METRICS

Key Performance Indicators for early stage startups

ABLE

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VENETSIYA NETSOVA-ANGOVA

VNETSOVA@ABLEBULGARIA.ORG

PRESIDENT, ABLE BULGARIA

Venetsiya Netsova-Angova is a consultant and project manager with a 10-year professional experience in the field of entrepreneurship and business performance improvement in various organizations – corporation, startup, public administration, NGO and her own businesses.

Venetsiya stands behind incorporating risk-taking as a way of expressing freedom and purpose in her personal and professional life.

She is currently the President of the Association of the Bulgarian Leaders and Entrepreneurs (ABLE), the project manager of Startup Navigator - the digital map of entrepreneurship in Bulgaria and the project BOSS – Business Owner Success Stories that aims to empower potential doers to start their businesses, projects and initiatives.

Some of the occupations that marked her professional journey include 4 years at KPMG Bulgaria in the field of Management Consulting, about a year as project manager at an Austrian-Bulgarian technology startup, advisor to the Minister of Economy Teodor Sedlarski during the temporary government in 2017 and about 3 years of leading and managing three business ventures.

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ASSOCIATION OF THE BULGARIAN LEADERS AND ENTREPRENEURS

We Build Leaders and Entrepreneurs

Entrepreneurship

Leadership

Civil Society

01 CULTIVATE ENTREPRENEURIAL CULTURE IN BULGARIA

02 INSPIRE LEADERSHIP

03 DEVELOP AN ACTIVE CIVIL SOCIETY

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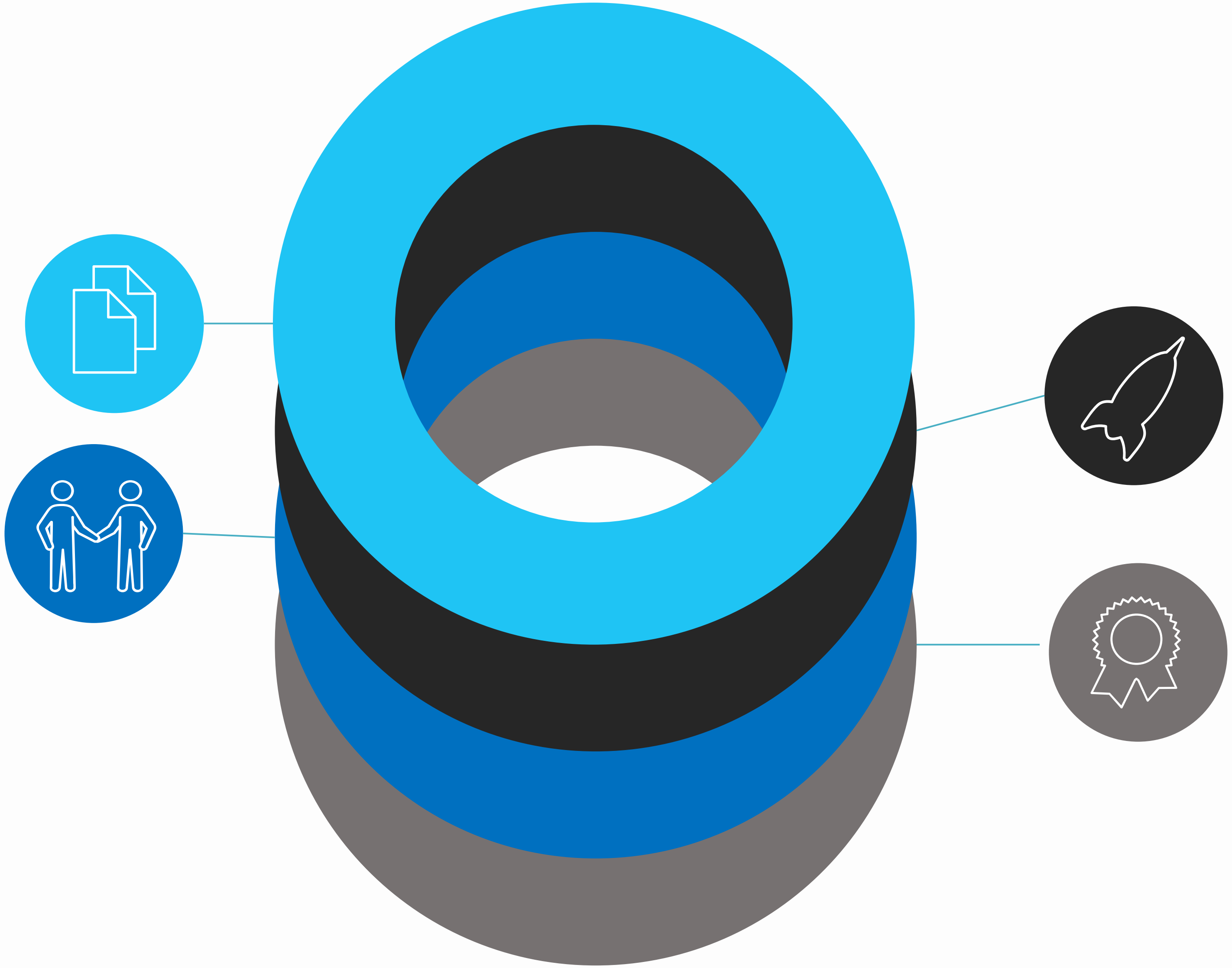
ABLE TRACTION

150,000 people reached through our programs



10+
Programs

200+
Members

40+
ABLE Startups

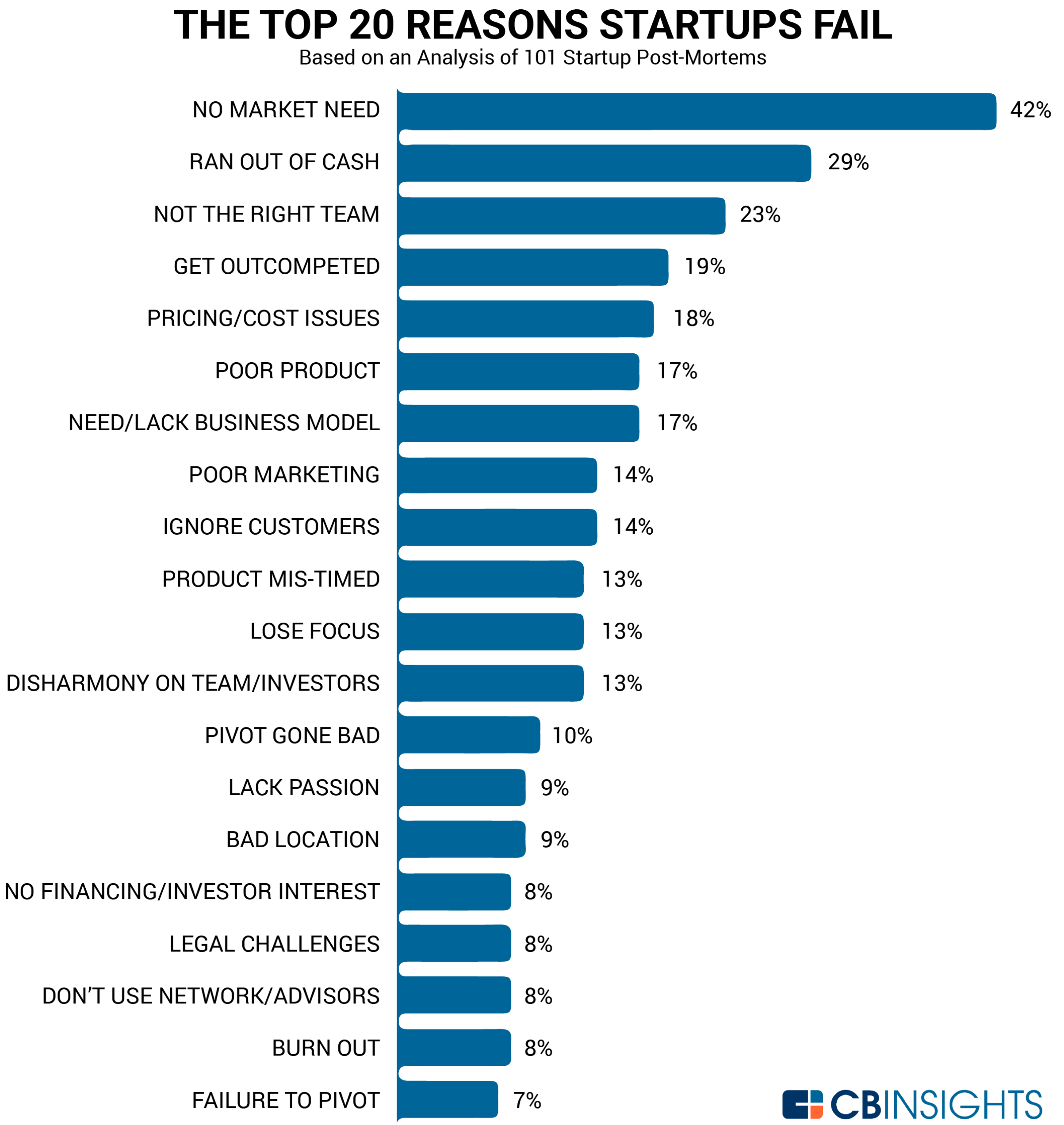
250+
Events Organized

BIG CONCEPT

Why do startups FAIL?

STARTUP

Failure



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1. CAC

Customer acquisition cost

CAC measures -- you guessed it -- the cost of acquiring a new customer.

The easiest way to calculate CAC is to pick a specific time period and then divide your cost of marketing and sales by the number of customers you gained.

For example, if you spent $1,000 to get 20 customers, your CAC is $50.

2. RR

Retention rate

Also known as **churn rate**, retention rate evaluates the percentage of customers that stay with you and the percentage that leave over a given time period. (That's why it's particularly relevant for subscription business models.)

The formula can be a little complicated, but one way is to subtract the number of new customers from your total customers at the end of a given period, then divide that number by the number of customers you started the period with.

Also known as Customer Lifetime Value, this metric measures the revenue you receive from repeat customers.

Why do you care?

For one thing, knowing your CLR can help you determine how much you can afford in CAC: The greater the lifetime revenue of a customer, the more you can afford to spend to acquire that customer.

3. CLR

Customer Lifetime Revenue

4. ROAS

Return on Advertising Spending

The math is easy: Divide the sales generated by your advertising spending.

So if you spent $15,000 on advertising that resulted in $30,000 in sales, your ROAS is $2. You generated $2 for every $1 you spent.

But you need to take a closer look than that. It's easy to fall into the trap of marketing on a variety of channels at once -- but that makes it hard to evaluate which of those channels were effective. Start small. Figure out your audience. Then expand.

Bottom line is IMPORTANT.

Before you hire more people, make sure your business is where you -- or your investors -- want it to be.

There are many ways to calculate margin, but generally speaking your revenue must exceed your cost of goods sold and your operating expenses (like rent, salaries, fixed costs, etc.)

5. MGN

Margin

"Chase the vision, not the money; the money will end up following you."

–Tony Hsieh, Zappos CEO

THANK YOU

CONTACT

Venetsiya Netsova-Angova
+359 897 984 443
vnetsova@ablebulgaria.org

ABLE Bulgaria
Serdika 20
1000 Sofia