges for Sales (mostly in the U.S.), then you can simply browse Average Salary Ranges for Sales Jobs on Salary.Com. There are a wide range of jobs in the Sales category and their pay varies greatly. If you know the pay grade of the job you are searching for you can narrow down this list to only view Sales jobs that pay less than \$30K, \$30K-\$50K, \$50K-\$80K, \$80K-\$100K, or more than \$100K. If you are unsure how much your Sales job pays you can choose to either browse all Sales salaries below or you can search all Sales salaries. Other related categories you may wish to browse are Marketing jobs and Customer Services jobs.

A.12 Zendesk Bechmark – Behavioral Cues of Customer Satisfaction, 2014

Zendesk	
Source Link	Zendesk Bechmark – Behavioral Cues of Customer
Publisher	Zendesk
Published	2014
Base	over 25,000 customers

Description

The Zendesk Benchmark combines support data from over 25,000 participating Zendesk customers. This data is a global, up-to-date source of customer support knowledge. And Bench-mark reports are built into your Zendesk, so quantitative insight is always close at hand.

The Behavioral Cues of Customer Satisfaction White paper provides insights into Customer Satisfaction, for example by:

- Countries
- Industry
- Politeness of customers
- Email provider
- ...and more

Use the Zendesk Benchmark to measure your support quality on several metrics, compare your company to your competitors, and discover new strategies to raise your customer satisfaction.

A.13 Openview – State of B2B Mobile Growth Metrics, 2015

Openview	
Source Link	State of B2B Mobile Growth Metrics
Publisher	Openview Venture Partners
Published	2015
Base	60

Description

OpenView Venture Partners is an American venture capital firm based in Boston. Open-View specializes in expansion stage software, new media, Internet, and technology enabled companies. Mobile apps are the next big wave in B2B SaaS. As was the case with the initial adoption of SaaS, Openview feels that there is a need for new metrics that can serve as more appropriate and accurate indicators of mobile performance. The access to SaaS metrics has played a major role in the industry’s dramatic growth. With them, SaaS entrepreneurs have been better able to understand what to measure, where to invest, and when to pull certain levers to drive more effective, sustainable growth in their companies. In the emergence of the emergence of mobile B2B SaaS, Openview sees a new offshoot of the traditional SaaS model. Mobile SaaS businesses are fundamentally different from their non-mobile counterparts. In fact, due to the bring-your-own-device movement and different economic models, current users and user growth can often matter as much, if not more, than current recurring revenue. Openview had several conversations with founders and investors in the mobile B2B SaaS space who unanimously agree that mobile B2B SaaS needs a distinct set of metrics to measure performance and growth. The survey’s respondents included over 60 senior executives who shared their company’s data in several key categories, helping to better understand the elements that best reflect a B2B SaaS company’s mobile health.

A.14 Kaseya – MSP Global Pricing Survey, 2014

Kaseya	
Source Link	Kaseya’s MSP Global Pricing Survey
Publisher	Kaseya
Published	2014
Base	700 MSPs from 30 countries

Description

Kaseya provides IT systems management software that helps managed service providers (MSPs) and mid-market enterprises drive growth, innovation, and most importantly, customer success. Kaseya’s solutions are used by more than 10,000 customers worldwide to manage over five million devices across a wide variety of industries. Kaseya has a leading position among MSPs around the globe. This leading market position gives Kaseya a unique perspective from which to study both pricing and service delivery trends in the global IT services industry. The results provide visibility into the types – and portfolios – of IT services that MSPs deliver to clients, including managed services offered by a wide range of MSPs from the many small providers to some of the largest and most progressive MSPs in the market today. Kaseya gathered details from Kaseya MSPs on the existing and emerging types of services they offer, their current service pricing and future pricing expectations, and on the key challenges their customers face, with particular emphasis on the most important IT service management trends today – cloud and mobility. The findings are gathered from owners and operators of nearly 700 MSP firms of all sizes, spread across more than 30 countries.

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Connect with me if you want to talk about SaaS Business Models, SaaS Investments and SaaS Strategies. I am a Serial Entrepreneur co-founding cyber-security startup accells acquired by Ping Identity in 2014 and co-founding the m-payment startup paybox acquired by Sybase/SAP in 2008. With MoveToSaaS, we specialize in business modelling and simulation, financial planning, benchmarking and board communication for SaaS companies and SaaS startups as well as for Software companies which want to Move-to-SaaS. We’ve been particularly successful with startups and companies that are struggling to create a financial plan for their fundraising, that are concerned about creating a business model simulating their strategic options, that are unhappy about the inefficiencies in communicating regularly with their boards and investors and that are disappointed about their financial performance versus peers. We are providing customized solutions for larger companies, but have also been able to create standard tools and processes for startups. I have more than 20 years working as a startup founder, industry executive and management consultant for global corporations and start-ups in telecommunications, professional and financial service and consumer goods industries.

