

THE 2016 PACIFIC CREST SaaS SURVEY

Size Up Your Competition:

Benchmarking the SaaS Industry

We're proud to partner with **PACIFIC CREST SECURITIES** to present the results of the 2016 SaaS survey, which provides benchmarks to help SaaS companies measure and accelerate growth. To see full results and insights, visit: www.forentrepreneurs.com/2016-survey

Cheers,
David Skok

ARE YOU GROWING FASTER THAN YOUR COMPETITORS? How Fast Did / Will You Grow GAAP Revenues?

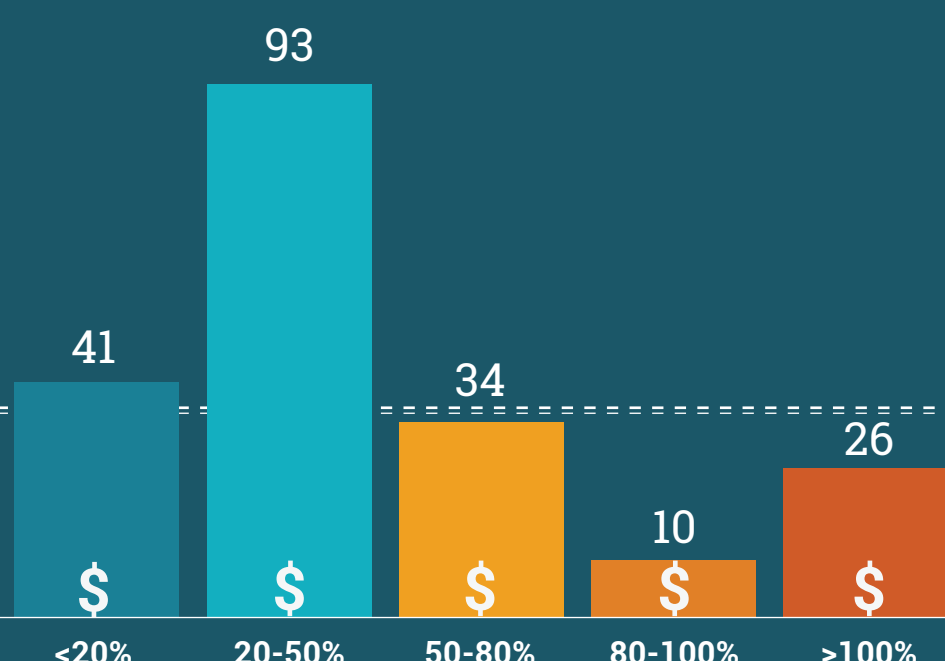
Excluding Companies <\$2.5MM in Revenue

of COMPANIES

The smallest companies are growing fastest. When eliminated, median growth rates drop ~10%. But, companies that invest more in sales & marketing grow faster than their peers.

2015 Median
≈ 36%

2016 Estimated Median
≈ 35%



for **ENTREPRENEURS**

Know when to save and when to invest to accelerate growth.

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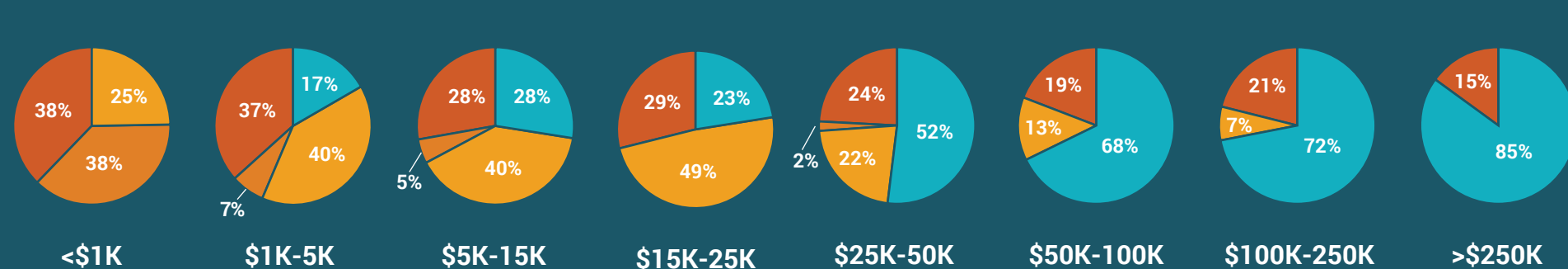
ARE YOU USING THE RIGHT SALES STRATEGY? Go-To-Market By Contract Size

Excluding Companies <\$2.5MM in Revenue

PRIMARY MODE OF DISTRIBUTION

Field Inside Internet Mixed

% OF COMPANIES



MEDIAN CONTRACT SIZE (ACV)

for **ENTREPRENEURS**

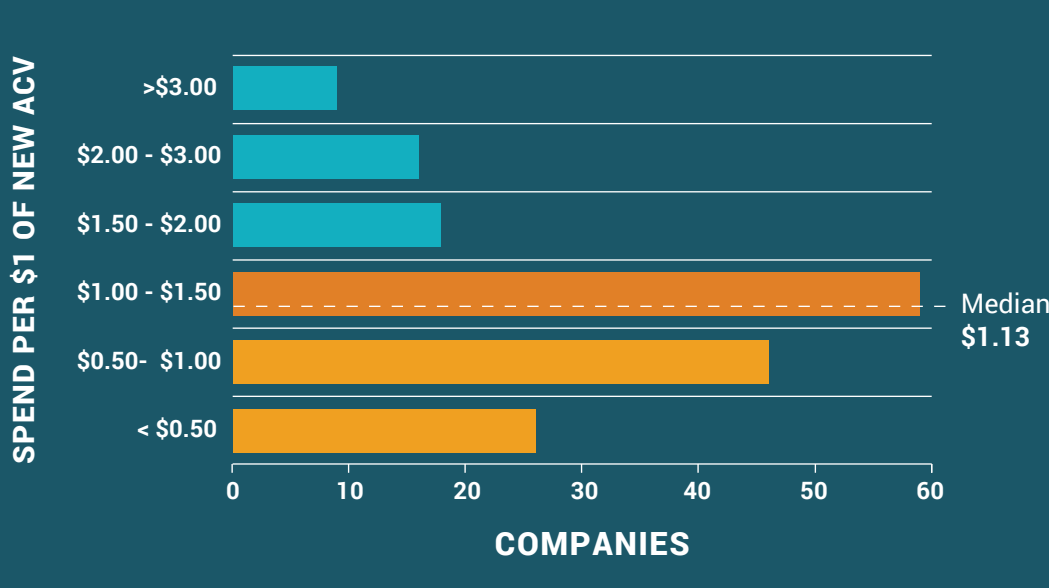
Design the right sales strategy to avoid the 'Red Zone'.

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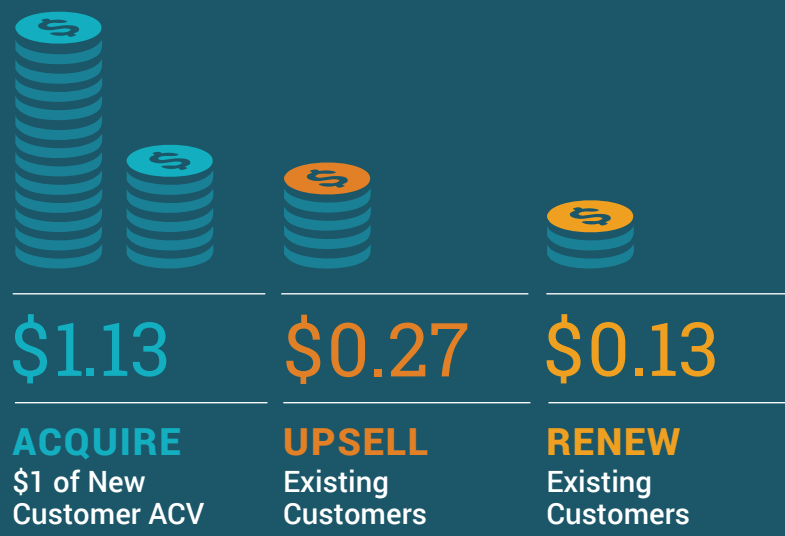
ARE YOU SPENDING INTELLIGENTLY?

CAC Ratio: How Much Do You Spend for \$1 of New ACV from a New Customer?

Excluding Companies <\$2.5MM in Revenue



MEDIAN CAC SPEND



for **ENTREPRENEURS**

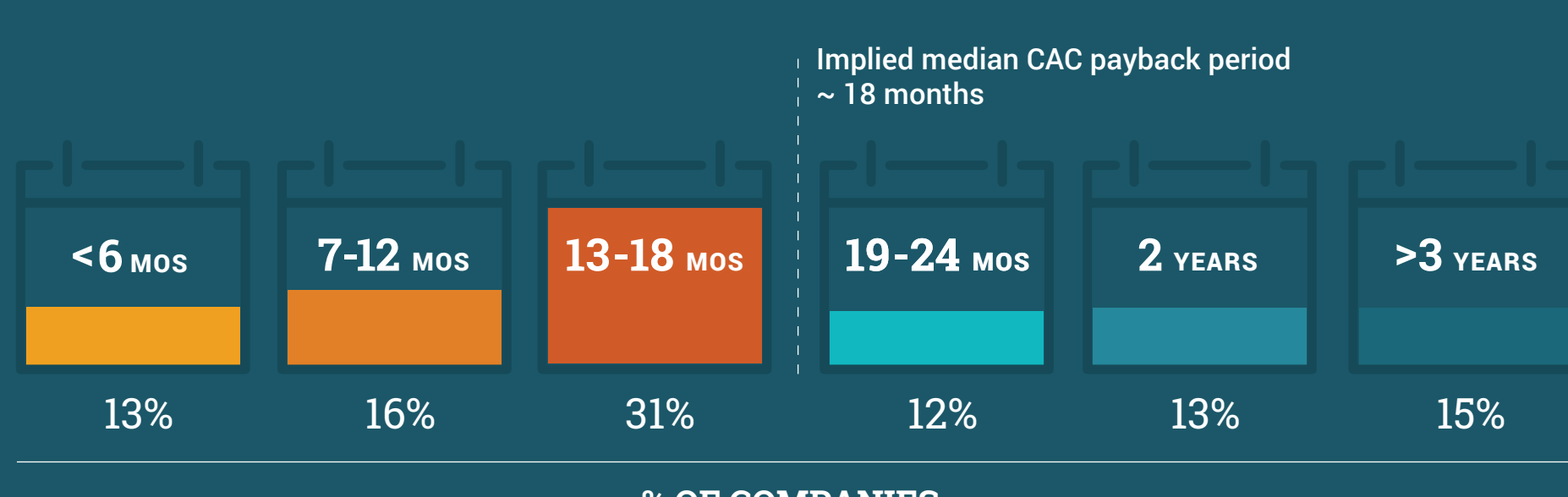
Don't let CAC be your silent startup killer.

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HOW FAST ARE YOU RECOVERING COSTS?

CAC Payback Period (Gross Margin Basis)

Excluding companies <\$2.5MM in Revenue



for **ENTREPRENEURS**

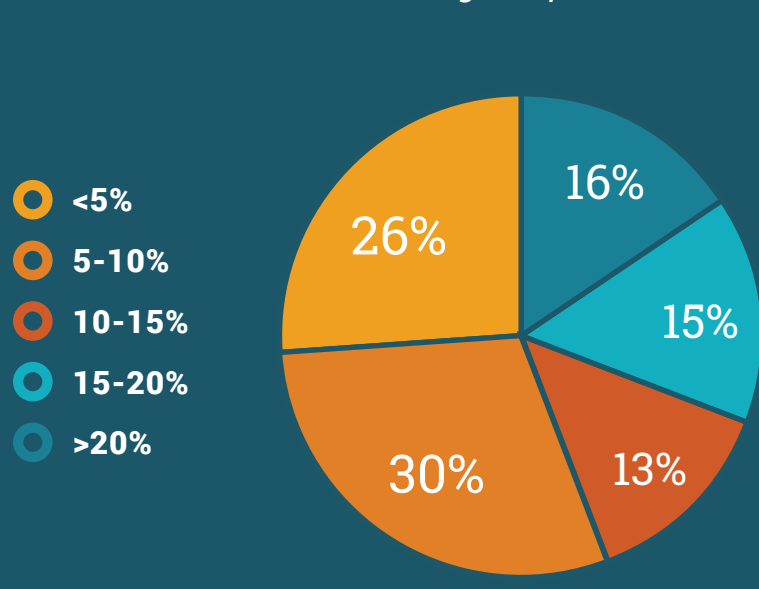
How deep is your SaaS cash flow trough?

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ARE YOU KEEPING CUSTOMERS HAPPY TO PREVENT CHURN?

Annual Gross Dollar Churn

Excluding companies <\$2.5MM in Revenue



8%

MEDIAN ANNUAL GROSS DOLLAR CHURN

(without the benefit of upsells)

for **ENTREPRENEURS**

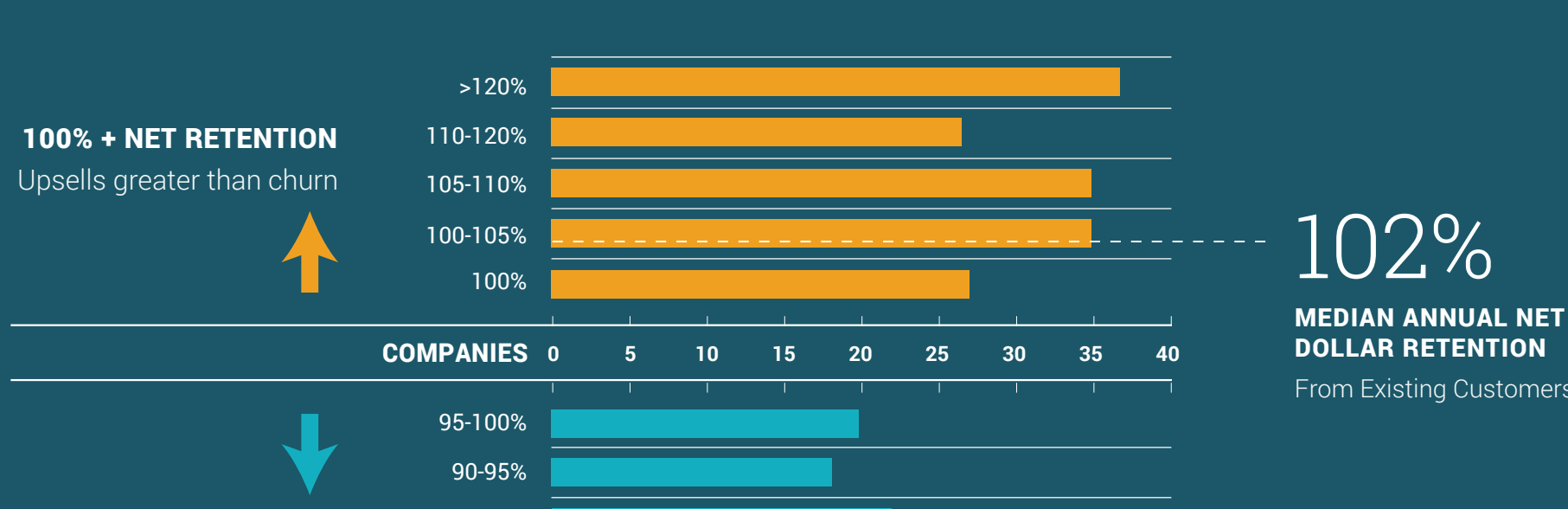
Customer happiness is the key to lowering churn.

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ARE YOU MAXIMIZING RETENTION TO DELIVER LONG-TERM PROFITS?

Annual Net Dollar Retention

Excluding companies <\$2.5MM in Revenue



102%

MEDIAN ANNUAL NET DOLLAR RETENTION

From Existing Customers

for **ENTREPRENEURS**

Maximize retention and unlock the path toward negative churn.

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DEFINITIONS

CAC
Cost to acquire \$1 of new annual contract value. Includes the fully-loaded amount spent on Sales and Marketing for the win.

ACV
Annual Contract Value of a subscription agreement.

Payback
Months of subscriptions gross profit to recover fully loaded cost to acquire.

Churn
Annual gross dollar churn is the total lost revenue both from customers churning and from downselling.