

2018 EXPANSION SAAS BENCHMARKS

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view the interactive report at saasbenchmarks.com

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INTRODUCTION



The SaaS landscape is ever changing, and it's crucial for businesses to evolve their strategies and tactics – but without objective data on what works and what doesn't, shifting strategies would be mere conjecture. We're releasing, for the second year in a row, our Expansion SaaS Benchmarking Study to solve this challenge.

The survey was live from May – July 2018 and included questions about size, funding, growth, talent, go-to-market strategy, diversity, and other important KPIs for expansion stage software businesses. This year, we placed special emphasis on the explosion of product led growth (PLG) – a go-to-market strategy that underpins some of today's most successful businesses.

PARTICIPANT OVERVIEW



420 enterprise software companies participated in the survey, including a mix by company size (<\$1M ARR to \$50M+ ARR), software category (infrastructure, application, etc.), and geography.



~70% of participants were CEOs, CFOs, or VPs of Finance at their respective company.

SURVEY PARTNERS



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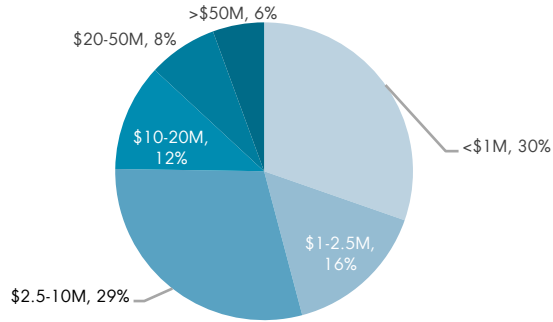


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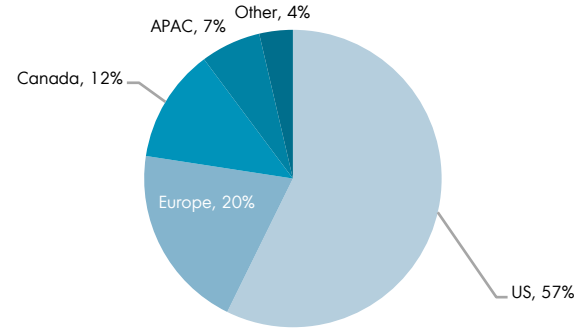


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PARTICIPANT OVERVIEW



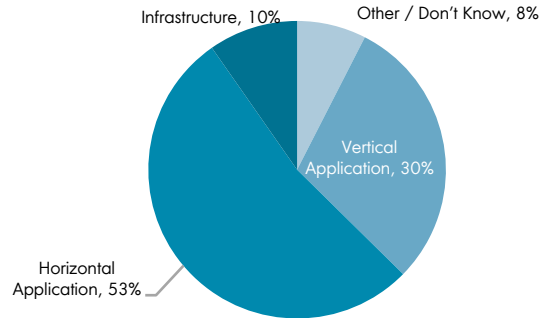
DISTRIBUTION BY ARR



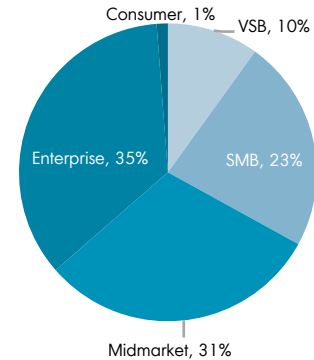
DISTRIBUTION BY GEOGRAPHY

Source: 2018 OpenView SaaS Metrics Survey, N=420.

PARTICIPANT OVERVIEW



DISTRIBUTION BY SOFTWARE CATEGORY



DISTRIBUTION BY TARGET CUSTOMER SIZE

Source: 2018 OpenView SaaS Metrics Survey, N=420.

EXECUTIVE SUMMARY

COMPANY PERFORMANCE BENCHMARKS

SIZE AND GROWTH

Employees	Number of full-time equivalent employees at the end of 2017.
Funding	Amount of equity capital raised to date.
YoY Growth Rate	Change in annual recurring revenue at the end of 2017 vs. 2016.

FINANCIAL

Sales & Marketing Spend	Spending on Sales & Marketing, including headcount, as a % of year-end 2017 ARR.
R&D Spend	Spending on R&D, including headcount, as a % of year-end 2017 ARR.
Software Revenue	Revenue derived from subscriptions as a percent of total 2017 revenue.
Monthly Burn Rate (in 000's)	Net monthly burn rate basis at the end of 2017 (total \$ lost each month, negative values = profit).

SAAS VALUE DRIVERS

CAC Payback (months)	Months of subscription gross margin to recover the fully loaded cost of acquiring a customer.
Sales Efficiency	Incremental revenue contribution returned by Sales & Marketing spend.
Logo Retention	Annual logo retention seen in cohorts.
Net Dollar Retention	Annual net dollar retention (after upsells & expansion) seen in cohorts.

DIVERSITY

Women in Leadership	% of female representation among employees Director-level and above.
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HOW TO READ THESE SLIDES

	<\$1M	\$1-2.5M	\$2.5-10M	\$10-20M	\$20-50M	>\$50M
SIZE AND GROWTH						
Employees	8	22 (15-35)	45 (31-65)	100 (80-146)	165 (111-243)	424 (300-800)
Funding	\$5.0M (\$5-5M)	\$5.0M (\$5-10M)	\$10.0M (\$5-20M)	\$28.8M (\$10-37.5M)	\$37.5M (\$10-50M)	\$10.0M (\$28.8-50M)
YoY Growth Rate	83.3% (75-90%)	83.3% (75-90%)	80.1% (75-85%)	45.5% (19-80%)	46.0% (15-80%)	23.0% (10-35%)
FINANCIAL						
Sales & Marketing Spend	33% (25-40%)	33% (25-40%)	33% (25-55%)	41% (28-58%)	30% (17-53%)	37% (28-49%)
R&D Spend	50% (35-80%)	40% (25-50%)	37% (25-50%)	30% (19-46%)	30% (18-44%)	21% (11-34%)
Subscription Revenue	90% (60-100%)	90% (80-100%)	90% (80-100%)	94% (80-99%)	95% (69-99%)	92% (76-96%)
Monthly Burn Rate (\$ in 000s)	\$25 (\$6-56)	\$50 (\$0-123)	\$125 (\$0-303)	\$183 (\$0-517)	\$100 (\$0-623)	\$0 (\$-9-280)
SAAS VALUE DRIVERS						
CAC Payback (months)	5 (3-10)	8 (3-12)	12 (6-17)	18 (8-30)	12 (8-21)	14 (9-19)
Sales Efficiency	.96 (.43-2.06)	1.00 (.56-2.26)	.89 (.51-1.57)	.69 (.45-1.03)	.80 (.37-1.37)	.41 (.21-.92)
Logo Retention	90% (80-100%)	91% (80-99%)	88% (80-95%)	85% (76-93%)	80% (68-89%)	70% (62-78%)
Net Dollar Retention	99% (80-100%)	100% (90-107%)	100% (89-110%)	99% (90-100%)	92% (80-109%)	95% (87-104%)
DIVERSITY						
Women in Leadership	33%	33%	33%	30% (20-45%)	20% (10-30%)	30% (15-45%)

Columns represent responses from companies at varying levels of ARR, from <\$1M to >\$50M

Rows represent common KPIs across categories including size and growth, financial, value drivers, and diversity

Each cell represents the **median** performance of a company, as well as the range (**bottom quartile – top quartile**) within each respective ARR scale

Note: Companies are not in the top quartile for all metrics. A top quartile grower at a particular ARR scale may also be in the bottom quartile for that ARR scale in other financial, SaaS value drivers, or diversity metrics.

SAAS METRICS BY COMPANY ARR

Source: 2018 OpenView SaaS Metrics Survey, N=420.

	<\$1M	\$1-2.5M	\$2.5-10M	\$10-20M	\$20-50M	>\$50M
SIZE AND GROWTH						
Employees	8 (5-14)	22 (15-35)	45 (31-65)	100 (80-146)	165 (111-243)	424 (300-800)
Funding	\$5.0M (\$5-5M)	\$5.0M (\$5-10M)	\$10.0M (\$5-20M)	\$28.8M (\$10-37.5M)	\$37.5M (\$10-50M)	\$50.0M (\$28.8-50+M)
YoY Growth Rate	83.5% (15-200%)	63.5% (25-196%)	80.0% (30-119%)	45.5% (19-80%)	46.0% (15-80%)	23.0% (10-35%)
FINANCIAL						
Sales & Marketing Spend	33% (15-50%)	35% (20-50%)	40% (25-55%)	41% (28-58%)	30% (17-53%)	37% (28-49%)
R&D Spend	50% (35-80%)	40% (25-50%)	37% (25-50%)	30% (19-46%)	30% (18-44%)	21% (11-34%)
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SAAS VALUE DRIVERS						
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Sales Efficiency	.96 (.43-2.06)	1.00 (.56-2.26)	.89 (.51-1.57)	.69 (.45-1.03)	.80 (.39-1.37)	.41 (.25-.92)
Logo Retention	90% (80-100%)	91% (80-99%)	88% (80-95%)	85% (76-90%)	83% (66-93%)	80% (72-91%)
Net Dollar Retention	99% (80-100%)	100% (90-107%)	100% (89-110%)	99% (90-105%)	92% (80-109%)	95% (87-104%)
DIVERSITY						
Women in Leadership	15% (0-33%)	20% (10-29%)	20% (6-33%)	30% (20-45%)	20% (10-30%)	30% (15-45%)

SAAS METRICS BY MOST RECENT FUNDING

Source: 2018 OpenView SaaS Metrics Survey, N=420.

	Angel / Seed	Series A	Series B	Series C	Series D or Later
SIZE AND GROWTH					
Employees	10	38	67	115	195
YoY Growth Rate	100%	80%	126%	81%	60%
ARR	\$0.5M	\$3.8M	\$7.5M	\$12.5M	\$25.0M
FINANCIAL					
Sales & Marketing Spend	35%	45%	50%	61%	46%
R&D Spend	60%	40%	40%	43%	38%
Subscription Revenue	95%	91%	91%	98%	90%
Monthly Burn Rate (\$ in 000s)	\$39	\$150	\$317	\$455	\$312
SAAS VALUE DRIVERS					
CAC Payback (months)	6 months	12 months	14 months	11 months	14 months
Sales Efficiency	1.19	0.98	0.83	0.64	0.94
Logo Retention	90%	90%	86%	90%	90%
Net Dollar Retention	100%	100%	105%	99%	104%
DIVERSITY					
Women in Leadership	11%	20%	20%	24%	20%

PRODUCT LED GROWTH INSIGHTS

SPECIAL SECTION

“The future of growth is product led. This isn’t merely the latest fad or buzzword. Data shows that companies leveraging a PLG strategy perform better on average – faster growth, higher margins, lower burn and stronger valuation multiples. As with many new operational strategies, OpenView believes product led growth will soon become the norm, making it table stakes for SaaS companies that want to win in their markets. What is your company doing to adapt to the product led growth revolution?”

BLAKE BARTLETT

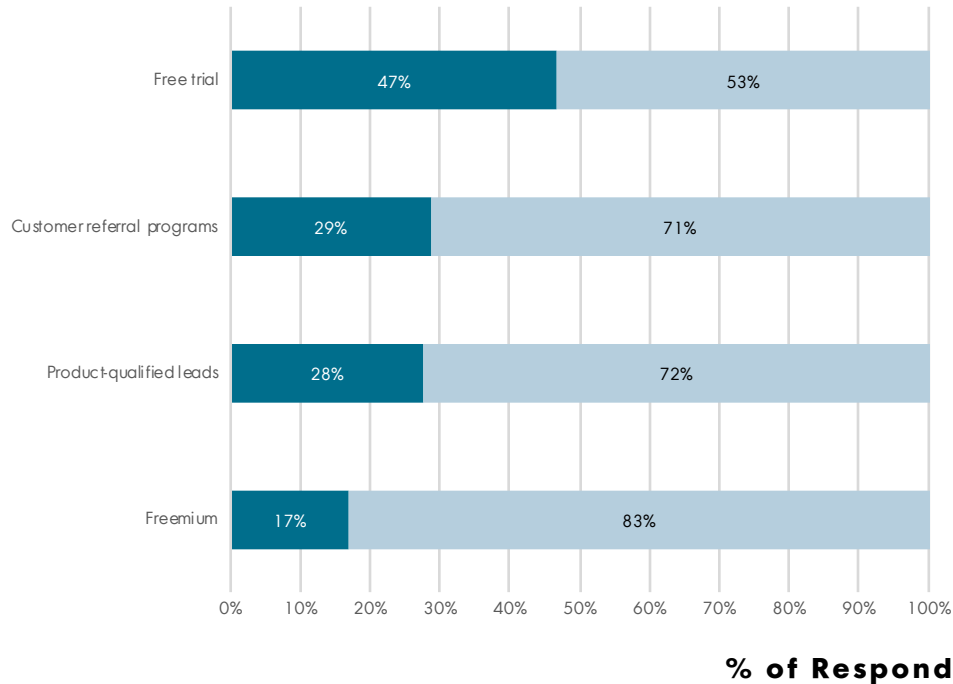
Partner, OpenView

PRODUCT LED GROWTH

- PLG companies use product to drive user acquisition, expansion and retention
- PLG products are extremely sticky – people log in regularly and users share the products with colleagues and friends
- These businesses tend to boast amazing NPS scores
- The virality of user adoption and significant goodwill built with users enables PLG business to successfully (and efficiently) accelerate growth via cross-sell / upsell over time
- Check out OpenView's **Product Led Growth Resources** page for more information on PLG



ADOPTION OF PRODUCT LED GROWTH STRATEGIES



Source: 2018 OpenView SaaS Metrics Survey, N=420.

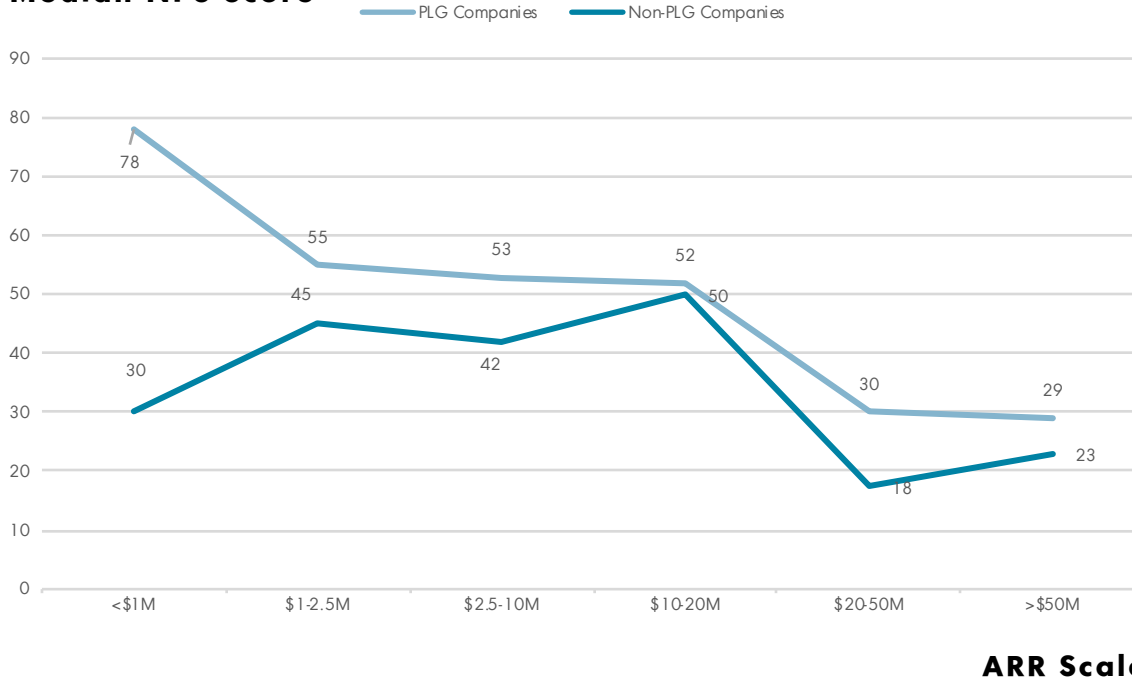
INSIGHTS

Free trials are the most popular product led growth strategy

Freemium – while much discussed – has only been adopted by 17% of companies

PRODUCT LED GROWTH COMPANIES HAVE BETTER NPS SCORES

Median NPS Score



Source: 2018 OpenView SaaS Metrics Survey, N=420. PLG Companies defined as those leveraging two or more of the four PLG strategies surveyed.

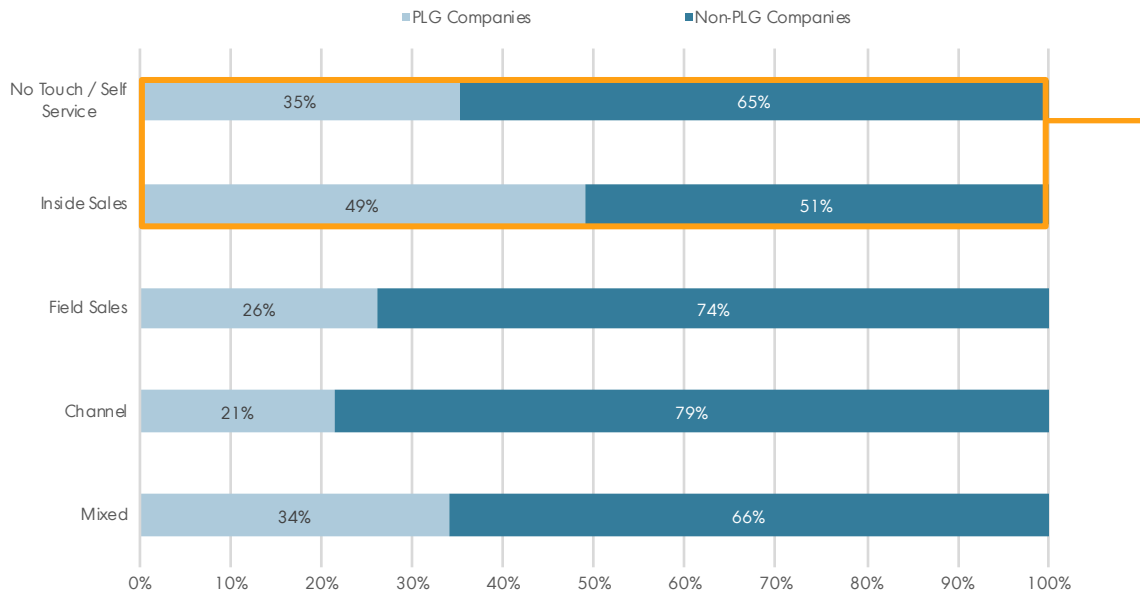
INSIGHTS

By delighting users and delivering value early, PLG companies boast higher NPS scores than their non-PLG peers

In general, NPS scores drop as companies reach scale

PRODUCT LED GROWTH STRATEGIES BY DOMINANT SALES CHANNEL

Dominant Sales Channel¹



PLG Company Dist.

1. Dominant sales channel accounts for >50% of ARR.

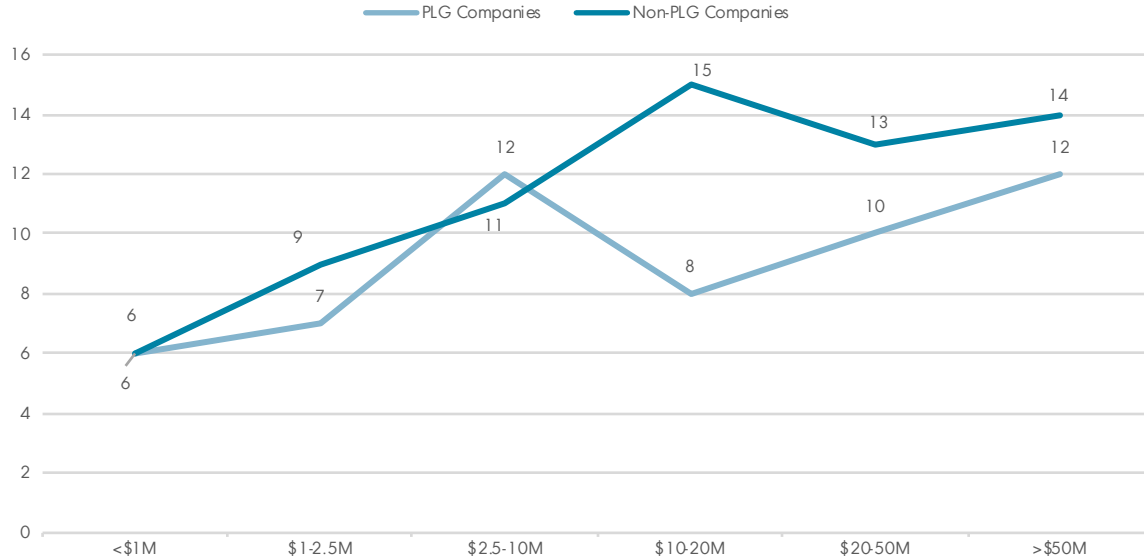
Source: 2018 OpenView SaaS Metrics Survey, N=420. PLG Companies defined as those leveraging two or more of the four PLG strategies surveyed.

INSIGHTS

PLG companies are able to succeed with lower cost sales channels as their products drive go-to-market

PRODUCT LED GROWTH COMPANIES GROW MORE EFFICIENTLY AT SCALE

Median CAC Payback



Source: 2018 OpenView SaaS Metrics Survey, N=420. PLG Companies defined as those leveraging two or more of the four PLG strategies surveyed.

ARR Scale

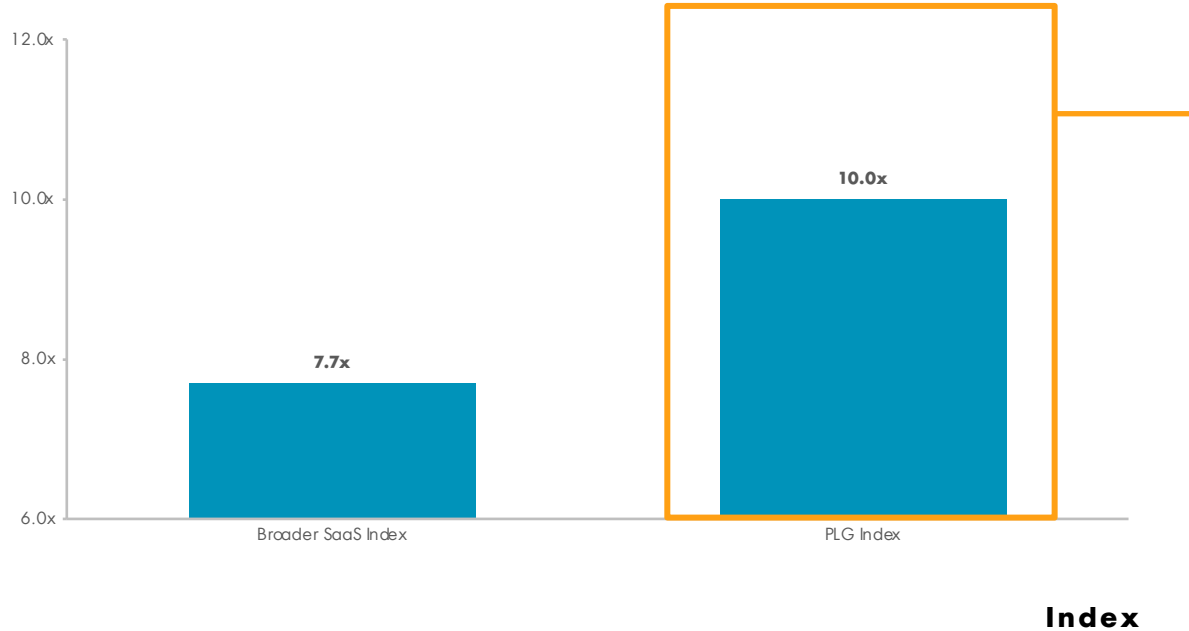
INSIGHTS

CAC Payback is undifferentiated in the expansion stage as companies rapidly invest to gain market share and scale teams

PLG companies grow significantly more efficiently (lower CAC) as they mature, benefitting from stickiness, delightful user experiences, and virality – there is no “leaky bucket”

PLG COMPANIES ARE MORE VALUABLE

Median 2018E EV / Revenue Multiple



INSIGHTS

The OpenView Product Led Growth Index trades at a median revenue multiple 2.8x (29%) higher than the broader public SaaS index (as of 6/30/2018)

**See Product Led Growth Index on next page

Source: Pitchbook data sourced on 8/10/2018 as of 6/30/2018.

PRODUCT LED GROWTH INDEX

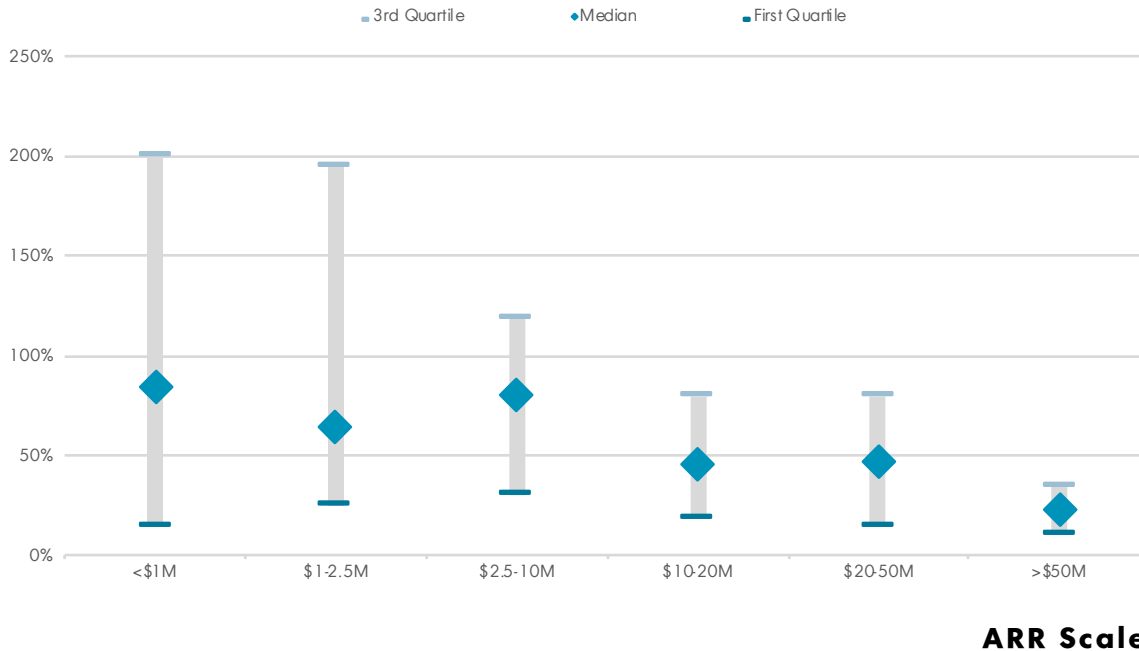
Data sourced from Pitchbook on 8/10/2018. Market data as of 6/30/2018.

Company	Enterprise Value	CY2018E Revenue	CY2018E Revenue Growth Rate	TTM Gross Margin	CY2018E EBITDA Margin	EV / Revenue	CY2018E Rule of 40	S&M Expense as % of '17 Revenue	R&D Expense as % of '17 Revenue
Atlassian (NASDAQ:TEAM)	\$13,717	\$864	39.3%	80.2%	28.0%	15.9x	67.8%	21.8%	50.0%
Shopify (NYSE:SHOP)	\$13,706	\$1,032	53.3%	56.5%	3.3%	13.3x	56.7%	33.5%	20.2%
Dropbox (NASDAQ:DBX)	\$12,305	\$1,357	60.7%	66.3%	21.3%	9.1x	81.9%	29.7%	34.3%
DocuSign (NASDAQ:DOCU)	\$8,570	\$656	26.5%	73.4%	5.1%	13.1x	31.6%	53.6%	17.8%
New Relic (NYSE:NEWR)	\$5,697	\$585	36.0%	70.1%	6.8%	9.7x	42.8%	51.3%	26.8%
Zendesk (NASDAQ:ZEN)	\$5,435	\$463	30.3%	82.3%	12.6%	11.8x	42.9%	58.3%	20.9%
LogMeIn (NASDAQ:LOGM)	\$5,391	\$1,191	20.3%	78.2%	36.7%	4.5x	57.0%	35.1%	15.8%
Twilio (NYSE:TWLO)	\$5,057	\$588	47.5%	53.4%	3.7%	8.6x	51.2%	25.2%	30.3%
Wix (NASDAQ:WIX)	\$4,602	\$599	40.6%	81.3%	18.6%	7.7x	59.2%	48.0%	36.1%
HubSpot (NYSE:HUBS)	\$4,575	\$498	32.7%	80.2%	9.4%	9.2x	42.1%	56.7%	18.7%
Pluralsight (NASDAQ:PS)	\$3,146	\$224	34.2%	70.3%	-21.8%	14.1x	12.4%	62.0%	29.5%
Smartsheet (NYSE:SMAR)	\$2,524	\$161	44.9%	80.4%	-31.2%	15.7x	13.7%	65.5%	33.8%
MongoDB (NASDAQ:MDB)	\$2,242	\$220	42.2%	72.2%	-31.8%	10.2x	10.4%	71.2%	40.3%
SendGrid (NYSE:SEND)	\$1,007	\$144	28.4%	74.2%	12.8%	7.0x	41.2%	25.2%	26.5%
PLG Index Median	\$5,224	\$587	37.6%	73.8%	8.1%	10.0x	42.8%	49.7%	28.2%
SaaS Index Median	\$2,304	\$257	25.3%	69.9%	9.6%	7.7x	37.0%	43.5%	19.4%

GO-TO-MARKET INSIGHTS

GROWTH RATE BY COMPANY ARR

Growth Rate (Annual)



Source: 2018 OpenView SaaS Metrics Survey, N=420.

INSIGHTS

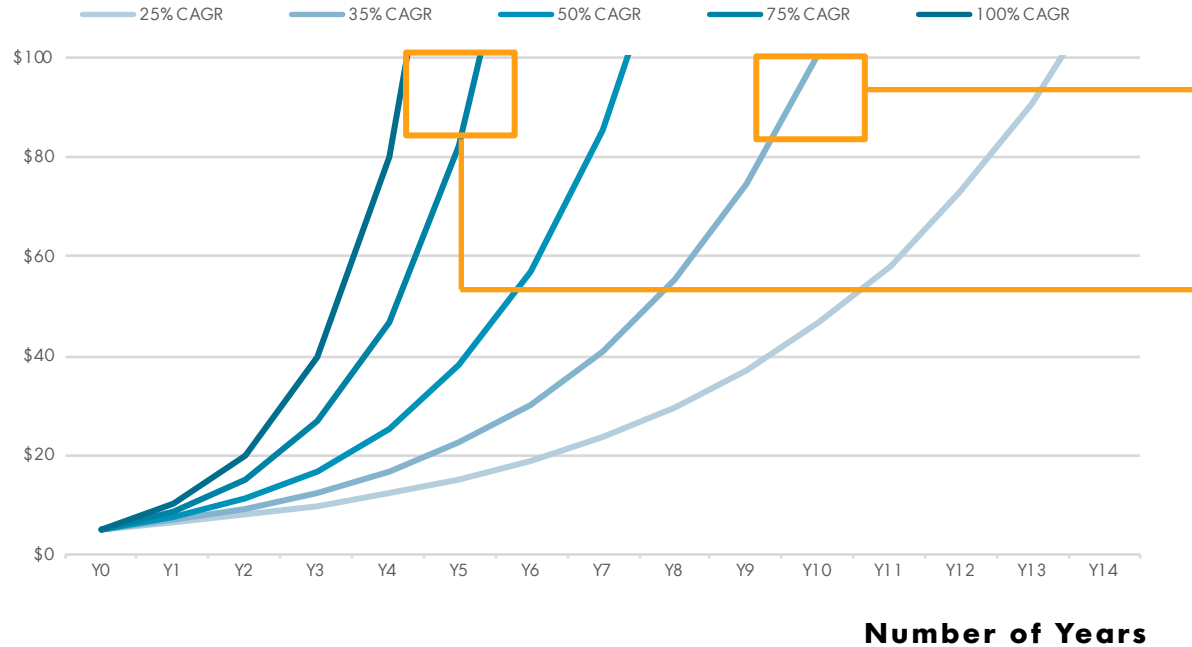
It's common for startups to grow rapidly, doubling or tripling in size year over year, until they hit \$5M in ARR

Growth rate accelerates in the expansion stage (\$2.5M – \$10M ARR)

After \$10M in ARR, the median growth rate slows to just under 50%

HOW GROWTH ADDS UP

ARR (\$ in Millions)



Source: 2018 OpenView SaaS Metrics Survey, N=420.

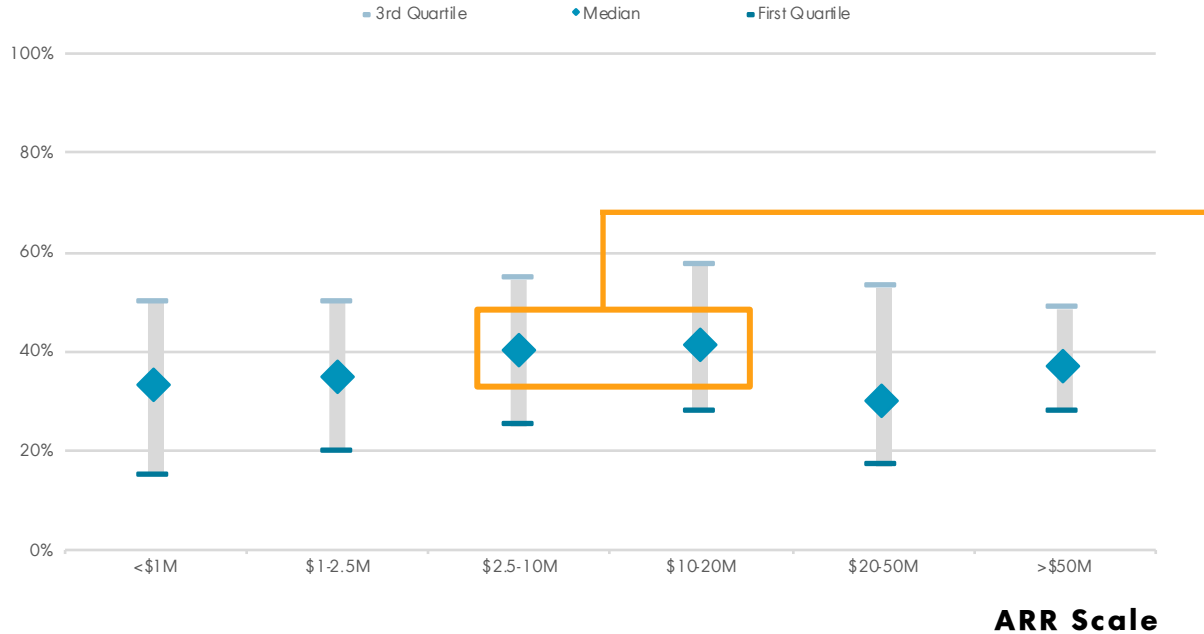
INSIGHTS

At a common 35% CAGR, it would take 10 years for a SaaS company to grow from \$5M to \$100M in ARR

If a company were to maintain an aggressive 75% CAGR, it would take just over 5 years to hit that coveted milestone

MEDIAN SALES & MARKETING SPEND BY ARR

Sales & Marketing Spend (% of ARR)



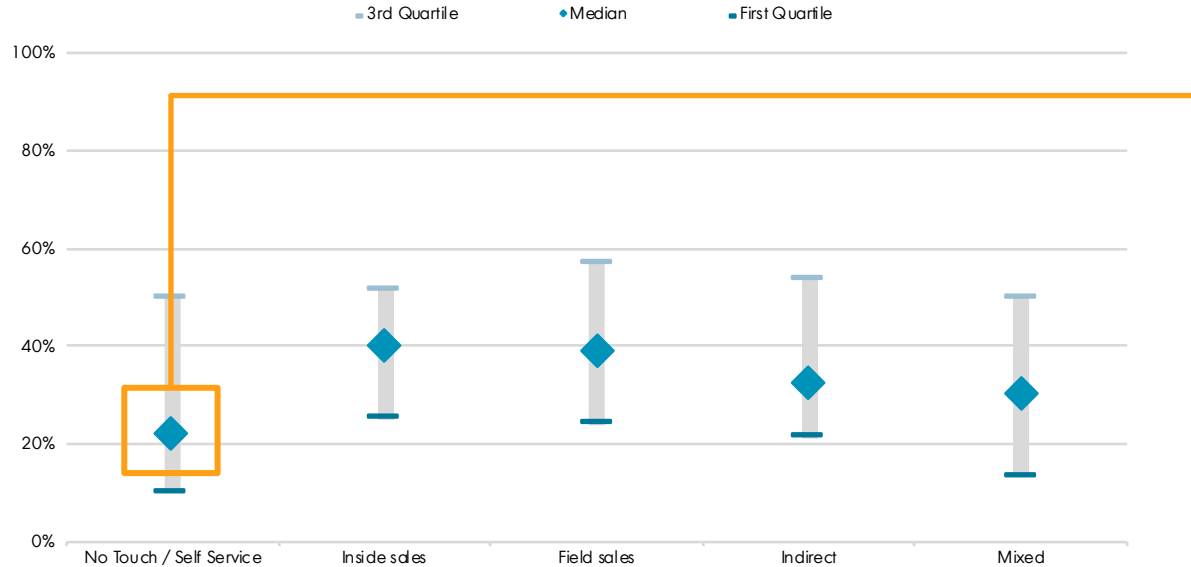
INSIGHTS

Spend peaks during the expansion stage when companies rapidly build out their sales & lead generation teams

Source: 2018 OpenView SaaS Metrics Survey, N=420.

SALES & MARKETING SPEND BY SALES CHANNEL

Sales & Marketing Spend (% of ARR)



1. Dominant sales channel accounts for >50% of ARR.

Source: 2018 OpenView SaaS Metrics Survey, N=420.

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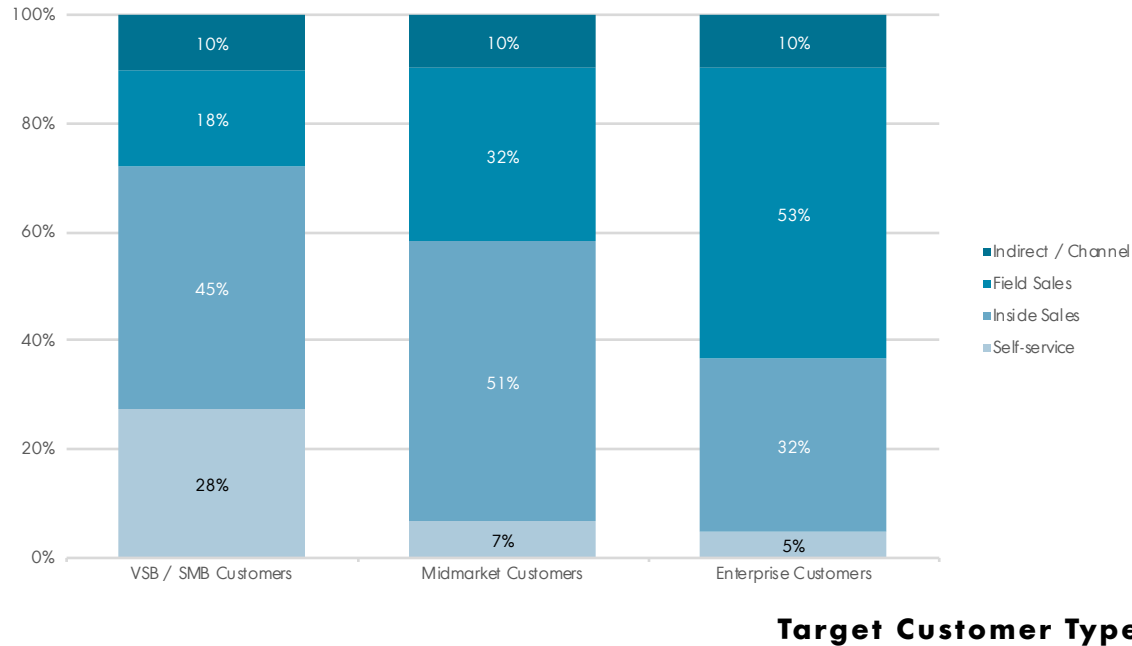
Dominant Sales Channel¹

INSIGHTS

Companies selling through self-service, such as Expensify and Slack, have the potential to grow far more efficiently than others

SALES CHANNEL MIX BY CUSTOMER TYPE

Sales Channel Mix (% of ARR)



Source: 2018 OpenView SaaS Metrics Survey, N=420.

INSIGHTS

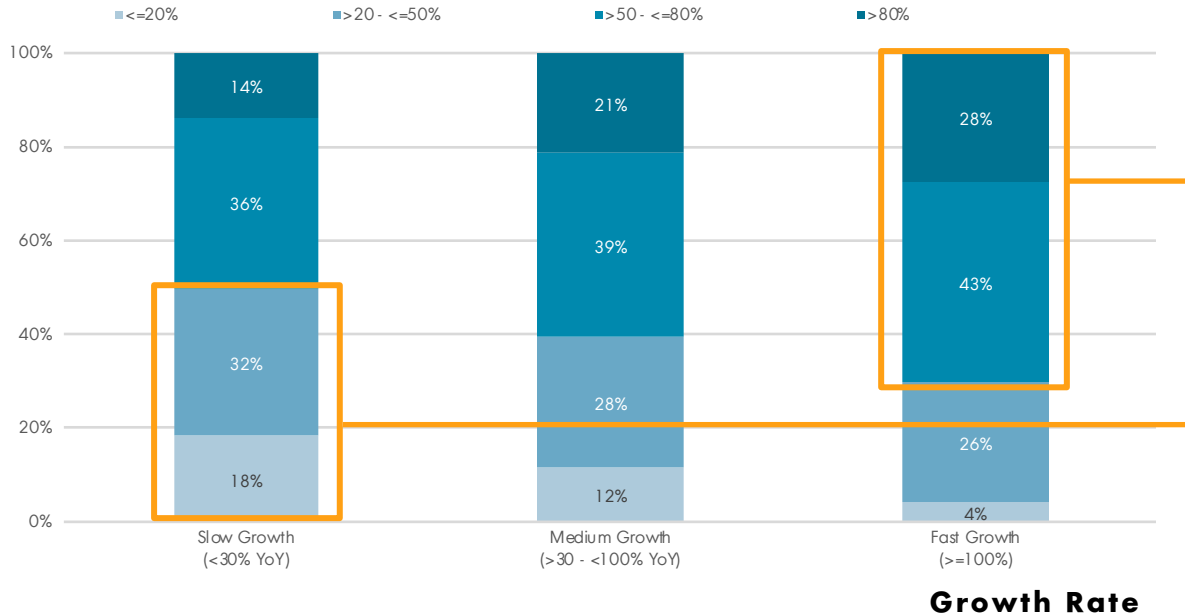
Companies selling to small businesses rely more on lower cost sales channels like self-service and inside sales (>70% of sales)

Businesses selling into the enterprises generate most of their ARR through field sales (>50%), with some inside and channel sales; self-service accounts for a very small percentage of enterprise sales

QUOTA ACHIEVEMENT & GROWTH

INSIGHTS

Reps Achieving Quota (% of Respondents)



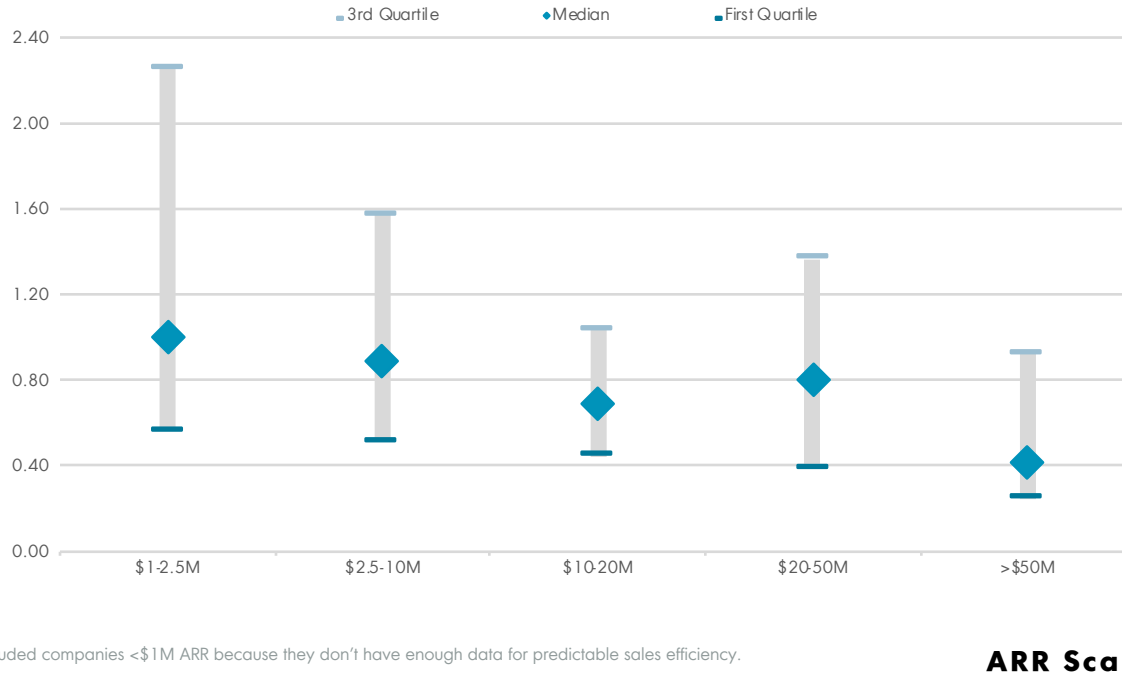
Unsurprisingly, the fastest growers have a large portion of their reps hitting quota – 71% of companies say half or more of their reps consistently hit quota

Slower growth companies should monitor quota achievement and rep performance to align incentives and maintain growth

Source: 2018 OpenView SaaS Metrics Survey, N=420.

SALES EFFICIENCY (“MAGIC NUMBER”)

Sales Efficiency¹



1. Excluded companies <\$1M ARR because they don't have enough data for predictable sales efficiency.

Source: 2018 OpenView SaaS Metrics Survey, N=420.

INSIGHTS

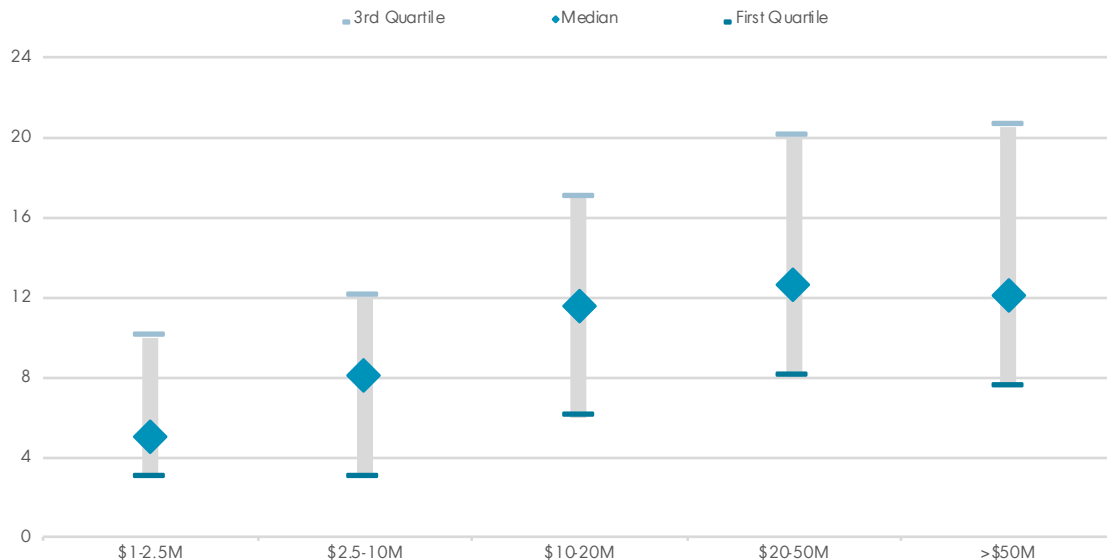
Sales efficiency – the ‘magic number’ – shows the revenue contribution from every dollar spent on sales & marketing

On average, sales efficiency is about 0.7

Companies grow far more efficiently in their early years, and sales efficiency drops dramatically as companies hit saturation

MONTHS TO RECOVER CAC (CAC PAYBACK)

CAC Payback in Months ¹



1. Excluded companies <\$1M ARR because they don't have enough data for predictable CAC payback.

Source: 2018 OpenView SaaS Metrics Survey, N=420.

ARR Scale

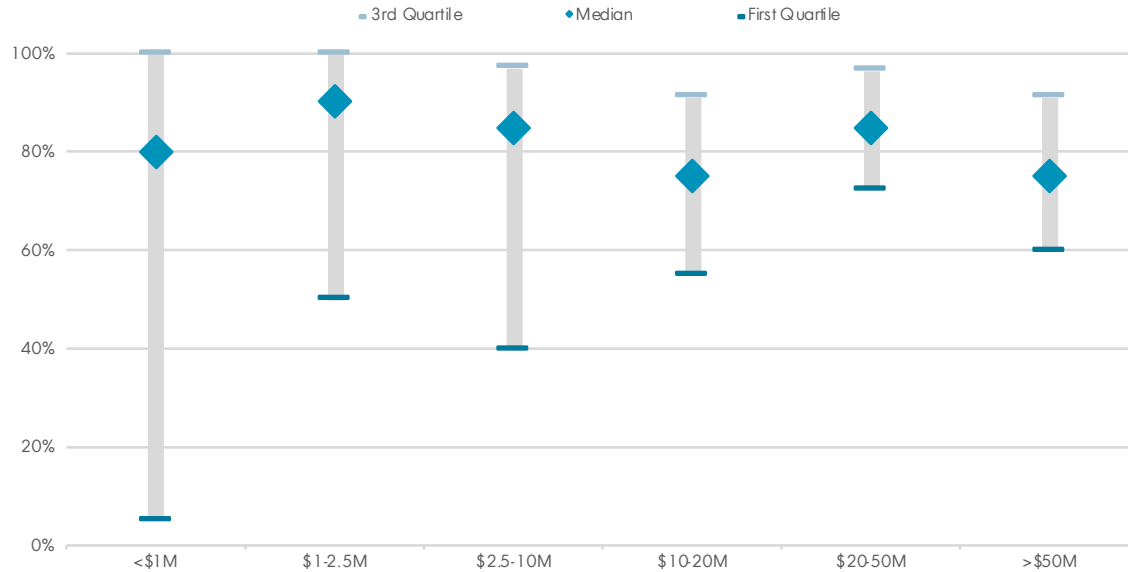
INSIGHTS

Startups report a CAC payback of 9-12 months on average; however, this is overly optimistic – 12-18 months is more common in our experience when factoring in gross margins and fully loaded acquisition costs

Best-in-class companies have a CAC payback of 6-12 months with rare exceptions of <6 months

WHERE COMPANIES ARE SELLING

Percent of Revenue from North America



Source: 2018 OpenView SaaS Metrics Survey, N=420.

ARR

INSIGHTS

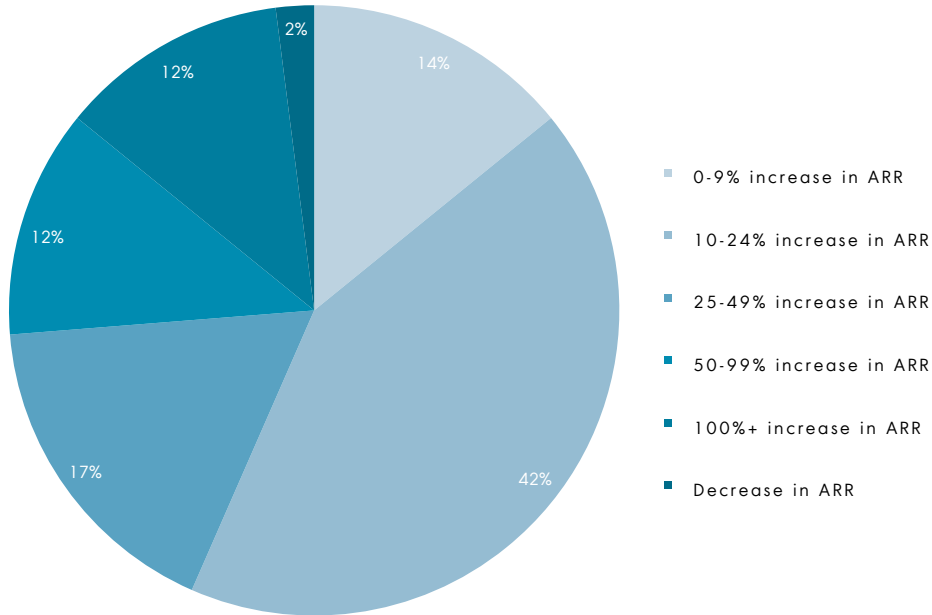
SaaS companies can get started selling into any geography – when companies are small, revenue can be concentrated outside of North America

As companies scale to \$10M in ARR and beyond, they need to gain traction selling into North America in order to be successful

PRICING INSIGHTS

IMPACT OF PRICING CHANGES ON ARR GROWTH

Distribution of Respondents



Source: 2018 OpenView SaaS Metrics Survey, N=420.

INSIGHTS

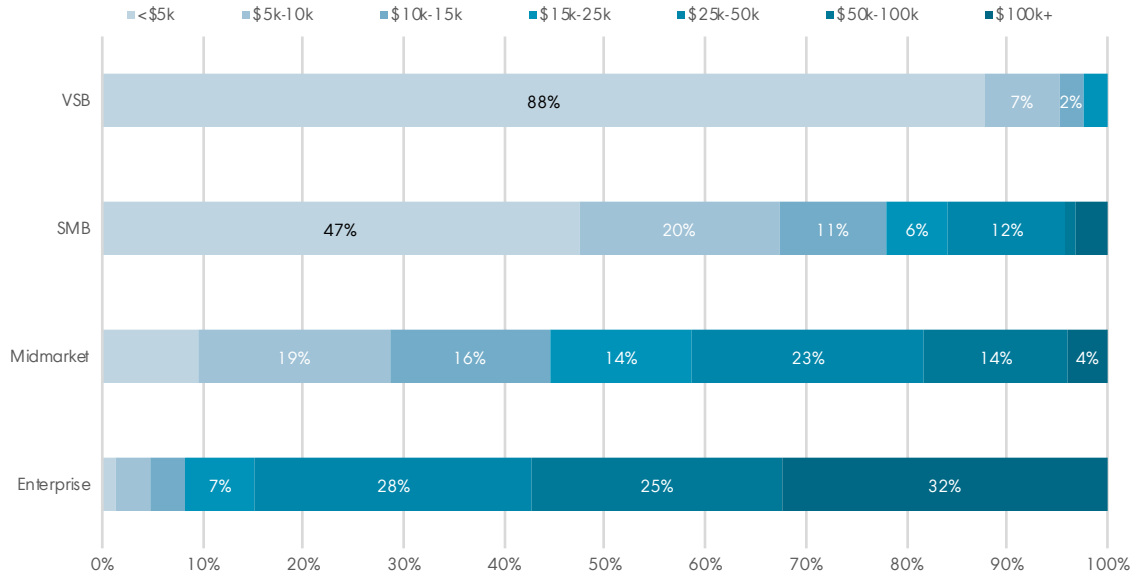
Nearly two third of surveyed companies changed their pricing in 2017

40% of the time, pricing changes positively increased ARR by more than 25%

Don't be afraid to reevaluate pricing – 98% of companies that changed pricing expect it to be incremental to ARR.

ACV BY TARGET CUSTOMER TYPE

Target Customer Type



ACV Distribution

Note: VSB = very small business (<20 employees).
Source: 2018 OpenView SaaS Metrics Survey, N=420.

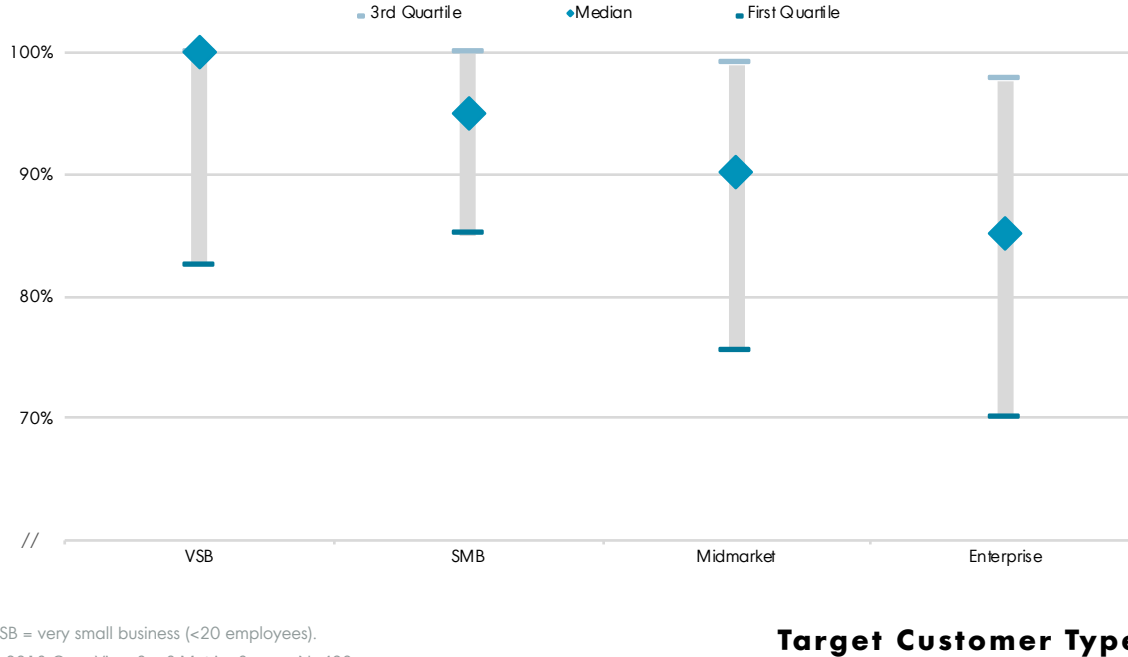
INSIGHTS

There's a strong positive correlation between target customer size and ACV, as customer size increases, so does ACV

Take a close look at your ACV and target market, and see whether you're on track to build a large and enduring business (pro tip: stop selling Enterprise deals for <\$25k; change pricing if you need to)

REVENUE MIX BY TARGET CUSTOMER TYPE

Subscription Revenue as a Percent of Total



Note: VSB = very small business (<20 employees).

Source: 2018 OpenView SaaS Metrics Survey, N=420.

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INSIGHTS

Companies selling to smaller customers often have a high percentage of their revenue coming from software subscriptions

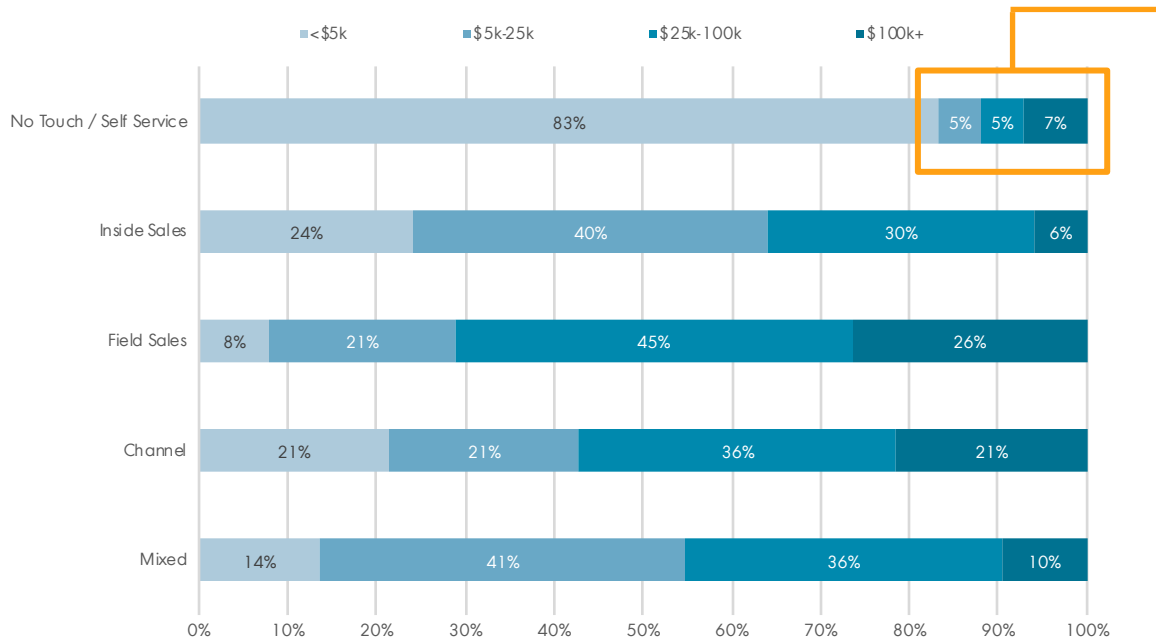
Companies selling to larger customers tend to have a services component, reducing software revenue as a percent of total

Target Customer Type

ACV BY DOMINANT SALES CHANNEL

INSIGHTS

Dominant Sales Channel¹



These companies employ a bottoms-up sales model to efficiently sell larger deals

1. Dominant sales channel accounts for >50% of ARR.

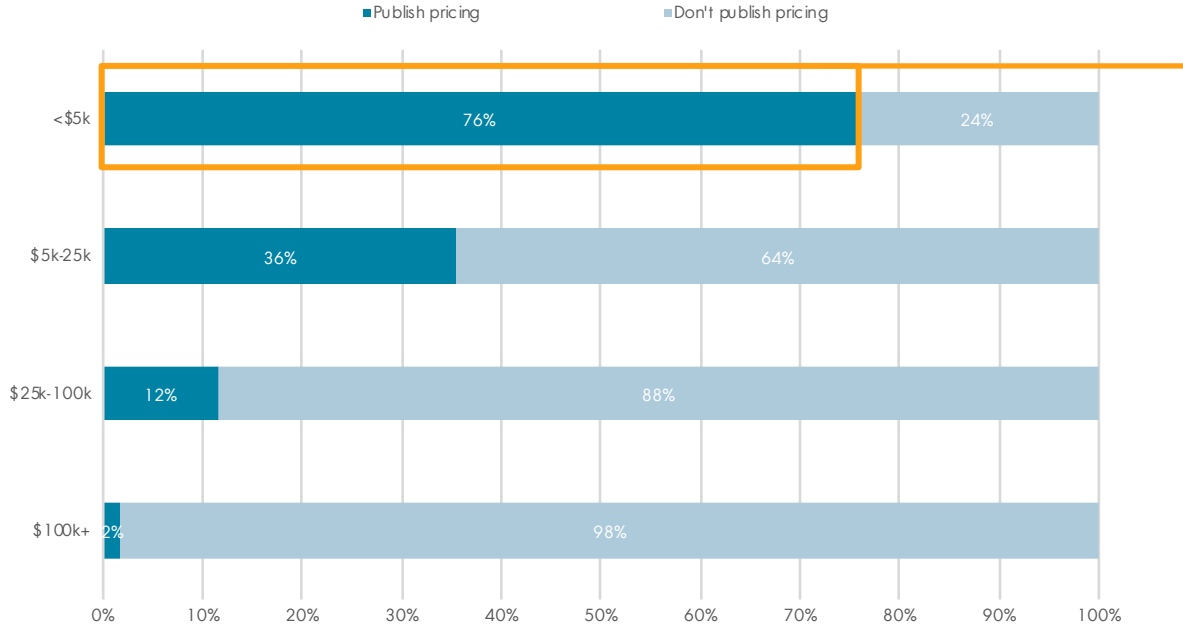
Source: 2018 OpenView SaaS Metrics Survey, N=420.

ACV Distribution

PUBLISHING PRICING & ACV

INSIGHTS

Target ACV



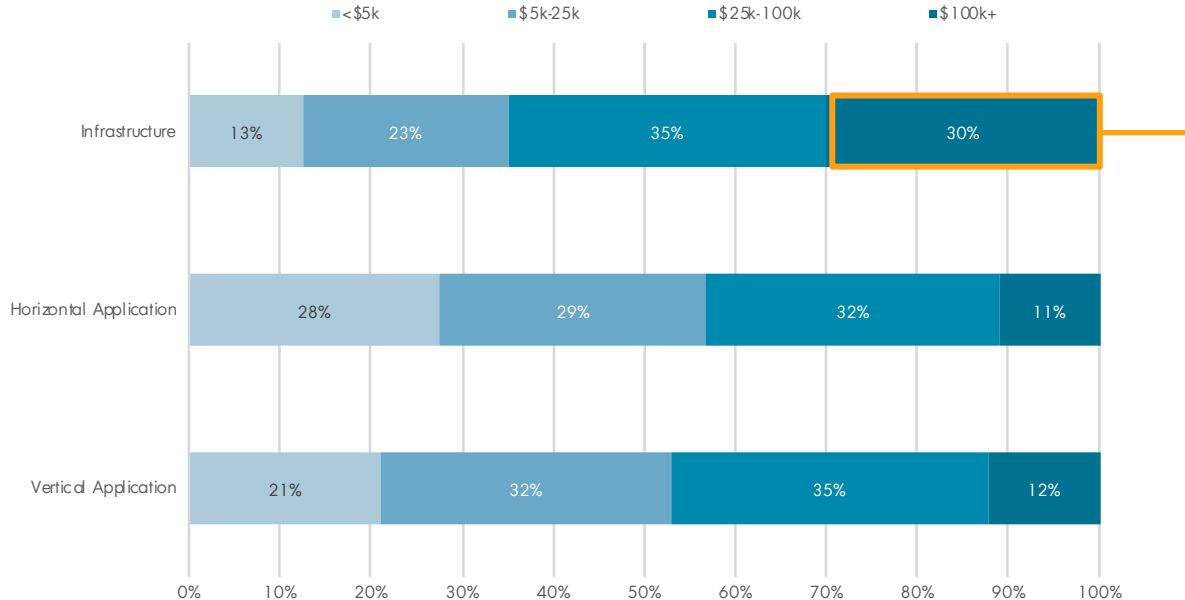
Companies selling smaller deals, which also tend to leverage self serve channels or inside sales models, publish pricing more frequently

Source: 2018 OpenView SaaS Metrics Survey, N=420.

Publishing Pricing Dist.

ACV BY TYPE OF SOFTWARE

Software Category



Source: 2018 OpenView SaaS Metrics Survey, N=420.

ACV Distribution

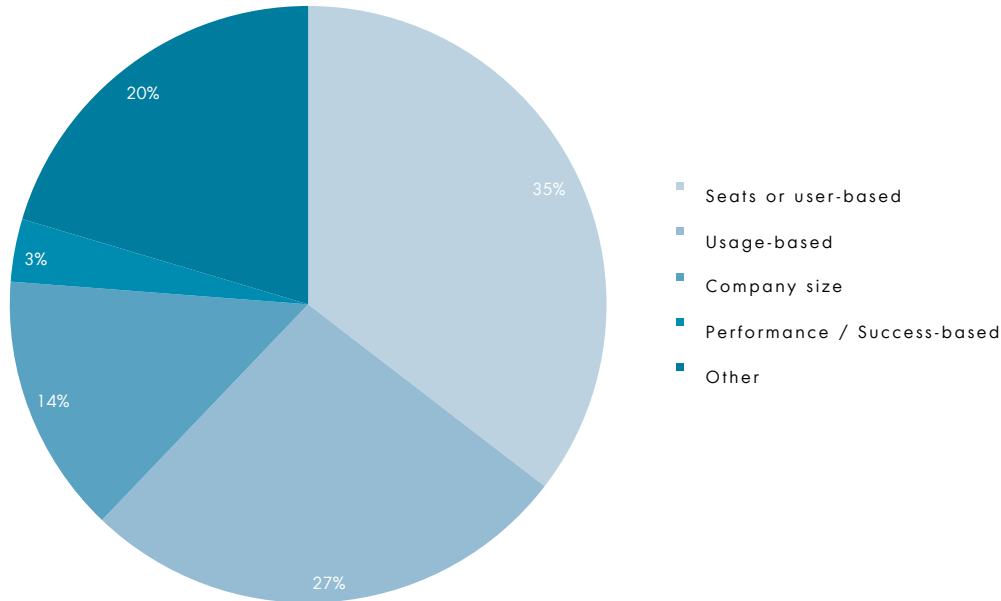
INSIGHTS

Infrastructure software companies achieve the highest ACV levels

Horizontal applications which have larger market sizes generally sell for lower ACV levels

PRIMARY PRICING METRIC

Distribution of Respondents



Note: Other includes e.g. feature-based pricing, flat fees, per location, etc.

Source: 2018 OpenView SaaS Metrics Survey, N=420.

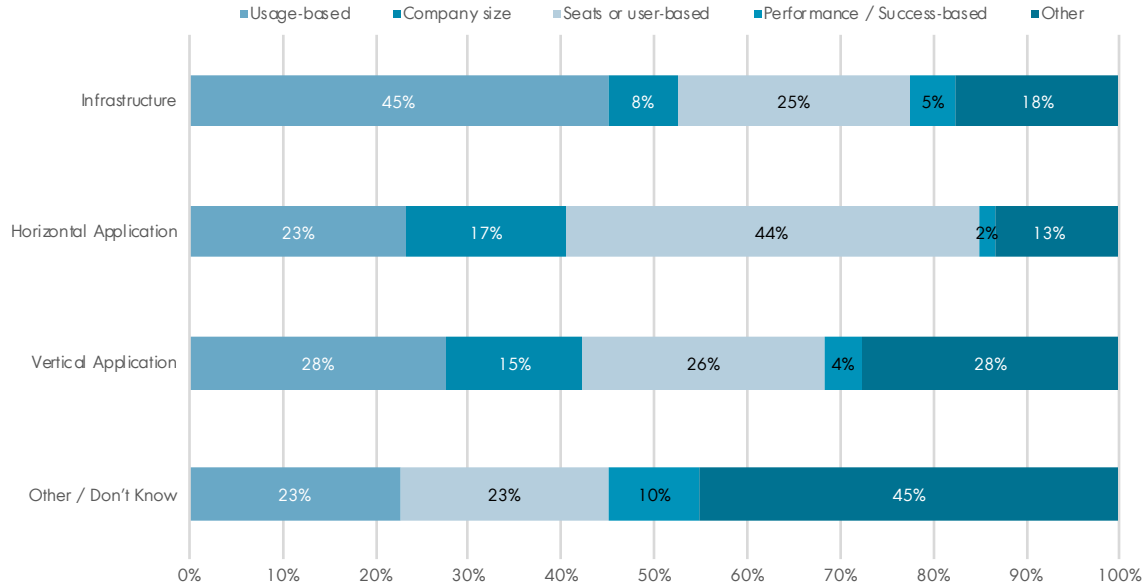
INSIGHTS

Seat or user-based pricing is still the most common pricing metric; company size-based pricing has doubled in popularity since 2017

If you haven't already, it's worth evaluating whether usage-based pricing will help grow faster – it has a better shot of reflecting the value delivered and enables a land-and-expand business model

MAIN PRICING METRIC BY SOFTWARE TYPE

Software Category



Note: Other includes e.g. feature-based pricing, flat fees, per location, etc.

Source: 2018 OpenView SaaS Metrics Survey, N=420.

Pricing Metric Distribution

INSIGHTS

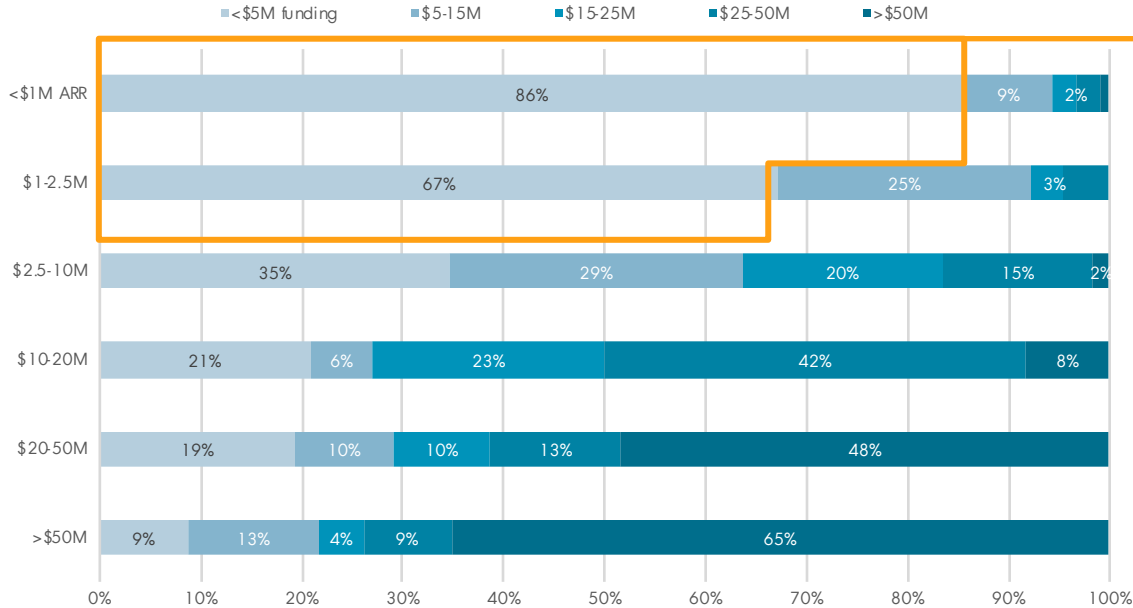
As with 2017, horizontal applications still keep to the course of user-based pricing paved by SaaS bellwethers

There's far more openness to newer pricing models (usage-based) amongst infrastructure software vendors, led by the success of AWS

FINANCIAL & OPERATING INSIGHTS

CAPITAL RAISED BY ARR

ARR Scale



Equity Capital Raised Dist.

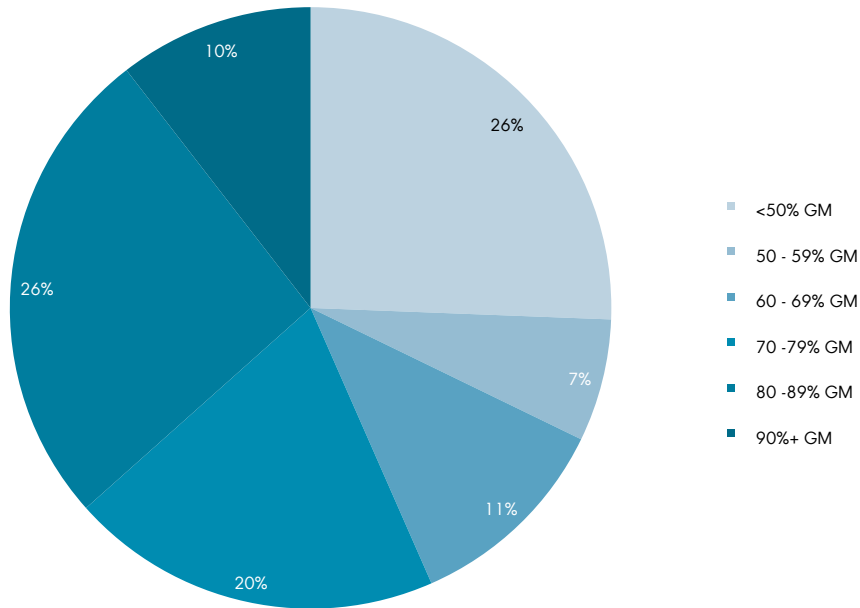
Source: 2018 OpenView SaaS Metrics Survey, N=420.

Here's what your peers have raised...how do you stack up?

As compared with 2017, companies are getting further with less capital – fewer companies less than \$2.5M ARR have raised more than \$5M in funding; there is a significant change once companies enter the expansion stage and turn to funding to accelerate growth

GROSS PROFIT MARGIN ON SUBSCRIPTIONS

Gross Margin (GM) on Subscription Revenue



Source: 2018 OpenView SaaS Metrics Survey, N=420.

INSIGHTS

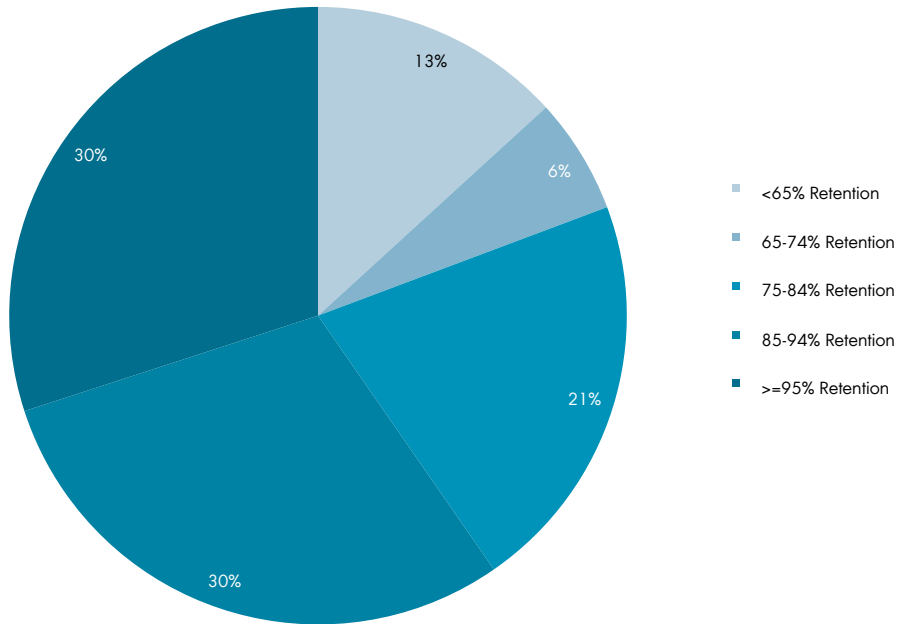
Nearly 50% of companies have gross margins between 70% and 89%

Best-in-class software companies have subscription gross margins above 80%

Gross margin should always include all costs associated with implementing and delivering product, including headcount costs associated with customer success and support

LOGO RETENTION RATES

Logo Retention Rates (Annual)



Source: 2018 OpenView SaaS Metrics Survey, N=420.

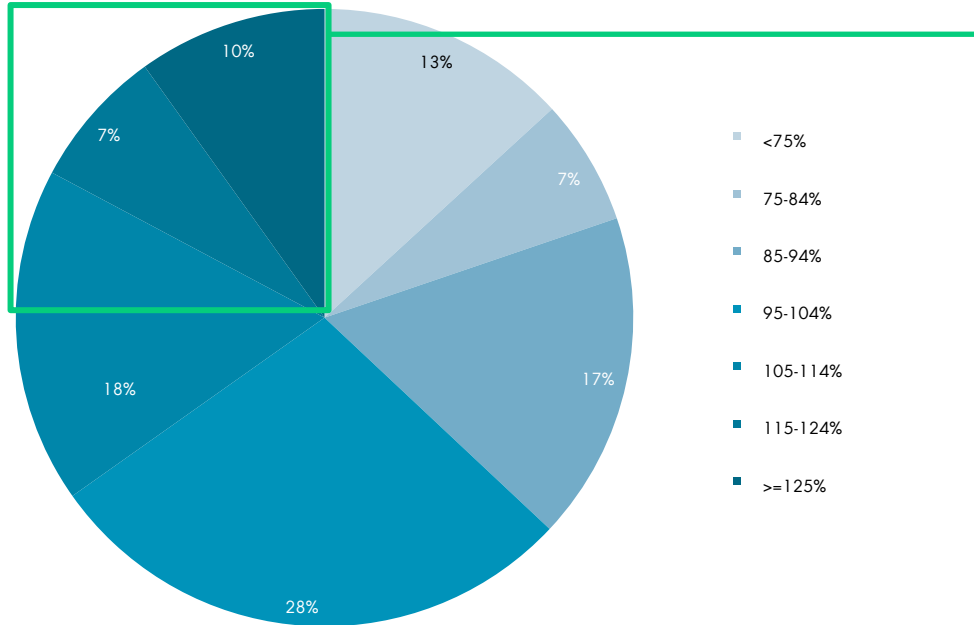
INSIGHTS

Top tier companies see logo retention rates of at least 85%

Benchmark retention should differ depending on the target customer and ACV, with much lower retention among companies selling deals <\$5k per year

NET DOLLAR RETENTION RATES

Net Dollar Retention Rates (Annual)

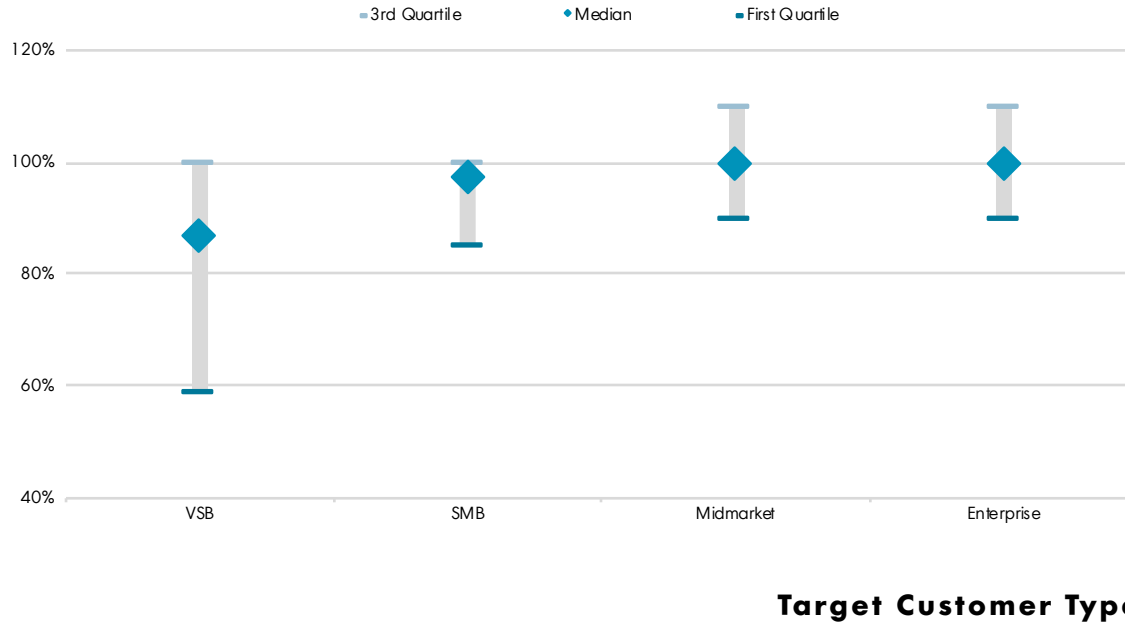


Infrastructure software companies and those with usage-based pricing are the most likely to see net retention rates of 115% and higher

Source: 2018 OpenView SaaS Metrics Survey, N=420.

NET RETENTION & TARGET CUSTOMER TYPE

Net Dollar Retention Rates (Annual)



Source: 2018 OpenView SaaS Metrics Survey, N=420.

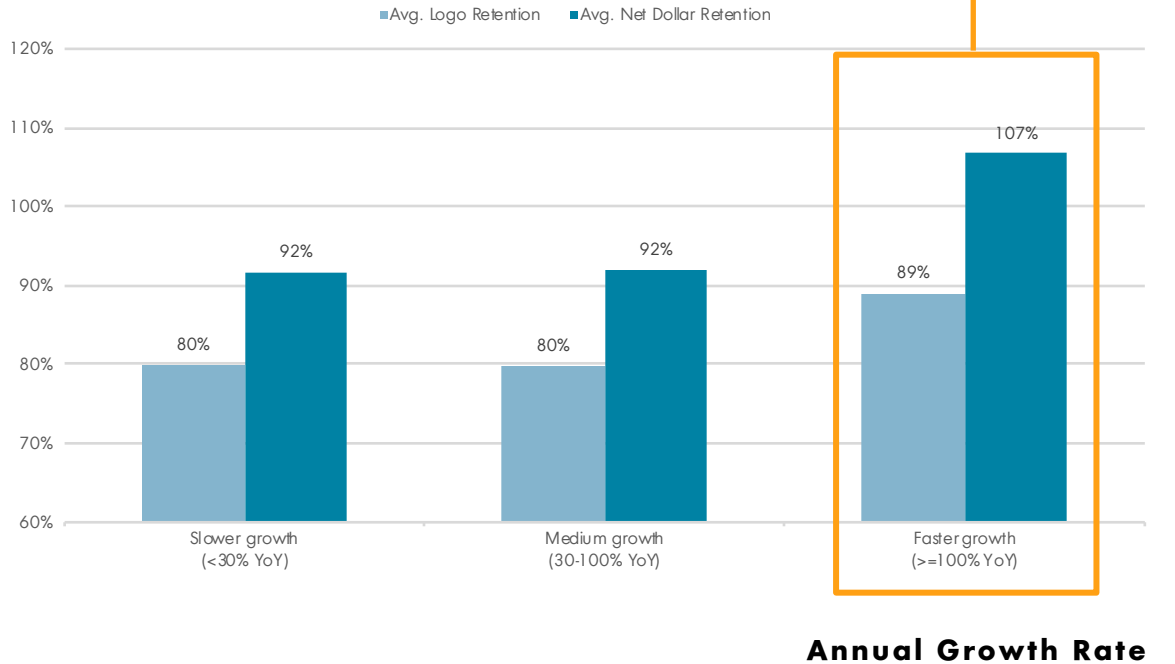
INSIGHTS

Net retention is positively correlated with customer size – as target customer size increases, so does net retention

Business with VSB and SMB customers rarely see customer upsell – it's important that these companies nail pricing and invest in product led growth strategies to accelerate adoption

RETENTION RATES VS. GROWTH

Retention Rates (Annual)

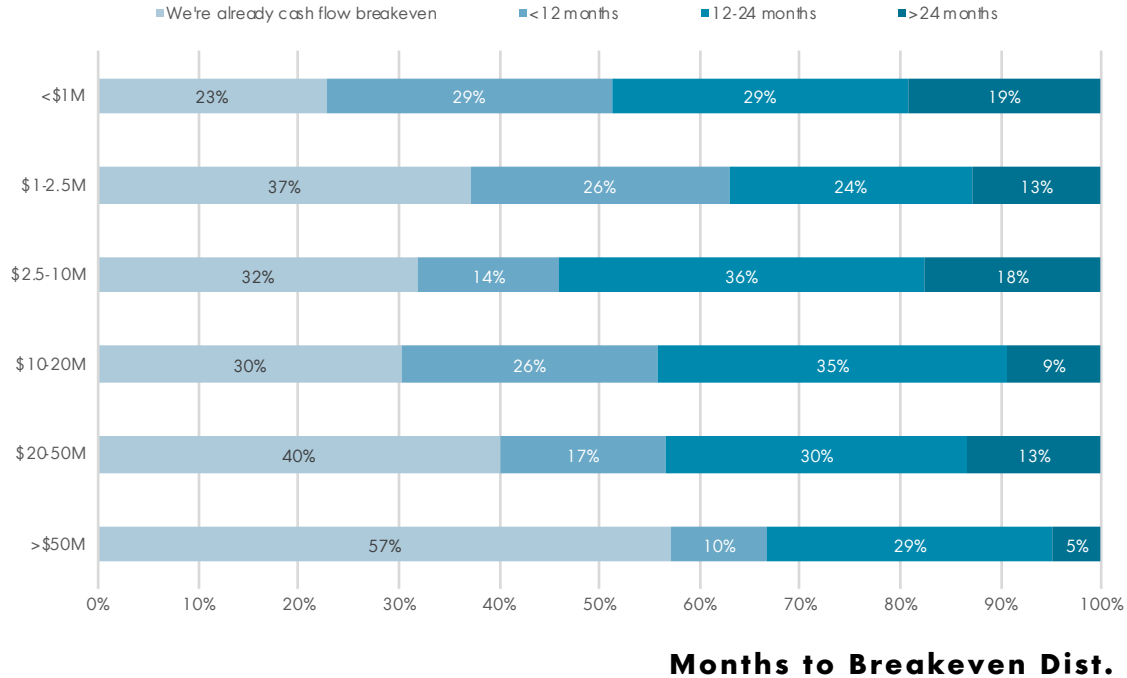


The ability to retain and expand new customers facilitates rapid growth

Source: 2018 OpenView SaaS Metrics Survey, N=420.

TRANSITION TO CASH FLOW BREAK EVEN

ARR Scale



Months to Breakeven Dist.

Source: 2018 OpenView SaaS Metrics Survey, N=420.

INSIGHTS

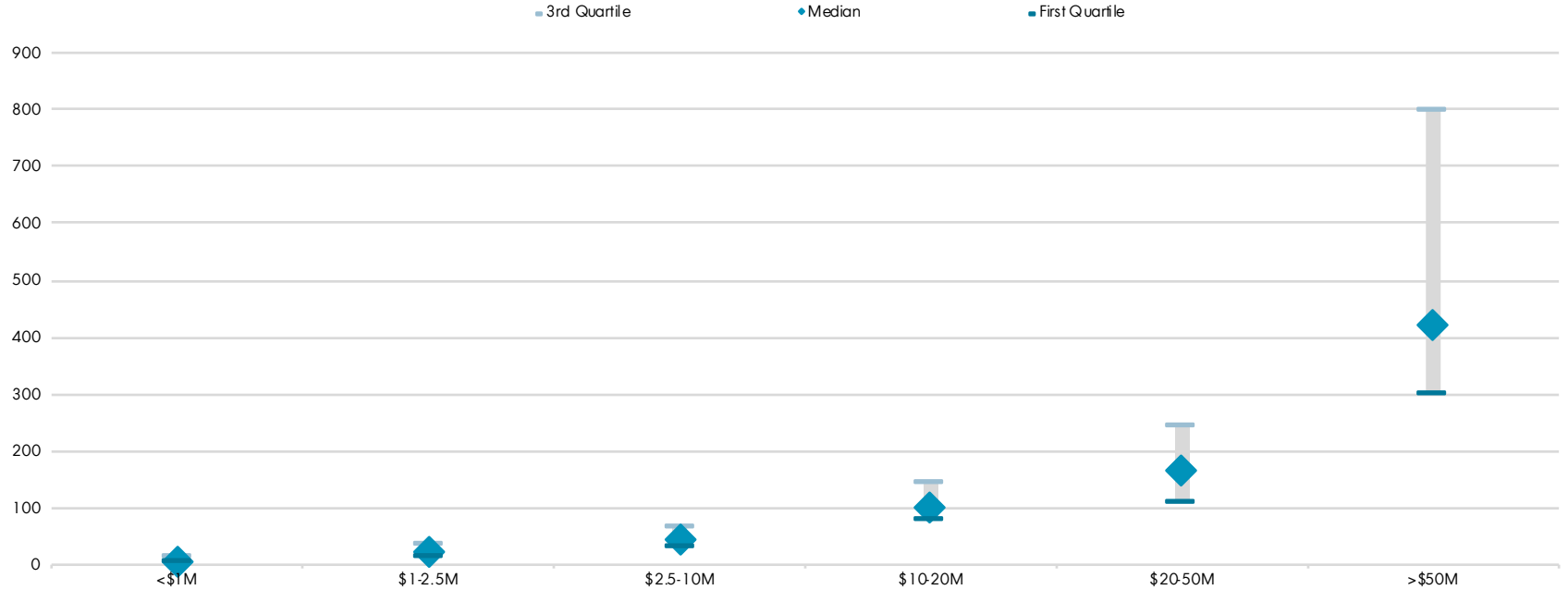
In the expansion stage, companies are less likely to prioritize a transition to breakeven

Nearly 70% of companies >\$50M ARR plan to be cash flow breakeven in 2018 – investors are likely to pay for growth, but the best performing companies balance growth and profitability especially as they reach saturation

TALENT INSIGHTS

NUMBER OF EMPLOYEES (FTES)

Number of FTEs

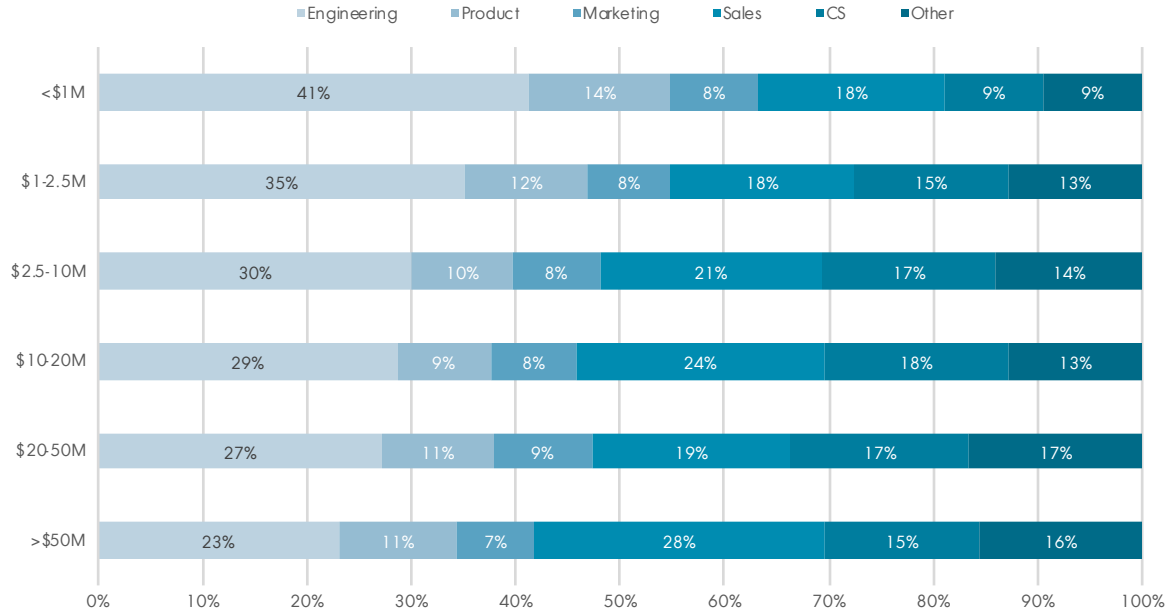


ARR Scale

Source: 2018 OpenView SaaS Metrics Survey, N=420.

FTE MIX BY FUNCTION

ARR Scale



FTE Mix by Function

Source: 2018 OpenView SaaS Metrics Survey, N=420. Other includes Finance, Ops, HR, Talent.

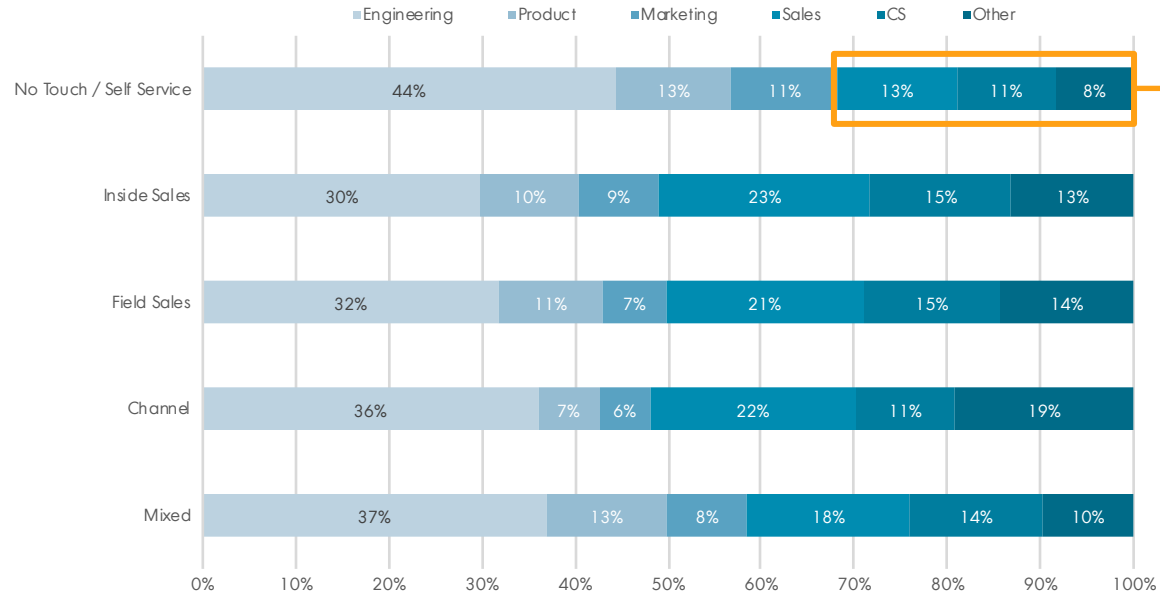
INSIGHTS

At the early stages, most startup employees are in Product & Engineering roles

As companies expand, they need to rapidly grow Customer Success and specialized functions, such as Recruiting and Finance

FTE MIX BY DOMINANT SALES CHANNEL

Dominant Sales Channel¹



FTE Mix by Function

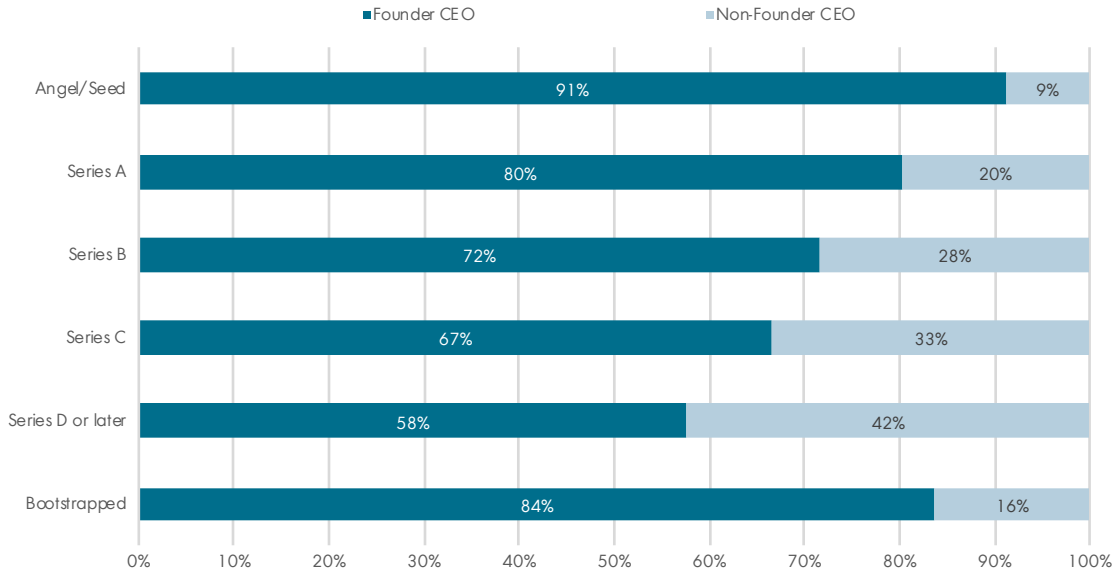
¹. Dominant sales channel accounts for >50% of ARR.
 Source: 2018 OpenView SaaS Metrics Survey, N=420.

INSIGHTS

Companies with self-service sales models require far fewer sales & customer success resources to grow, enabling them to scale very efficiently

FOUNDER INVOLVEMENT BY FUNDRAISING STAGE

Fundraising Stage



Distribution of CEO

Source: 2018 OpenView SaaS Metrics Survey, N=420.

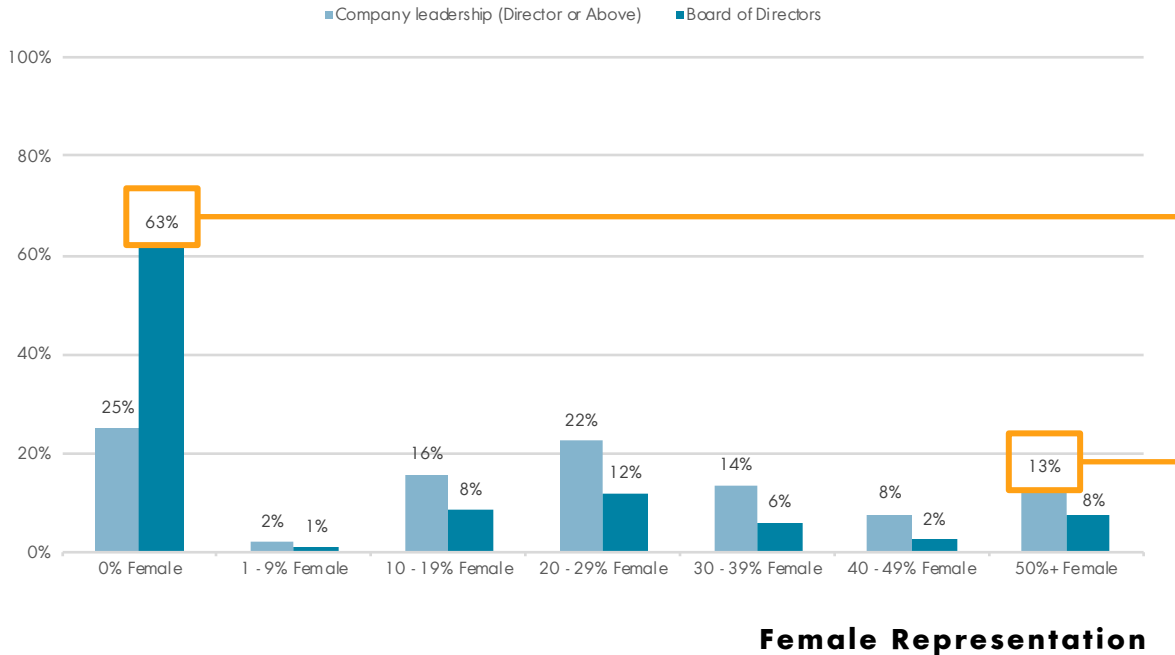
INSIGHTS

Founders can breathe a sigh of relief, they do make good CEOs – more than half of Series-D or later companies still have a founder leading the executive team

Companies such as AlienVault have demonstrated hiring a new CEO can accelerate success, but investors tend to look for strong, enduring teams

GENDER EQUALITY

Percent of Respondents



Source: 2018 OpenView SaaS Metrics Survey, N=420.

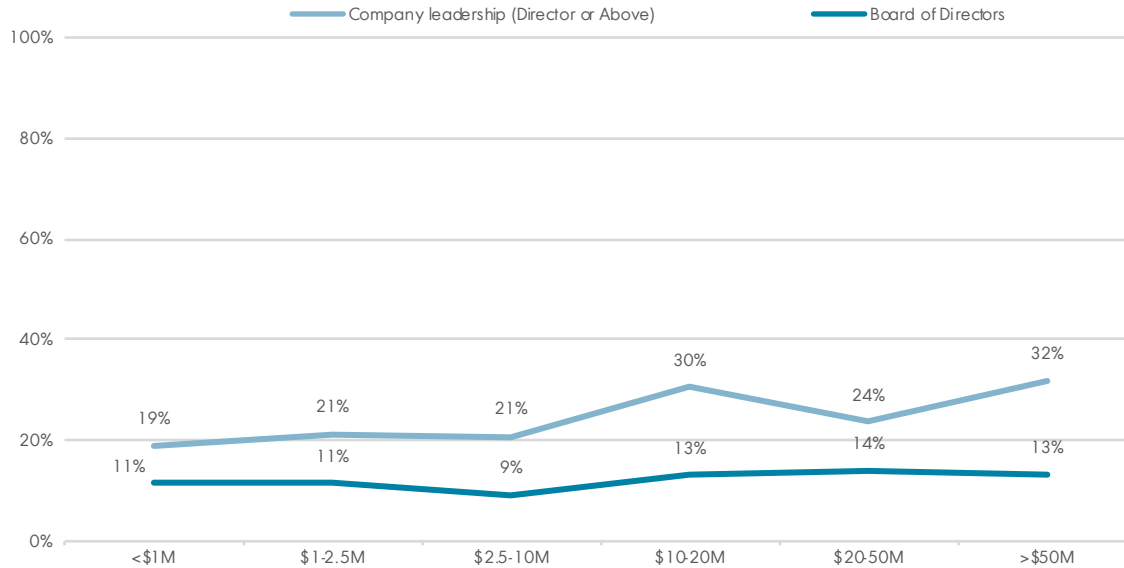
INSIGHTS

While a slight improvement from 71% in 2017, 63% of SaaS startups still have no female Board members – but the numbers are trending in the right direction

Only 13% of companies surveyed have full parity between gender within their leadership teams, 8% at the Board-level (which is double 2017)

GENDER EQUALITY BY COMPANY ARR

Median Percent Female



ARR

Source: 2018 OpenView SaaS Metrics Survey, N=420.

INSIGHTS

Larger companies continue to fare slightly better when it comes to gender diversity within management teams

The software industry as a whole still has a ways to go to get to true parity

In the year of #MeToo, it's encouraging to see positive – if incremental – improvement in the area of diverse hiring vs. 2017

ABOUT THE AUTHORS

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S R . D I R E C T O R ,
M A R K E T S T R A T E G Y

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D E V
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2018 EXPANSION SAAS BENCHMARKS

S A A S B E N C H M A R K S . C O M