



I N S P I R E R
— IDEATION STUDIO —

Metrics Cheat Sheet

This is a great tool for any business. Understanding and analyzing metrics on a regular basis is vital to growth and profitability.

We hope you find value in this tool. If you have any questions feel free to email us directly at info@inspirer.com

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Sales	
Revenue Run Rate	How sales are developing over time.
ARPU (Average Revenue Per	Customer's average contribution to revenue.
Magic Number	Take the net growth of subscription revenue over two quarters, multiply by 4, and then divide by the total spend on sales and marketing.
Customer	
CAC (Customer Acquisition Cost)	How much it costs to attract each customer. Divide sales and marketing costs, including overhead expenses in these departments, for a given period of time by the number of customers acquired.
Churn Rate	Calculated by dividing the number of lost customers by the sum of customers at beginning of a period of time and customers at end of period of time divided
Average Customer Lifetime	How long, on average, do customers utilize the company.
LTV (Life Time Value)	How profitable are each customer overtime. Simple formula: $LTV = ARPU - CAC$.
Customer Comparison	How do customers vary by sales channel?
Average Sales Cycle	Take the date that a customer is first contacted, and then the date that they make their first purchase.
ARPU (Average Revenue Per	Calculated by dividing total revenue in a period by the number of purchasing customers during that time.
Financial	
Burn Rate	How much cash goes out the door every month.
Runway	Take the amount of available capital and divide by the monthly burn rate.
Operation Efficiency	Return on spending. Ratio of SGA (selling, general and administrative expenses) to sales.
Gross Margins	Total revenue minus the "cost of goods sold" divided by the revenue.
Net Margins	Gross Margin minus the total expenses of the business.
Monthly Revenue Growth	Take the current month's revenue, subtract last month's revenue, and then divide by last month's revenue.
Revenue Run Rate	Take the revenues recognized in the most recent month and multiply by 12.
Marketing	
Viral Coefficient	Percentage of new customers over number of invites sent.
Conversion Rate	Calculated by dividing the number of users who converted by the number of potential users.
Referral	Percentage of new customers who come from existing customers.
Acquisition	Calculated by taking the total reach of a marketing message divided by actual product/site visits.
Mobile Users	Calculated by taking the number of visits from mobile and divide by the total number of visits to your product.
Market	
Total Addressable Market	This is the total amount of money spent in a defined space.
Average Wallet Size	The total amount that a single potential customer can spend in a given period of time for a category of services.