

# Key Industry Metrics

<https://www.ycombinator.com/library/1y-key-metrics>

## Enterprise (e.g. Scale)

### Total customers

#### Bookings

Value of a contract between the company and the customer. It reflects a contractual obligation on the part of the customer to pay the company.

**Revenue:** Recognized when the service is actually provided or ratably over the life of the subscription agreement. How and when revenue is recognized is governed by GAAP.

**Revenue CMGR (Compounded Monthly Growth Rate):** CMGR measures the periodic growth, especially for a marketplace /  $CMGR = ((\text{Latest Month} / \text{First Month})^{(1 / \# \text{ of Months})}) - 1$

### Gross margin

**Customer LTV (life time value):** profit margin a company expects to earn over the entirety of their business relationship with the average customer.

→ Lifetime Value = Average Value of Sale × Number of Transactions × Retention Time Period

→ Customer Lifetime Value = Lifetime Value × Profit Margin (%)

→ Customer Lifetime Value = Average Value of Sale × Number of Transactions × Retention Time Period × Profit Margin (%)

### Burn rate / runway

The burn rate is used by startup companies and investors to track the amount of monthly cash that a company spends before it starts generating its own income. 'Runway' refers to the amount of time a company has before it runs out of cash.

## SaaS (e.g. Slack)

### Total customers

#### Bookings

#### Customer LTV

#### Burn rate / runway

#### Revenue CMGR

#### Gross margin

### Monthly recurring revenue (MRR)

Income that a business can count on receiving every single month - a predictable revenue! Multiply your total number of paying users by the average revenue per user (ARPU)

**Gross account churn rate:** rate / percentage of total monthly revenue lost from contracts that your customers canceled.

### Net dollar churn

**SaaS Quick ratio:** a measure of a company's short term liquidity

**SaaS Magic number:** a measure of sales efficiency that looks at what the output of a year's worth of revenue growth is per dollar spent on sales and marketing

## Usage-Based (e.g. Twilio)

### Monthly revenue

#### Revenue CMGR

#### Gross margin

**Customer LTV**  
**Burn rate / runway**

**Dollar-based net expansion / net dollar retention**

This number, expressed as a percentage, shows how much of a company's existing customer base is spending from one year to the next.

e.g. Slack (NYSE:WORK), the popular workplace-messaging platform, posted 134% dollar-based net retention in its most recent quarter, showing it grew revenue 34% from its existing customer base.

**Subscription (e.g. Netflix)**

**Subscription**  
**Total subscribers**  
**Trial conversion**  
**Monthly recurring revenue (MRR)**  
**Revenue CMGR**  
**Gross margin**  
**Customer LTV / paid CAC**  
**Burn rate / runway**

**Gross user churn**

**Transactional (e.g. paypal)**

**Net revenue**  
**Gross margin**  
**Customer LTV / paid CAC**  
**Burn rate / runway**

**Net revenue CMGR**

$$\left( \frac{\text{Latest Month Net Revenue}}{\text{First Month Net Revenue}} \right)^{(1/\# \text{ of Months})} - 1$$

**Gross transaction volume (GTV)**

Total sales volume transacting through the platform. Basically the aggregate spend by the company's users during a defined time-period.

**Take rate (net revenue as % of GTV)**  
**User retention**  
**User transaction frequency**

**Marketplace (e.g. Airbnb)**

**Net revenue**  
**Net revenue CMGR**  
**Gross margin**  
**Customer retention**  
**Seller retention**  
**Customer LTV**  
**Seller LTV**  
**Burn rate / runway**  
**Transactions frequency**

**Gross merchandise value (GMV)**

Total value of merchandise sold over a given period of time through a customer-to-customer (C2C) exchange site. Gross merchandise value is calculated prior to the deduction of any fees or expenses.

**Take rate (net revenue as % of GMV)**

**Contribution margin per order**

Represents the incremental money generated for each product/unit sold after deducting the variable portion of the

firm's costs.

**Average transaction value**

**E Commerce (e.g. Bonobos)**

**Total visits**

**Total unique visitors**

**Total customers**

**Conversion rate**

**Total registered accounts**

**Revenue**

**Revenue CMGR**

**Gross margin**

**Customer retention**

**Order frequency**

**Average order value**

**Customer LTV**

**Burn rate / runway**

**Net working capital as % of change sales**

Net working capital is the difference between a business's current assets and its current liabilities

**Advertising (e.g. Twitter)**

**Total visits (if applicable)**

**Page views (if applicable)**

**Unique visitors (if applicable)**

**Minutes per session**

**Daily active users (DAU)**

**Monthly active users (MAU)**

**Percent logged-in**

**Downloads / installs (if applicable)**

**Revenue**

**Revenue CMGR**

**User retention**

**User LTV**

**Burn rate / runway**

**Mobile usage share**

**Impressions per user**

Impressions refer to the number of times a user may have seen your story or post.

Reach measures the number of unique users that see your content.

**Average cost-per-impression (CPM)**

Cost per thousand (CPM), also called cost per mille, is a marketing term used to denote the price of 1,000 advertisement impressions on one web page.

**Average click-through-rate (CTR)**

Average CTR (or average click-through rate) is the ratio of ad clicks to impressions in the advertising campaign

**Hardware (e.g. GoPro)**

**Total units sold**

**Average unit price**

**Revenue**

**Revenue CMGR**

**Gross margin**

**Average transaction value**

Customer LTV

Net working capital as % of change in sales

Burn rate / runway

Moonshots / Hard Tech / Biotech (e.g. Boom Supersonic)

Technical milestones accomplished

Net working capital as % of change sales

Burn rate / runway

Total subject matter experts (FTEs)