


| Benchmarks to KBCM survey | KBCM survey \$5M-\$10M* | 2022 | 2023 | Key Questions | Score |
|---|----------------------------|------|------|---|---|
| GROWTH & PRODUCTIVITY | | | | | |
| ARR growth rate <small>(Example scores shown)</small> | 2x | 2.2x | 2.5x | How fast should / do we need the business to grow? Examples: T2D3 Rule of Thumb, Rule of Forty, Growth Efficiency or Growth Efficiency Index |  |
| ARR / FTE | \$112,000 | | | What is the right staffing level? | |
| New ARR / Sales FTE | \$561,000 | | | How many sales resources should I hire? | |
| CAC ratio / new ARR | \$1.67 | | | How much should I spend to acquire customers? | |
| <i>(Fully-loaded S&M spend to acquire \$1 of new ARR from a new customer)</i> | | | | | |
| P&L | | | | | |
| Total Gross Margin | 75% | | | What should I charge for my product? How much should I spend for product delivery and customer support? | |
| Sales & Marketing | 33% | | | How much should I spend on sales & marketing? | |
| Research & Development | 27% | | | What is the stage of the product? Do I have technical debt? How much do I need to spend to be able to sell to different channels? | |
| General & Administrative | 22% | | | What is the appropriate overhead? Do we use the most efficient tools and services? | |
| EBITDA Margin | -7% | | | Is it acceptable to create losses while I grow and win market share? When should I be break even? Is growth or profitability more important? | |
| CAPITAL EFFICIENCY | | | | | |
| Capital required to reach \$5M ARR | \$6.5M | | | What is the right amount of capital to reach my ARR goals? | |
| New ARR / Burn | 0.49x | | | How much burn is acceptable to win new business? | |
| Years req'd to reach \$5M ARR | 4.4 | | | How fast should I reach my growth goals? | |
| Capital consumption ratio | 1.8x | | | Do I use my capital efficiently? | |

 **Beating the Benchmark!**
 **Meeting the Benchmark**
 **Not Quite at the Benchmark**
 **Missing the Benchmark**