

METRIC MONDAY

Are you ready?

The metrics you should be tracking and benchmarking in your organization



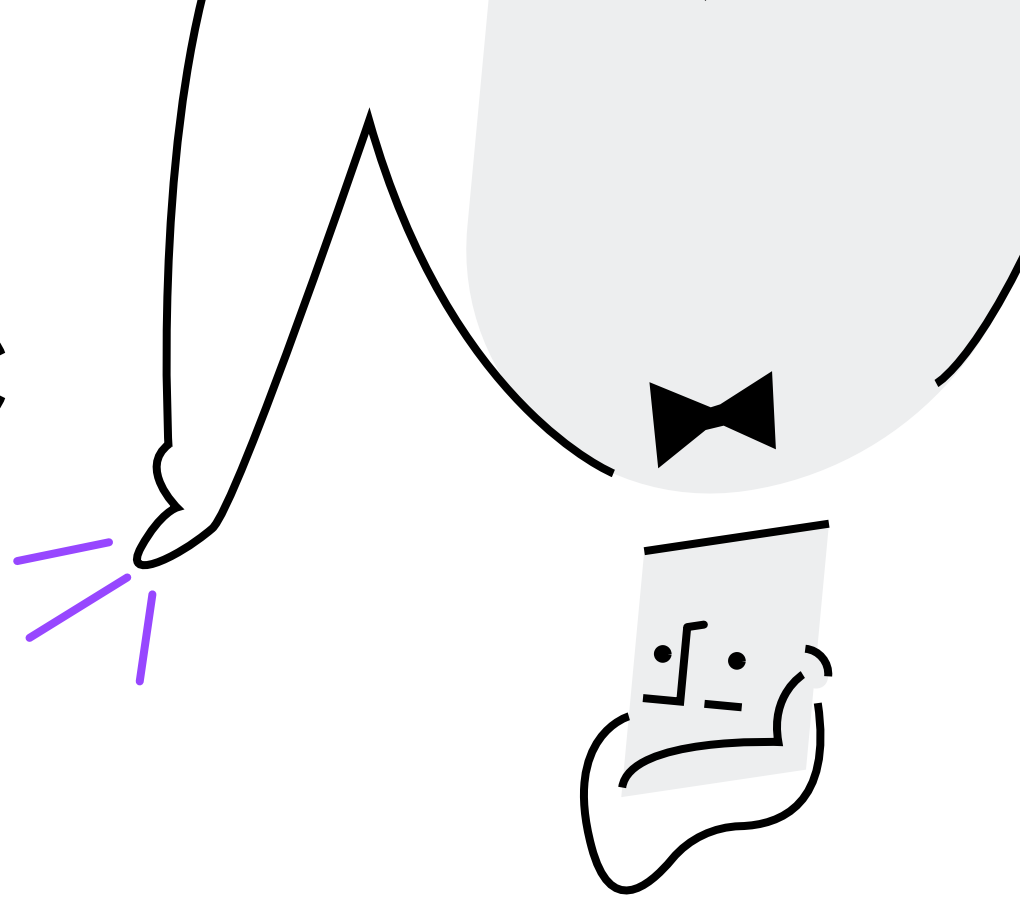
Today's contenders...



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SaaS Magic Number

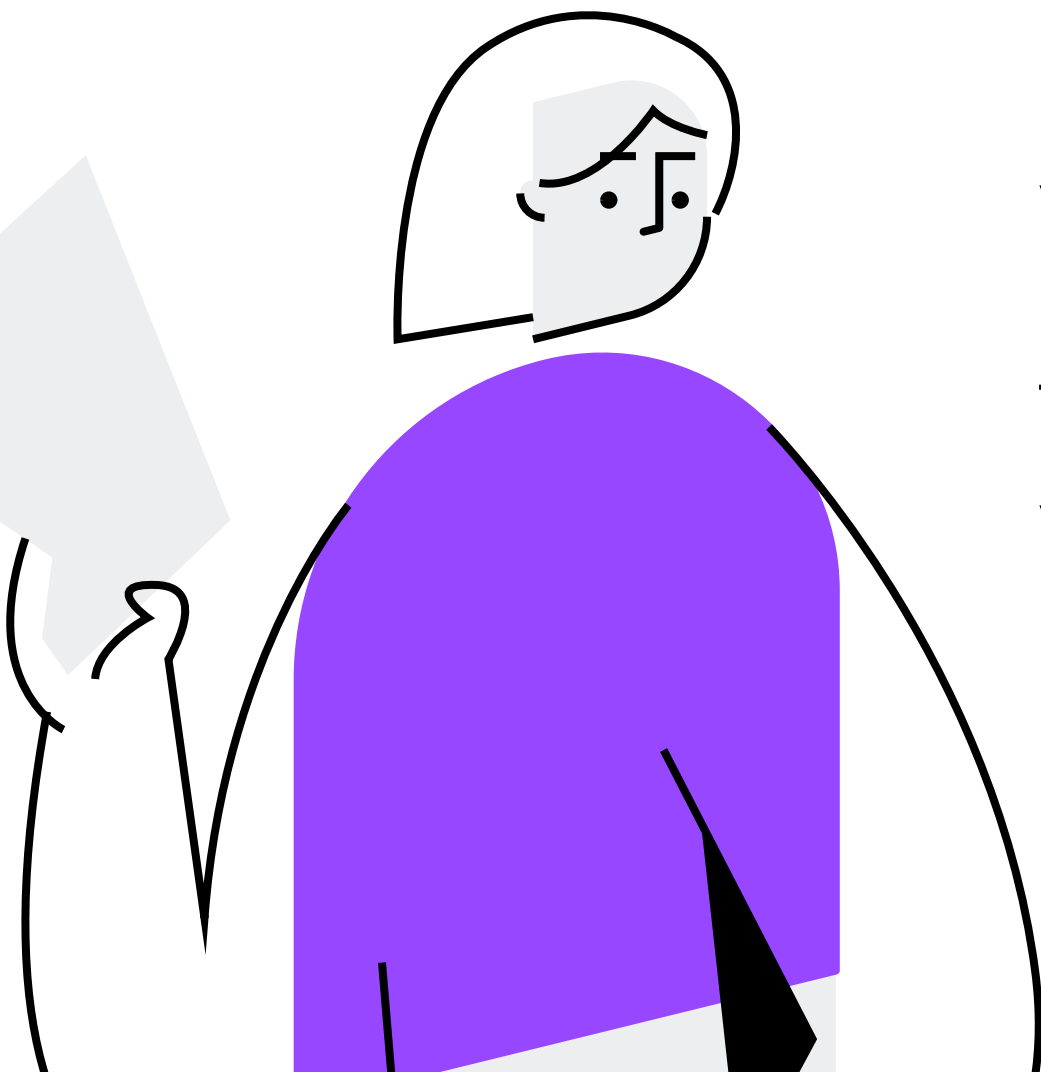


What is it?

Annual revenue generated for every dollar spent on sales and marketing.

$$\text{SaaS Magic Number} = \frac{\text{(Current Year Revenue - Prior Year Revenue)}}{\text{Prior Year Sales \& Marketing Spend}}$$

Note: There are other ways to calculate your SaaS magic number. This is one method we'd recommend.



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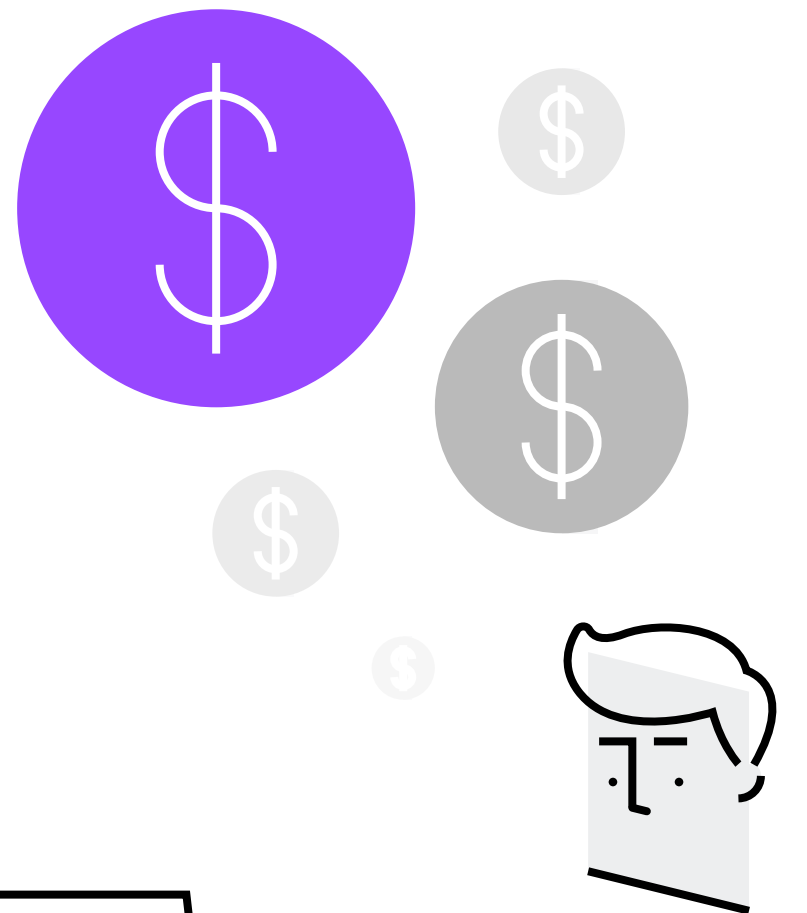
COGS

COST OF GOODS SOLD

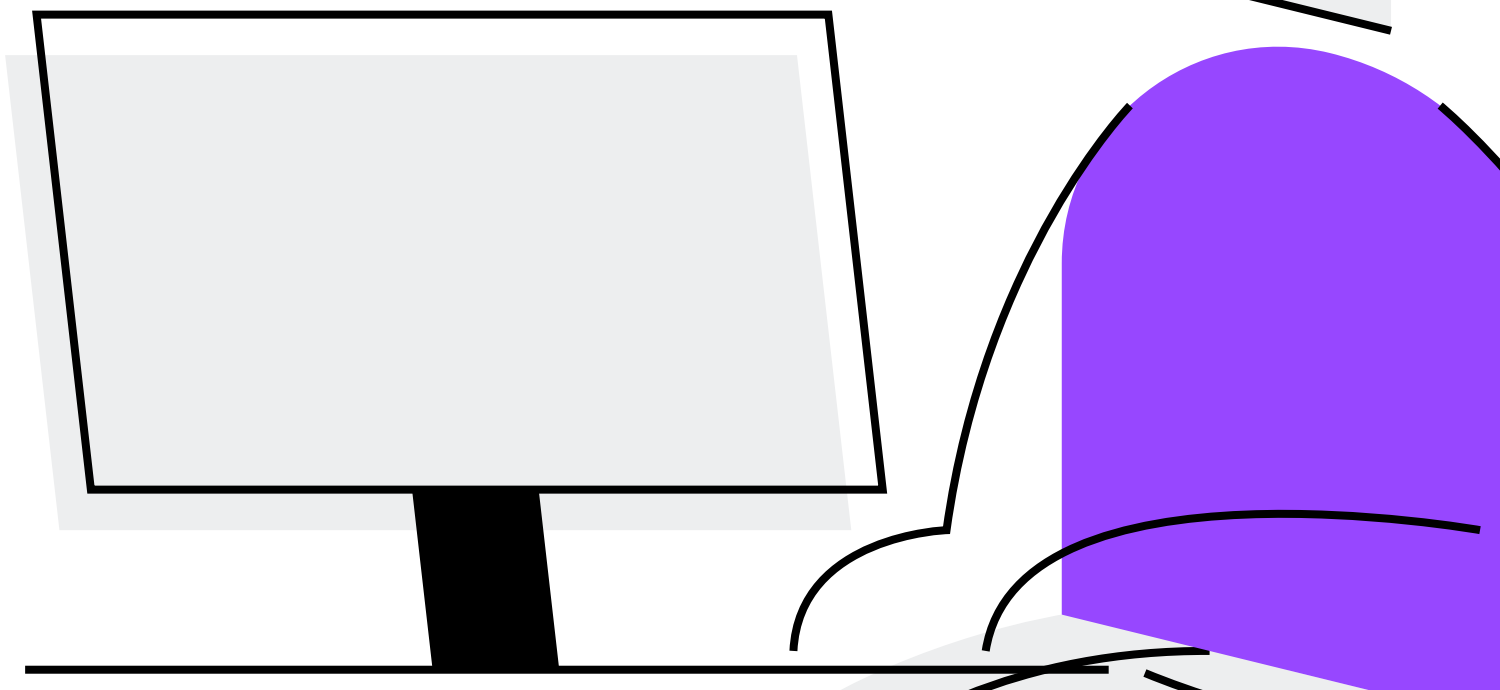
What is it?

The amount of money your company will spend in the current calendar year to build and deliver products or services to your customers.

This will include materials, labor (including benefits), customer support, third-party contracts, software licenses, etc.

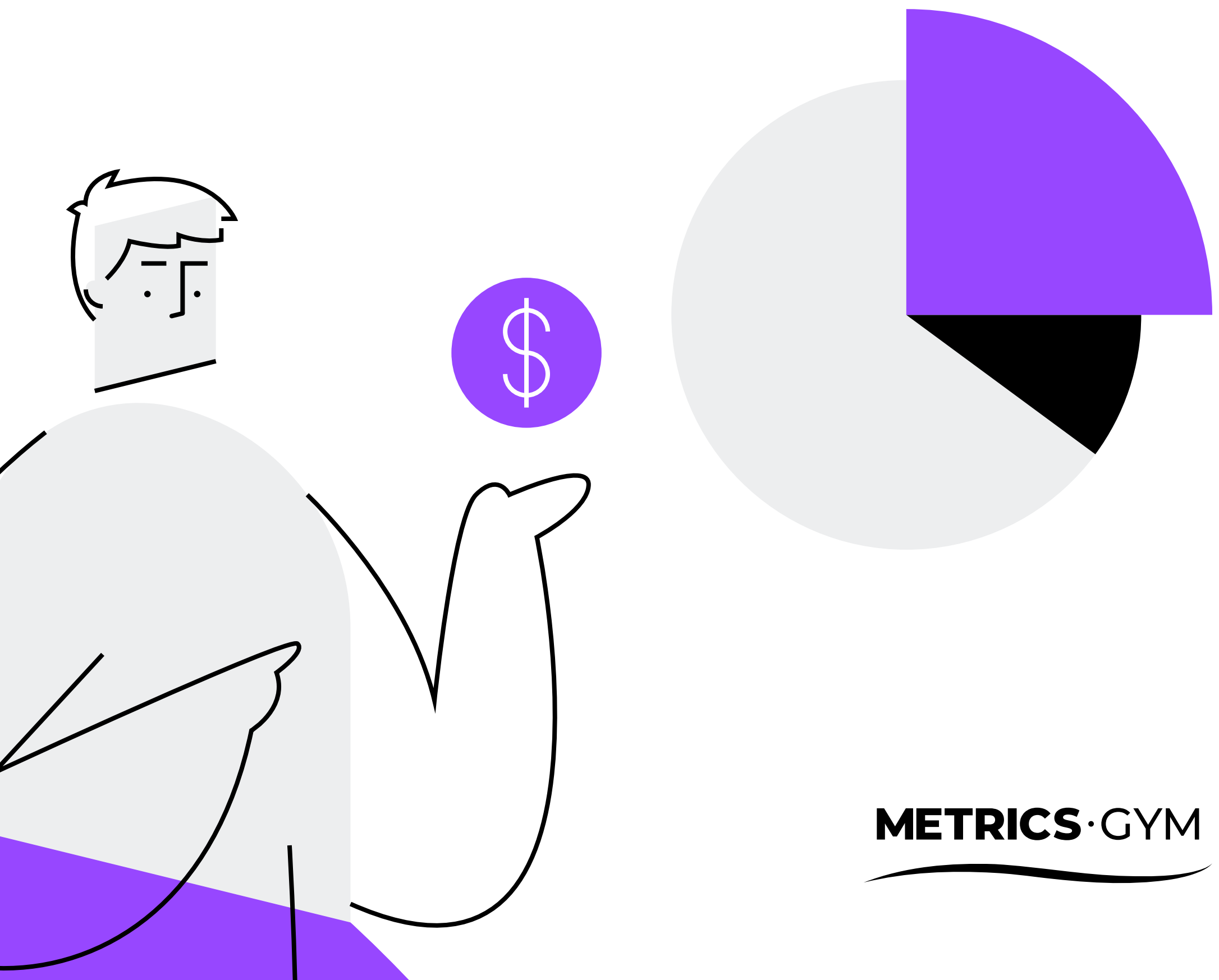


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Extra! Calculating your COGS as percentage your company's annual revenue.

$$\text{COGS}_{\text{(\% of AR)}} = \frac{\text{COGS (\$)}}{\text{Annual Rev (\$)}} \times 100$$



EBIDTA

EARNINGS BEFORE INTEREST, TAXES,
DEPRECIATION, AND AMORTIZATION

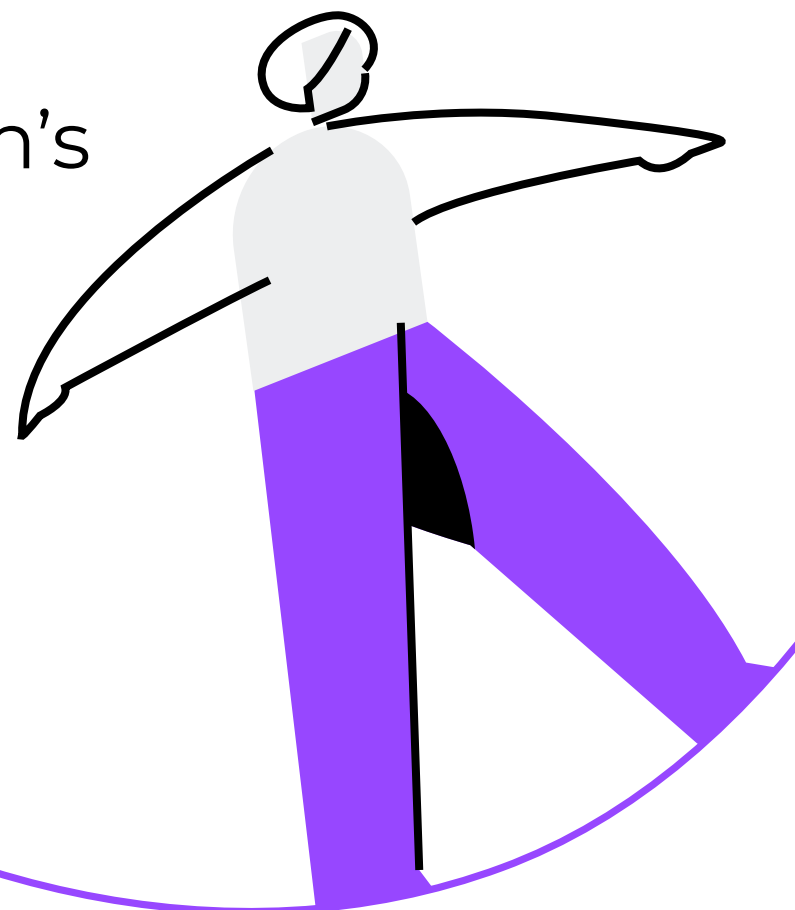
What is it?

EBIDTA is a calculation of your net income before common deductions.

$$\text{EBIDTA} = \text{Net Income} + \text{Interest} + \text{Taxes} + \text{Depreciation} + \text{Amortization}$$

Purpose

Is an indicator of a organization's profitability and performance.



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