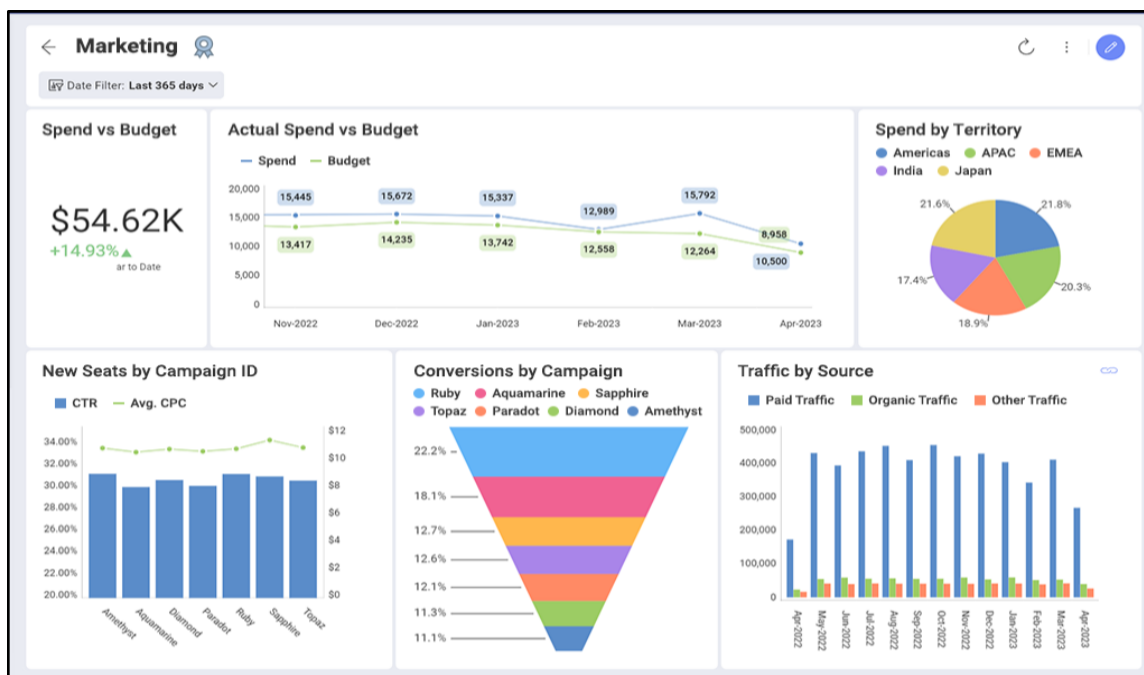


The Essential CRO Dashboard: 15 Metrics Every Chief Revenue Officer Should Track

11/10/2023

Most CROs are no strangers to the metrics, but it's always valuable to take a step back and evaluate your dashboards. Do you truly focus on the metrics that drive your company's growth, or are you entrenched in numbers that don't move the needle?

At CRO Advisors, we identified a list of 15 indispensable metrics we believe every CRO should have on their radar, with a little nudge on where to get them, how frequently to check, and why they're essential for your dashboard.





Foundational Revenue Metrics

1. Annual Recurring Revenue (ARR):

The total amount of predictable revenue a company can expect on an annual basis. This metric is your company's financial heartbeat and offers a snapshot of predictable revenue. It is the sum of all recurring revenue from customers in a given year and provides insight into the company's financial health and growth potential.

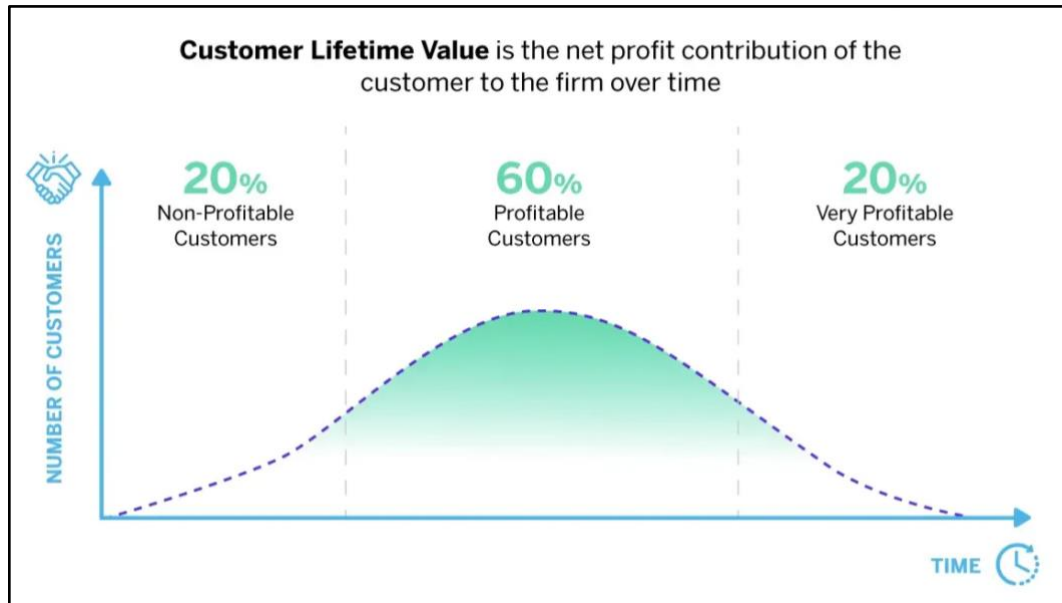
Source: Billing system/Frequency: Monthly

2. Customer Lifetime Value (CLV):

The total net profit a company makes from any given customer. CLV is the average purchase value x frequency of purchase x average customer lifespan. It helps you to understand how much value each customer brings over their lifetime. And in the big picture, it helps you to understand the value each client brings to

the table. In a world of increasing difficulty in bringing in net new business, it is critical to expand the footprint and extend the shelf life of the existing client base.

Source: CRM and finance software/Frequency: Quarterly



3. Customer Acquisition Cost (CAC):

The cost associated with acquiring a new customer. CAC is total sales and marketing expenses divided by the number of new customers acquired. It is important to assess the profitability of acquiring new customers and realize you want this as LOW as you can get it. No matter, it will cost your company at least 5X to gain a net new B2B client than it will to maintain an existing client, just do it as expediently and efficiently as possible.

Source: Finance and marketing software/Frequency: Monthly

Sales Effectiveness Metrics

4. Sales Pipeline Value:

This leading indicator is a CRO's bread and butter, comprising the sum of the values of all deals at each stage in the pipeline and

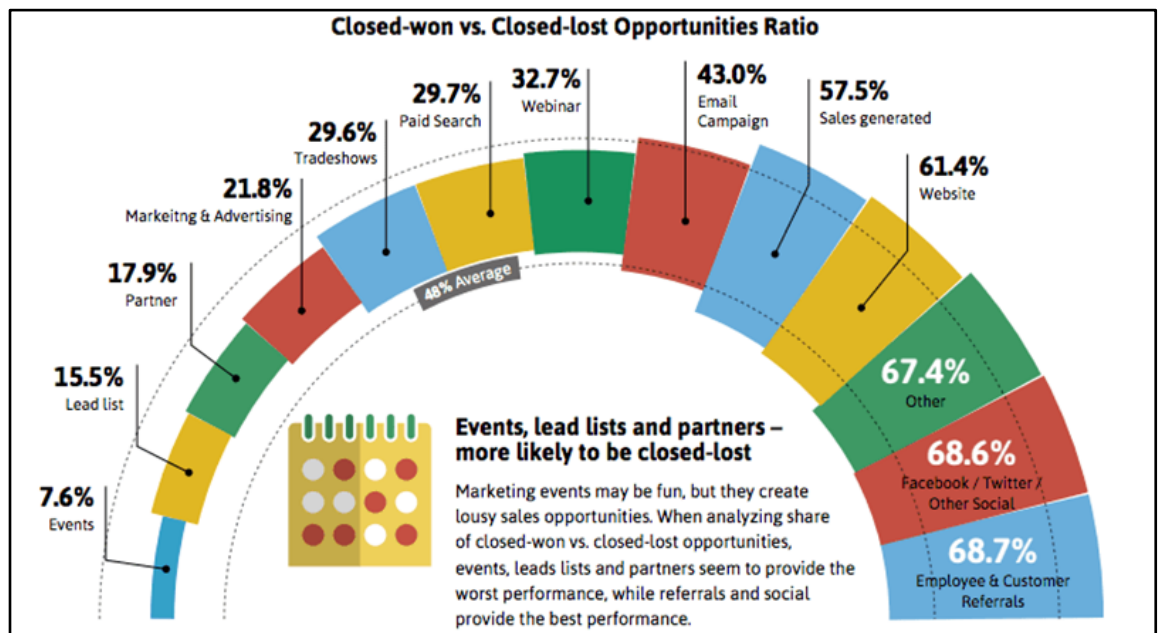
providing a forecast of future revenue. "Top of the funnel" status is the very beginning of the process where your "Marketing Qualified Leads" enter and each stage successfully beyond this point achieves a greater probability of closing in a "Closed Won" status. That's like hearing, "Score", at your favorite NHL team's game!

Source: CRM/Frequency: Weekly

5. Lead Conversion Rate:

Lead conversion rates are a crucial way to measure the effectiveness of your sales process. It tracks the percentage of leads that become paying customers. Derived from dividing the number of new customers by the number of leads x 100. In the below graphic, you can see their metrics proved going to conferences and using lead lists low probability of success to "close the sale" whereas referrals and social media intros were most effective. This will not be the case for all industries or geographies but serves as a great example nonetheless.

Source: CRM/Frequency: Monthly



6. Average Sales Cycle Length:

Track this metric for more insight into planning and resource allocation. The average amount of time it takes for a lead to become a customer measures the total duration for all sales by the number of sales. This is a baseline metric that all companies need to track. Keep in mind, that the size of company that fits your ICP will more or less dictate the average sales cycle length. Therefore, B2C should close fastest, then Small Biz, Mid-market, Enterprise, and Strategic Enterprise accounts last.

Source: CRM/Frequency: Quarterly

7. Revenue Per Field Rep:

Keep an eye on the productivity of your field team by tracking the amount of revenue each representative brings in. Divide total revenue by your number of field reps (and don't forget to dive in and look at individual performance.) We often measure the effectiveness of a company by dividing the total annual revenues by their total employee count. Similarly, we are now only focusing on our field team that drives revenue growth efforts. It's a critical measurement.

Source: Sales management software/Frequency: Monthly

8. Quota Attainment Rate:

Be sure to measure the effectiveness and efficiency of your sales team via the percentage of sales reps meeting or exceeding their sales quota. $(\text{Number of reps meeting/exceeding quota} / \text{total number of sales reps}) \times 100$. An additional and very valuable level of measurement is to analyze the percent attainment to quota. Therefore, any leader might have 45% of their reps meeting or exceeding quota (that's not great). And, the 55% who are not achieving quota could be 95% on average to quota OR 9.5%...and that difference can help guide you and your RevOps and RevEnablement teams as to what is needed to turn things around for the short and long-term future.

Source: Sales management software/Frequency: Monthly

Customer Relationship Metrics

9. Churn Rate:

This lagging indicator is the percentage of customers who stop using a company's product or service during a certain timeframe. It is a direct indication of customer satisfaction and product fit. The flip measurement is called, "Retention Rate". In short, you want your Churn Rate to be 0.0%. An excellent rate is <2% for B2B SaaS companies. Over the last several years as SaaS providers and their client bases have increased in number, the Churn Rate as an industry has increased and the Retention Rates have dropped quite dramatically. Ultimately, this means vendors are not helping their clients succeed so the client is moving elsewhere to find that trusted partner.

Source: CRM and customer support tools/Frequency: Monthly

10. Upsell and Cross-sell Rate:

Be sure to understand your potential for additional revenue by looking at the percentage of existing customers who purchase additional products or higher-tiered services. Get to this number by looking at the number of customers who purchased additional products or services divided by your total number of customers x 100. Taking this one step further, Whitespace Analysis is a watermark measurement to understand which products or solutions each client has purchased, what is yet to be purchased, what is the value of those unpurchased products, and then go sell them. The goal of course is to "fill the whitespace" with upsell and cross-sell strategies.

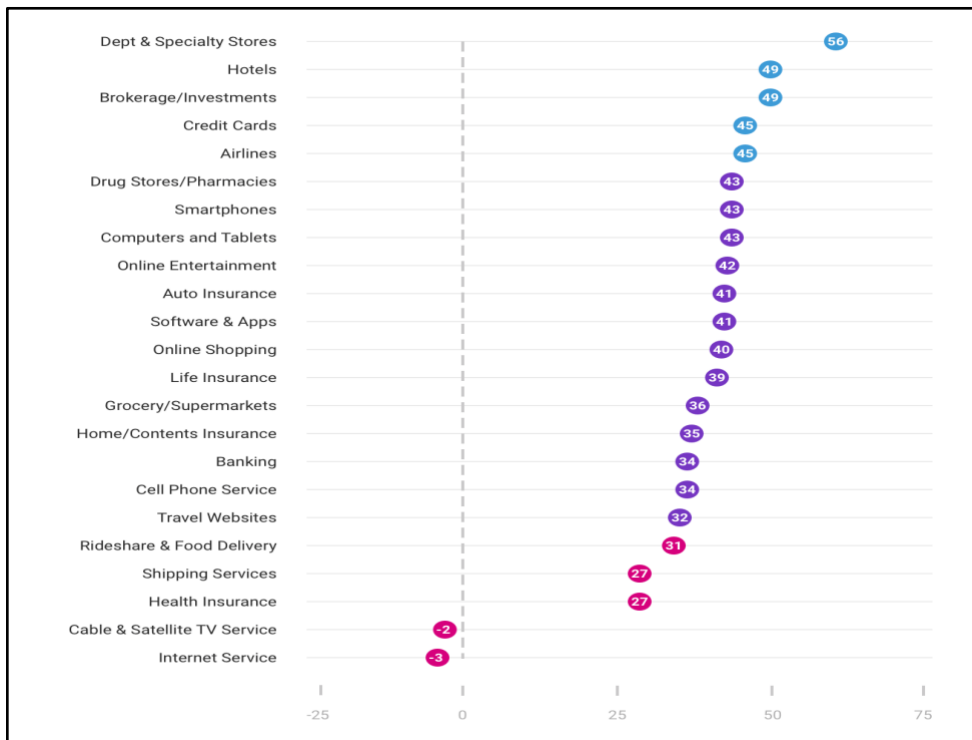
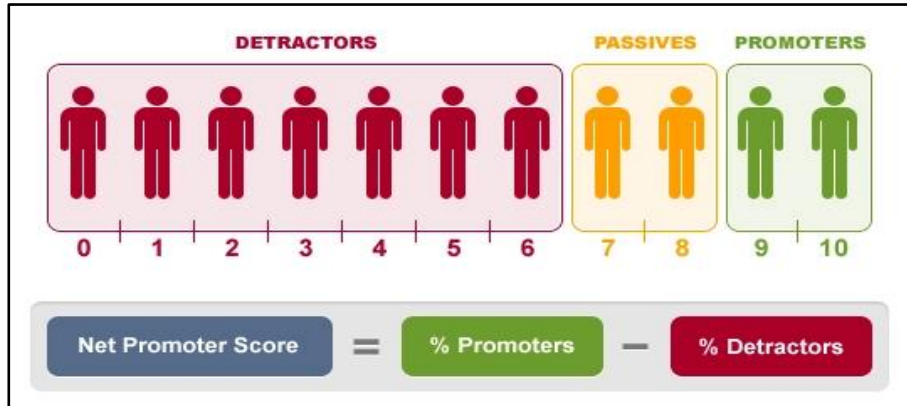
Source: Sales and CRM software/Frequency: Monthly

11. Net Promoter Score (NPS):

NPS is a gold standard metric for measuring overall customer loyalty. This number is derived by subtracting the percentage of detractors (score 0-6) from the percentage of promoters (score 9-

10) surveyed. It indicates both overall customer satisfaction and also your likelihood of getting critical referral business.

Source: Customer feedback tools/Frequency: Quarterly



Advanced Metrics for the Modern CRO

12. Revenue Growth Rate:

The health and scalability of the business can be measured through your Revenue Growth Rate — or the rate at which a company's revenue increases from one period to another. Simply subtract your prior period's revenue from the current period's revenue x 100.

Source: Financial reports/Frequency: Quarterly

13. Marketing, Sales, or Product Qualified Leads (MQLs, SQLs, PQLs):

Whether you are responsible for marketing or just work with them, you'll want to understand the quality of leads marketing they are producing. MQLs are leads that have been deemed more likely to become customers compared to other leads, though they have not always yet shown clear buying intent. Alternatively (or additionally,) you could track Sales Qualified Leads (SQLs) which refer to a lead that has been vetted and is deemed ready for the sales team to engage. SQLs have passed the criteria set by the marketing team and show a higher level of interest and intent to buy. MQLs are rated based on lead scoring that takes into account behavior, engagement, and other criteria. Both of these metrics are a benchmark for the quality of leads marketing is generating. Some companies also track Product Qualified Leads (PQLs) — people who have used a product (often a freemium version) and have shown intent to upgrade or buy.

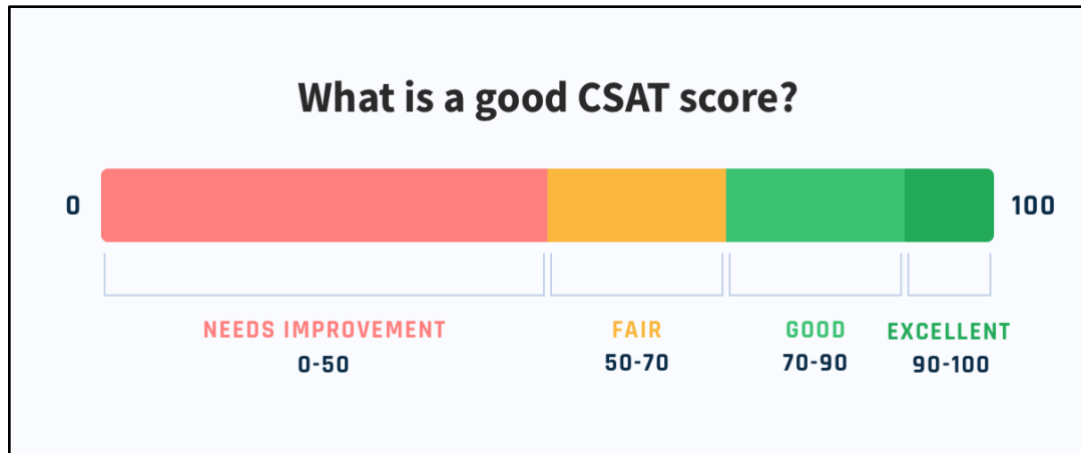
Source: Marketing automation software/Frequency: Weekly

14. Customer Satisfaction Score (CSAT):

Track your overall customer happiness. Even if you aren't responsible for customer success, you will want to understand how satisfied customers are with your company's product or service. This is usually the average score from customer feedback surveys and indicates where you're knocking it out of the park as well as

potential areas of improvement.

Source: Customer feedback tools/surveys/Frequency: Monthly



15. Cost Per Lead (CPL):

Another marketing metric you'll want to keep an eye on, CPL measures the efficiency of marketing campaigns via the amount spent to acquire a lead. It is found by dividing total marketing spend by the number of leads generated.

Source: Marketing software/Frequency: Monthly

Why Every CRO Needs This Dashboard

While most of us are already tracking these metrics, the real magic happens when they're brought together on a single dashboard. It provides a holistic view of the entire revenue operations, from lead generation to customer retention.

When implemented well, this dashboard becomes your single point of truth. It offers clarity on which areas are flourishing and which require attention. By monitoring these metrics closely, you can spot oncoming issues, make informed decisions, and guide your teams more effectively.

Furthermore, as the CRO role includes groups beyond sales, having insights that include marketing and customer relationship metrics is crucial. It provides a 360-degree view of the entire customer journey, ensuring alignment across all

revenue-generating functions. This is the ticket. The next concept you must be prepared to take on with full engagement is having this data also funneled up to the executive team. Whether they have a similar dashboard or parts of it, or you prepare a method to share the revenue-generating story frequently, consistently, and in full it must be accomplished. This is the only way to bring them into the fold making certain they are part of the plan, and not an afterthought.

Metrics are more than just numbers; they're the story of our company's growth, challenges, and opportunities. By focusing on these 15 metrics and building an essential CRO dashboard, you'll be well-equipped to lead your organization and the great company to new heights.

This document will help you drive revenue and make informed decisions.

Contact Us

CRO Advisors, for inquiries & consultations: cro-advisors.com

