

B2B SaaS Metric Benchmarks 2024 for Early Stage Companies

June 2024

June 2, 2024

Hi there,

I'm excited to share SaaSCan's 2024 SaaS Metric Benchmarks report with you. It reflects FY-23 data from 936 respondents on 7 key metrics: **ARR Growth Rate, NRR, GRR, Burn Multiple, CAC Payback Period, Gross Margin, and ARR per FTE.**

These metrics are crucial because they speak to "Growficiency" – that sweet spot combining Growth & Efficiency that investors and lenders advised founders to focus on in 2024¹.

This year's report underlines how tough a year FY-23 was for many SaaS companies. Growth rates were overwhelmingly down, median NRR continued its year over year decline, and Burn Multiple performance weakened. That said, there were some bright spots. GRR and Gross Margin held their own with stable YoY top quartile values, and CAC Payback Period decreased YoY for 4 of the 6 ACV bands measured.

This data is available thanks to Ray Rike and team at Benchmarkit, who led the data collection and analysis. SaaSCan is pleased to be a partner in this research.

I hope you find the report valuable, and share it widely with your SaaS network. I invite you to help recruit more anonymous participants for next year's report, to build a bigger data set for all.

Cheers,

Lauren

¹ [The SaaS Metrics That Matter Most for Startups in 2024](#)

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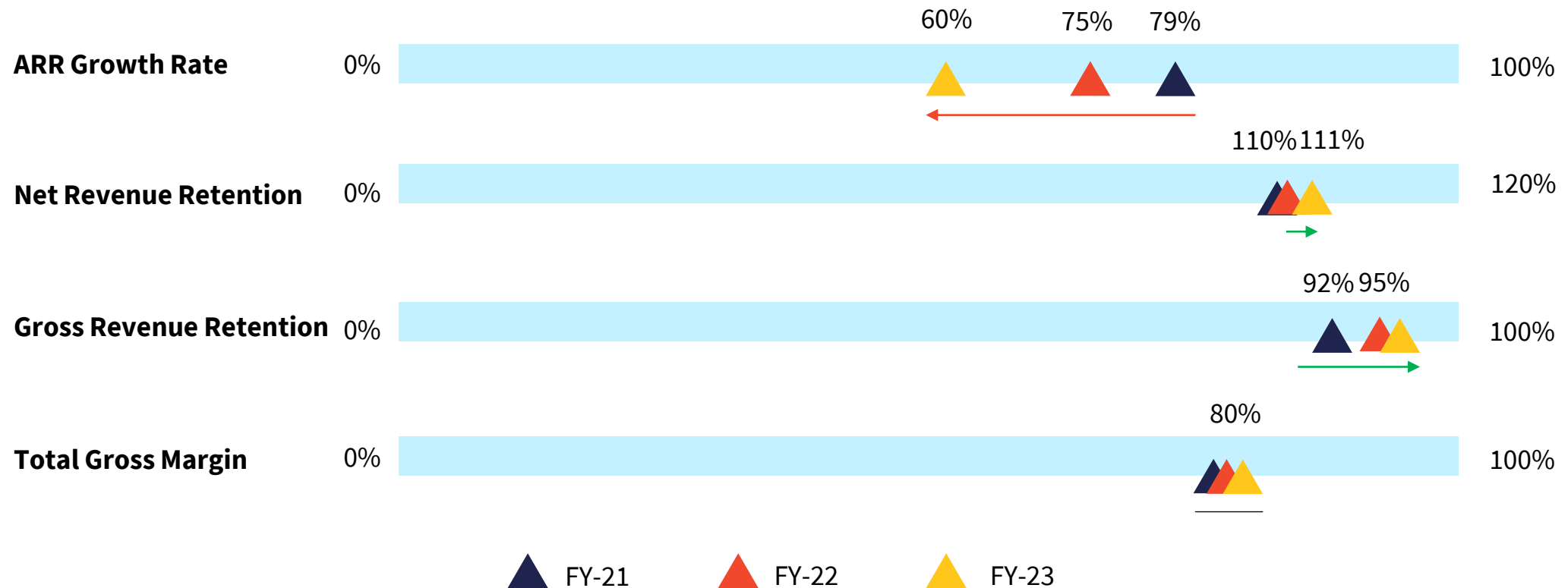
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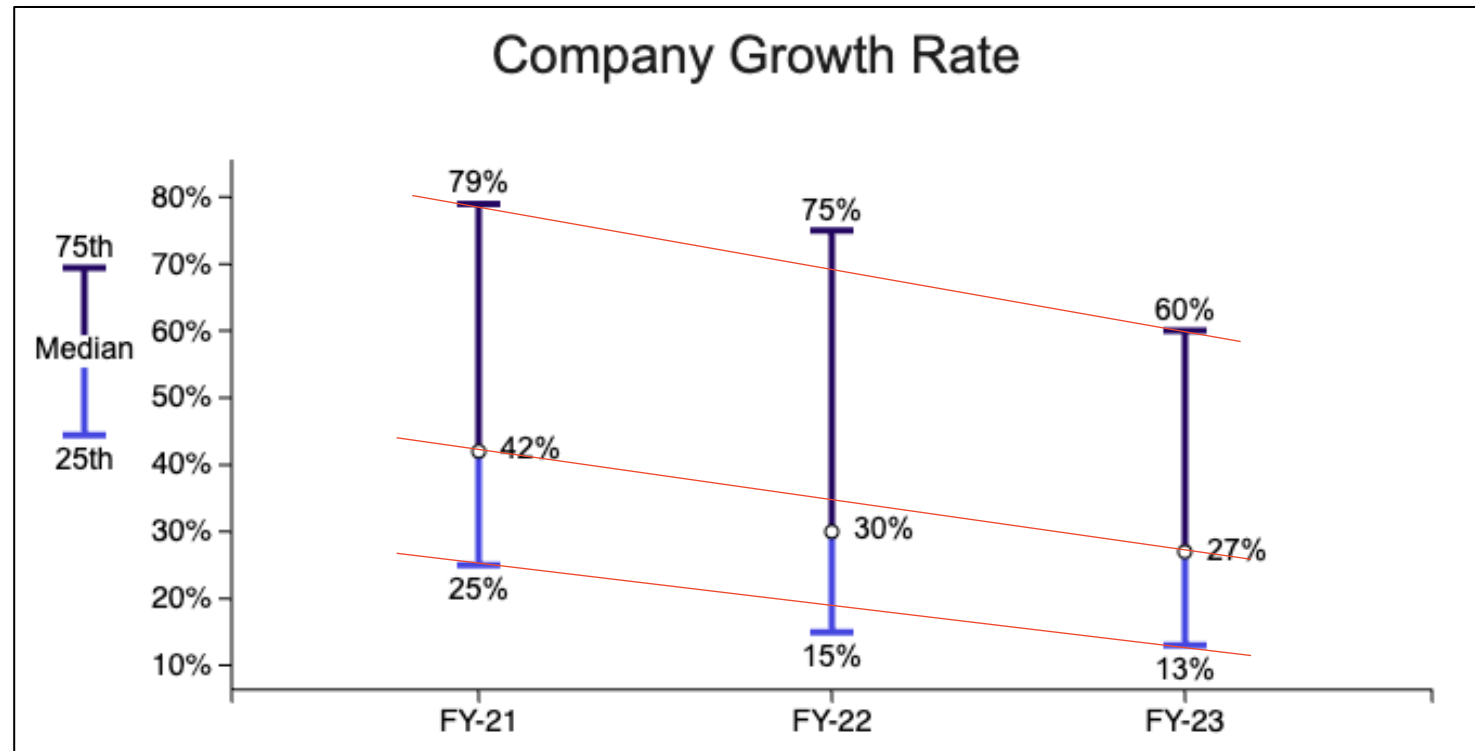
Three Year Trends – Top Quartile Values



With the exception of ARR Growth Rate which faced a steep decline, top quartile performers held their own or got slightly stronger over the past three years in NRR, GRR, and Total Gross Margin performance.

ARR Growth Rate 3 Year Trend

[Metric Definition](#)

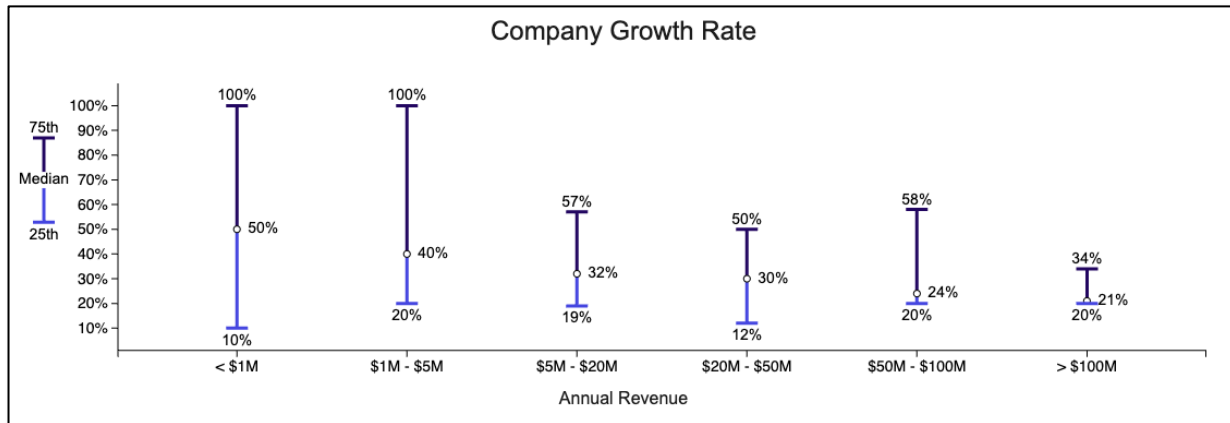


Revenue growth rate remains one of the most important metrics driving SaaS company valuation, however ARR growth rates fell dramatically between FY-21 and FY-23 from a top quartile rate of 79% to 60%. ARR growth rates saw a year over year decline at the median and bottom quartiles also.

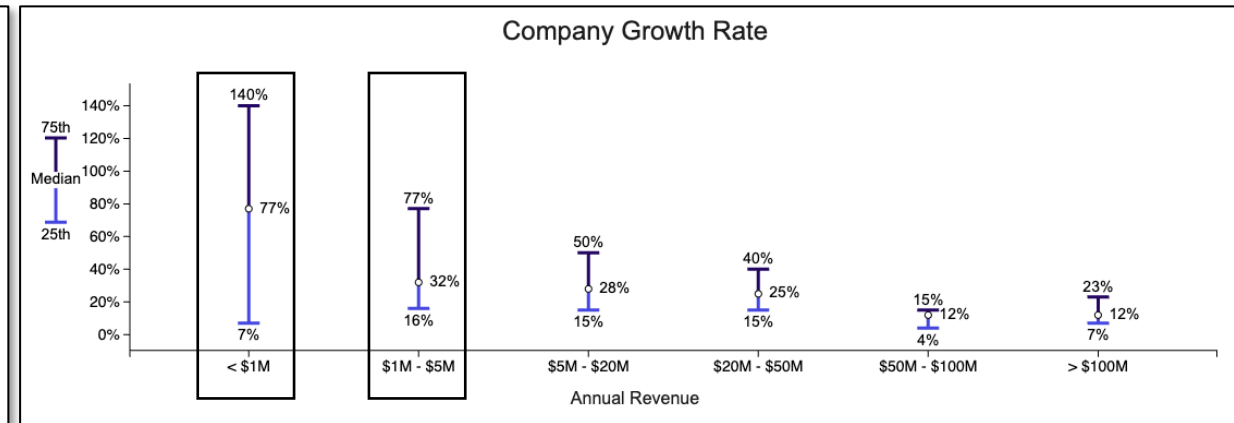
ARR Growth Rate by ARR

[Metric Definition](#)

FY-22



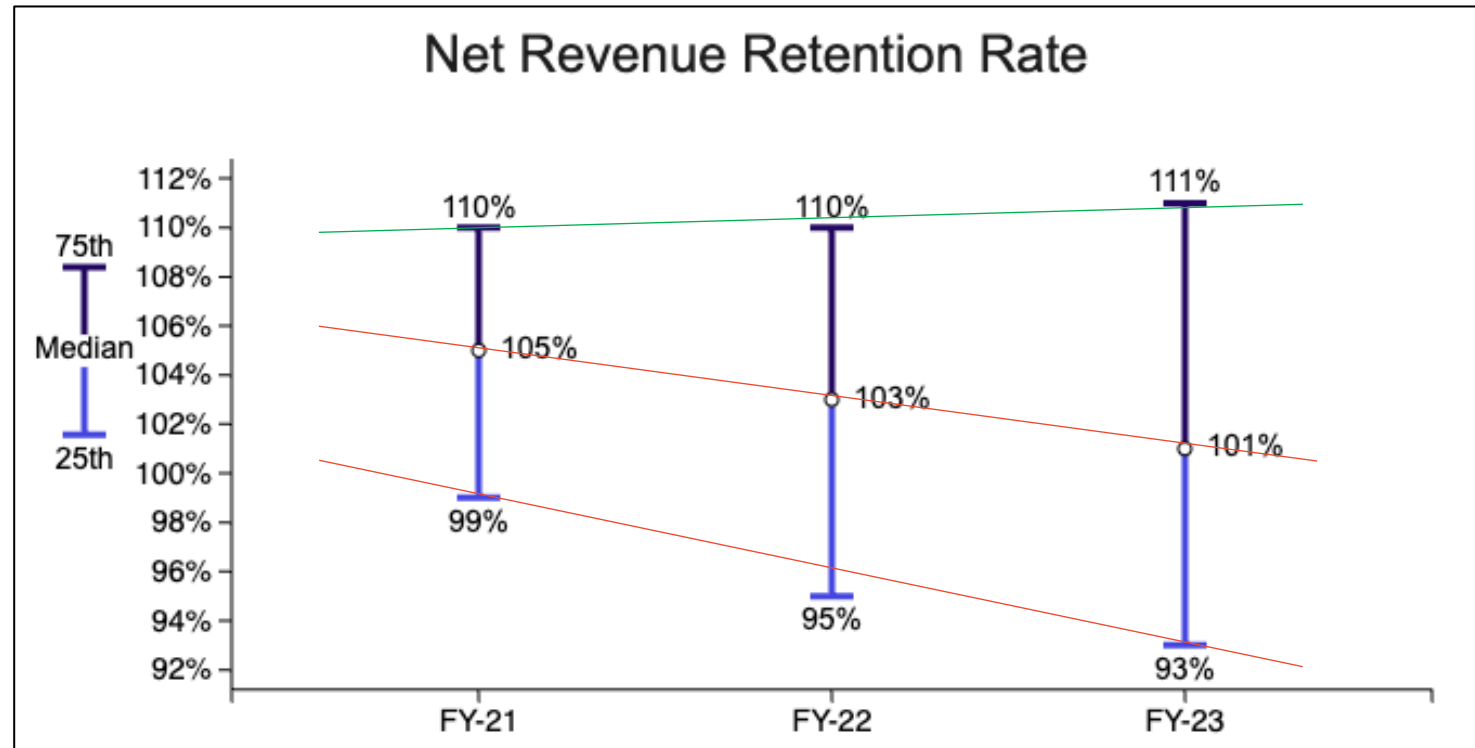
FY-23



For companies < \$1M ARR, both top quartile and median growth rates were up YoY, representing virtually the only bright spot in ARR growth rate data. In the \$1M to \$5M ARR range, growth slowed from a top quartile rate of 100% in FY-22 to 77% in FY-23.

Net Revenue Retention Rate 3 Year Trend

[Metric Definition](#)



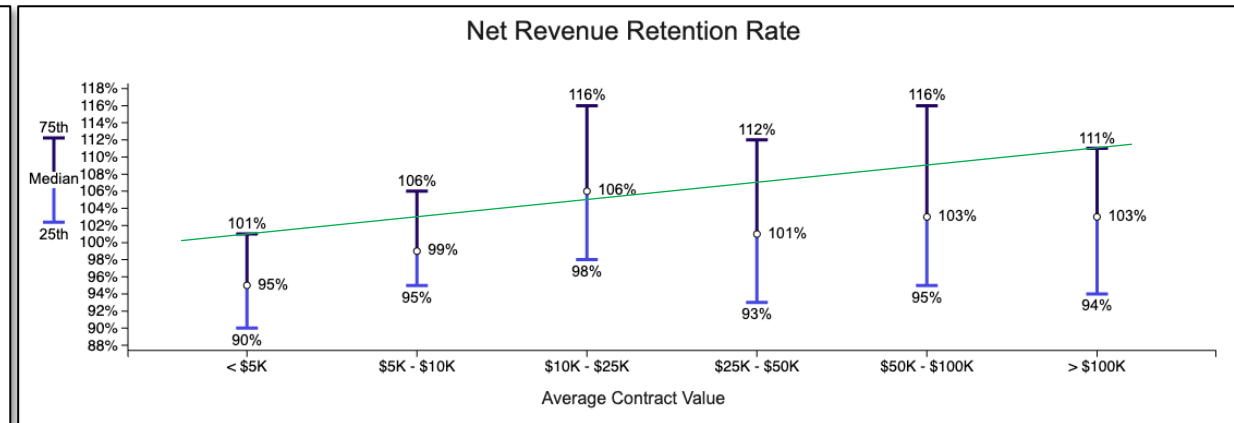
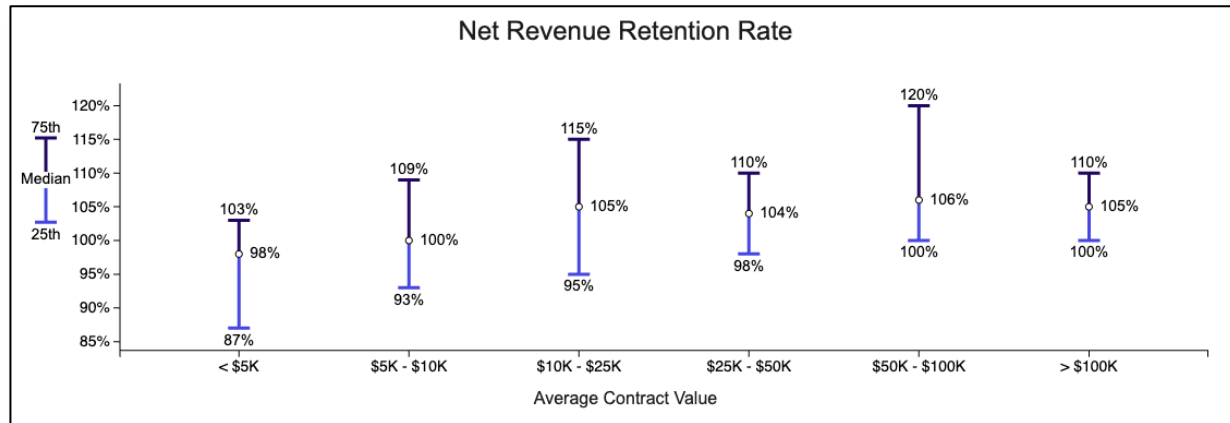
The gap between top and bottom quartile NRR performance widened over the past 3 years: the strong got stronger and the weak got weaker. Top quartile NRR stayed flat or rose slightly from 110% to 111% between FY-21 and FY-23 considering all ACV bands together, but fell from 105% to 101% at the median, and from 99% to 93% at the bottom quartile between FY-21 and FY-23.

Net Revenue Retention by ACV

[Metric Definition](#)

FY-22

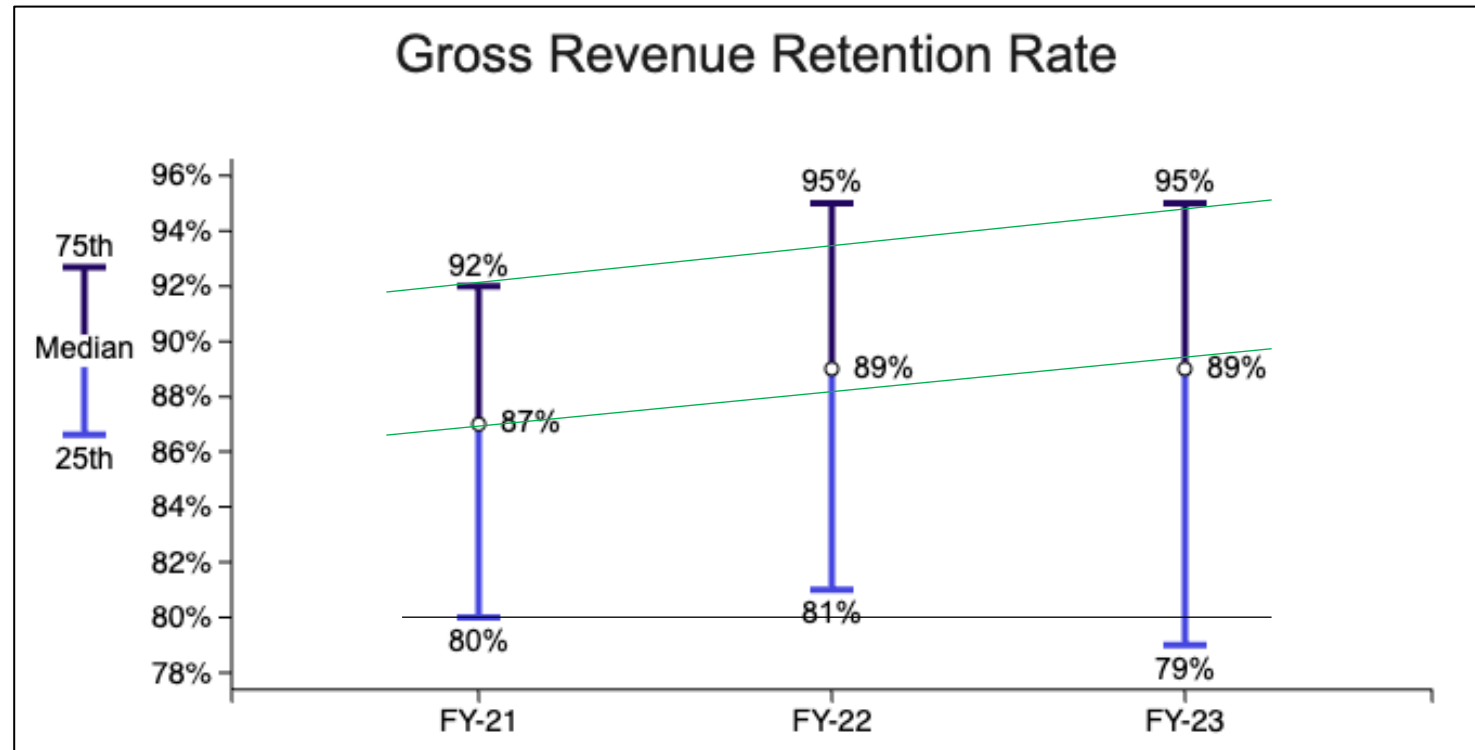
FY-23



Net Revenue Retention rate reveals how well your SaaS flywheel is working because it includes upsell and cross-sell revenue as well as renewal revenue. NRR continues to be closely correlated with ACV. FY-23 saw top quartile values moving from 101% at the <\$5K ACV band level to 111% at the > \$100K band level.

Gross Revenue Retention Rate 3 Year Trend

[Metric Definition](#)

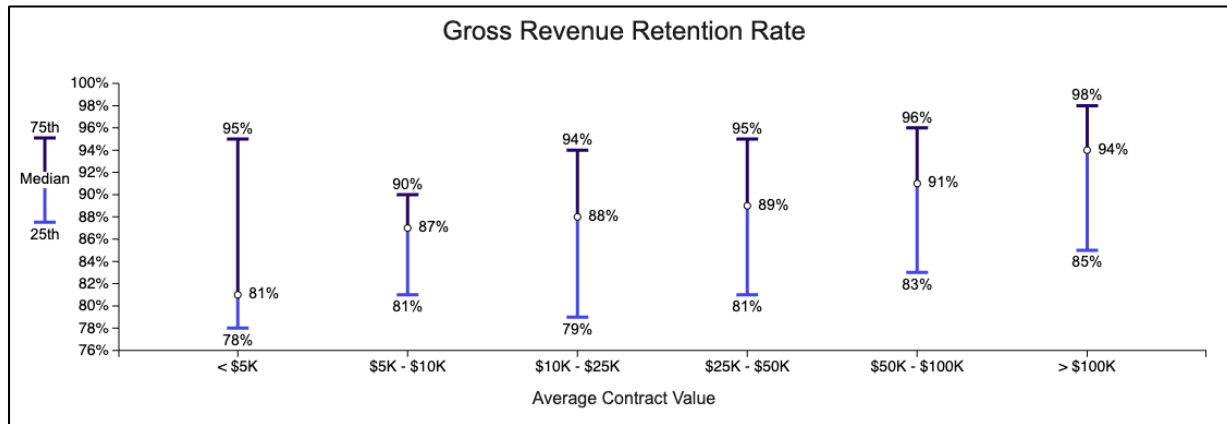


Given slower new ARR growth, SaaS companies focused on retaining revenue from existing customers. As a result, GRR held its own. Top quartile and median GRR rates considering all ACV bands together were flat compared to last year at 95% and 89% respectively, and up from 2 years ago. Even bottom quartile values stayed relatively flat.

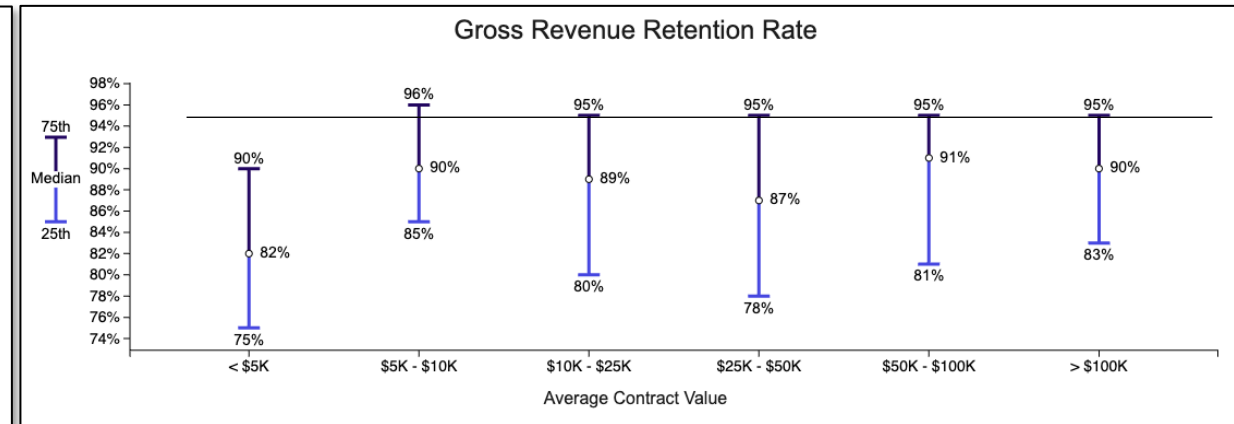
Gross Revenue Retention Rate by ACV

[Metric Definition](#)

FY-22



FY-23

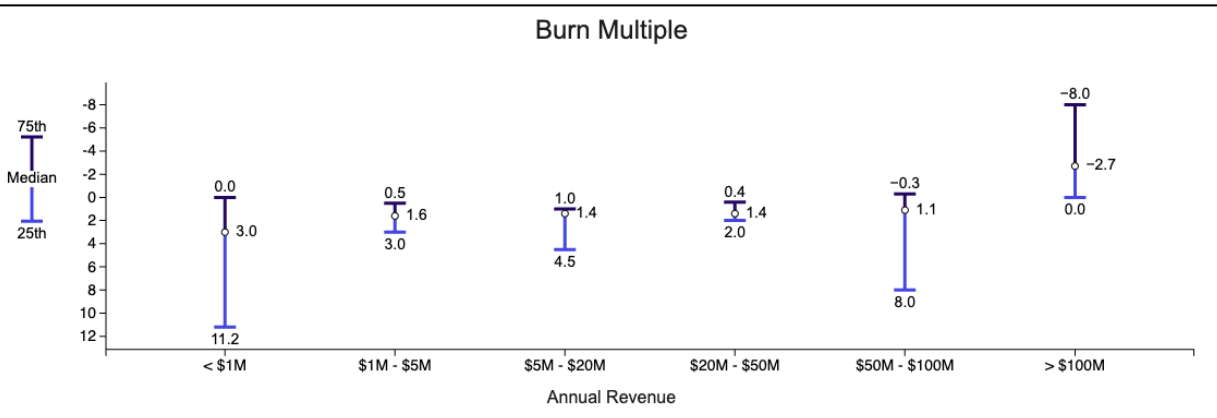


Gross Revenue Retention Rate is the “most honest” measure of how well a company retains subscription revenue from existing customers because it does not include upsell or cross-sell revenue. Beyond the \$5K ACV band, top quartile GRR showed less correlation between ACV in FY-23 compared to FY-22, and remained consistent at ~95%.

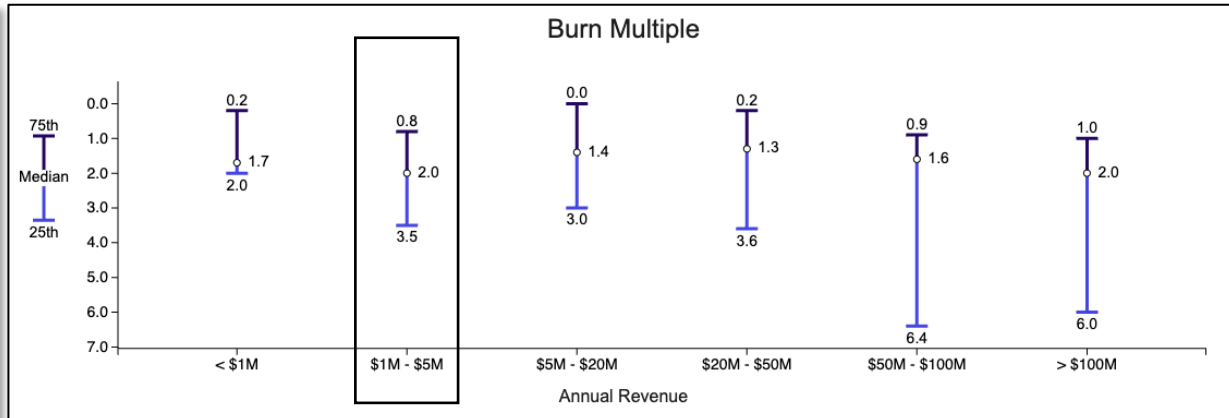
Burn Multiple by ARR

[Metric Definition](#)

FY-22



FY-23



Burn Multiple is a measure of capital efficiency. Expressed as a ratio, it reveals how much money your company burns to generate \$1 of net new ARR. It remained under 1 for companies in the top quartile of the \$1M – \$5M ARR range, however it moved from a top quartile value of 0.5 in FY-22 to 0.8 in FY-23.

Burn Multiple Efficiency Rating

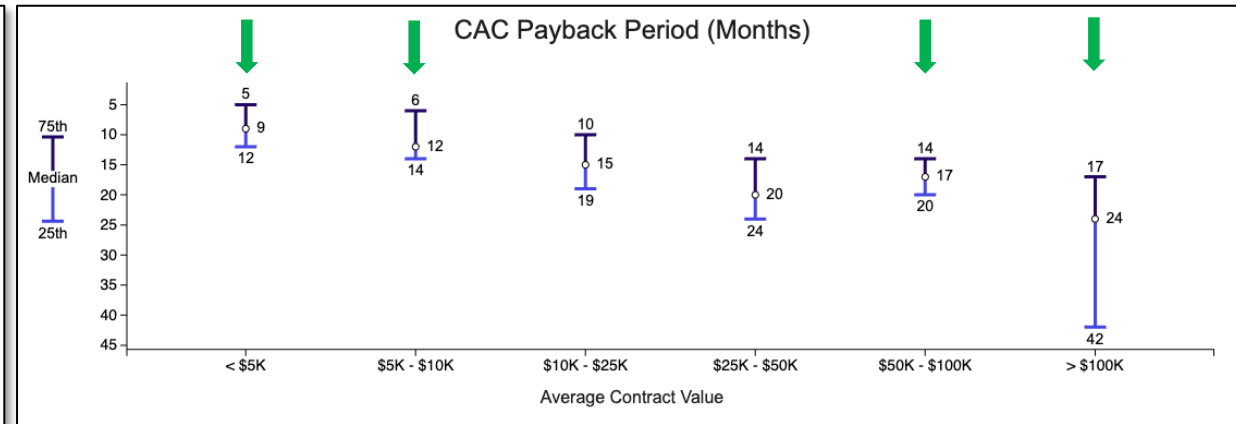
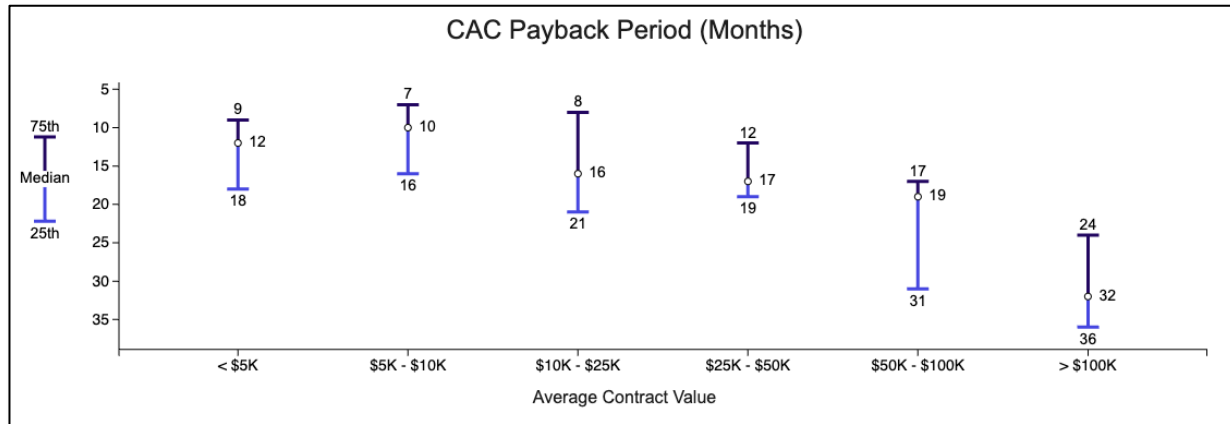
Burn Multiple	Efficiency
Under 1x	Amazing
1 - 1.5x	Great
1.5 - 2x	Good
2 - 3x	Suspect
Over 3x	Bad

CAC Payback Period by ACV

[Metric Definition](#)

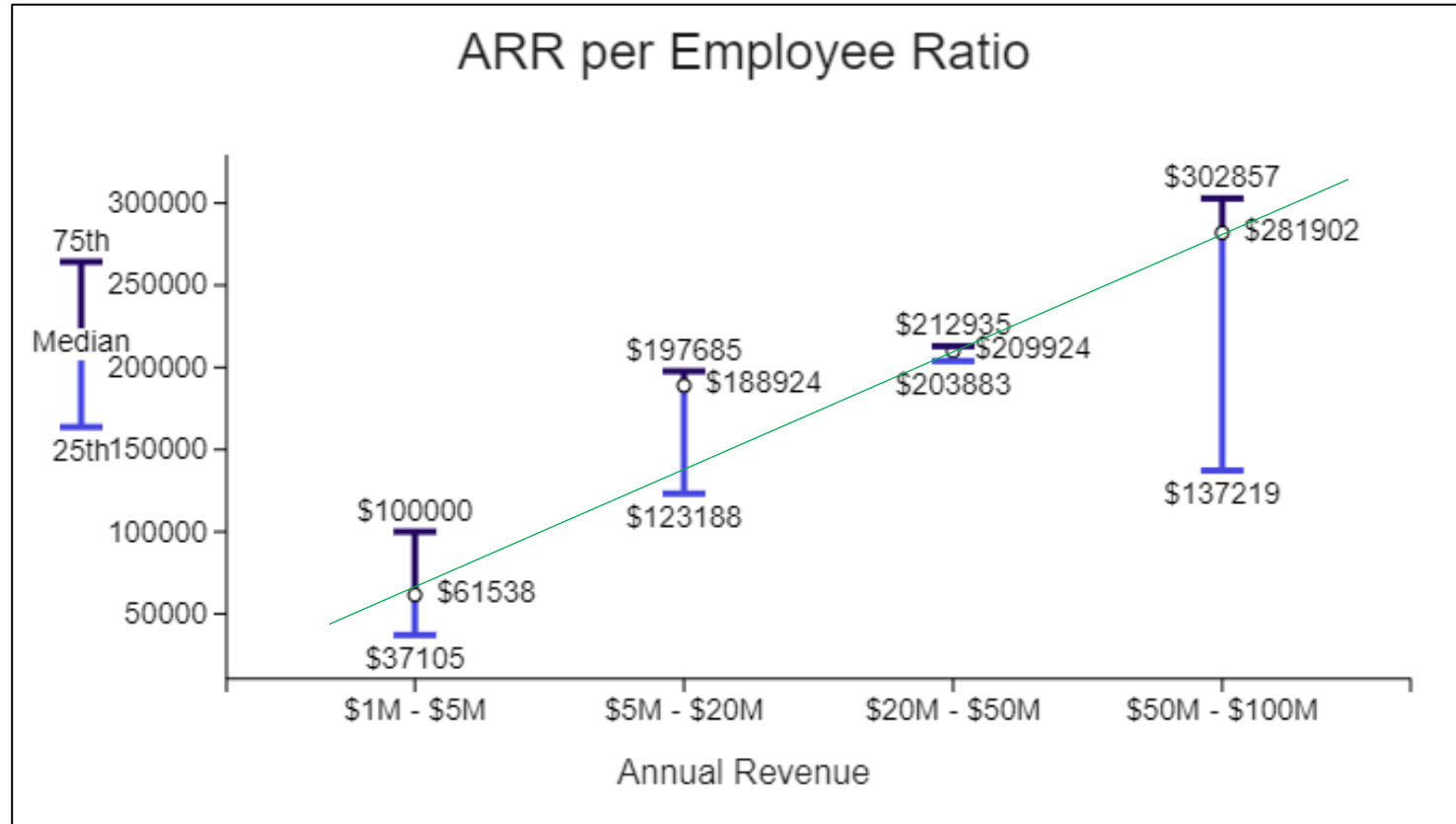
FY-22

FY-23



Customer Acquisition Cost Payback Period measures the efficiency of your Go To Market motion. A very high number means you may be spending too much on Sales & Marketing. A very low number means you may be under investing. CAC Payback Period decreased YoY for 4 of the 6 ACV bands as companies cut back on Sales & Marketing expenses in FY-23.

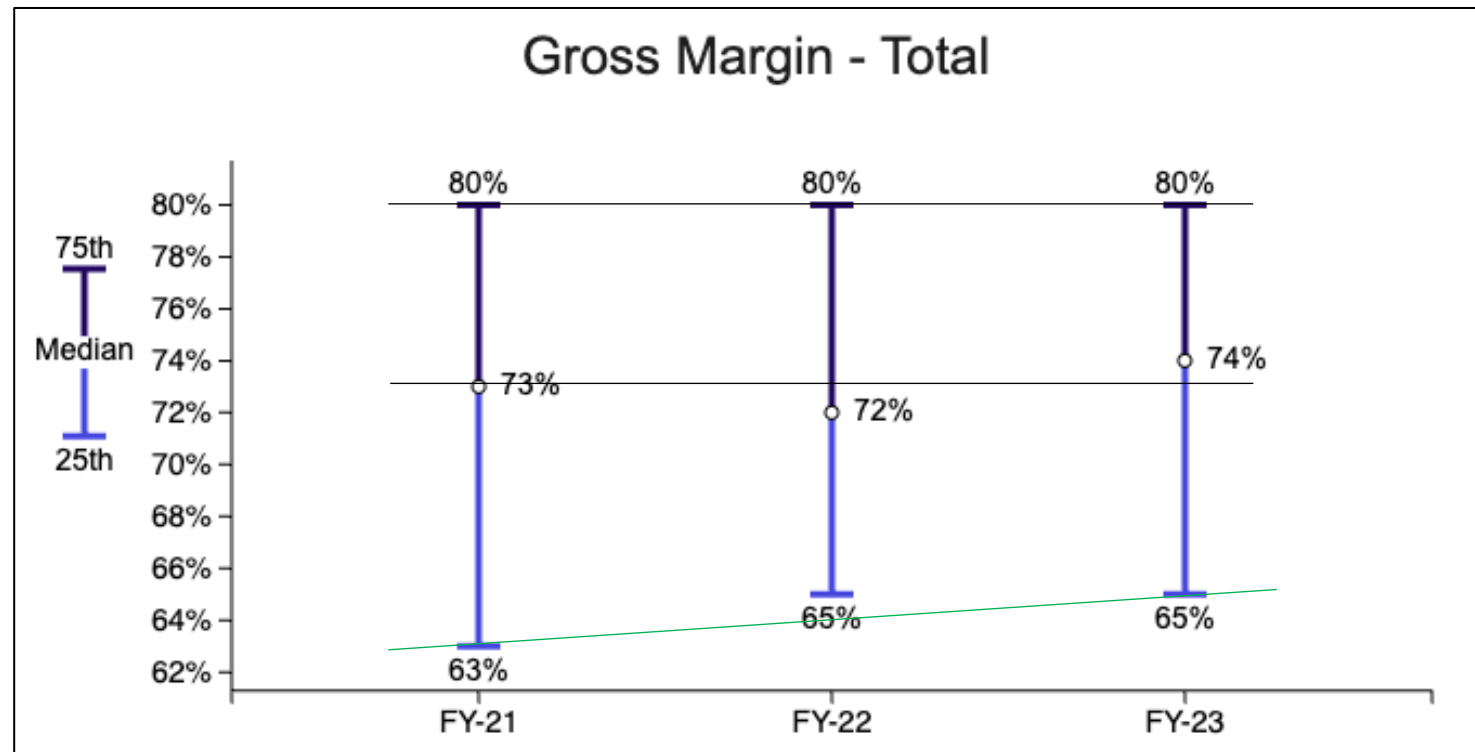
ARR Per Employee by ARR



ARR per Employee or ARR/FTE is becoming a more popular efficiency metric. This is the first year it was included in this study, so there is no YoY comparison.

Total Gross Margin 3 Year Trend

[Metric Definition](#)



Total Gross Margin held its own. Top quartile and median Total Gross Margin remained relatively flat, and bottom quartile values rose improved slightly.

About the data

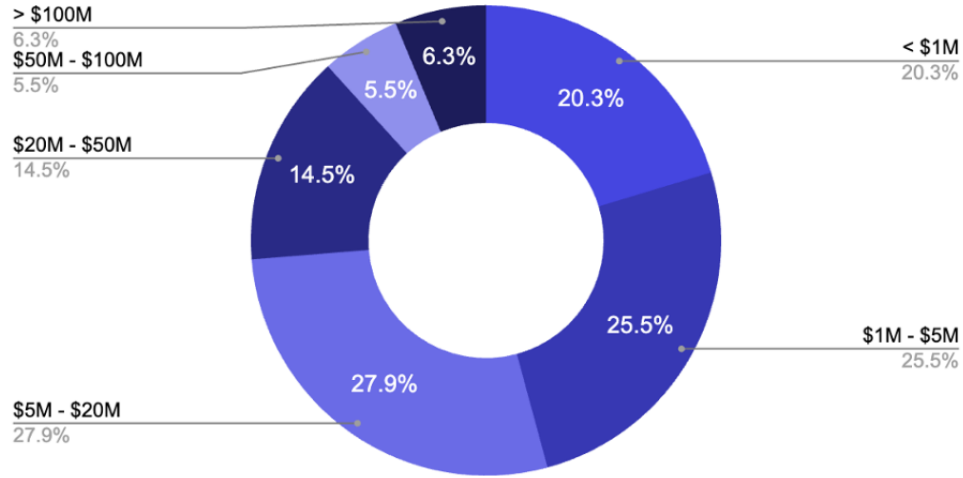


- The data in this report comes from 936 global B2B SaaS companies. They completed anonymous surveys between March and May 2024. Companies were asked to share their FY 2023 metrics.
- Benchmarkit led the data collection and analysis process.
- Response sample size varies across individual questions, with hundreds of responses for each question.
- While we cannot be certain the same companies responded each of the past 3 years, given the large sample size and the similar respondent profile YoY, we did draw multi-year trends.
- SaaScan was pleased to be a data partner, alongside the following:

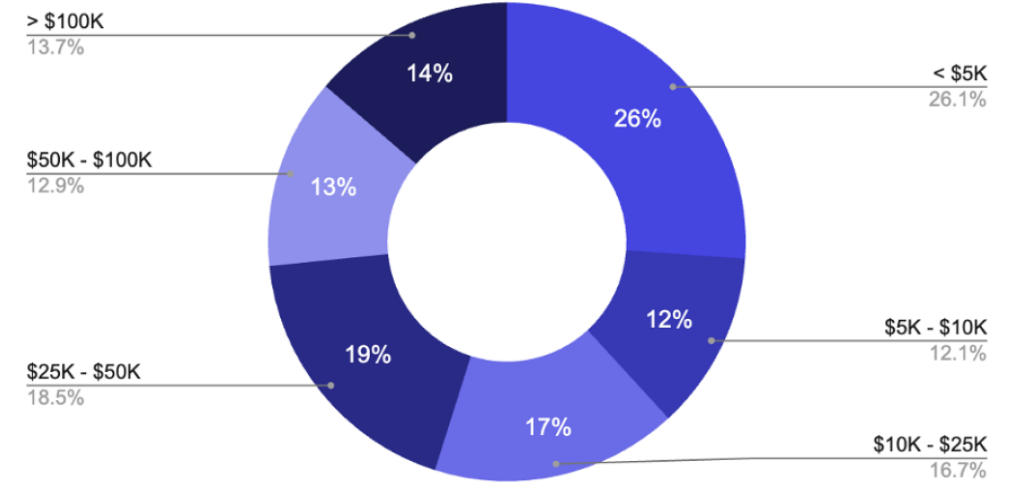


About the respondents n = 936

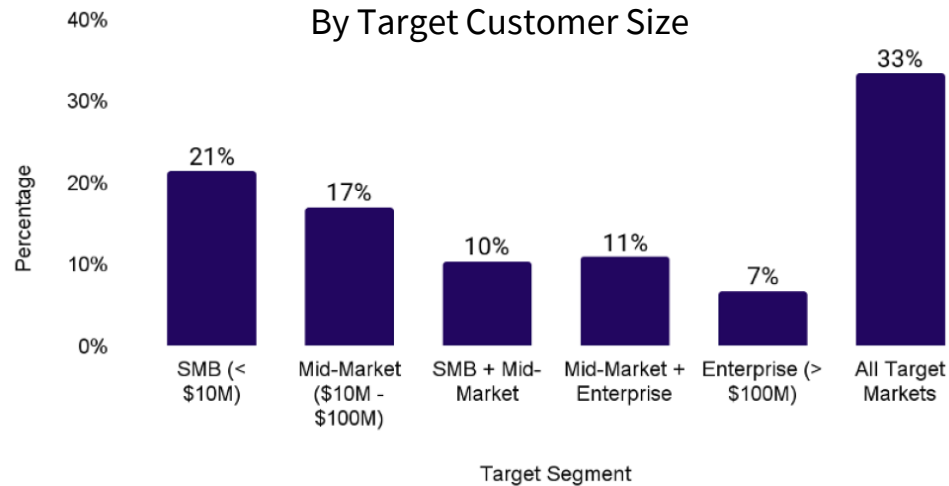
By Annual Recurring Revenue



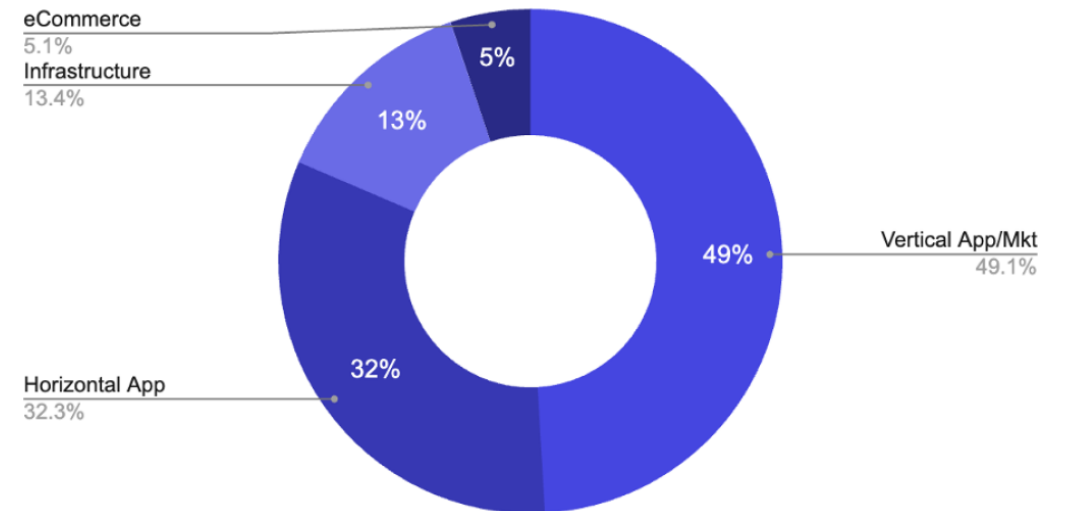
By Annual Contract Value



By Target Customer Size



By Solution Type



About SaaS benchmarks

What are SaaS benchmarks?

Standardized indicators used to compare one SaaS company to a broader group of SaaS companies

Established by gathering group of SaaS company metrics and determining min, max, median, quartiles, etc

Why do they matter?

Your company's relative position on benchmarks can help or hinder fundraising and valuation

Canadian companies are often compared to North American benchmarks by investors and lenders

Knowing how you compare helps you set better goals, prepare for financing, and communicate with your Board

How do you use them?

In the early startup days, use them to build knowledge and guide decisions so you're not surprised later

As you approach \$80K MRR or \$1M ARR and grow well beyond, benchmark your company to understand how you compare

What to watch out for?

Benchmark data quality and transparency ie gathered from survey or actuals, sample size, segmentation

That SaaS metrics formulas used in your company and the benchmark are exactly the same

To ensure you use other reference points beyond benchmarks - your circumstances may be different

Additional resources

1. [The SaaS Metrics That Matter Most for Startups in 2024](#), by SaaSCan

- This report is ideally suited to SaaS companies < \$5M ARR
- Contains guidance from 4 dozen investors and lenders on the metrics that matter most for early-stage SaaS operators
- Released in Nov 2023

2. [2024 B2B SaaS Performance Metrics Benchmark Report](#), by Benchmarkit

- This report is ideally suited to SaaS companies over > \$5M ARR who are getting more sophisticated in their SaaS metric analyses
- Contains benchmarks on 19 metrics, including the 7 curated for the SaaSCan 2024 report
- Released in May 2024

3. [MetricHQ](#), by Klipfolio

- Free online dictionary of metric definitions, formulas, and examples
- Crowd-sourced from experts



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