

SAAS METRICS PALOOZA

Optimizing the Customer Lifecycle



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About Scale Ventures

ABOUT SCALE



\$5M - \$30M

Initial check size



11 IPOs

\$154B+ of value
created



\$600M FUND VII

Closed November
2020



\$1.9 BILLION

Assets under
management

20 Years of SaaS & Cloud Winners



The Four Vital Signs of SaaS

There are four fundamental “Vital Signs” to track if you want to be in control



GROWTH

- YoY ARR Growth
- YoY GAAP Growth
- iCAGR



EFFICIENCY

- Gross Sales Efficiency
- Net Sales Efficiency
- “Magic Number”



CHURN

- Annualized Net Retention
- Annualized Gross Churn



BURN

- Operating Income (Cash Burn)
- Rule of 40

The Four Vital Signs of SaaS

LEARN MORE

The Four Vital Signs of SaaS

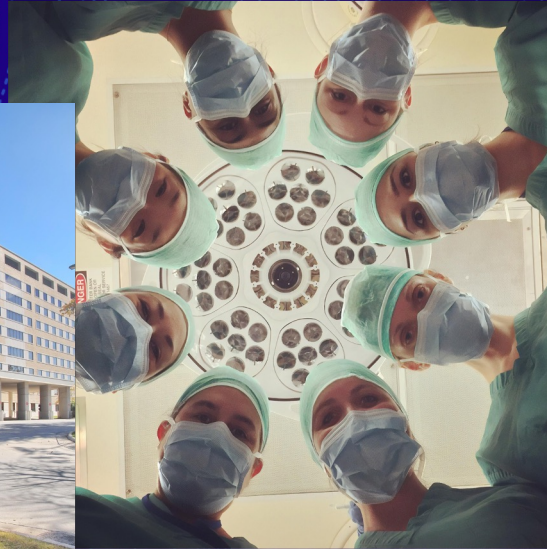
Tuesday, Oct 11th | 9:00 AM PT

Sam Baker

Principal, Scale Venture Partners



What If An Issue Appears in the Vital Signs?



Emergency Photo by [Robert Linder](#) on [Unsplash](#)

Milestones and Conversion Rates Help Us Identify Where to Triage

DEFINE AND ALIGN ON MILESTONES



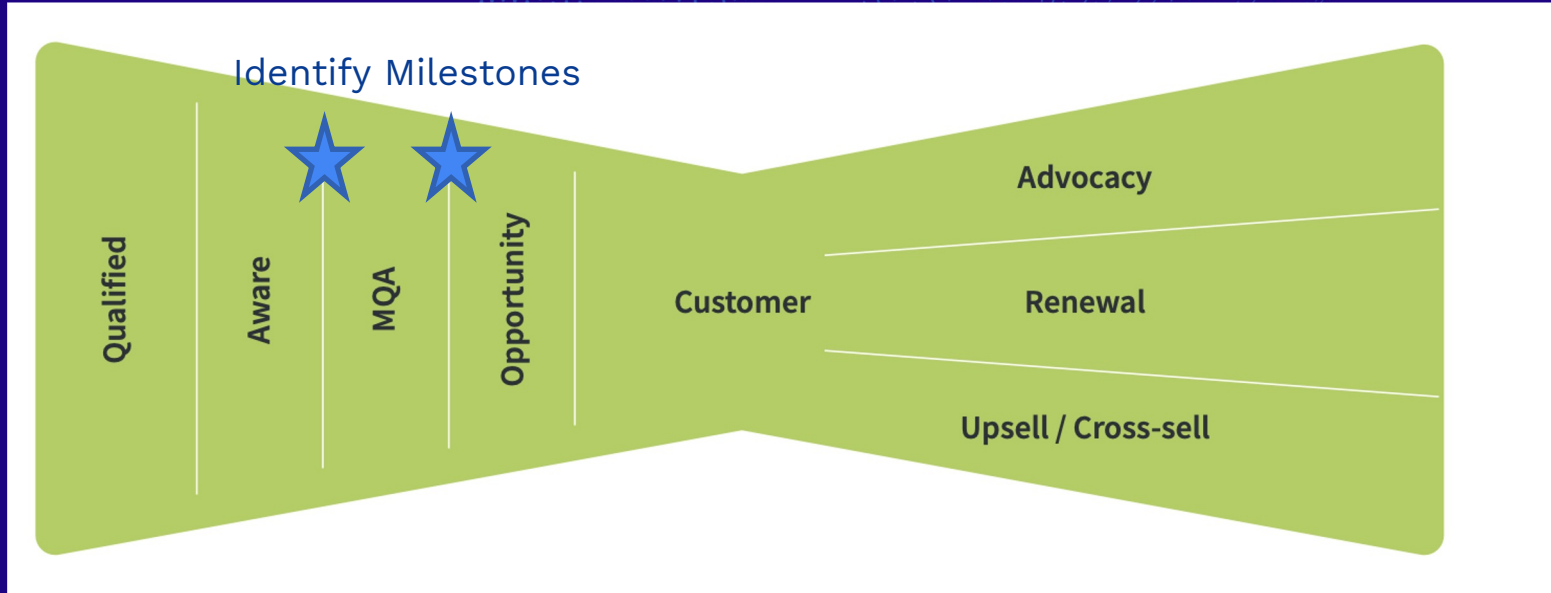
FOLLOW THE CONVERSION RATES



Building The E2E Foundation For Optimizing the Lifecycle

- Map the customer lifecycle
- Account for multiple GTM strategies
- Leads still matter
- Focus on opportunity rate for Account-Based
- Activity is still a key SDR measure
- Say hello to the PQL
- The sales process is a series of definable steps
- Don't forget the post-closed won lifecycle - especially product experience

Start By Mapping the E2E Lifecycle



Build Multiple Metrics Models for Multiple GTM Strategies



Then Track Each GTM Side-by-Side

ACCOUNT BASED METRICS		VOLUME METRICS	
DESCRIPTION	EXAMPLE	DESCRIPTION	EXAMPLE
Annual Contract Value	\$50,000	Annual Contract Value	\$50,000
Target Accounts	1000	Leads	10,700
Engaged Accounts	419	Engaged Leads	6,741
Conversion Rate	42%	Conversion Rate	63%
SDR-QLs	300	SDR-QLs	2,292
Conversion Rate	72%	Conversion Rate	34%
Opportunities	208	Opportunities	1,054
Conversion Rate	69%	Conversion Rate	46%
Opportunity Accounts	139	Opportunity Accounts	980
Pipeline	\$10,400,000	Pipeline	\$10,400,000
Closed-Won	111	Closed-Won	200
Conversion Rate	53%	Conversion Rate	19%
Revenue	\$5,550,000	Revenue	\$10,000,000

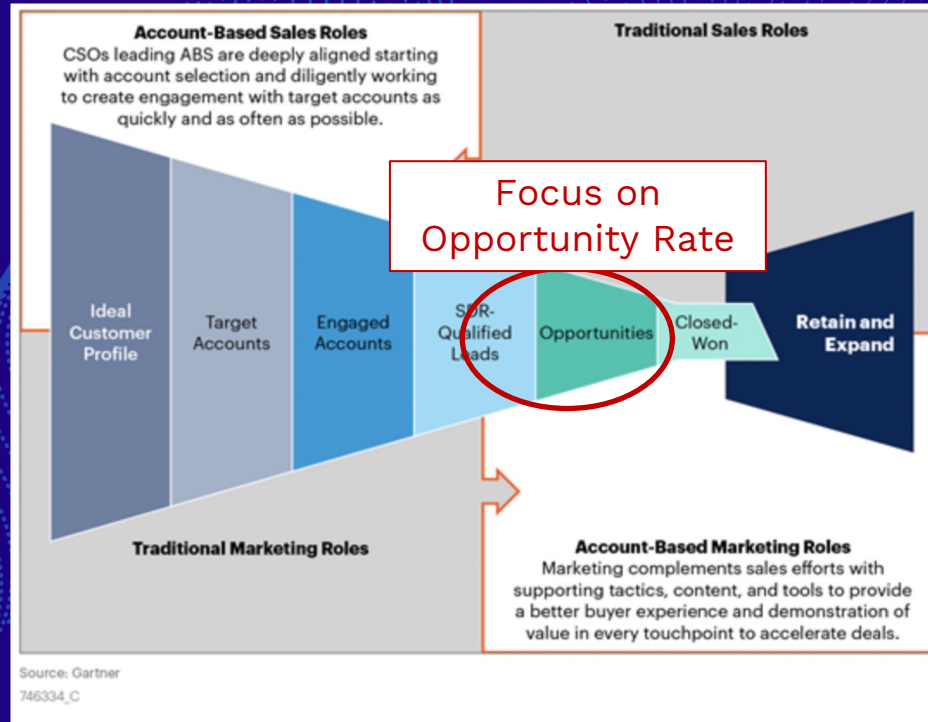
In A Volume Demand Generation Scenario, You Will Track Leads



Digging Into the Volume “Weeds” Will Help You Identify The Problem

Campaign	Impressions	Clicks	CTR	Cost	CPC	Leads	CPL	Engaged Leads/MQLs	CVR	SDR-QLs	CVR	Opportunities	CVR	Closed-Won	CVR
Free Trial	12000	600	5%	300	\$2.14	150	\$210	75	50%	50	67%	25	50%	10	40%
Demo Nurture	9600	660	7%	220	\$1.09	100	\$85	10	10%	10	100%	4	40%	2	50%
Best Practices	7720	101	1%	78	\$3.01	30	\$475	15	50%	15	100%	3	20%	1	33%

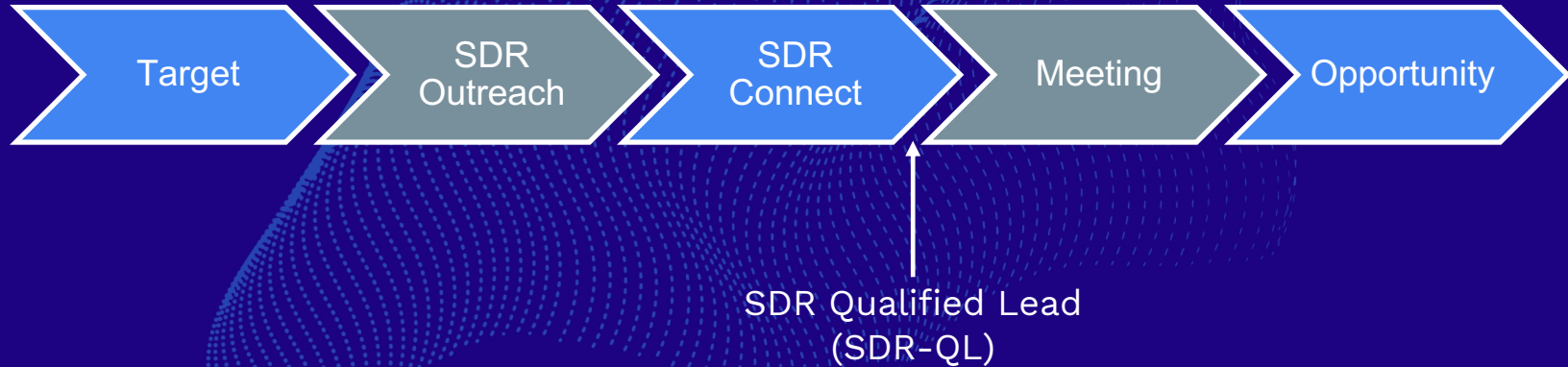
Account-Based Programs Focus On Opportunity Rate



Measure Success Against The Target Account List

Account-Based Stage	Numbers
Target Accounts	1000
Engaged	450
Engagement Rate	45%
Opportunities Created	200
Opportunity Rate	67%
Target Account Pipeline (TAP)	\$15,000,000
Closed Won	150
Account Win Rate	50%
Target Account Revenue (TAR)	\$11,250,000

The SDR Process Is Very Trackable



SDR Activities Matter

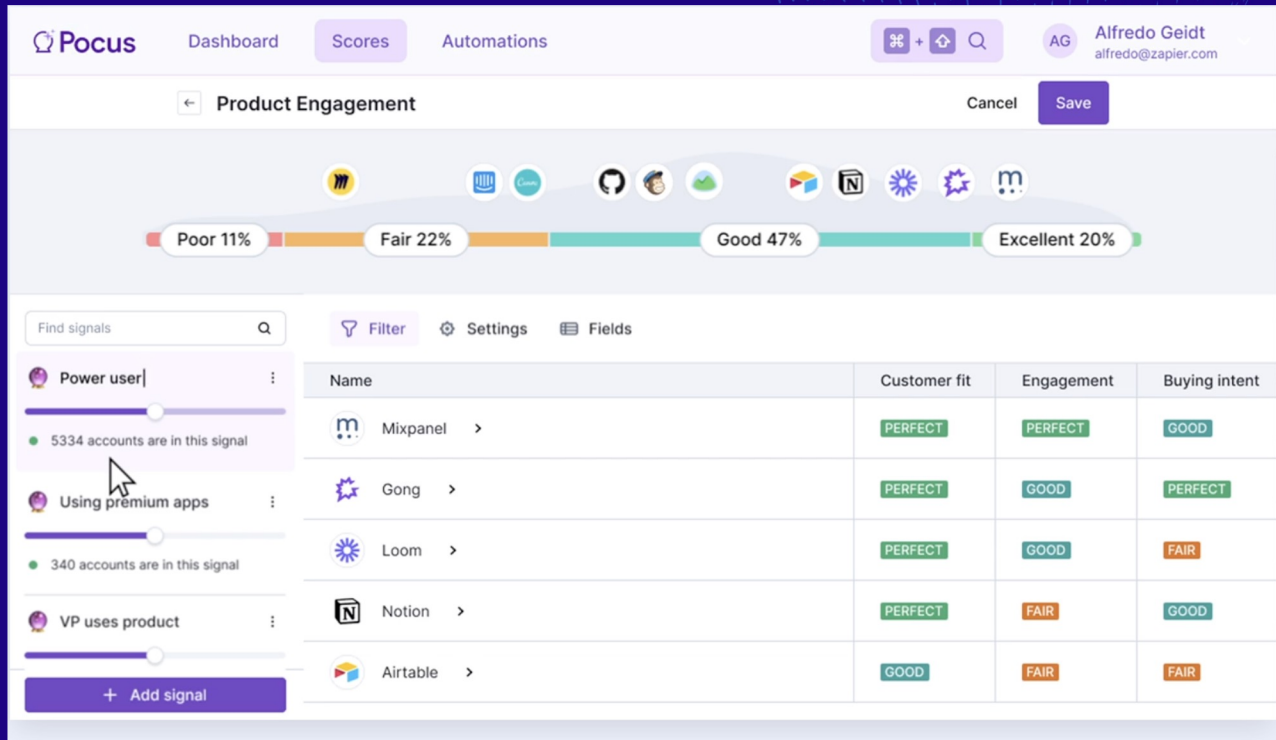
Sales Development Dashboard		
	Daily	Weekly
Accounts Targeted	5	25
Contacts Added	20	90
Email Touches	42	210
LinkedIn Touches	8	30
Direct Mail	10	50
Dials	40	200
Connects	8	40
SDR-QLs	1	5
Opportunities		3

PLG is Surging; Make Sure You Track It



Via Elle Morgan

Usage Drives the PQL Milestone



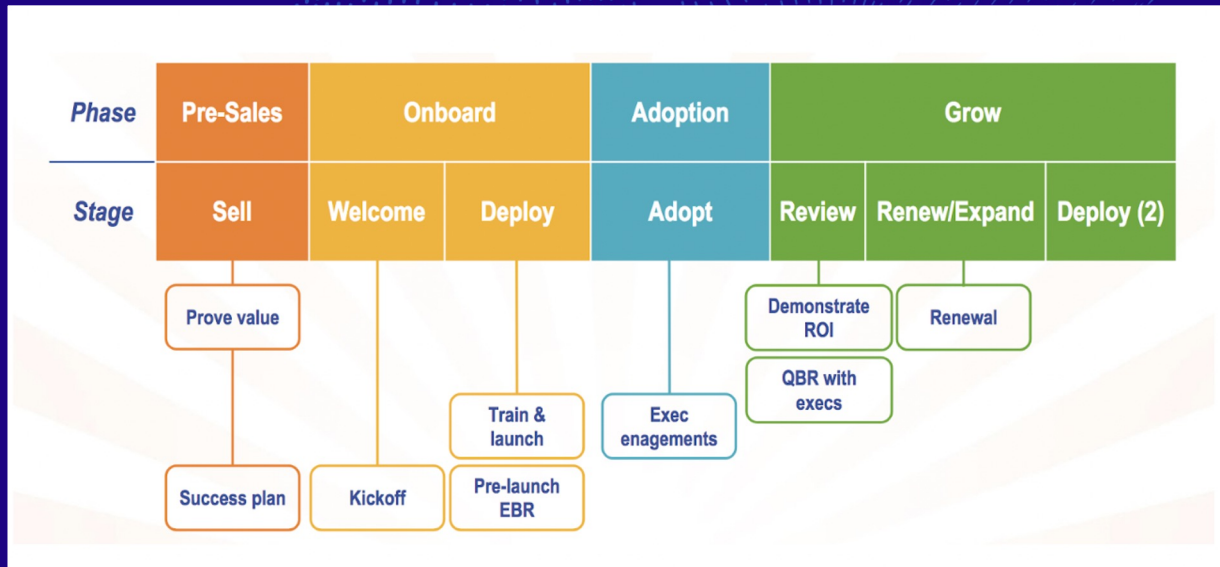
Sales Is A Series of Definable Steps

	Qualification	Discovery	Preso / Demo	Trial	Proposal	Procurement	Close
Steps	1. Prospecting outreach 2. Qualification call 3. Handoff from SDR => AE	1. Perform account research 2. Confirm qualification criteria 3. Conduct business/technical discovery	1. SE-AE Prep Meeting 2. Demo meeting- (open with recap of buyer goals, challenges and impact)	1. Trial kickoff 2. Checkpoints 3. Trial impact meeting	1. Proposal meeting 2. Close plan	1. Milestone meetings 2. Legal, contract and finance review	1. Contract signed 2. Customer success handoff
Exit Criteria	Answers fit 2 of 4 BANT criteria Agrees to next steps Scheduled discovery call	Buyer confirms Big 3 Goals, Challenges and Impact Seller aligns solutions to Big 3 Goals, Challenges and Impact Demo scheduled and accepted	Agreed that solution can solve their challenges Buying process shared & mapped Trial kickoff scheduled	Buying committee agrees that the solution can solve their problem and the problem is worth solving Proposal meeting scheduled and accepted Champion confirms that no barriers to adoption exist, apart from economics	Internal purchase approver agreed verbally and in writing to close plan and commercial terms	Buyer signs contract Seller receives contract	Kickoff meeting scheduled Users accept invitation to kickoff meeting

Add Conversion Rates And Cycle Time To Your Dashboard

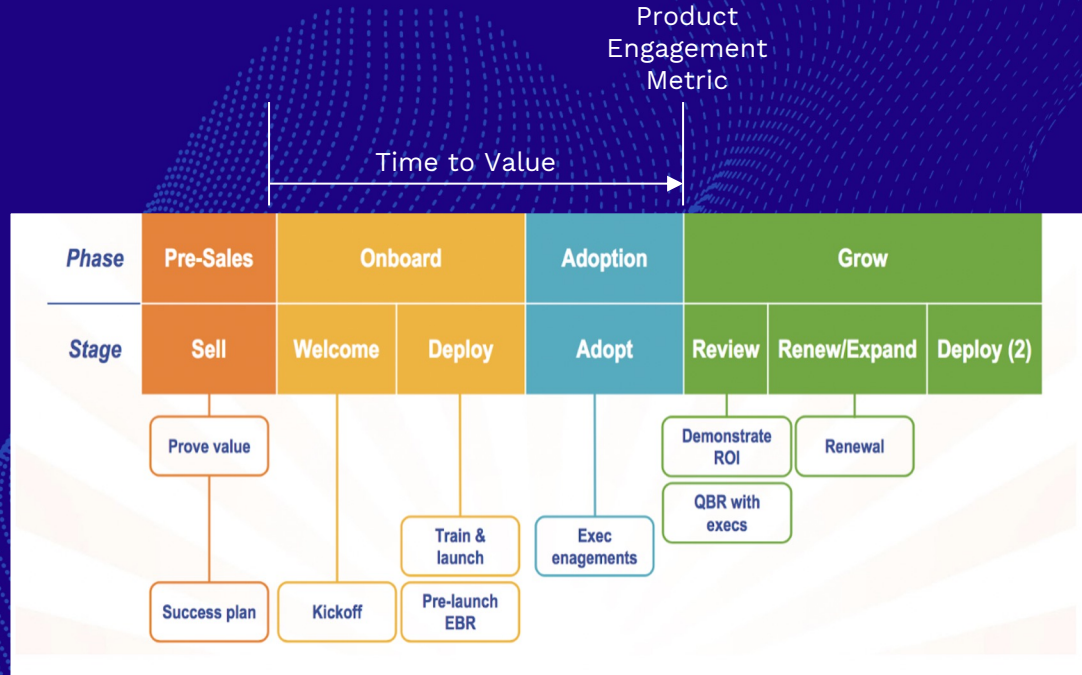
	Close Rate	Demo-to-Close	Trial-to-Close	Sales Cycle Time	Demo-Trial Time	Trial-Proposal Time
SMB	30%	40%	40%	2-4 months	2 weeks	1 month
MM	23%	35%	54%	4-6 months	3.5 weeks	2 months
ENT	20%	30%	62%	7+ months	1 month	4 months

Track And Optimize the Customer Lifecycle



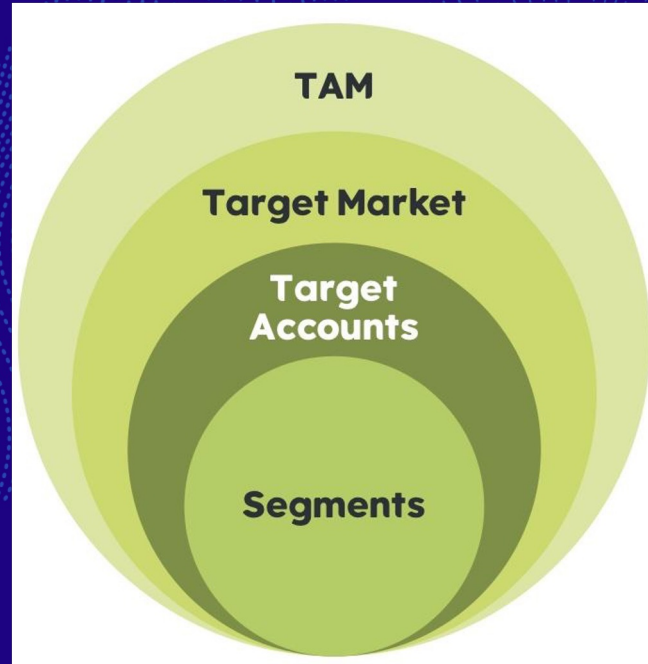
Via Gainsight

Do You Have a Product Engagement Metric?



Via Gainsight

Bonus: ICP Analysis May Provide The Answer To Your GTM Issue



Demandbase ICP

Want to Talk Metrics – Let me Know



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