

2023 Sales KPI
Report
Insight Partners



This document was created by **Insight Onsite**, a committed **team of operators** deploying our unique capabilities to guide our portfolio companies to success. As experts in the B2B SaaS space, we understand the specific competencies required for you to succeed.



INTRODUCTION

Purpose

This report serves to measure software sales operating performance by ScaleUp stage¹ and go-to-market motion².

Data source

Data is self-reported from 300+ software companies that Insight has worked with in the past year. The data was cleansed to ensure comparable data points across all measures. All data is for calendar year 2022 and reported quarterly.

How to Use Report

While this report provides a point of reference for KPIs across various stages of growth and sales motions, we understand that not every company is the same. These metrics should serve as guiding points through each section of your ScaleUp journey and help you understand where your performance lies in relation to that of your peer companies.

Table of Contents



01

GROWTH & PROFITABILITY



05

SALES PRODUCTIVITY



02

SALES EFFICIENCY



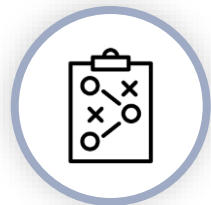
06

Sales & Customer Success
Center of Excellence Overview



03






RETENTION & CHURN



04

GO-TO-MARKET STRATEGY

Executive Summary: Sales KPIs

		Top Performers by Company Size (Ending ARR)					
		Metric	\$0-10M	\$10-20M	\$20-50M	\$50-100M	\$100M+
Growth & Profitability 	ARR Growth Rate	190%	106%	75%	53%	34%	
	New + Expansion Growth Rate	171%	73%	62%	53%	44%	
	Efficiency Rule	0.2x	1.0x	-	-	-	
Sales Efficiency 	CAC Payback Months	14.5	10.5	14.0	10.7	13.8	
	SaaS Quick Ratio	11.0x	6.1x	7.2x	8.1x	4.8x	
	Magic Number	0.7x	0.9x	1.0x	0.8x	0.8x	
	S&M as a % of Revenue	83%	45%	55%	38%	24%	
Retention & Churn 	Net Revenue Retention	123%	118%	124%	116%	115%	
	Gross Revenue Retention	94%	91%	93%	94%	94%	
	Annual Revenue Churn	7%	8%	6%	4%	4%	
	NPS	56	39	63	46	58	
GTM Strategy 	New Bookings as % of Total Bookings	86%	76%	72%	62%	57%	
	Avg. Sales Cycle (months)	3.0	2.5	3.4	2.6	2.0	
	S&M % of Total OPEX	19%	28%	36%	43%	38%	
	Sales % of S&M Expense ¹	62%	68%	68%	71%	71%	
	Sales Headcount % of Total ¹	14%	17%	22%	24%	24%	
Sales Productivity 	Bookings per Rep	662K	1.2M	997K	1.1M	1.0M	
	Pipeline Coverage	4.2x	4.7x	4.0x	3.8x	3.2x	
	Pipeline Conversion Rate	35%	45%	37%	48%	54%	

Go-To-Market Sales Motion Definitions

While these are broad definitions for each sales motion, for the purposes of grouping portfolio company data, ASP is used as a proxy

		Transactional Sale	Solution Sale	Consultative Sale
Target market	Segment	Sells to small businesses or individual teams	Sells to mid-sized companies and/or government entities	Sells to large companies and/or government entities
	Customer Headcount	<100 employees	100 – 1,000 employees	1,000+ employees
	Customer Revenue	<\$50M	<\$1B	\$1B+
Attributes	ASP	<\$25K	\$25-\$75K	\$75K+
	Decision Makers	1 – 2 decision makers	2 – 3 decision makers	Multiple decision makers
	Sales Cycle	<3 months	3–9 months	6–12+ months
	Sales Motion	Transactional sales process	Solution sales motion	Typically, a consultative sales process

Growth and Profitability Metrics

Definitions and calculations

Metric	Description	Formula	Benchmark/ Top Quartile ¹
ARR Growth Rate	Percentage change in ending ARR between 2021 and 2022	$\frac{2022 \text{ Ending ARR}}{2021 \text{ Ending ARR}} - 1$	112%
New + Expansion ARR Growth Rate	Percentage change in New + Expansion ARR between 2021 and 2022	$\frac{(2022 \text{ New} + \text{Expansion ARR})}{(2021 \text{ New} + \text{Expansion ARR})} - 1$	80%
Efficiency Rule	A measurement for how <i>smaller</i> companies balance growth and profitability. According to the efficiency rule, a healthy SaaS company will have a positive ratio of net new ARR to burn	$\frac{2022 \text{ Net New ARR}}{\text{Net Cash Burn}} \\ (2022 \text{ Total Billings} - 2022 \text{ Operating Expense})$	1x+

Sales Efficiency Metrics

Definitions and calculations

Metric	Description	Formula	Benchmark/ Top Quartile ¹
Customer Acquisition Cost (CAC)	The amount of sales and marketing dollars spent to acquire one new customer	$2022 \text{ S\&M Expense} / \# \text{ of New Customers}$	N/A
CAC Payback Months	The number of months required to recoup the investment of acquiring a new customer	$2022 \text{ S\&M Expense} / (2022 \text{ New} + \text{Expansion ARR}) * 12$	<12 (Transactional/Solution) <18 (Consultative)
SaaS Quick Ratio	A measure for how a company's new dollars compare to the dollars lost from the existing customer base	$(2022 \text{ New} + \text{Expansion ARR}) / (2022 \text{ Churn} + \text{Downsell ARR})$	4x+
Magic Number	A measure of the relationship between dollars spent and dollars earned	$(\text{Revenue} - \text{Prev. Q Revenue}) * 4 / \text{Prev. Q S\&M Expense}$	1x+
S&M Expense as a % of Revenue	A measure of the percentage of revenue tied to the dollars spent to acquire the revenue	$2022 \text{ S\&M Expense} / 2022 \text{ Revenue}$	37%

Retention and Churn Metrics

Definitions and calculations

Metric	Description	Formula	Benchmark/ Top Quartile ¹
Gross Revenue Retention (TTM)	The percent of recurring revenue retained from the prior year, <i>excluding</i> the impact of upsell and cross-sell	$(2022 \text{ Starting ARR} - \text{Downsell ARR} - \text{Churn ARR}) / 2022 \text{ Starting ARR}$	85% (Transactional/Solution) 95% (Consultative)
Net Revenue Retention (TTM)	The percent of recurring revenue retained from the prior year, <i>including</i> the impact of upsell and cross-sell	$(2022 \text{ Starting ARR} + \text{Expansion ARR} - \text{Downsell ARR} - \text{Churn ARR}) / 2022 \text{ Starting ARR}$	105% (Transactional/Solution) 120% (Consultative)
Annual Revenue Churn	A measure of how well a company retains its existing customer base as measured by the ratio of churned ARR to starting ARR (ignoring the impact of downsell)	$2022 \text{ Churned ARR} / 2022 \text{ Starting ARR}$	5-10%
Net Promoter Score	A measure of customer satisfaction. The percent of customers that would recommend the product to an acquaintance (on a scale of 0-10). 9-10 are considered promoters; 0-6 are considered detractors; and 7-8 are considered neutral	% Promoters - % Detractors	50%+

GTM Strategy Metrics

Definitions and calculations

Metric	Description	Formula	Benchmark/ Top Quartile ¹
Selling Motion	How the company sells to its customers. Companies are either reliant on face to face interactions (field), over the phone/remote selling (inside), or an even mix of both (Hybrid)	If 75%+ of the Sales reps are field or inside reps, it is classified as a field or inside selling motion	N/A
New vs. Expansion Bookings	A measure of the percent of revenue from new logos vs. the existing customer base	$\text{New ARR} / (\text{New} + \text{Expansion ARR})$	75%
Avg. Sales Cycle	The average time (months) between the creation of a sales opportunity and closed deal	Self reported	3-6 months (Transactional) 9-12 months (Consultative)
S&M % of Total OPEX	A measure of how a company prioritizes investment in sales and marketing compared to all other operational functions	$\text{S\&M Expense} / \text{Total OPEX}$	30-40%
Sales % of Total Headcount	A measure of how a company prioritizes resources in sales compared to all other operational functions	$\text{Sales Headcount} / \text{Total Headcount}$	15-30%

Sales Productivity

Definitions and calculations

Metric	Description	Formula	Benchmark/ Top Quartile ¹
Bookings per Rep	A measure of rep productivity. The amount of new bookings (new + expansion ARR) per fully ramped sales rep	$(\text{New} + \text{Expansion ARR}) / \# \text{ of Fully Ramped Reps}$	\$993K ²
Pipeline Coverage	A measure of how well the inflow of prospective customers supports the sales targets	$\text{Starting in quarter unweighted pipeline} / \text{Projected New} + \text{Expansion ARR}$	3x+
Conversion Rate	A measure of how successful the sales team is at progressing and closing deals in the pipeline	$\text{New} + \text{Expansion ARR} / \text{Starting in quarter unweighted pipeline}$	45%

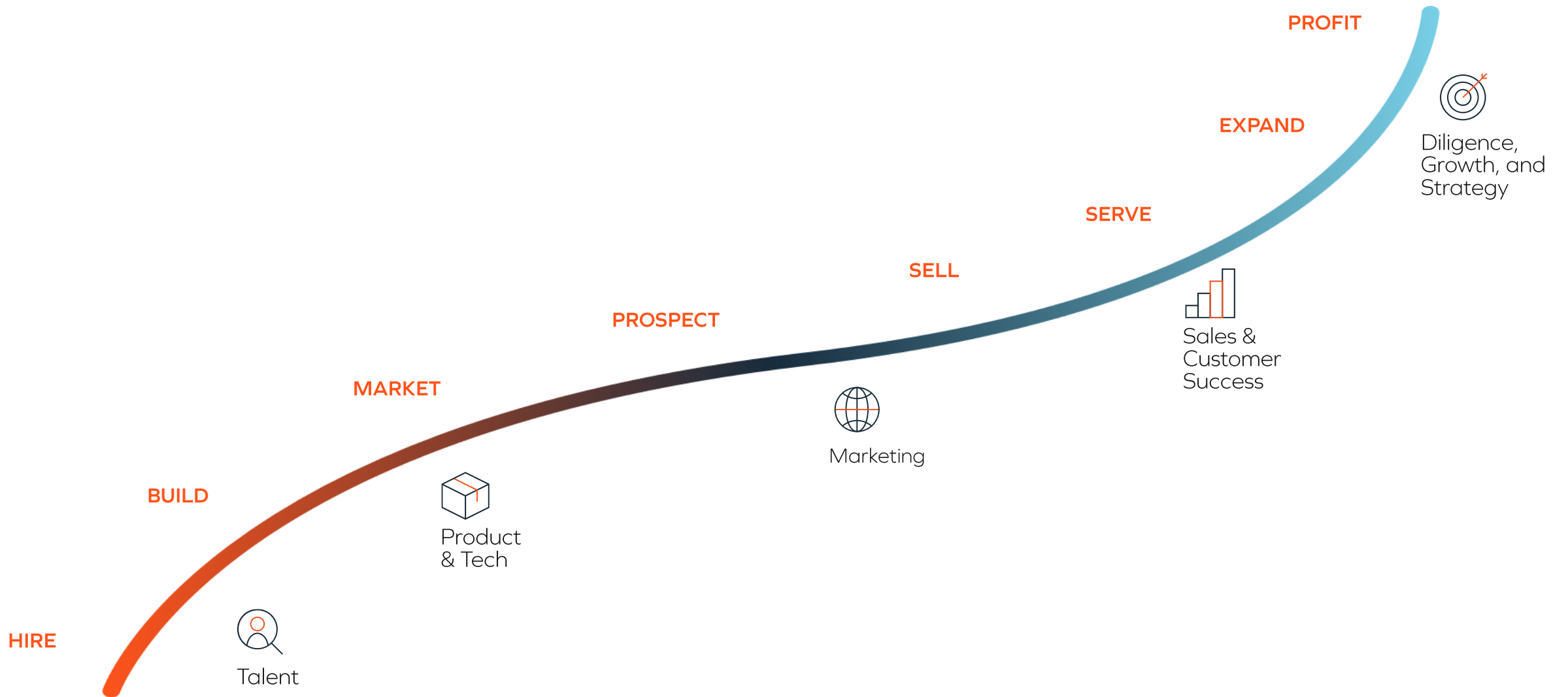
- 1) Orange text indicates Top Quartile of software companies where no industry standard benchmark is available
 2) Bookings per Rep Top Quartile is aggregated across all selling motions



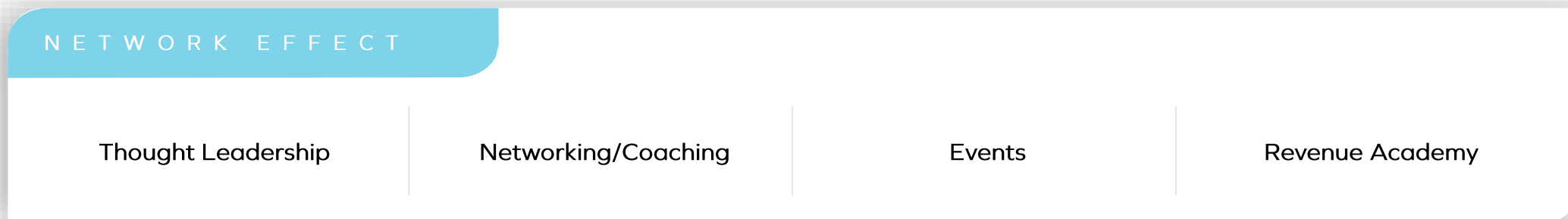
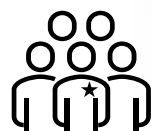
Sales & Customer Success Center of Excellence

Overview


Onsite is your ScaleUp engine, providing fuel to accelerate your growth



We offer a flexible approach to suit your needs




We help scale and accelerate your revenue engine across multiple levers **INSIGHT PARTNERS**



GTM Strategy & Design

Segmentation	Capacity & Coverage Models
Territory Design	Compensation & Quota Setting
Channels Strategy	Account Strategy




Effectiveness

Top of Funnel Alignment	Playbooks
Sales Pitch	Onboarding & Activation
Technical Sales Support	Engagement Model
Customer Journey	Enablement



Execution

Pipeline & Forecasting	Analytics & Reporting
Retention & Renewals	Adoption
Customer Support & Help Desk	Performance Reviews & Coaching
Service Delivery	Sales Process



Technology Stack

CRM	Mar-tech	Sales Productivity	Comp & Territory Platforms	CLM/CPQ	CX-Tech
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Cross-Functional Dependencies

Executive Interaction	Sales & Marketing Partnership	Product Development Partnership	Corporate Culture	Communications
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Insight's Lean ScaleUp program boosts speed + scale

Using lean thinking principles to efficiently remove obstacles to operational effectiveness

LEAN SCALEUP

Comprised of guided workshops and advisory, the **Lean ScaleUp** program enables portfolio companies to deliver superior value to customers across all operations by addressing potential inhibitors to organizational growth, scale and speed.



ScaleUp Platform

GO is a private network that provides our portfolio companies with the connections, resources, and opportunities that they need to scale. We encourage C-level & VPs to join and download the mobile app!

Functional Communities

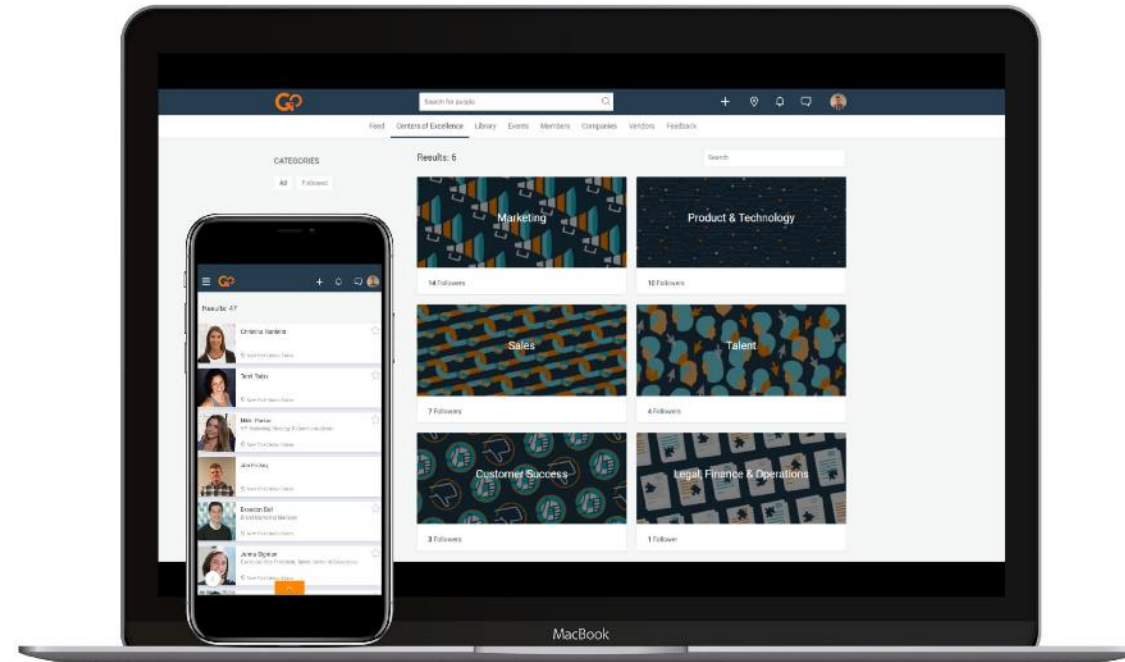
Receive targeted advice and aligned resources by joining a functional community.

Resource Library

Gain access to a library of playbooks, templates, and portfolio discussions.

Member Directory

Easily filter and target portfolio peers for networking opportunities.



Partner with Insight

Promote your expertise and product through thought leadership and our partner program.

Vendor Directory

Connect with vetted vendors and access exclusive discounts across functional areas.

Event Calendar

Explore the event calendar to register for Insight, portfolio, and industry events.

[JOIN THE GO COMMUNITY](#)



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