Data @ Vermut

19.08.2020 vermutapp.com/

Agenda

1. Context

2. Key Metrics

3. Roadmap

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First, context to understand where Vermut stands

Second, what are the indicators to follow based on the context

Third, once the current stage is over, what's next?

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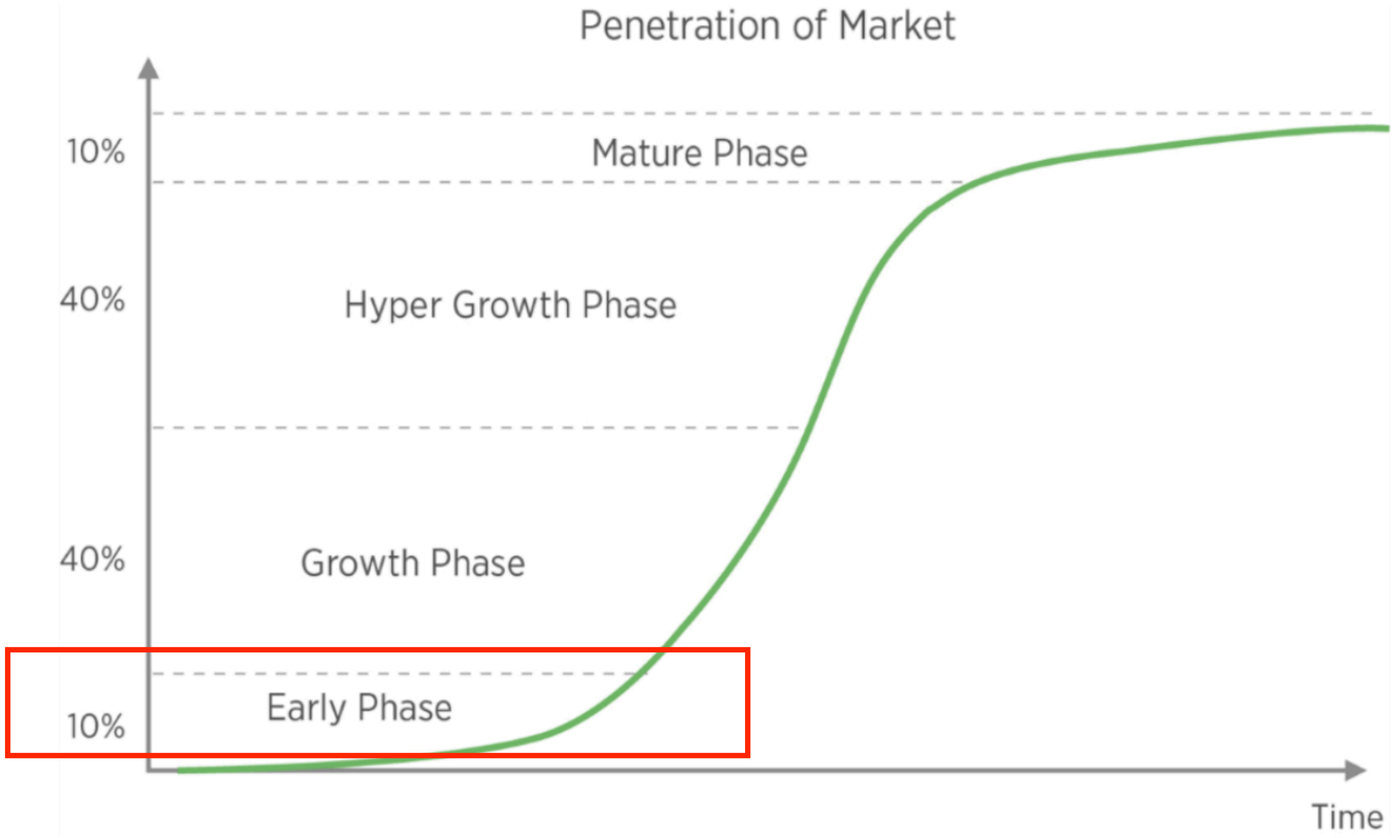
Acknowledge Your Phase



Each stage in the life cycle of a start-up has specific dynamics and needs at the data level.
You have to look at metrics according to each growth phase.

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Why invest in data from an early stage?

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Analytics = must-have

Analytics is no longer an after-thought, it is part of the suite of any start-up and a data-driven culture is expected.

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Analytics = must-have

- It is the best way to prioritize
- It is a critical piece to get investment
- It is exponentially complex

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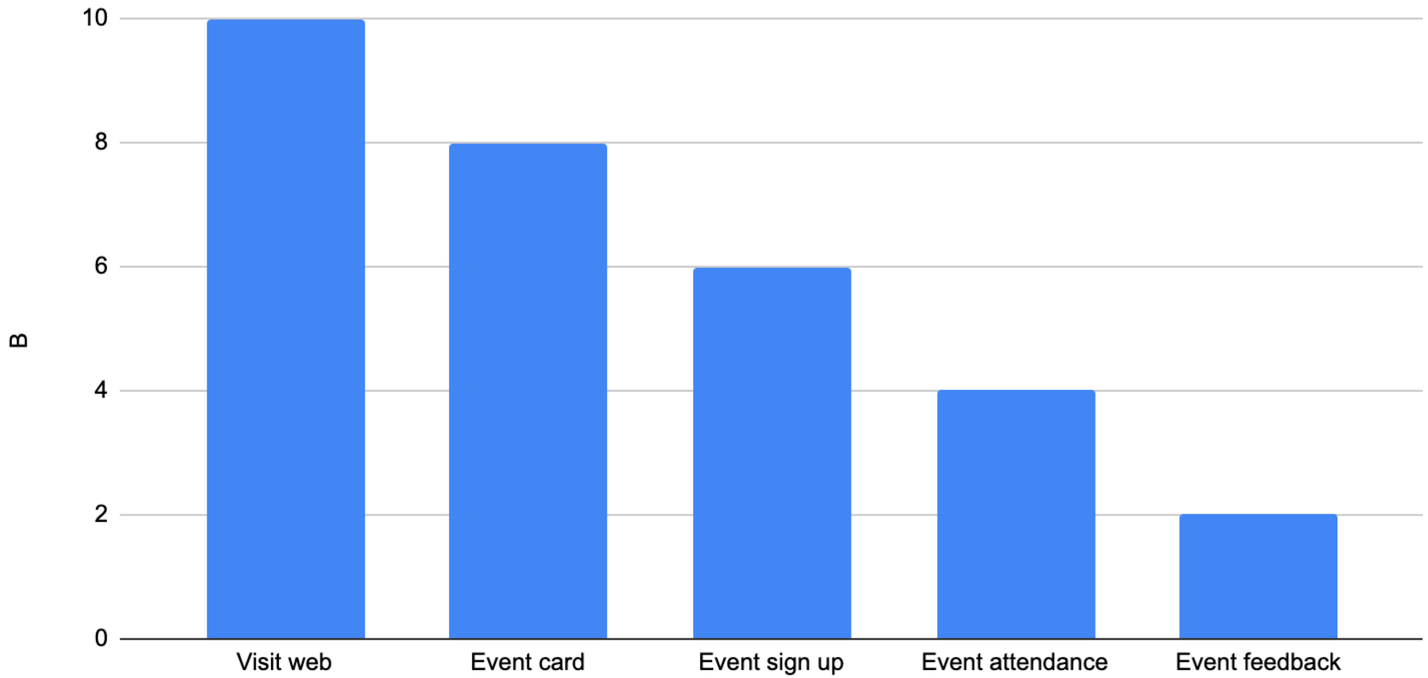
Analytics = must-have

- It is the best way to prioritize



Early stage: limited time and resources, important to be efficient and focus on high-impact actions. Data as a guide. Example: conversion funnel. Is there enough content? Interest in events? Where is the fallout? Is UVP understood? What is the tipping point?

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Analytics = must-have

- It is a critical piece to get investment

  Indicators of sustainable growth, profitability, product fit to attract seed / seriesA

A. Signups;
B. DAU; WAU; MAU;
C. NPS;
D. Retention;
E. Quick ratio;
F. CAC;
G. RPU;

etc…

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Analytics = must-have

- Es exponencialmente complejo

Example of a data silos.
Q: How much revenue have we generated in the last quarter?
A: According to data source… stripe v salesforce v GA.
DWH = Unique source of truth

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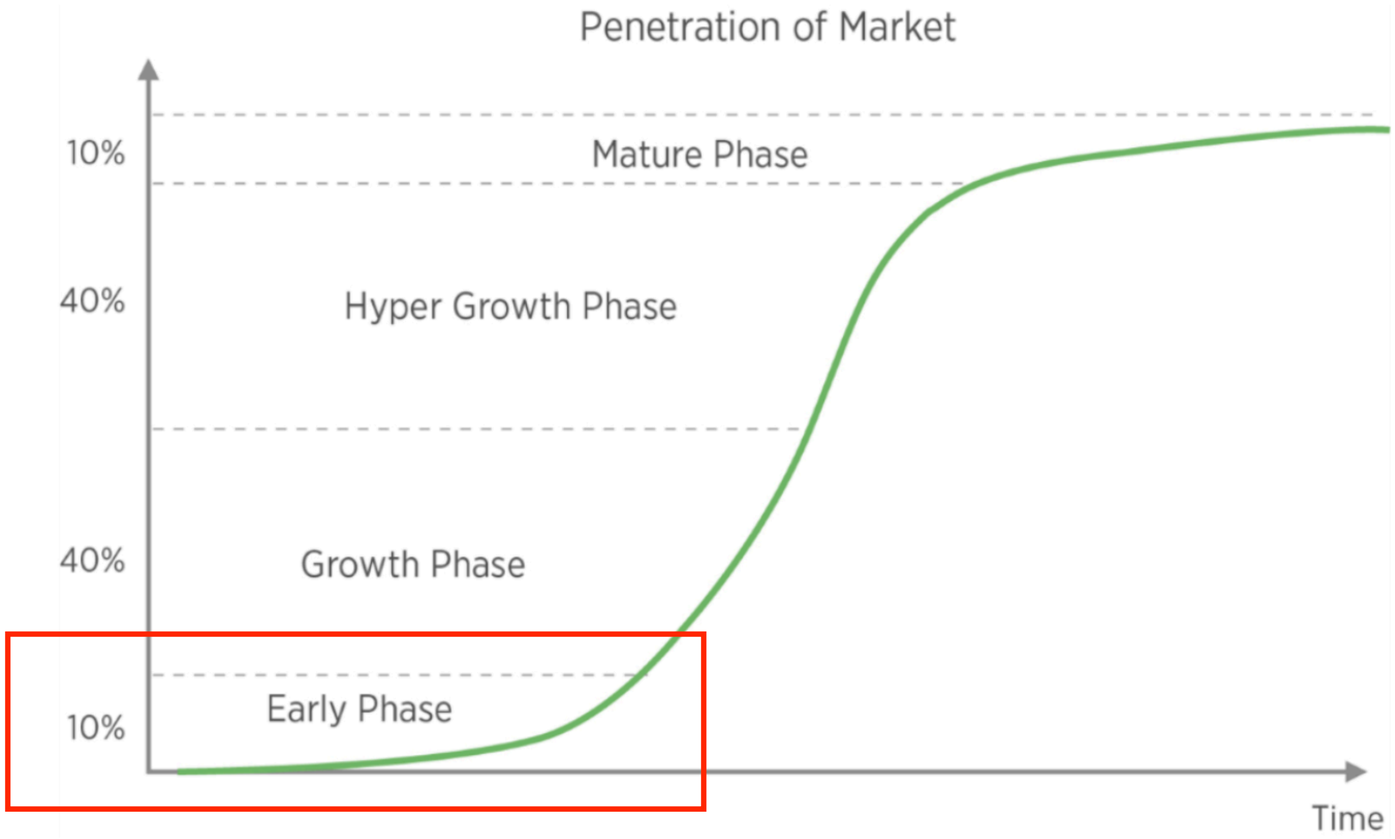
What metrics are relevant at this stage?



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Metrics List

- Active Users
  - DAU/WAU/MAU
  - Sticky Factor = WAU/MAU
- Sign-ups
- Quick ratio = (New users + Resurrected users) / Churned users
  - Retention
  - Churn
  - Resurrection
  - New users
- Growth = New users + Resurrected users - Churned users
- NPS

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Focus on Metrics that Matter

Ultimately, you're trying to figure out two things: (1) are people using the product as you expected, and (2) are they getting enough value out of it?

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Example #1 Instagram

OMTM for the first 3 months

The number of new signups per day. As we need a lot of users on board quickly for it to truly social.

Here you may also track a secondary metric like new signups per day per acquisition campaign.

Target

We want at least 1 Million users to signup in the first 3 months for the app to achieve a ‘social app’ status.

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Example #2 Instagram

OMTM for the next one year

Content creation percentage — The percentage of users who interact with the content in some way, either by creating it or liking or commenting on it.

Target

Setting an initial target of 40% and improving from there on to about 55–60%.

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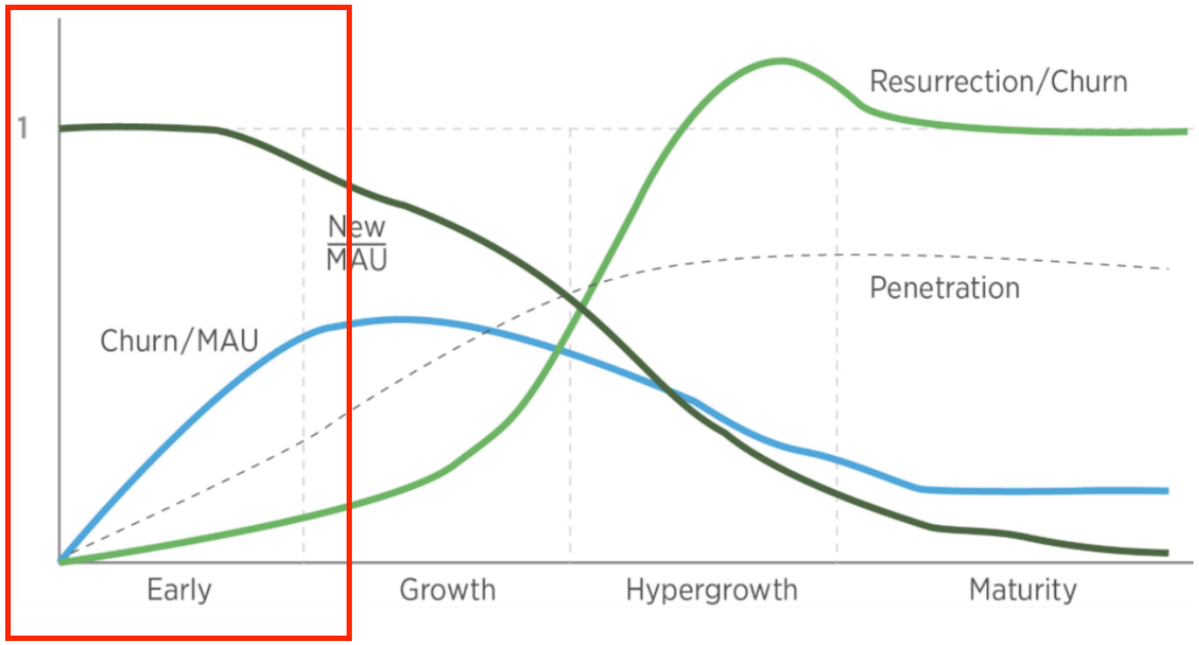
Early Phase Metrics



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Month #1

During this phase, data is sparse, and the few there is, is likely not to be reliable or representative of the long-term future of the product.

The bulk of the MAUs are also New Users, the churn and resurrection are minimal.

Month #2 and following months…

There is no resurrection but you begin to see churn from users of the first month.

In the third month, a balance between new users, churn and resurrectors begins to be noticed.

Resurrection continues to be low, and new users remain the most important factor, but churn is starting to contribute significantly.

Net MoM growth is almost entirely dependent on the Quick Ratio

Quick Ratio = (New users + Resurrected users) / Churned users

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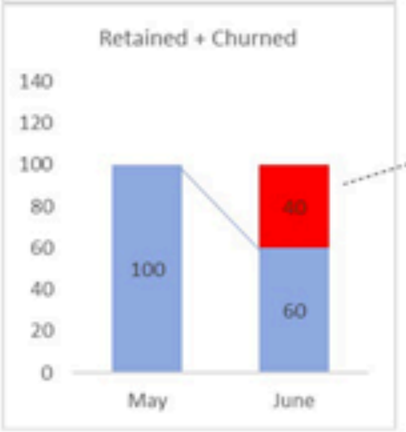
The company adds June's new and resurrected users on top of the users it retains from May. ("Resurrected" here means they were a customer in the past but not active in May)

20% MoM active user growth from May to June. Where does the growth come from?

Two changes happen from one month to the next



Removing retained customers let's us see how the growth happened. The customers added through acquisition and resurrection outpaced the amount of churn.

Not all May customers come back as "active" in June:

- 60% Retention Rate
- 40% Churn Rate

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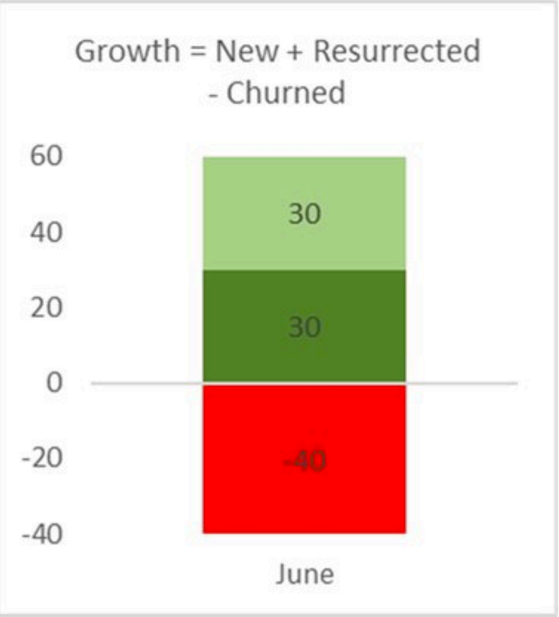

$$\frac{\text{New + Resurrected}}{\text{Churned}} = \text{“Quick Ratio”} = 1.5$$

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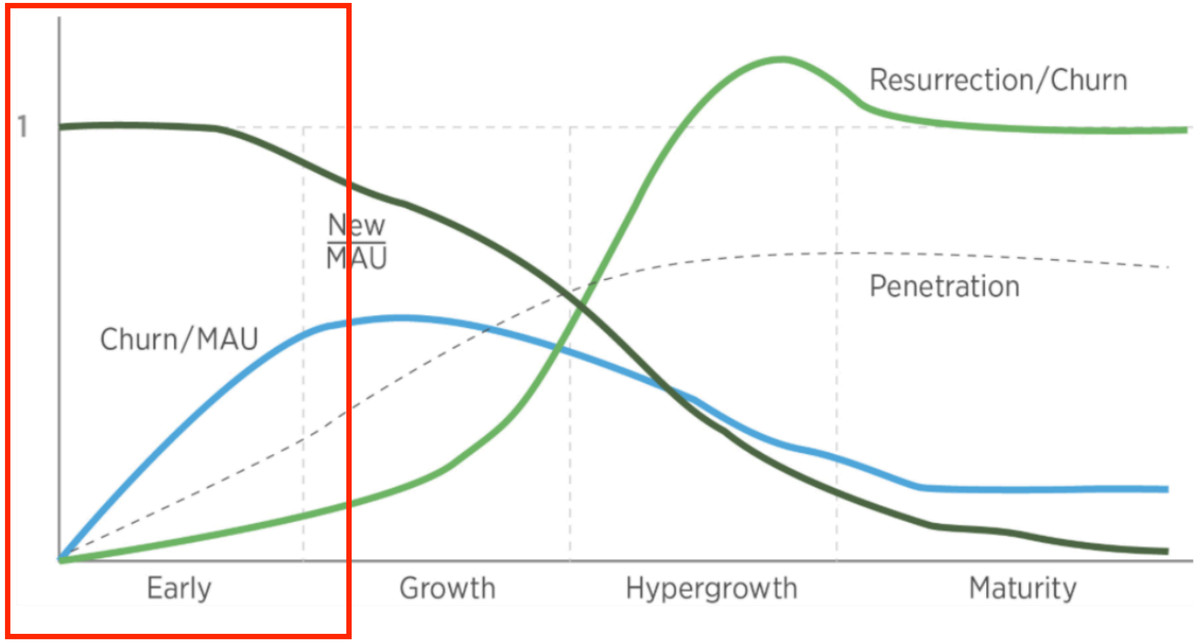
Healthy Product - Early Phase

- Relatively high and stable retention level
- Cohort: group of heavy-users with retention above average
- New users is the highest share of active users



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Metric <> Source

- Active Users Google Analytics —> DWH —> BI
  - DAU/WAU/MAU Google Analytics —> DWH —> BI
  - Sticky Factor = WAU/MAU Google Analytics —> DWH —> BI
- Sign-ups Wix —> DWH —> BI
- Quick ratio = (New users + Resurrected users) / Churned users
  - Retention Google Analytics —> DWH —> BI
  - Churn Google Analytics —> DWH —> BI
  - Resurrection Google Analytics —> DWH —> BI
  - New users Google Analytics —> DWH —> BI
- Growth = New users + Resurrected users - Churned users
- NPS Google Forms —> DWH —> BI

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Data Early Phase

TAM = How big is the Universe

SAM = How many are reachable

SOM = Share of market

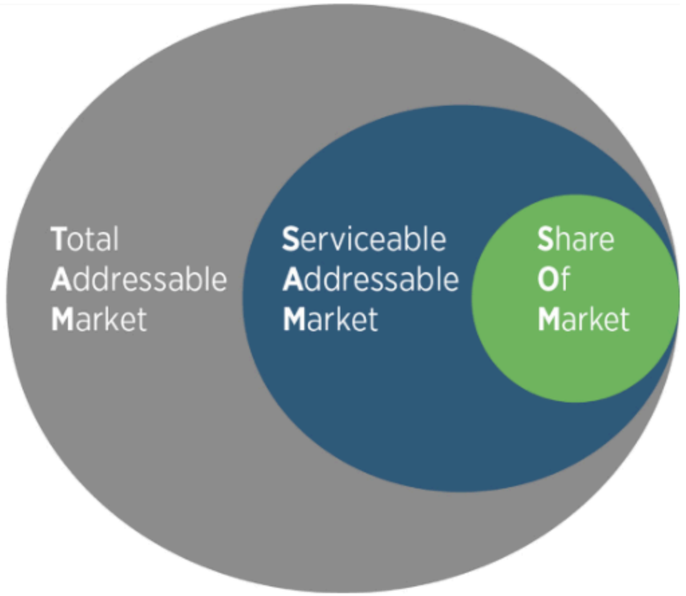

Figure 1

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How to prepare for the growth stage?

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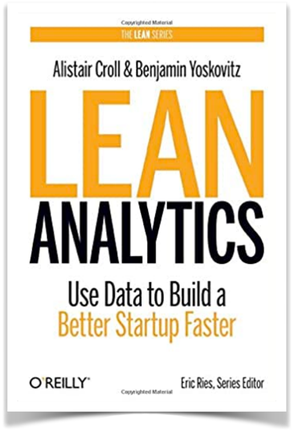
Timeline



Google Analytics

Data infrastructure

Testing framework

Growth model

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Google Analytics

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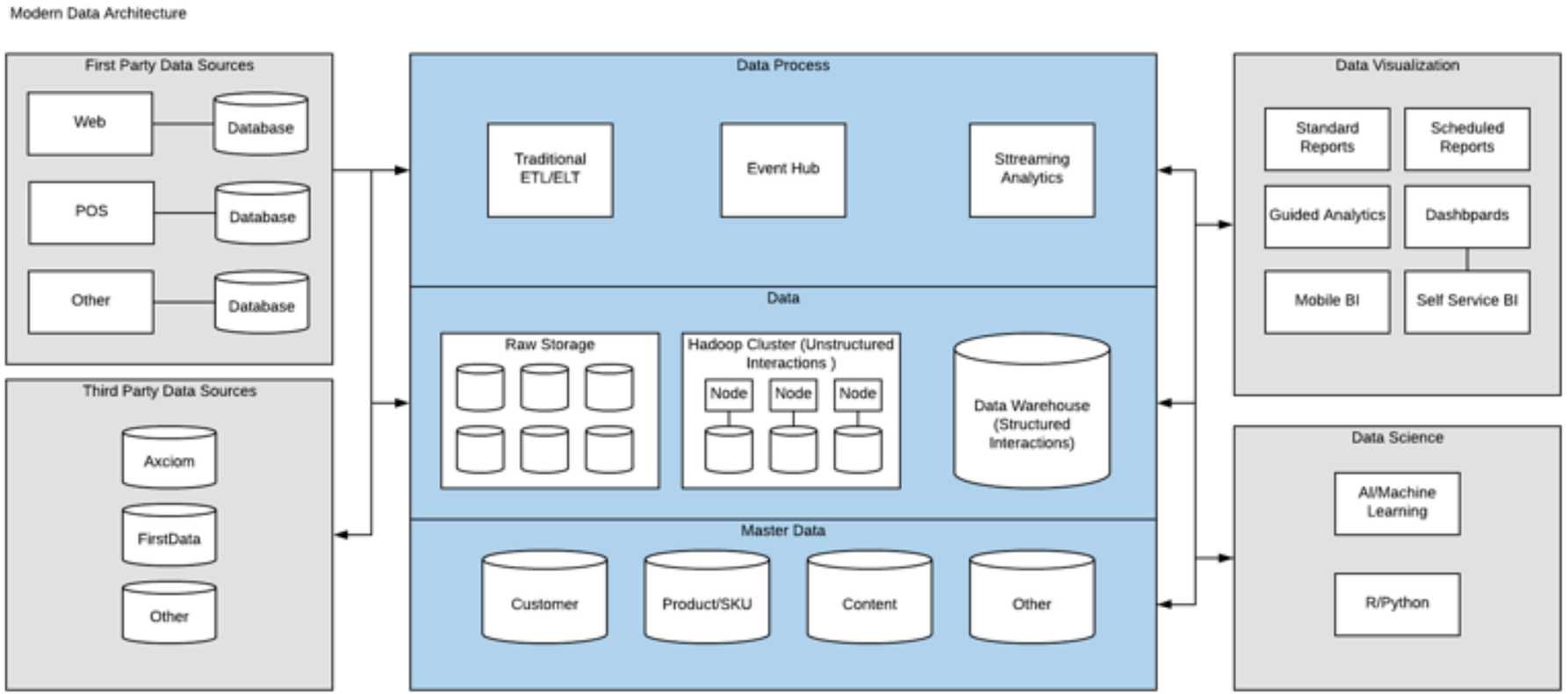
Data infrastructure - Complex



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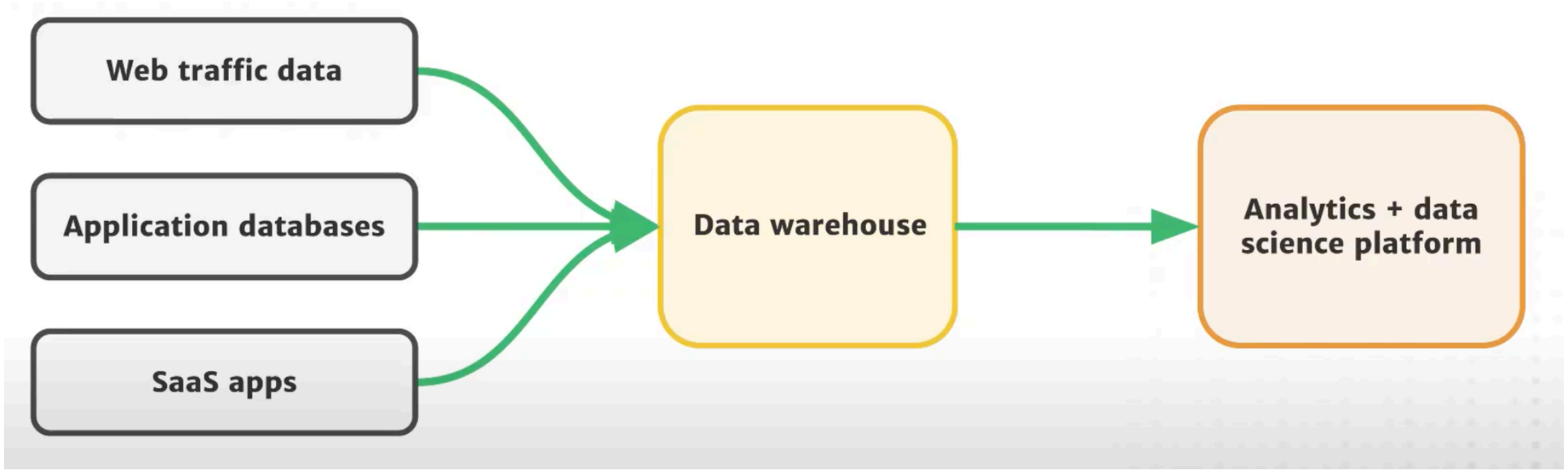
Data infrastructure - Simple



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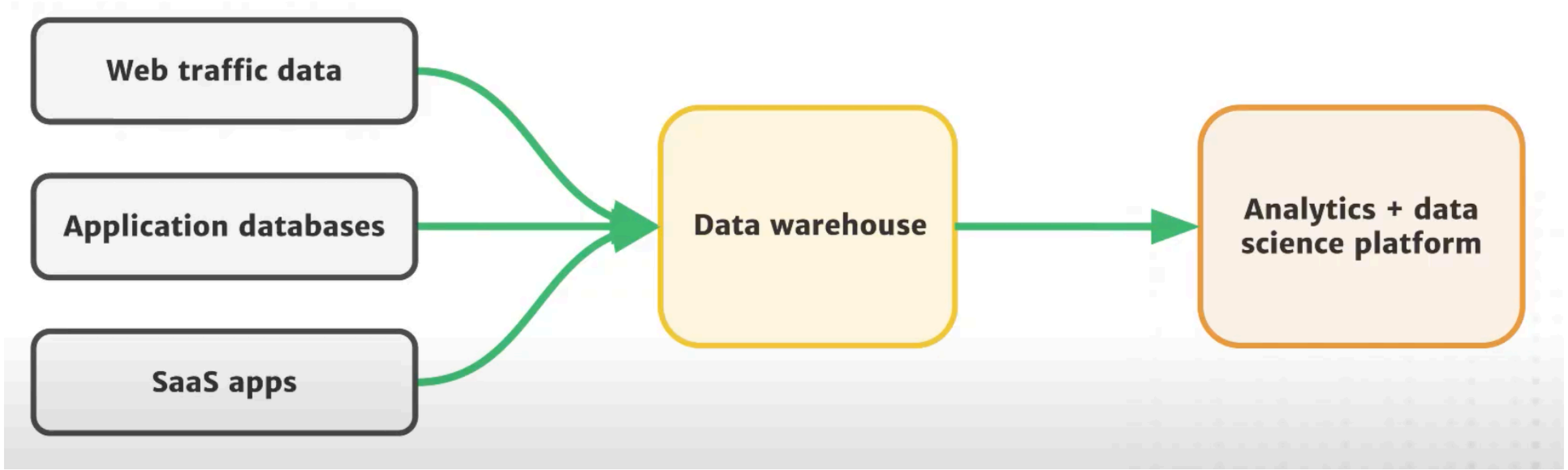

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Timeline

Stage	Data scientists	DI and DE
Counting numbers (evaluate the health of the business)	• Determine KPIs for business/product • Provide segmentation and temporal trends of counts of users, actions, etc. • Document logic on KPIs	• Provide instrumentation and data collection • Log
Reporting and dashboards (evaluate the health of the business)	• Build organization-level and business-unit-level dashboards • Monitor new features and product launches • Identify pressing product issues	• Create an analytical data store (non-production database) • Build infrastructure for dashboards and reporting • Provide reliable ETL pipelines for production data and analytical data
Experimentation (ship the right product)	• Design experiments on key feature launches • Interpret experimental results • Influence decision to launch products/features	• Implement experimentation framework • Automate analyses and models
Setting goals, roadmaps, and strategy	• Identify strategic risks, ecosystem constraints, and product opportunities • Set goals, strategy and roadmap for products and business units	• Create modules that can repeat analysis

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Salut i Vermut!

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