

10 Essential SaaS Metrics to Measure (Cheat Sheet)

*This is an extra resource to go along with the original article:
[How to Use Metrics to Grow Your SaaS Business](#)*

1. Active Users

How do you calculate it? Define “active” customer behaviors. Then, identify how many customers do those actions on a daily/ monthly basis.

2. Average Recurring Revenue (ARR)

How do you calculate it? Multiply your monthly recurring revenue by 12.

$$\text{ARR} = \text{MRR} \times 12$$

3. Average Revenue Per User (ARPU)

How do you calculate it? Divide your monthly recurring revenue (MRR) by your total number of customers.

$$\text{ARPU} = \text{MRR} \div \text{Total number of customers}$$

4. Churn Rate

How do you calculate it? First subtract the number of customers at the end of 30 days by the number of customers at the beginning of that 30 day period. Take that total and divide it by the number of users at the beginning of the 30 day period. Multiply by 100 to get the percentage.

$$\text{User churn} = (\text{Number of customers at the beginning of 30 days} - \text{Number of customers at the end of 30 days}) \div \text{Number of customers at the beginning of 30 days} \times 100$$

5. Conversion Rate

How do you calculate it? Divide the number of new customers you've had in the last 30 days by the number of free-trial or freemium user signups you've had in the same period. Multiply by 100 to find your conversion percentage.

Conversion Rate = (Total number of new customers in 30 days ÷ Number of *new* free-trial or freemium users in the same 30 day period) × 100

6. Customer Acquisition Cost (CAC)

How do you calculate it? Divide your marketing costs (including salaries for your sales & marketing team) by the number of sales you made within a specific period of time

CAC = (Total marketing costs + Total sales expenses) ÷ Number of sales made

7. CAC Payback Period

How do you calculate it? To calculate the *general* CAC Payback Period across your customer base, multiply your gross margin percentage (the percent of total sales revenue that you've retained) by your ARPA (the average revenue you receive from your customers). Next divide your customer acquisition cost (CAC) by that number.

CAC Payback Period = CAC ÷ (GM% × ARPA)

To calculate the CAC Payback *for a single customer*, divide the CAC by the gross margin of a single monthly fee (which is your revenue minus the cost of your product). The formula for this calculation is:

CAC Payback Period (for a single customer) = CAC ÷ Gross Margin

8. Customer Lifetime Value (CLV)

How do you calculate it? Divide the ARPU by the churn rate to get a simple calculation of your CLV.

CLV = Average Revenue Per User (ARPU) ÷ Churn Rate

9. Customer Retention Rate (CRR)

How do you calculate it? Divide your number of active customers at the end of a specific time period by the total numbers of customers at the beginning of that same time period. Remember not to include customers who came onboard during the time period because they count as new acquisitions, not retained customers.

Customer Retention Rate = Active (but not new) customers at the *end* of this period \div Total number of customers at the *beginning* of the time period

10. Monthly Recurring Revenue (MRR)

How do you calculate it? Multiply your number of customers by the average amount of money they spend in a month.

MRR = Number of customers \times Average bill