

CUSTOMER ACQUISITION COST REPORT

CUSTOMER ACQUISITION COST REPORT

NaviFloor Robotics, Inc.

For the Period Ending December 31, 2023

Prepared by: Finance Department

Document Reference: CAC-2023-Q4

1. EXECUTIVE SUMMARY

This report analyzes NaviFloor Robotics, Inc.'s ("Company") customer acquisition costs (CAC) across market segments and sales channels for FY2023. The analysis

encompasses direct acquisition costs, marketing expenditures, and sales team resources allocated to new customer conversion.

2. METHODOLOGY AND DEFINITIONS

-

1 Customer Acquisition Cost (CAC) is calculated as:

-

Total Sales & Marketing Expenses / Number of New Customers Acquired

-

2 Components included in calculation:

-

Direct sales team compensation and commissions

-

Marketing campaign expenses

-

Trade show and industry event participation

-

Digital marketing and lead generation

-

Technical pre-sales engineering support

-

Product demonstrations and pilot programs

-

Channel partner commissions

3. OVERALL CAC METRICS

-

1 Aggregate CAC for FY2023:

-

Total S&M Spend: \$4,875,000

-

New Customers Acquired: 43

-

Average CAC: \$113,372

-

2 Year-over-Year Comparison:

-

FY2022 Average CAC: \$127,500

-

YoY Improvement: 11.1%

4. SEGMENT ANALYSIS

-

1 Enterprise Customers (>\$1M Annual Contract Value)

-

Number of New Customers: 12

-

Total Acquisition Cost: \$2,160,000

-

Average CAC: \$180,000

-

Sales Cycle: 9-12 months

-

2 Mid-Market Customers (\$250K-\$1M ACV)

- - 5 -

Number of New Customers: 18

-

Total Acquisition Cost: \$1,890,000

-

Average CAC: \$105,000

-

Sales Cycle: 4-6 months

-

3 Small Business Customers (<\$250K ACV)

-

Number of New Customers: 13

-

Total Acquisition Cost: \$825,000

- - 6 -

Average CAC: \$63,461

-

Sales Cycle: 2-3 months

5. CHANNEL PERFORMANCE

-

1 Direct Sales

-

Percentage of New Customers: 65%

-

Average CAC: \$125,000

-

Conversion Rate: 18%

- - 7 -

2 Channel Partners

-

Percentage of New Customers: 25%

-

Average CAC: \$95,000

-

Conversion Rate: 22%

-

3 Digital/Inbound

-

Percentage of New Customers: 10%

-

Average CAC: \$75,000

- - 8 -

Conversion Rate: 12%

6. COST BREAKDOWN BY CATEGORY

-

1 Personnel Costs

-

Sales Team Compensation: \$2,100,000

-

Sales Engineering: \$750,000

-

Marketing Team: \$625,000

-

2 Marketing Programs

-

Digital Marketing: \$450,000

-

Events/Trade Shows: \$375,000

-

Content/Collateral: \$200,000

-

3 Channel Costs

-

Partner Commissions: \$275,000

-

Partner Marketing: \$100,000

7. KEY PERFORMANCE INDICATORS

-

1 Customer Lifetime Value (LTV) to CAC Ratio

-

Enterprise: 5.8:1

-

Mid-Market: 4.2:1

-

Small Business: 3.1:1

-

2 Payback Period

-

Enterprise: 18 months

- - 11 -

Mid-Market: 14 months

-

Small Business: 10 months

8. OPTIMIZATION INITIATIVES

-

1 Current Initiatives

-

Implementation of new sales enablement platform

-

Enhanced lead scoring methodology

-

Automated demo scheduling system

- - 12 -

Expanded partner certification program

-

2 Planned Initiatives for FY2024

-

AI-powered lead qualification

-

Virtual reality product demonstrations

-

Account-based marketing expansion

-

Channel partner portal enhancement

9. RECOMMENDATIONS

- - 13 -

1 Short-term Actions

-

Increase investment in digital marketing automation

-

Optimize sales territory alignment

-

Enhance partner enablement resources

-

Implement ROI tracking per marketing channel

-

2 Long-term Strategy

-

Develop vertical-specific marketing programs

- - 14 -

Expand channel partner network

-

Invest in predictive analytics

-

Streamline enterprise sales process

10. DISCLAIMERS AND LIMITATIONS

This report contains confidential and proprietary information of NaviFloor Robotics, Inc. The methodologies, calculations, and conclusions presented here are based on available data and reasonable assumptions as of the report date. Historical performance may not be indicative of future results. All financial figures are unaudited and subject to revision.

11. CERTIFICATION

This Customer Acquisition Cost Report has been prepared under the supervision of the Finance Department and reviewed by the executive team. The information contained herein is accurate and complete to the best of our knowledge as of the date of this report.

Prepared by:

James Wilson

Chief Financial Officer

NaviFloor Robotics, Inc.

Date: January 15, 2024

[END OF REPORT]

