



DualEntry

The Ultimate SaaS Metrics Cheat Sheet

38 essential metrics with formulas, benchmarks by company stage, and actionable tips. Everything a SaaS founder, operator, or investor needs to measure what matters.

Revenue Metrics | MRR Movements | Unit Economics
Growth & Efficiency | Sales Performance
Retention & Churn | Engagement & Product

38

metrics with formulas, stage-specific benchmarks, and expert tips

Revenue Metrics

Core revenue indicators that investors and stakeholders scrutinize first.

Monthly Recurring Revenue (MRR)

The predictable revenue your business earns each month from active subscriptions, normalized to a monthly amount.

FORMULA

MRR = Sum of all active subscriptions (normalized to monthly)

BENCHMARKS

Seed: \$10K-\$50K
Series A: \$100K-\$500K
Series B: \$500K-\$2M
Growth: \$2M+

PRO TIP

Break MRR into New, Expansion, Reactivation, Contraction, and Churned to understand growth drivers.

Annual Recurring Revenue (ARR)

The annualized value of your recurring subscription revenue. The north-star metric for most SaaS businesses.

FORMULA

ARR = MRR x 12

BENCHMARKS

Pre-seed: <\$500K
Seed: \$500K-\$2M
Series A: \$1M-\$5M
Series B: \$5M-\$20M
Growth: \$20M+

PRO TIP

Only include committed recurring revenue. Exclude one-time fees, services, and variable usage above contracted minimums.

Committed MRR (CMRR)

Forward-looking MRR that includes signed contracts not yet live and accounts known to be churning.

FORMULA

CMRR = Live MRR + Signed-not-live - Known churning MRR

BENCHMARKS

Should be within 5-15% of live MRR
Large gap signals pipeline or onboarding issues

PRO TIP

CMRR is what your board should look at. It accounts for contracts in implementation and committed cancellations.

Revenue Growth Rate

The month-over-month or year-over-year percentage increase in recurring revenue.

FORMULA

MoM Growth = (MRR this month - MRR last month) / MRR last month x 100

BENCHMARKS

Top quartile early-stage: 15-20% MoM
Strong Series A-B: 10-15% MoM
Healthy growth: 50-100% YoY

PRO TIP

10% MoM = 3.1x annual growth. Always show both MoM and YoY to investors.

Net New MRR

The total change in MRR after accounting for all gains and losses during a period.

FORMULA

$$\text{Net New MRR} = \text{New} + \text{Expansion} + \text{Reactivation} - \text{Churned} - \text{Contraction}$$

BENCHMARKS

Healthy: consistently positive

Strong: >5% of starting MRR

Warning: negative for 2+ months

PRO TIP

Track each component separately. A flat Net New MRR could mask high new business and high churn.

MRR Movements

Decompose your MRR changes to understand what's really driving growth or decline.

Expansion MRR

Additional MRR from existing customers through upgrades, add-ons, seat increases, or cross-sells.

FORMULA

$$\text{Expansion MRR} = \text{Sum of MRR increases from existing customers}$$

BENCHMARKS

Good: >20% of New MRR

Great: >40% of New MRR

Best-in-class: Expansion > New MRR

PRO TIP

Expansion MRR is your cheapest revenue. Companies with strong expansion often achieve negative net churn.

Contraction MRR

MRR lost from existing customers who downgraded but didn't fully cancel.

FORMULA

$$\text{Contraction MRR} = \text{Sum of MRR decreases from downgrades}$$

BENCHMARKS

Healthy: <1% of beg. MRR/month

Warning: 1-2%

Critical: >2%

PRO TIP

Rising contraction often precedes churn. Treat downgrades as early warning signals.

Churned MRR

Total MRR lost from customers who cancelled their subscription entirely.

FORMULA

$$\text{Churned MRR} = \text{Sum of MRR from cancelled customers}$$

BENCHMARKS

- SMB:** 3-5% monthly is typical
- Mid-market:** 1-2%
- Enterprise:** <1%
- Best-in-class:** <0.5%

PRO TIP

Segment churn by customer size, cohort, and acquisition channel to find where the leaks actually are.

Reactivation MRR

MRR recovered from previously churned customers who resubscribe.

FORMULA

$$\text{Reactivation MRR} = \text{Sum of MRR from returning churned customers}$$

BENCHMARKS

- Typical:** 5-10% of Churned MRR
- Good:** 10-20%
- Great:** >20%

PRO TIP

Build a structured win-back program. Customers who left due to budget are often recoverable 3-6 months later.

Unit Economics

These metrics determine whether your business model is fundamentally viable and scalable.

Customer Acquisition Cost (CAC)

The total average cost to acquire one new customer, including all sales and marketing spend.

FORMULA

$$\text{CAC} = \frac{\text{Total S\&M spend}}{\text{New customers acquired}}$$

BENCHMARKS

- SMB:** \$200-\$1,000
- Mid-market:** \$5K-\$20K
- Enterprise:** \$20K-\$100K+
- CAC Ratio (CAC/ACV):** <1.0x is strong

PRO TIP

Calculate both blended and per-channel CAC. Include salaries, tools, ad spend, events, and content costs.

Customer Lifetime Value (LTV)

The total revenue a customer is expected to generate over their entire relationship with your company.

FORMULA

$$\text{LTV} = \frac{\text{ARPA}}{\text{Customer churn rate (or ARPA} \times \text{Gross margin \% / Revenue churn rate)}}$$

BENCHMARKS

- SMB:** \$1K-\$10K
- Mid-market:** \$20K-\$100K
- Enterprise:** \$100K-\$500K+
- Minimum viable:** LTV > 3x CAC

PRO TIP

Use gross-margin-adjusted LTV for accuracy. Raw LTV overstates value if your margins are thin.

LTV:CAC Ratio

The return on investment for each customer acquired. The most important single ratio in SaaS unit economics.

FORMULA

$$\text{LTV:CAC} = \frac{\text{Customer Lifetime Value}}{\text{Customer Acquisition Cost}}$$

BENCHMARKS

- Below 1:** 1: Losing money per customer
- 1:** 1-3:1: Unsustainable
- 3:** 1-5:1: Healthy
- Above 5:** 1: May be under-investing in growth

PRO TIP

*Above 5:1 may mean you should spend more on acquisition.
Below 3:1 means cut CAC or increase monetization.*

CAC Payback Period

Months to recoup the cost of acquiring a customer through their subscription payments.

FORMULA

$$\text{CAC Payback} = \frac{\text{CAC}}{(\text{ARPA} \times \text{Gross margin \%})}$$

BENCHMARKS

- Strong:** <12 months
- Acceptable:** 12-18 months
- Concerning:** 18-24 months
- Critical:** >24 months

PRO TIP

For annual contracts, aim for payback within the first contract term.

ARPA / ARPU

Average Revenue Per Account (or User). The average monthly recurring revenue across all paying customers.

FORMULA

$$\text{ARPA} = \frac{\text{MRR}}{\text{Total active paying customers}}$$

BENCHMARKS

- SMB-focused:** \$50-\$500/mo
- Mid-market:** \$500-\$5,000/mo
- Enterprise:** \$5,000-\$50,000+/mo

PRO TIP

Rising ARPA with stable customer count signals successful upselling or price optimization.

Annual Contract Value (ACV)

Annualized revenue per customer contract. Excludes one-time fees. Critical for enterprise SaaS.

FORMULA

$$\text{ACV} = \frac{\text{Total contract value}}{\text{Contract term in years}}$$

BENCHMARKS

- Self-serve:** <\$5K
- SMB sales-assisted:** \$5K-\$25K
- Mid-market:** \$25K-\$100K
- Enterprise:** \$100K+

PRO TIP

ACV determines your GTM motion. Below \$5K needs product-led growth; above \$25K justifies a sales team.

Growth & Efficiency

Efficiency metrics reveal whether growth is sustainable or you're burning cash to buy revenue.

SaaS Quick Ratio

Measures growth efficiency by comparing MRR gains to MRR losses. Higher = more durable growth.

FORMULA

$$\text{Quick Ratio} = \frac{(\text{New MRR} + \text{Expansion})}{(\text{Churned} + \text{Contraction})}$$

BENCHMARKS

- Below 1.0:** Shrinking
- 1.0-2.0:** Low efficiency
- 2.0-4.0:** Healthy
- Above 4.0:** Excellent

PRO TIP

A Quick Ratio of 4 means you add \$4 for every \$1 lost. 4+ is the benchmark for elite SaaS.

Rule of 40

Revenue growth rate + profit margin should exceed 40%. Balances growth against profitability.

FORMULA

$$\text{Rule of 40} = \text{Revenue growth rate (\%)} + \text{EBITDA margin (\%)}$$

BENCHMARKS

- Below 20%:** Needs attention
- 20-40%:** Developing
- 40-60%:** Strong
- Above 60%:** Elite (top decile)

PRO TIP

Growing 60% YoY with -20% margins hits 40. Growing 20% with 20% margins also hits 40. Investors prefer speed early.

SaaS Magic Number

Sales efficiency: how much new ARR each dollar of S&M spend generates.

FORMULA

$$\text{Magic Number} = \frac{\text{QoQ net new ARR}}{\text{Prior quarter S\&M spend}}$$

BENCHMARKS

- Below 0.5:** Inefficient
- 0.5-0.75:** Needs optimization
- 0.75-1.0:** Good
- Above 1.0:** Very efficient

PRO TIP

Above 0.75 generally signals you should invest more in S&M. Below 0.5 means fix GTM before scaling.

Burn Multiple

Cash burned for each dollar of net new ARR. Lower is better. Popularized by David Sacks.

FORMULA

$$\text{Burn Multiple} = \frac{\text{Net cash burned}}{\text{Net new ARR}}$$

BENCHMARKS

- Below 1x:** Amazing
- 1x-1.5x:** Great
- 1.5x-2x:** Good
- 2x-3x:** Concerning
- Above 3x:** Unsustainable

PRO TIP

In down markets, burn multiple is the metric investors watch most closely.

Gross Margin

Revenue remaining after direct costs of delivering your service (hosting, support, onboarding).

FORMULA

$$\text{Gross Margin} = (\text{Revenue} - \text{COGS}) / \text{Revenue} \times 100$$

BENCHMARKS

- Below 60%:** More services than SaaS
- 60-70%:** Acceptable early stage
- 70-80%:** Good
- Above 80%:** Best-in-class

PRO TIP

Include hosting, DevOps, support, and onboarding in COGS. Aim for 75%+ for investor expectations.

Revenue Per Employee

ARR divided by headcount. A proxy for operational efficiency and scalability.

FORMULA

$$\text{Rev/Employee} = \text{ARR} / \text{Total full-time employees}$$

BENCHMARKS

- Early stage (<\$10M ARR):** \$100K-\$175K
- Growth (\$10-50M):** \$150K-\$225K
- Scale (\$50M+):** \$200K-\$300K

PRO TIP

If this metric is flat or declining despite revenue growth, headcount is outpacing revenue.

Cash Runway

Months before you run out of cash at the current burn rate.

FORMULA

$$\text{Runway} = \text{Cash balance} / \text{Monthly net burn rate}$$

BENCHMARKS

- Danger zone:** <6 months
- Start fundraising:** 9-12 months
- Comfortable:** 12-18 months
- Strong:** 18-24+ months

PRO TIP

Start fundraising with 9+ months of runway. Factor in revenue growth when projecting.

Sales Performance

Measure the effectiveness of your go-to-market engine from pipeline to close.

Sales Velocity

The speed at which your sales team generates revenue. Combines four key levers.

FORMULA

$$\text{Sales Velocity} = (\text{Opps} \times \text{Win rate} \times \text{Avg deal size}) / \text{Avg cycle length}$$

BENCHMARKS

Track relative MoM changes rather than absolute values
Improving velocity = growing more efficiently

PRO TIP

To increase velocity: more pipeline, higher win rates, bigger deals, or shorter cycles.

Average Sales Cycle Length

Average number of days from first qualified touch to closed-won deal.

FORMULA

$$\text{Avg Cycle} = \text{Sum of days to close all deals} / \text{Number of deals closed}$$

BENCHMARKS

Self-serve (<\$5K ACV): 1-14 days
SMB (\$5K-\$25K): 14-60 days
Mid-market (\$25-100K): 30-90 days
Enterprise (\$100K+): 90-180+ days

PRO TIP

Segment by deal size. An average mixing SMB and enterprise is misleading. Track median, not just mean.

Win Rate

Percentage of qualified opportunities that convert to closed-won deals.

FORMULA

$$\text{Win Rate} = \text{Closed-won} / \text{Total closed (won + lost)} \times 100$$

BENCHMARKS

Below 15%: Qualification issues
17-25%: Average B2B SaaS
25-35%: Good
Above 35%: Strong (or under-qualifying)

PRO TIP

Win rate above 40% may mean not pursuing enough opportunities. Below 15% suggests poor lead qualification.

Pipeline Coverage Ratio

Total pipeline value relative to your revenue target for the period.

FORMULA

$$\text{Coverage} = \text{Total pipeline value} / \text{Revenue target}$$

BENCHMARKS

Below 2x: Likely to miss target
2x-3x: Minimum viable
3x-4x: Healthy
Above 5x: Possible pipeline bloat

PRO TIP

Required coverage depends on win rate. With 25% win rate, you need 4x coverage to hit target.

Lead-to-Customer Conversion Rate

Percentage of leads that ultimately convert into paying customers.

FORMULA

$$\text{Conversion} = \frac{\text{New customers}}{\text{Total new leads}} \times 100$$

BENCHMARKS

- Inbound:** 2-5%
- Outbound:** 0.5-2%
- Product-qualified:** 15-30%
- Free trial:** 10-25%

PRO TIP

Break into stage-by-stage rates (MQL > SQL > Opp > Customer) to find bottlenecks.

Retention & Churn

Retention is the foundation of SaaS. High churn kills even the fastest-growing companies.

Customer Churn Rate (Logo Churn)

Percentage of customers who cancel during a period, regardless of revenue contribution.

FORMULA

$$\text{Customer Churn} = \frac{\text{Customers lost}}{\text{Customers at start of period}} \times 100$$

BENCHMARKS

- SMB monthly:** 3-7%
- Mid-market monthly:** 1-2%
- Enterprise monthly:** <1%
- Annual best-in-class:** <5%

PRO TIP

Logo churn treats all customers equally. Always pair with revenue churn for the full picture.

Revenue Churn Rate (MRR Churn)

Percentage of MRR lost to cancellations and downgrades during a period.

FORMULA

$$\text{Revenue Churn} = \frac{(\text{Churned} + \text{Contraction MRR})}{\text{Beg. MRR}} \times 100$$

BENCHMARKS

- Good:** <2% monthly gross revenue churn
- Great:** <1% monthly
- Best-in-class:** net negative revenue churn

PRO TIP

If revenue churn is lower than logo churn, you're retaining larger customers. That's the right pattern.

Net Revenue Retention (NRR)

Revenue retained from existing customers after expansion, contraction, and churn. The single most important retention metric.

FORMULA

$$\text{NRR} = (\text{Beg MRR} + \text{Expansion} - \text{Contraction} - \text{Churn}) / \text{Beg MRR} \times 100$$

BENCHMARKS

- Below 90%:** Leaky bucket
- 90-100%:** Acceptable (SMB)
- 100-110%:** Good
- 110-130%:** Great
- Above 130%:** Elite

PRO TIP

NRR above 100% means existing customers grow faster than they churn. THE metric public investors value most.

Gross Revenue Retention (GRR)

Revenue retained BEFORE expansion. Pure retention strength. Capped at 100%.

FORMULA

$$\text{GRR} = (\text{Beg MRR} - \text{Contraction} - \text{Churn}) / \text{Beg MRR} \times 100$$

BENCHMARKS

- Below 80%:** Serious problems
- 80-85%:** Needs improvement
- 85-90%:** Acceptable
- 90-95%:** Good
- Above 95%:** Excellent

PRO TIP

A high NRR with low GRR means expansion is masking churn. GRR reveals the truth.

Expansion Revenue Rate

Percentage of beginning MRR coming from upsells, cross-sells, and add-ons.

FORMULA

$$\text{Expansion Rate} = \text{Expansion MRR} / \text{Beginning MRR} \times 100$$

BENCHMARKS

- Low:** <1% monthly
- Good:** 1-3%
- Great:** 3-5%
- Best-in-class:** >5%

PRO TIP

Build expansion into your product: usage-based tiers, seat-based models, natural add-on paths.

Cohort Retention Analysis

Tracks how specific groups of customers retain or churn over time. Reveals if retention is improving.

FORMULA

Track % of cohort revenue remaining at month 1, 3, 6, 12, 24...

BENCHMARKS

- Month 12 logo retention:** >80% is good
- Month 12 revenue retention:** >90% is good

PRO TIP

If newer cohorts retain better, your product is improving. If the opposite, something is degrading.

Engagement & Product

Leading indicators that predict retention, expansion, and churn before they hit revenue.

Free Trial Conversion Rate

Percentage of free trial users who convert to a paid subscription.

FORMULA

$$\text{Trial Conversion} = \frac{\text{Paid conversions}}{\text{Total trial starts}} \times 100$$

BENCHMARKS

Opt-in (no CC): 8-20%

Opt-out (CC required): 25-60%

Freemium to paid: 2-5%

Reverse trial: 10-20%

PRO TIP

Opt-out trials convert much higher but generate fewer trials. Test both to find optimal total revenue.

Time to Value (TTV)

How quickly a new user experiences the core value of your product.

FORMULA

$$\text{TTV} = \text{Time from signup to first activation event}$$

BENCHMARKS

Self-serve: aim for <5 minutes

SMB: <1 day

Mid-market: <1 week

Enterprise: <30 days

PRO TIP

Reducing TTV is often the single highest-leverage improvement for retention.

Activation Rate

Percentage of new signups who complete key actions indicating they've found value.

FORMULA

$$\text{Activation Rate} = \frac{\text{Users who hit activation milestone}}{\text{Total signups}} \times 100$$

BENCHMARKS

Below 20%: Onboarding needs work

20-40%: Room to improve

40-60%: Good

Above 60%: Strong PMF signal

PRO TIP

Define activation as the action most correlated with long-term retention, not just 'completed onboarding.'

DAU/MAU Ratio (Stickiness)

Daily active users vs. monthly active users. Measures how habitually users engage.

FORMULA

$$\text{Stickiness} = \frac{\text{Daily Active Users}}{\text{Monthly Active Users}} \times 100$$

BENCHMARKS

Below 10%: Occasional use

10-20%: Average B2B SaaS

20-30%: Good

Above 50%: Exceptional

PRO TIP

Most B2B tools aren't daily-use. Use WAU/MAU instead if your product has weekly workflows.

Net Promoter Score (NPS)

Survey-based metric: how likely are customers to recommend you? Scored 0-10.

FORMULA

$$\text{NPS} = \% \text{ Promoters (9-10)} - \% \text{ Detractors (0-6)}$$

BENCHMARKS

Below 0: More detractors than promoters

0-30: Good

30-50: Great

Above 50: Excellent

PRO TIP

NPS is only useful if you follow up. Close the loop with detractors within 48 hours.

Quick Reference: All 38 Metrics at a Glance

Metric	Formula (Simplified)	Good Benchmark
MRR	Sum of normalized monthly subscriptions	\$100K+ (Series A)
ARR	MRR x 12	\$1M-\$5M (Series A)
CMRR	Live MRR + Signed - Known churn	Within 5-15% of MRR
Revenue Growth	(New - Old MRR) / Old MRR	10-15% MoM
Net New MRR	New + Expansion + React. - Churn - Contract.	>5% of starting MRR
Expansion MRR	Sum of upsells from existing customers	>40% of New MRR
Contraction MRR	Sum of downgrades	<1% of beg. MRR/mo
Churned MRR	Sum of cancellations	<2% monthly
Reactivation MRR	Sum of returning customer MRR	>10% of Churned
CAC	S&M; spend / New customers	<1x ACV
LTV	ARPA / Churn rate	>3x CAC
LTV:CAC	LTV / CAC	3:1 to 5:1
CAC Payback	CAC / (ARPA x Gross margin)	<12 months
ARPA	MRR / Paying customers	Track monthly trend
ACV	Contract value / Years	Drives GTM motion
Quick Ratio	(New + Expansion) / (Churn + Contract.)	>4.0
Rule of 40	Growth rate + EBITDA margin	>40%
Magic Number	QoQ net new ARR / Prior Q S&M;	>0.75
Burn Multiple	Net burn / Net new ARR	<1.5x
Gross Margin	(Rev - COGS) / Revenue	>75%
Rev/Employee	ARR / FTEs	>\$175K
Cash Runway	Cash / Monthly burn	>18 months
Sales Velocity	(Opps x Win% x Deal size) / Cycle	Track MoM change
Sales Cycle	Avg days to close	Segment by ACV
Win Rate	Won / (Won + Lost)	25-35%
Pipeline Coverage	Pipeline / Target	3x-4x
Lead Conversion	Customers / Leads	2-5% inbound
Logo Churn	Lost customers / Start customers	<5% annual
Revenue Churn	(Churn + Contract.) / Beg. MRR	<2% monthly
NRR	(Beg + Exp - Contr - Churn) / Beg MRR	>110%
GRR	(Beg - Contr - Churn) / Beg MRR	>90%
Expansion Rate	Expansion MRR / Beg MRR	>3% monthly
Trial Conversion	Paid / Trial starts	25-60% (opt-out)
Time to Value	Signup to activation event	<5 min (self-serve)
Activation Rate	Activated / Signups	>40%
DAU/MAU	Daily Active Users / Monthly Active Users	20-30% (B2B)
NPS	% Promoters (9-10) - % Detractors (0-6)	>30
Cohort Retention	% of cohort remaining at month N	>80% at month 12

Want help tracking these metrics for your SaaS business?

DualEntry helps SaaS companies get their financial metrics right.

Visit dualentry.com to learn more.