

Key Metrics

1. MRR (Monthly Recurring Revenue) = The amount of revenue you make that recurs monthly
2. ARR (Annual Recurring Revenue) = The amount of revenue you receive that recurs yearly
3. ARPA (Annual Revenue per Account) = $MRR / \text{Total \# of Customers}$
4. Gross Profit = Total revenue minus the cost of goods sold
5. TCV (Total Contract Value) = Value of one-time and recurring charges
6. ACV (Annual Contract Value) = The value that a contract will bring to your business annually
7. LTV (Lifetime Value) = Prediction of the net profit from the entire future relationship with a customer
8. Deferred Revenue = Amount that was received by a company in advance of earning it
9. Billings = Current quarterly revenue + deferred revenue from the previous quarter
10. CAC (Customer Acquisition Cost) = How much it costs, on average, to acquire a customer
11. CCR (Customer Concentration Risk) = $\text{Revenue from largest customer} / \text{total revenue}$
12. DAU (Daily Active Users) = The number of users that return to your startup's site or app daily
13. MAU (Monthly Active Users) = The number of users that return to your startup's site or app on a monthly basis
14. Number of Logins = The amount of times users has logged in to your portal
15. Activation Rate = Number of users taking a specific action to get value out of a product
16. MoM (Month-on-Month Growth) = The rate of growth from month to month, comparing the current month or past 30 days to the previous month or last 31 to 60 days.
17. CMGR (Compounded Monthly Growth Rate) = $(\text{Latest Month} / \text{First Month}) ^ (1 / \# \text{ of Months}) - 1$
18. MCR (Monthly Churn Rate) = $\text{Lost customers this month} / \text{prior month total}$
19. Retention by Cohort = % of original installed base (1st month) that are still transacting
20. GCR (Gross Churn Rate) = $\text{MRR lost in each month} / \text{MRR at the beginning of the month}$
21. Net Churn = $(\text{MRR lost} - \text{MRR from upsells}) \text{ this month} / \text{MRR at the beginning of the month}$
22. Monthly Cash Burn Rate = How much money you spend per month (gross)
23. Net Burn Rate = $\text{Revenues} - \text{gross burn}$
24. Gross Burn = $\text{Monthly expenses} + \text{any other cash outlays}$
25. TAM (Total Addressable Market) = Revenue opportunity available for a product
26. ARR (Annual Run Rate) = Projection of current MRR into the future, annualized
27. Gross Margin = Difference between revenue and cost of goods sold
28. Sell-Through Rate = $\text{Number of units sold in a period} / \text{number of items at the beginning of the period}$
29. Network Effects = Effect of one user on the value of that product to other people (example: Metcalfe's Law)
30. Virality = Viral coefficient = $\text{average number of invitations sent existing user} * \text{conversion rate of invitation}$
31. NPS (Net Promoter Score) = How likely user is to recommend your product to a friend
32. Platform Risk = Dependence on a specific platform or channel
33. Direct Traffic = Traffic coming directly to your site via a link or entering the URL
34. Organic Traffic = Unpaid traffic from search results