* Click Through Rate (CRT)

**Click Through Rate = (Number of Clicks / Number of Impressions) X 100**

* Cost Per Click

**CPC = Cost of Advertising on Source Platform / Number of Viewers who Clicked on the Ad**

* Cost Per Lead

**Cost Per Lead (CPL)** = Cost of advertising on the source platform / Total number of leads

Sales Metrics

* Customer Acquisition Cost (CAC)

= (Total marketing expenses + total sales expenses and salaries)/ # of Paid customers acquired

* Cost Per Acquisition (CPA) = Cost Per Lead

= (Marketing + Sales Cost (overhead, salaries))/ number of new leads (non-paying) customers

* Lifeitme Value (LTV

 = Average Sale x Number of Repeat Sales x Expected Retention Time x Profit Margin

Items needed to calculate Life Time Value:

* **Purchase Cycle**: The time increment adopted for business calculations
* **Total Sale Revenue Per Cycle**: Revenue earned from customer per purchase cycle
* **Number of Sales Per Purchase Cycle**: Number of times customer buys during the purchase cycle
* **Cost Per Acquisition**: (Cost of marketing and sales)/ number of new leads
* **Expected Retention Time**: Amount of time (measured in purchasing cycles) you expect to retain the customer.
* **Average Sale Revenue**: (Total customer revenue/ Number of purchases in the cycle) OR Average revenue received from the customer per transaction during the cycle
* **Profit Margin Per Customer**: ((Average Sale - Average Cost of Sale) / Average Sale)
* Total Booking
* Average Deal Size (in $)

= Total Sale Value of all Bookings / Total Number of Bookings

* Average Time to Close

= Sum(Total number of days to close deal) for all closed deals / Number of closed deals

Growth Metrics

* Monthly Active Users (MAU)

Number of unique active users in the previous month

* Daily Active Users (DAU)

Number of unique active users the previous day

* Stickiness

**Stickiness** = Daily Active Users/ Monthly Active Users

* Churn Rate

= (Customers at the beginning of usage interval - Customers at the end of usage interval) / Customers at the beginning of usage interval

* Software as a service (SaaS)**: SaaS is a software distribution model in which the application is made available on servers hosted by a third-party provider, which in turn provides the software to customers over the Internet.**
* Subscribed based service model:**Subscribed based service model is a model where consumers agree to pay a subscription fee to gain access to the service or product.**

Finance Metrics

**Items in Profit and Loss Statement**

The following list is a breakdown of the individual items within the Profit and Loss Statement.

* **Revenues**: The money a company makes from the sales of its products and services.
* **Cost of Goods Sold (COGS) or Cost of Sales**: These are the direct costs the company incurs to develop the product or service being sold.
* **Gross Profit:** The difference between the revenue earned and the costs summarized in COGS.  
  **Gross Profit = Revenue - COGS**
* **Selling, General and Administrative expenses (SGAs):** Includes the following expenses:
* **Marketing, sale commissions**
* **Salaries for office staff**
* **Supplies and computer hardware**
* **Note: Some companies list total operating expenses separately from SGAS while others treat them as synonymous with SGAS.**
* **Operating expenses**: Expenses incurred outside of direct manufacturing costs:
* **Overhead costs**
* **Legal**
* **Rent**
* **Utilities**
* **Taxes**
* **Interest**
* **R&D expenses.**
* **Total Operating Expenses** = Sum of SGAs and Operating expenses  
  **Total Operating Expenses= SGAs + Operating Expenses**
* **Operating Income**: The difference between Gross profit and Total operating expenses  
  **Operating Income = Gross Profit - Total Operating Expenses**
* **Note: Operating Income is also referred to as Earnings Before Interest and Tax (EBIT)**
* **Net Income:** Subtracting the Interest and Tax from Operating Income gives the Net Income  
  **Net Income = Operating Income - (Interest and Taxes)**
* Gross Margin

= (Total Sales Revenue – Cost of Goods Sold) / Total Sales Revenue

* **Total Contribution Margin** = Total Sales Revenue - Total **Variable** Cost
* **Contribution Margin Per Unit:** Total Contribution Margin / Number of Units Sold