



SaaS METRICS PALOOZA

2023



The Impact & Value of GTM Metrics

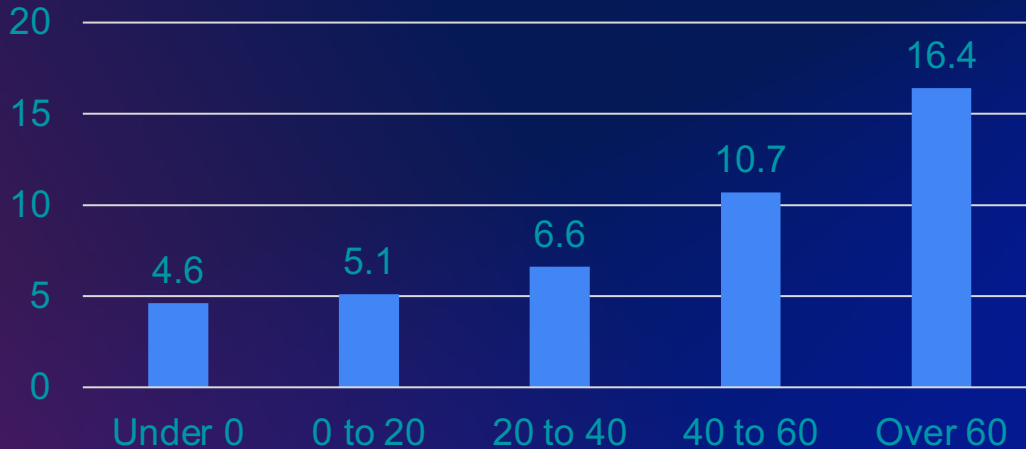


Jeremey Donovan
EVP, Sales & CS
Insight Partners

Rule of 40 has a faster than linear correlation with valuation

Public SaaS Market Cap to NTM
Revenue Multiple vs. Rule of 40

Source: Insight Partners March 2022



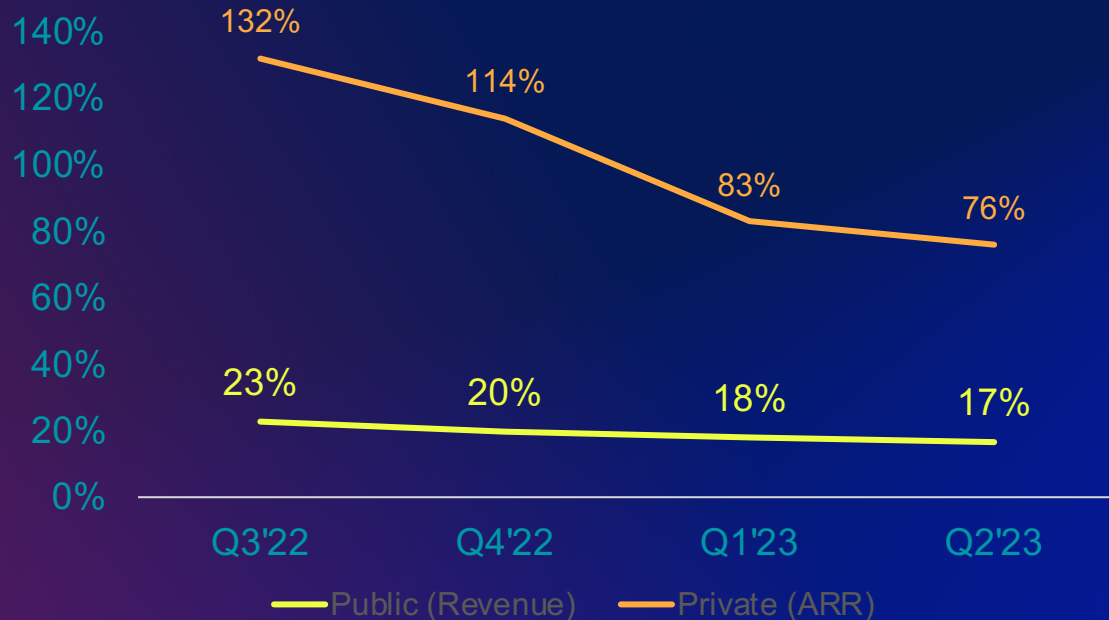
Decomposing the Rule of 40



Growth continued to soften through Q2

Growth Rate

Source: Insight Partners, Sept 2023



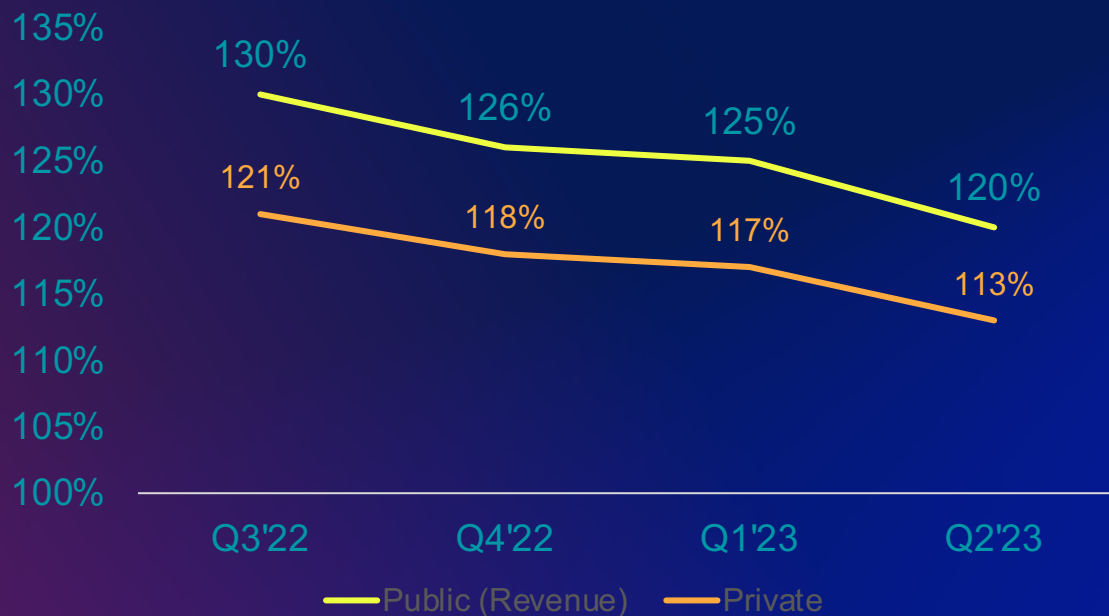
Decomposing the Rule of 40



Current customers are not inexhaustible

Net Retention

Source: Insight Partners, Sept 2023



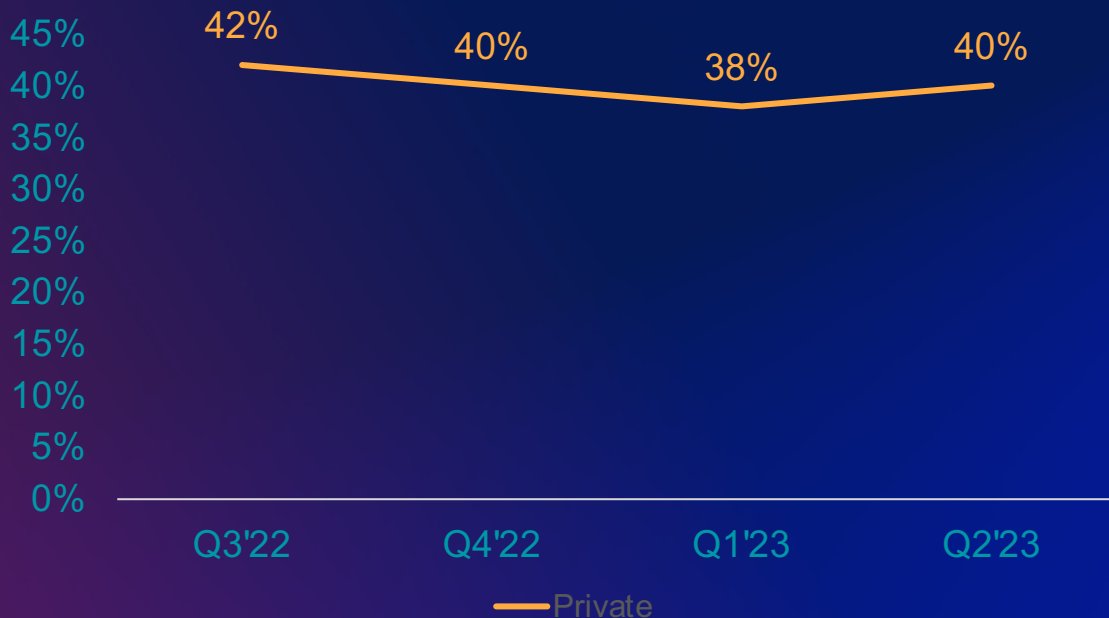
Decomposing the Rule of 40



Contrary to anecdotes, win rates are stable

Win Rates

Source: Insight Partners, Sept 2023



Decomposing the Rule of 40



SaaS companies acted quicky to address profitability drop

Change in Median FCF Margin

Source: Insight Partners + S&P CapIQ



Decomposing the Rule of 40

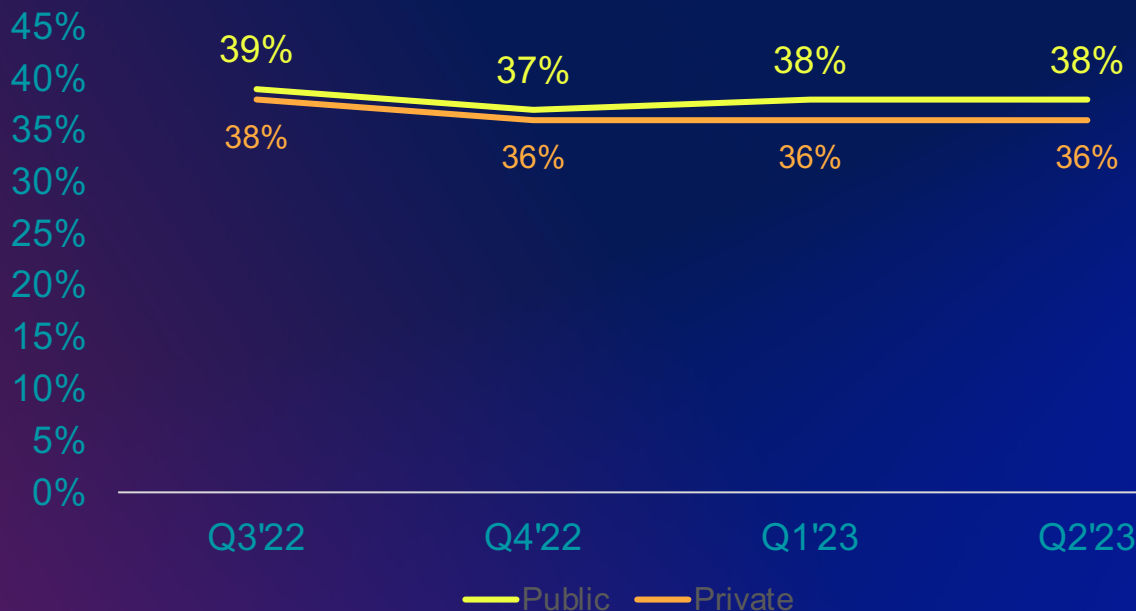


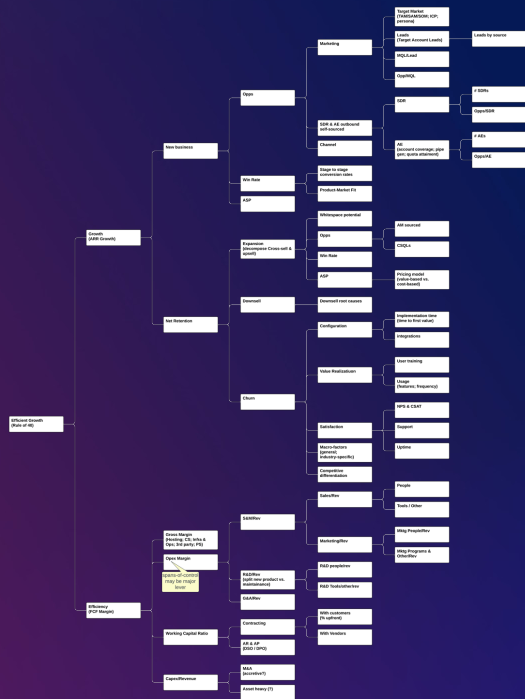
Overall, S&M/Rev has remained controlled

(not shown: Per BenchSights, S&M/NNARR has grown dramatically)

Sales & Mktg. Expense as a % of Revenue

Source: Insight Partners & S&P CapIQ, Sept 2023





Full decomposition of the Rule of 40
available here: (ungated)

<https://revenue-playbook.com/documentation/optimization/kpis/>

Contact



Jeremey Donovan

**[linkedin.com/in/
jeremeydonovan/](https://www.linkedin.com/in/jeremeydonovan/)**