

POSSIBLE (RE)DEFINED

Coffee Break for SaaS Companies:

How to Drive Powerful Decisions from Your FP&A Data

Date: March 23, 2023

KNOWLEDGE

Learning Objectives

Learn importance of FP&A data for SaaS CFOs and financial teams

Review examples of dashboards and KPIs critical for success

Which metrics are relevant to your size, growth rate and business model?

WELCOME

Today's Presenters



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Advisory LLC

Why are metrics vital to a SaaS business?

GAAP financial statements have their drawbacks

- SaaS = Sales and Marketing spend leads to annuity revenue and delayed gratification
- “Matching” is a cornerstone of GAAP accounting
 - SaaS spending emphasizes “acquiring the customer”
 - S&M spend is Op Ex, not Cost of Goods
 - Cost of Goods are matched with revenue, Op Ex is not
- Result: SaaS P&L statements can look bleak. Maybe they are, maybe they are not?

Losing money: A fine or a bad idea, depending on metrics!

- Losing money with good metrics = ultimate success
 - Spend more, lose more now and make more later
- Losing money with bad metrics = road to ruin. Dive in and fix your business

Metrics are as important as Financial Statements for SaaS businesses

- Can you imagine not creating and understanding your Financial Statements?

Communication

Metrics – The Language of SaaS

- **You must speak the language if you want to grow**
 - Investors, bankers, and potential acquirers will all expect you to be fluent
- **Your vocabulary should change over time**
 - Size
 - Growth rate
 - Business Model (B2B, B2C, Distribution, Platform vs. Services)
- **Benchmarking and metrics guidance is plentiful**
- **Calculating Metrics is not enough**
 - Define, understand, and benchmark your metrics for accuracy and context
 - Manage your metrics – “pulling levers” with considered action
 - Your management team must be fluent, and they must “converse” (CLV)

Knowledge

SaaS Metrics 101

The “Meta Metrics” – CLV and CAC

- How much does it cost to acquire a customer?
- What is a customer worth over time?

Breaking the “Meta Metrics” down

- CAC – Sales efficiency, “Time is Money”
- CLV – contract structure, expansion and churn

Cash is always king, especially for SaaS

- Burn, Baby, Burn...if the metrics look good!
- Finance is key – vigilance, modeling and forecasting is needed for optimization

There are a million metrics under the sun – be selective

- Chose the metrics that are most important to your business
- Maintain them, know how to “move them”, and track progress

If you could use some help

- SaaStrack – Track #1 – SaaS Metrics evaluation

Thank you for
attending

Additional Questions?

Reach out to us at

Experts@armaninio.com



POSSIBLE (RE)DEFINED

Additional Resources & Information

OUR EXPERTISE

Technology Industry

Armanino's technology practice is our largest industry group. We have served over **5600+ tech companies and 75+ unicorns** — from start-up, high growth to public companies.

We understand the challenges faced, from subscription-based accounting issues in the software sector to supply chain disruptions in high tech. We offer a full array of services to enable each stage of a companies' development.

Armanino also offers a robust industry certification program our professionals use to achieve a designated expertise badge. Earners of this badge have participated in a series of E-Learning modules testing their knowledge and technology specific expertise and are able to make optimal choices when presented complex industry challenges.



SaaS



Life Sciences



Hardware



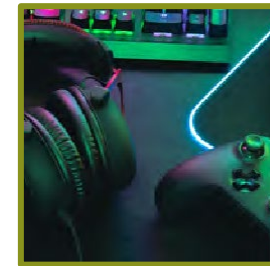
Health Tech



FinTech



Digital Assets



Video Gaming

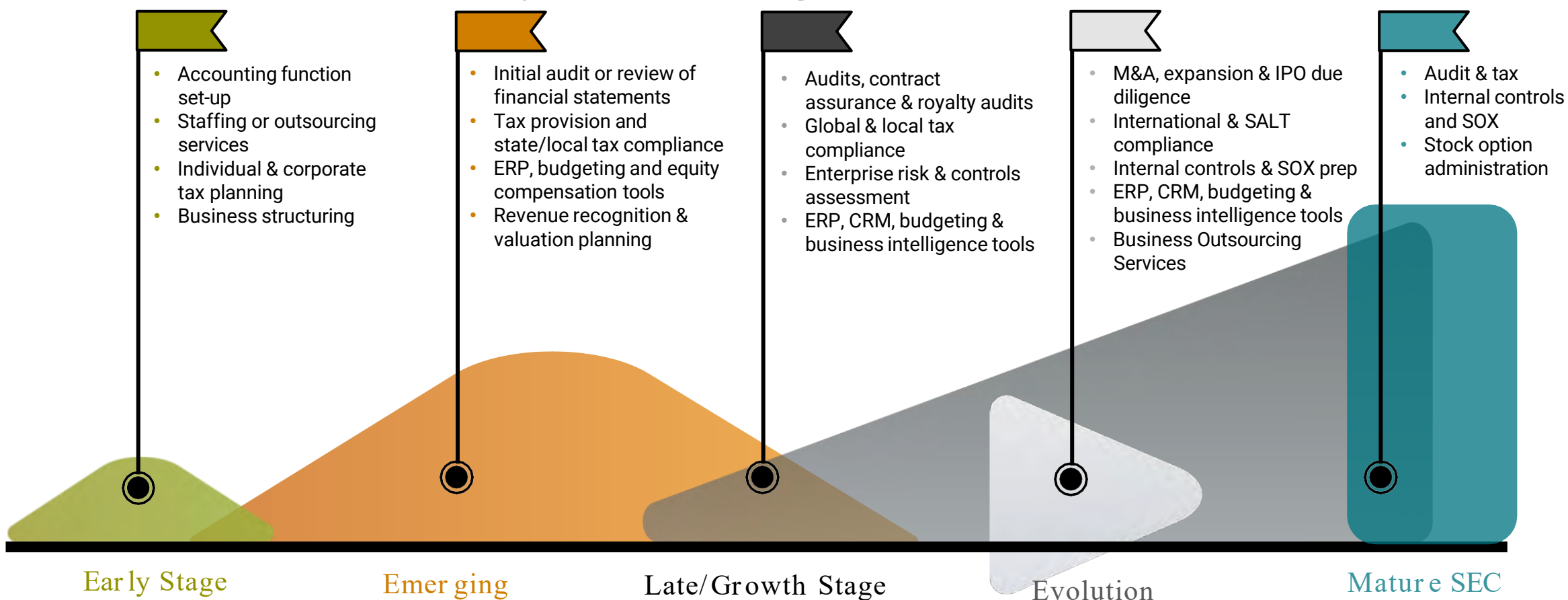


Digital Media & AdTech

WHAT STAGE ARE YOU IN?

Business Lifecycle Stages

Technology companies go through recognizable life stages, each with its own set of common needs on the finance organization.

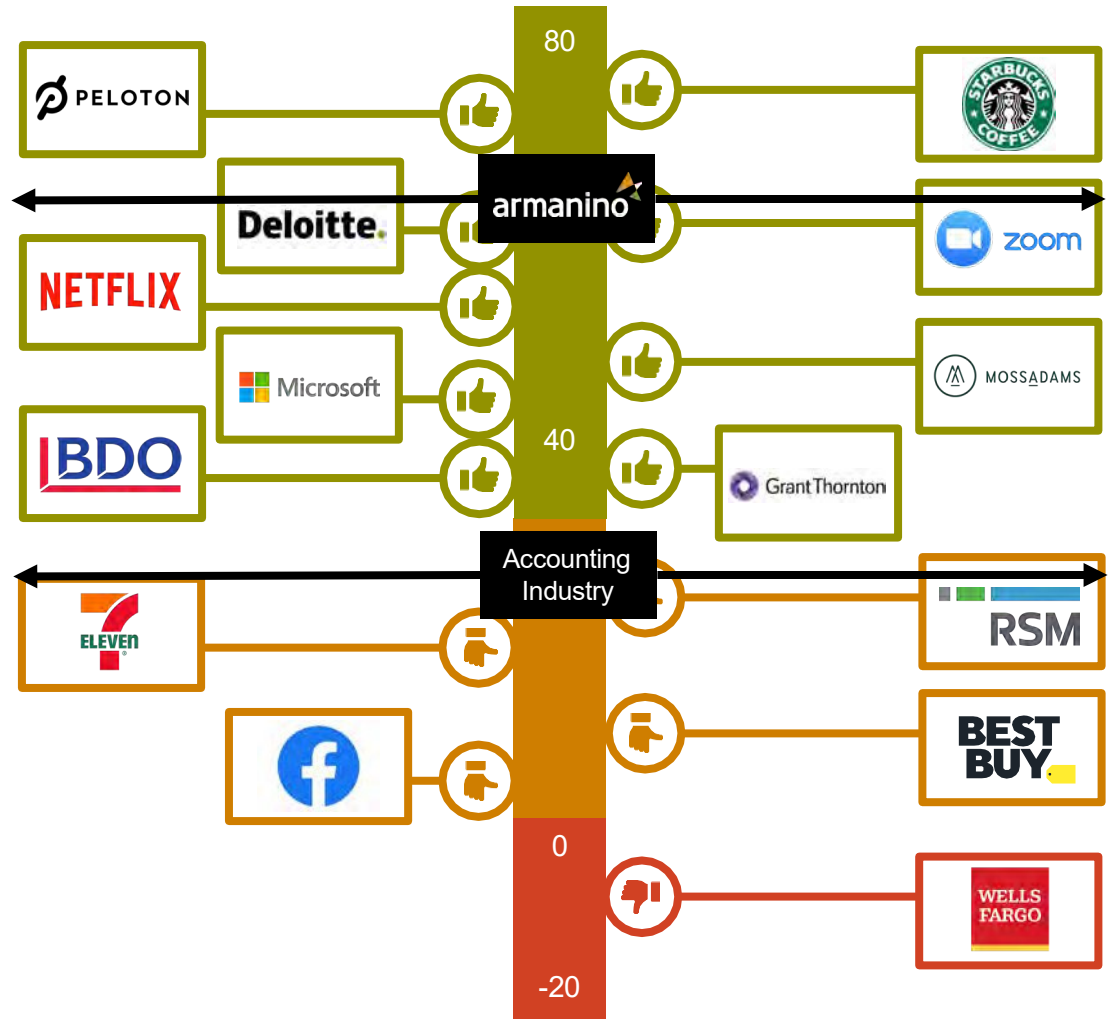


OUR CLIENTS' VIEW

We're Just What You Need

A Net Promoter® Score (NPS) is used by more than two-thirds of Fortune 1000 companies.

Armanino's NPS (68) is almost two times higher than the accounting industry average (38), and it places the firm scores closest to household name brands such as Starbucks, Peloton and Zoom.



OUR PROMISE TO YOU

Reimagine Your Potential



Unconventional Approach

We're a vested, entrepreneurial partner who sees your organization through a 360 lens and finds opportunity at every stage



Comfort in Change

Our experts provide guidance and support while quickly facilitating transformation that gives you a competitive advantage.



Focused on You

Our integrated teams and solutions deliver tailored insights to bring you more value and clarity throughout your journey.

A New and Better Way for Today and Tomorrow

Equipping you with the insights and tools needed to redefine what's possible



COMPLIANCE & REGULATORY

- Tax Planning
- Trust & Estate
- SOX
- Contract



ASSURANCE & ADVISORY

- Cybersecurity
- SOC
- Restructuring
- Revenue Recognition



STRATEGY & PLANNING

- Corporate Strategy
- Strategic Advisory
- Benchmarking
- Business Transformation



STAFFING & DEVELOPMENT

- Payroll
- Health Benefits
- Executive Search
- Interim Placement



TECHNOLOGY SYSTEMS

- ERP
- CRM
- Business Intelligence
- Managed Services



ACCOUNTING & BACKOFFICE

- Bookkeeping
- Budgeting/Forecasting
- Account Receivable
- Accounts Payable

Possible *(Re)*Defined™

Delivering impactful, bold solutions that increase clarity
and spark success for today and tomorrow.

Armanino Operates in an Alternative Practice Structure:

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