

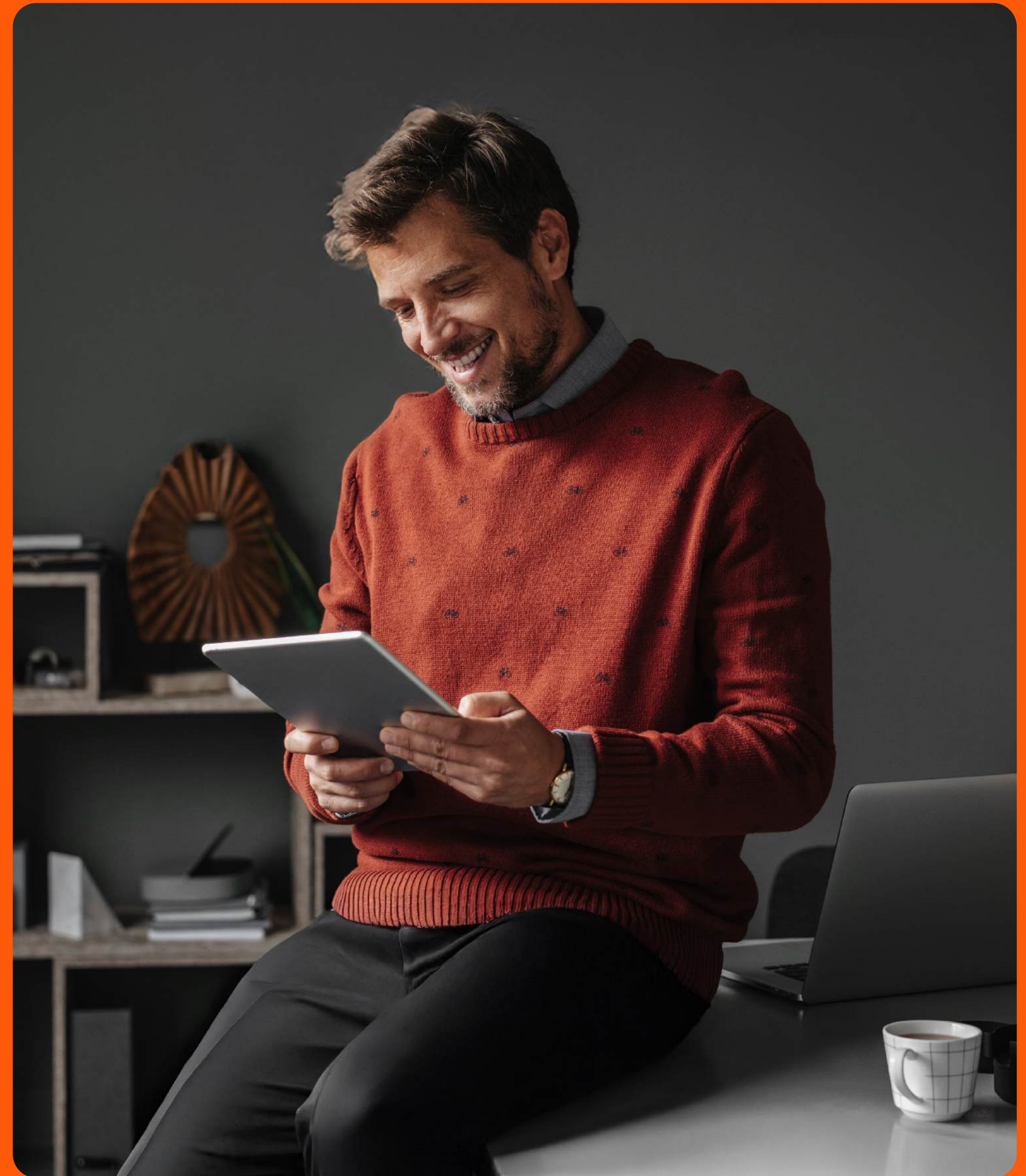


The CFO's 2025 checklist

11 metrics that actually matter



Sam Jacobs
CEO, Pavilion



Introduction

I'm Sam Jacobs, CEO of Pavilion. In today's market, smart financial leadership means cutting through the noise to focus on metrics that genuinely drive value and sustainability. With this checklist, you'll zero in on the 11 essential metrics CFOs and finance leaders must monitor in 2025 —metrics that balance growth, efficiency, and long-term financial health.

Use this guide to align your team, enhance strategic decisions, and confidently navigate your company’s future.

1

Cash balance and runway

Definition and relevance: Measures total available cash and months remaining before depletion at the current burn rate.

Formula: Runway = total cash / monthly net burn

- Benchmark:**
- Ideal: 12–24 months
 - Warning: <9 months

Review cadence: Weekly tracking; monthly FP&A review

Red flags: Runway <9 months, sudden cash drops

Tools: Bank statements, FP&A systems

Owner: CFO

Strategic insight: Falling below 9 months compresses options. High runway supports strategic planning and valuation.

2

Burn multiple

Definition and relevance: Dollars spent per dollar of net new ARR added; a core measure of capital efficiency.

Formula: Burn multiple = net burn / net new ARR

- Benchmark:**
- Excellent: <1.0
 - Sustainable: 1.0–1.5
 - Warning: >2.0

Review cadence: Monthly/quarterly

Red flags: Burn multiple >2.5 consistently

Tools: Financial reporting, CRM

Owner: CFO/FP&A

Strategic insight: Low burn multiple is highly correlated with valuation strength and investor confidence.

3

Magic number

Definition and relevance:

- Payback: Time to recover CAC
- Magic number: Revenue efficiency of S&M spend

- Formulas:**
- Payback = CAC / monthly gross profit per customer
 - Magic number = (quarterly ARR growth × 4) / prior quarter S&M spend

- Benchmark:**
- Payback: <12 months excellent; up to 18–24 months acceptable by ACV tier
 - Magic number: ~1.0 ideal; <0.75 concerning

Review cadence: Quarterly

Red flags: Payback >18 months, magic number <0.75

Tools: CRM, billing platform, marketing attribution tools

Owner: CFO, Sales, Marketing

Strategic insight: Helps identify scalable acquisition strategies and budget allocation effectiveness.

4

Gross margin

Definition and relevance: Revenue minus COGS; reveals scalability and reinvestment capacity.

Formula: $\text{Gross margin} = (\text{revenue} - \text{COGS}) / \text{revenue}$

Benchmark:

- Growth-stage SaaS: 75–85%
- Top performers: >85%

Review cadence: Monthly

Red flags: Margin <70%

Tools: Accounting software, FP&A

Owner: CFO, Ops

Strategic insight: Higher gross margin allows greater investment in growth and margin expansion.

5

Contribution margin by product line

Definition and relevance: Profitability at the product or service level; crucial for strategic focus and resource allocation.

Formula: $\text{Contribution margin} = (\text{product revenue} - \text{product direct costs}) / \text{product revenue}$

Benchmark:

- Target: >50%

Review cadence: Quarterly

Red flags: Declining or negative margins on key products

Tools: Financial systems, BI tools

Owner: CFO, Product Management

Strategic insight: Informs portfolio optimization, pricing decisions, and strategic investment.



6

Cohort-based retention (net revenue retention)

Definition and relevance: Tracks retained revenue within customer cohorts over time, including expansion and churn.

Formula: $NRR = (starting\ ARR + expansion\ ARR - churned\ ARR) / starting\ ARR$

- Benchmark:**
- Median: 101–103%
 - Top quartile: >110–120%

Review cadence: Quarterly

Red flags: NRR <100%

Tools: CRM, customer success platforms, billing system

Owner: Customer Success, CFO

Strategic insight: The key to sustainable growth, especially with rising CAC and longer paybacks.

7

Operating leverage

Definition and relevance: Measures the ratio of change in operating income to change in revenue; captures scalability.

Formula: $Operating\ leverage = \% \text{ change in EBIT} / \% \text{ change in revenue}$

- Benchmark:**
- Positive leverage indicates efficient scale.

Review cadence: Quarterly

Red flags: Negative or declining leverage

Tools: Accounting software, FP&A

Owner: CFO

Strategic insight: Reveals maturity and signals when added revenue truly improves profitability.

8

EBITDA margin

Definition and relevance: Core operating profitability, excluding non-operating expenses.

Formula: $EBITDA\ margin = EBITDA / revenue$

- Benchmark:**
- Growth SaaS: 10–25%

Review cadence: Monthly

Red flags: Consistently negative or <10%

Tools: Financial reporting systems

Owner: CFO

Strategic insight: Valuation and M&A metric. Shows long-term business health.

9

Days sales outstanding (DSO)

Definition and relevance: Average number of days it takes to collect revenue post-sale.

Formula: $DSO = (accounts\ receivable / total\ credit\ sales) \times days\ in\ period$

- Benchmark:**
- Target: 30–60 days

Review cadence: Monthly

Red flags: DSO >60 days or rising

Tools: ERP, AR systems

Owner: CFO, AR team

Strategic insight: Key cash flow metric. Elevated DSO strains liquidity and slows reinvestment.



10

Bookings vs revenue

Definition and relevance: Measures alignment between new bookings and recognized revenue.

Formula: Direct comparison of CRM bookings data to recognized revenue in P&L

- Benchmark:**
- Close alignment; lag should match revenue recognition policy.

Review cadence: Monthly

Red flags: Persistent divergence

Tools: CRM, financial reporting

Owner: CFO, Sales

Strategic insight: Confirms validity of forecasts and sales pipeline. Helps manage board expectations.

11

Forecast accuracy

Definition and relevance: Compares actuals to forecast; tracks planning reliability & team alignment.

Formula: Forecast accuracy = (actual - forecast) / forecast

- Benchmark:**
- Target: Within ±10% across key line items

Review cadence: Monthly/quarterly

Red flags: Repeated variance >10%

Tools: Budgeting tools, financial models

Owner: CFO, FP&A

Strategic insight: Builds internal and investor trust. Enables proactive decision-making.

Summary table

Metric	Benchmark	Red flag
Cash runway	12–24 months	<9 months
Burn multiple	<1.0 (ideal), 1.0–1.5 (ok)	>2.5
CAC payback	<12 months (<18 acceptable)	>18 months
Magic number	~1.0	<0.75
Gross margin	75–85%	<70%
Contribution margin	>50%	<50% or declining
NRR	>100% (top >110%)	<100%
Operating leverage	Positive	Declining/negative
EBITDA margin	10–25%	<10% or negative
DSO	30–60 days	>60 days or rising
Bookings vs revenue	Close alignment	Persistent divergence
Forecast accuracy	±10%	Variance >10%



Closing note

Metrics drive actions. As you adopt this checklist, remember that these numbers are stories about your business. Your role is to interpret and act decisively. Let this guide sharpen your focus, foster transparency, and ensure your team's efforts translate directly into sustainable growth and long-term success.

Here's to confidently leading your company forward in 2025 and beyond.



Sam Jacobs
CEO, Pavilion

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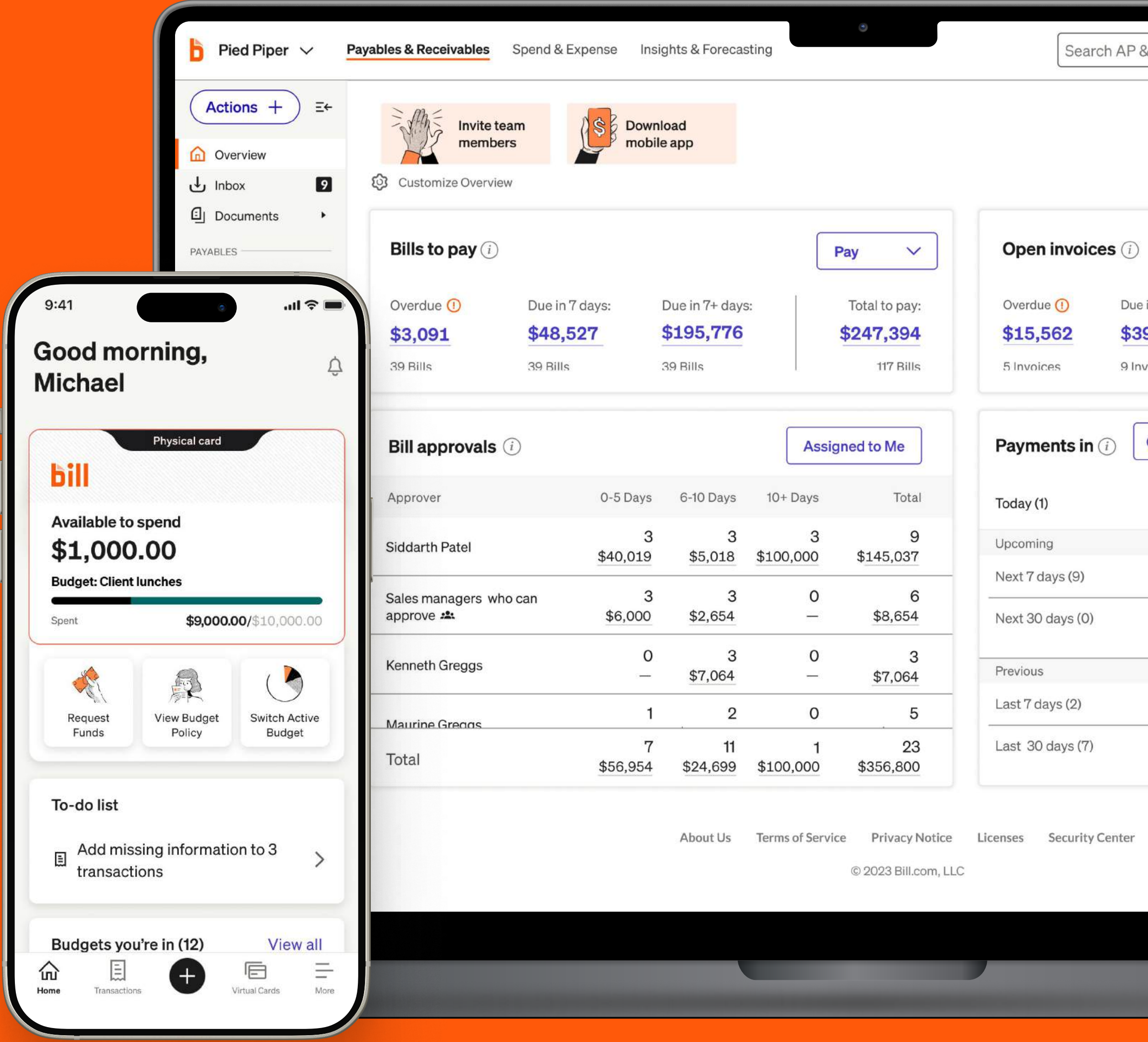
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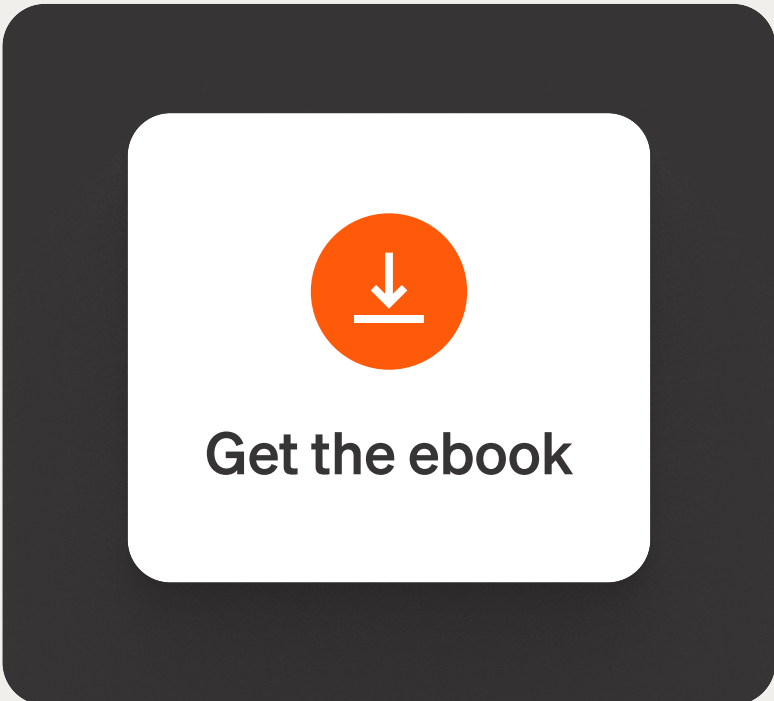
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The CFO's 2025 checklist: 11 metrics that actually matter

Confident decisions start with the right data. Discover which 11 metrics matter most —so you can steer strategy and stay ahead of surprises.



Join Sam Jacobs, CEO of Pavilion, for this webinar designed for CFOs and finance leaders who want clarity, not clutter. Learn when to review key metrics, how to apply smart benchmarks, and spot red flags early. Plus, get a checklist your team will actually use.

What you'll take away:

- **11-must track metrics:** The most critical metrics for 2025, including cash balance and runway, burn multiple, gross margin, and net revenue retention.
- **Formulas and benchmarks:** Get clear, actionable formulas and see how your performance stacks up against industry benchmarks.
- **Strategic context:** Understand what each metric really tells you—and how to use it to boost valuation, investor confidence, and long-term planning.
- **Review cadence and tools:** Know how often to review each metric, what red flags to watch for, and which tools can help you stay on top of them.
- **Sharper financial leadership:** Align your team, sharpen your strategy, and lead with confidence by focusing on what really matters.

About Sam Jacobs:

Sam is the founder and CEO of Pavilion, a global community of high-performance go-to-market executives. Pavilion helps GTM professionals unlock their full potential—not just as employees, but as leaders, thinkers, and builders. Prior to Pavilion, Sam spent 15 years as a senior revenue leader at VC-backed companies including Gerson Lehrman Group, Axial, Livestream/Vimeo, and The Muse.

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Confident decisions start with the right data. In this new guide from Sam Jacobs—founder and CEO of Pavilion—you’ll get the 11 metrics every CFO, controller, and finance ops leader should track to stay ahead of surprises.

Learn when to review key metrics, how to apply smart benchmarks, and which red flags to address fast. Plus, get a checklist your team will actually use.

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THE CFO'S 2025 CHECKLIST

11 metrics every
CFO should track



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