

## 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](http://www.forentrepreneurs.com/2016-survey)

Cheers,  
*David Skok*

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

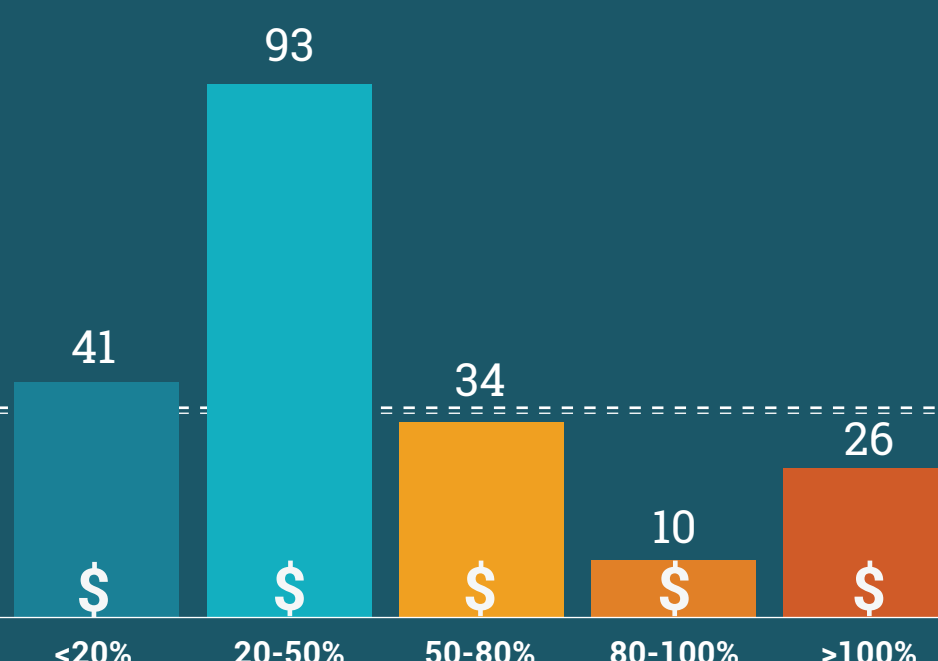
Excluding Companies <\$2.5MM in Revenue

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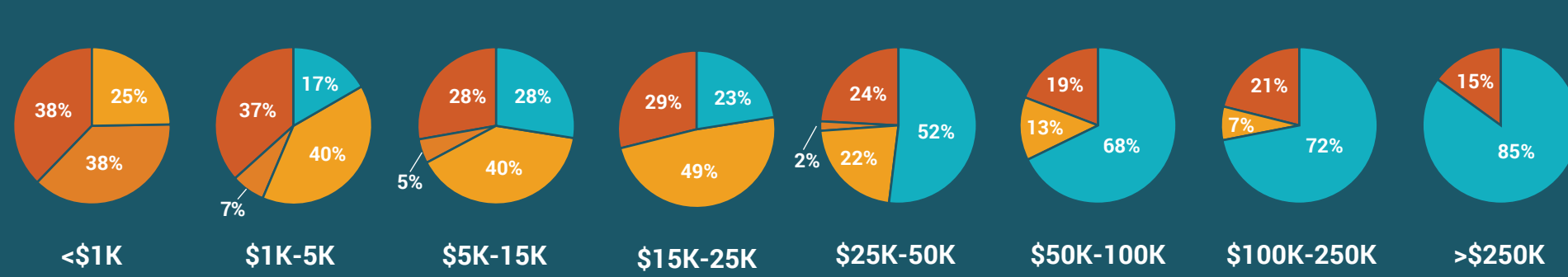
## ARE YOU USING THE RIGHT SALES STRATEGY? Go-To-Market By Contract Size

Excluding Companies <\$2.5MM in Revenue

PRIMARY MODE OF DISTRIBUTION

Field Inside Internet Mixed

% OF COMPANIES



MEDIAN CONTRACT SIZE (ACV)

**for** **ENTREPRENEURS**

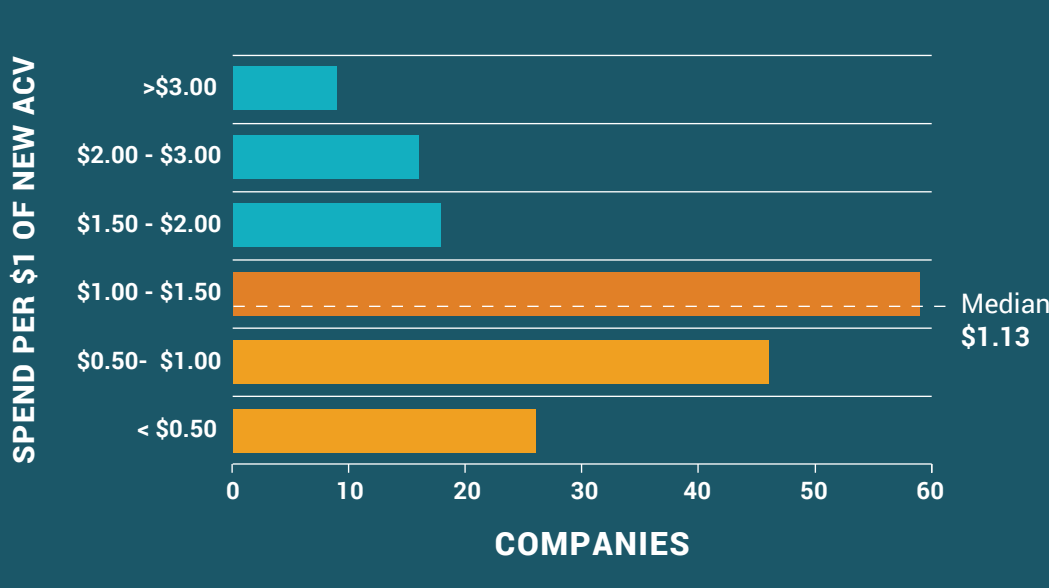
Design the right sales strategy to avoid the 'Red Zone'.

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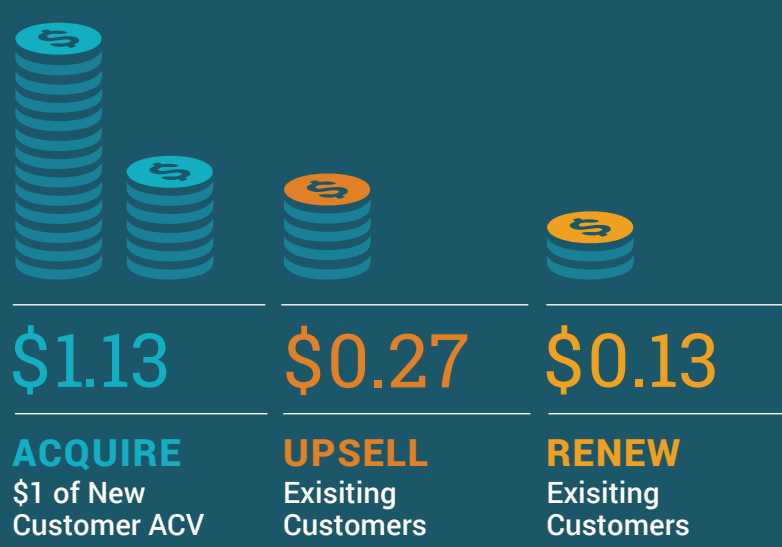
## ARE YOU SPENDING INTELLIGENTLY? CAC Ratio: How Much Do You Spend for \$1 of

### New ACV from a New Customer?

Excluding Companies <\$2.5MM in Revenue



MEDIAN CAC SPEND



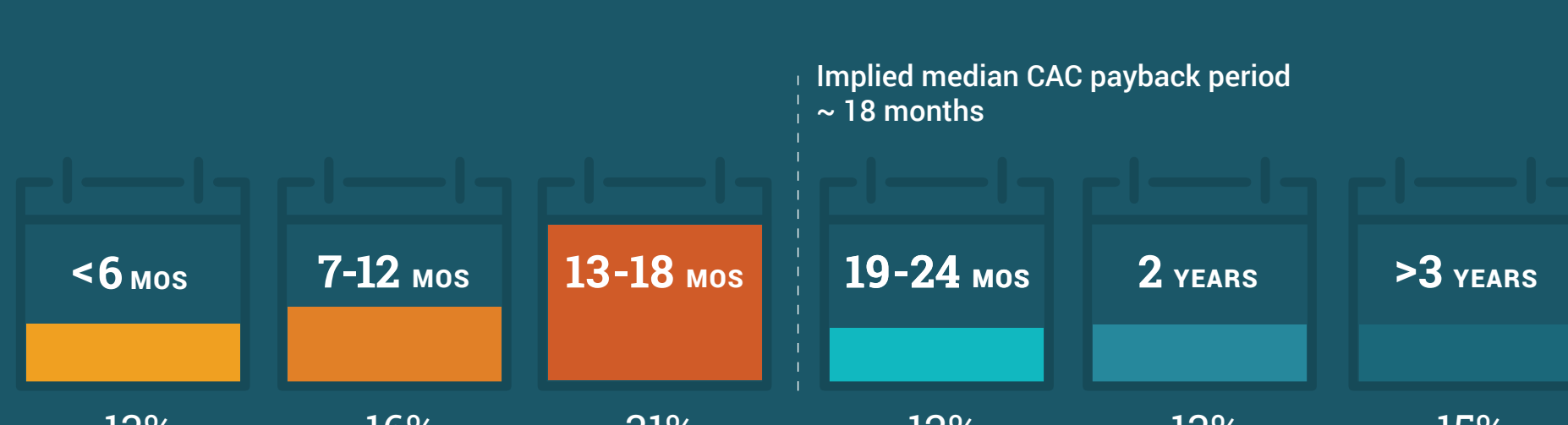
**for** **ENTREPRENEURS**

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



% OF COMPANIES

**for** **ENTREPRENEURS**

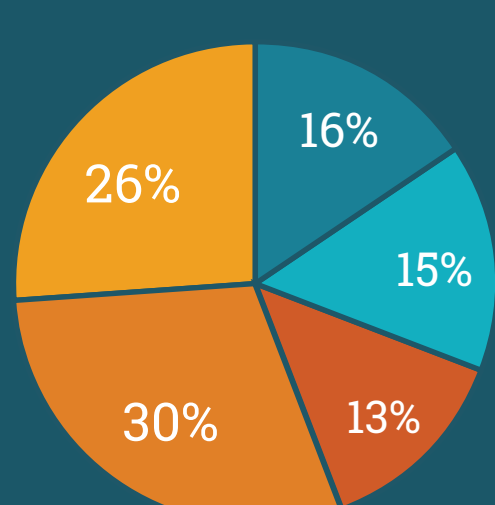
How deep is your SaaS cash flow trough?

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## ARE YOU KEEPING CUSTOMERS HAPPY TO PREVENT CHURN? Annual Gross Dollar Churn

Excluding companies <\$2.5MM in Revenue

Legend:  
 <5%  
 5-10%  
 10-15%  
 15-20%  
 >20%



% OF COMPANIES

8%  
**MEDIAN ANNUAL GROSS DOLLAR CHURN**  
 (without the benefit of upsells)

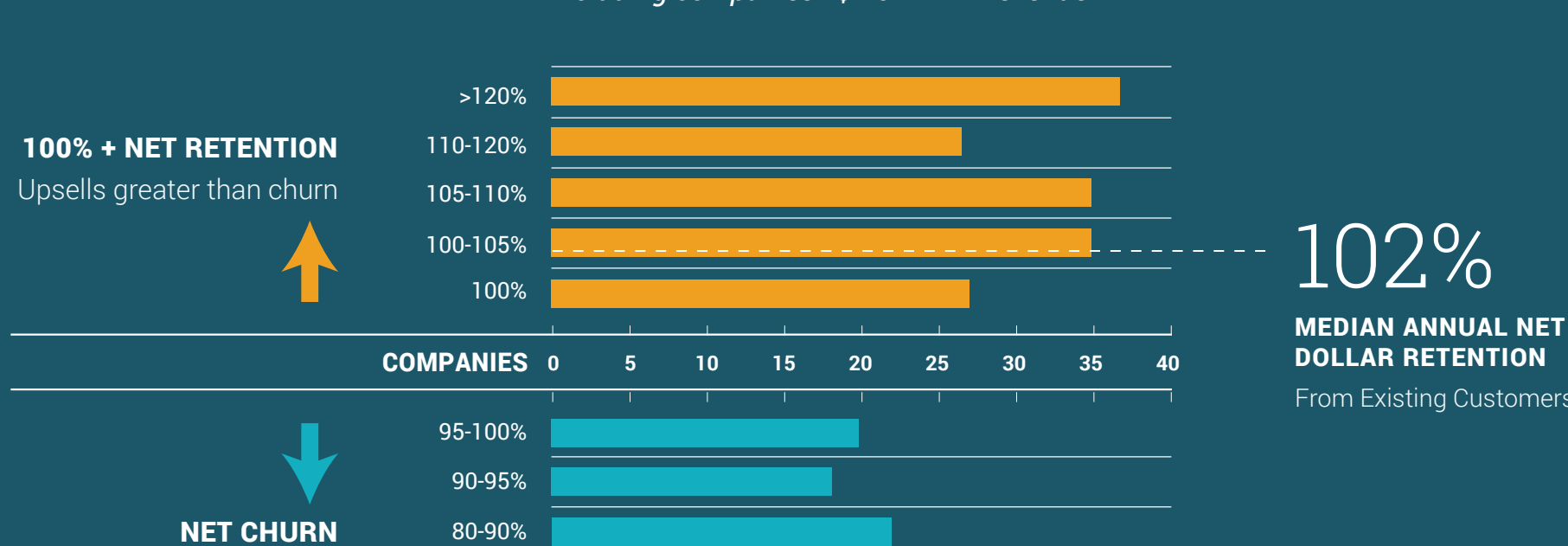
**for** **ENTREPRENEURS**

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.