

OPENVIEW

2022 SAAS BENCHMARKS REPORT



CURT TOWNSHEND

Senior Director, Growth



KYLE POYAR

Operating Partner

Sponsored by *Chargebee*

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INTRODUCTION: WHAT COMES NEXT?

We're excited to launch this report at time where founders and operators need it most. **OpenView's 2022 SaaS Benchmarks Report combines over 3,000 respondents' results aggregated across six years** of surveying private SaaS businesses on their finance and operating metrics.

Why now? When operators sat down to build 2022's budgets **in late 2021, growth was the key metric** and so GTM and R&D teams were given cash to drive growth into new product lines, new customer profiles, and new paid-ad channels. Hiring was at an all-time high and headcount approvals were relatively easy to come by.

We all know what they say about best laid plans.

This year's report reveals some interesting facts about what the heck has happened. More specifically, how has the macroeconomic environment has permeated private SaaS companies? To avoid burying the lead, **nearly everyone is cutting spend—regardless of how much cash is in the bank.**

What's most interesting though is, "What comes next?" Which companies are set up for success? How can founders and operators emulate the companies that have built optionality? And how can they avoid whiplash in the macro environment that is sure to continue?



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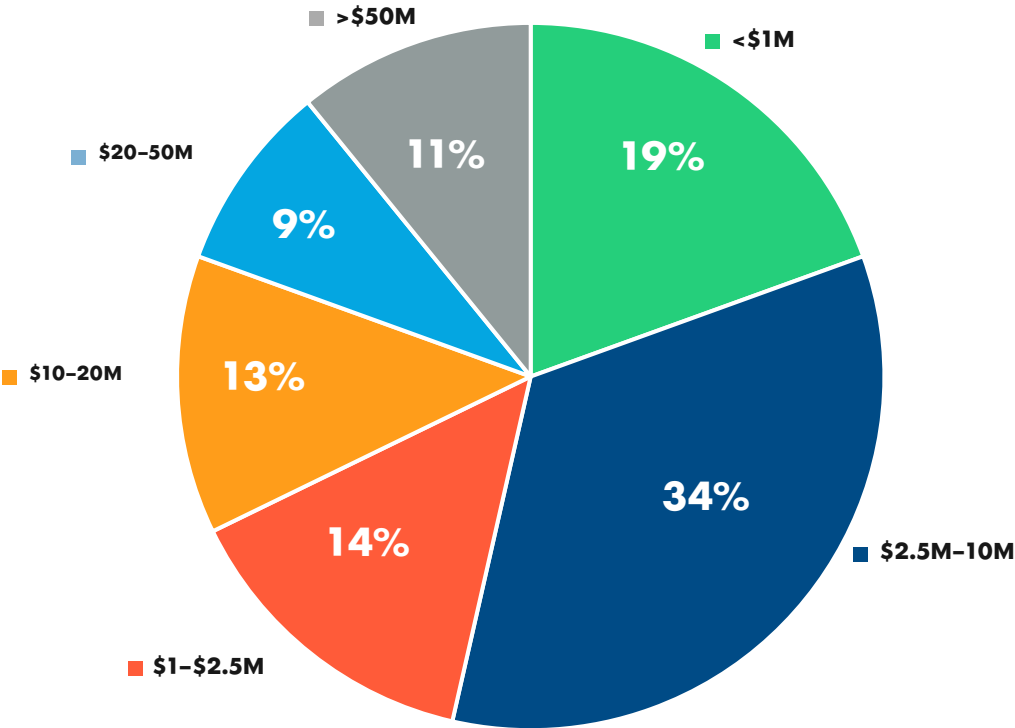
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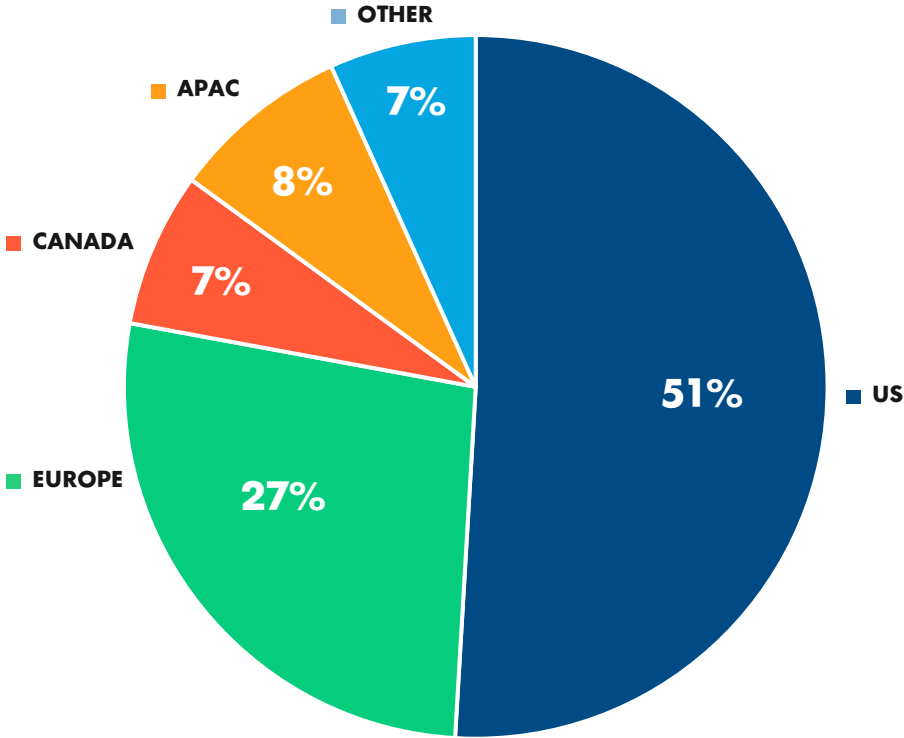
PARTICIPANT OVERVIEW

WHO TOOK THE SURVEY THIS YEAR?

DISTRIBUTION BY ARR

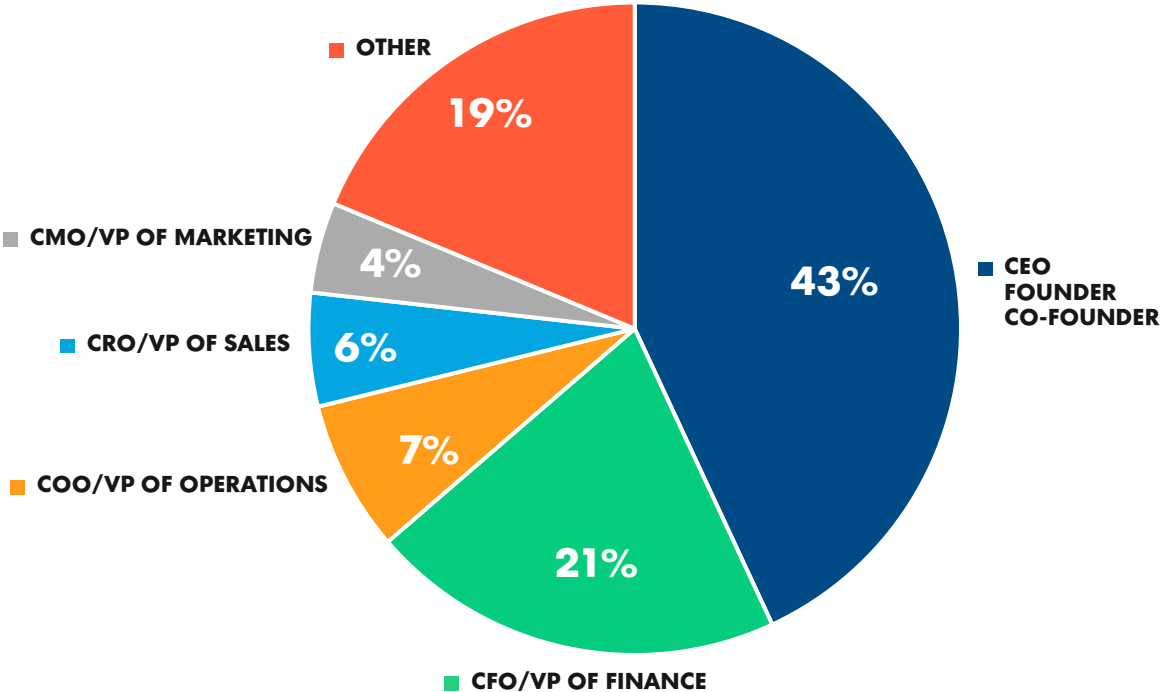


DISTRIBUTION BY GEOGRAPHY

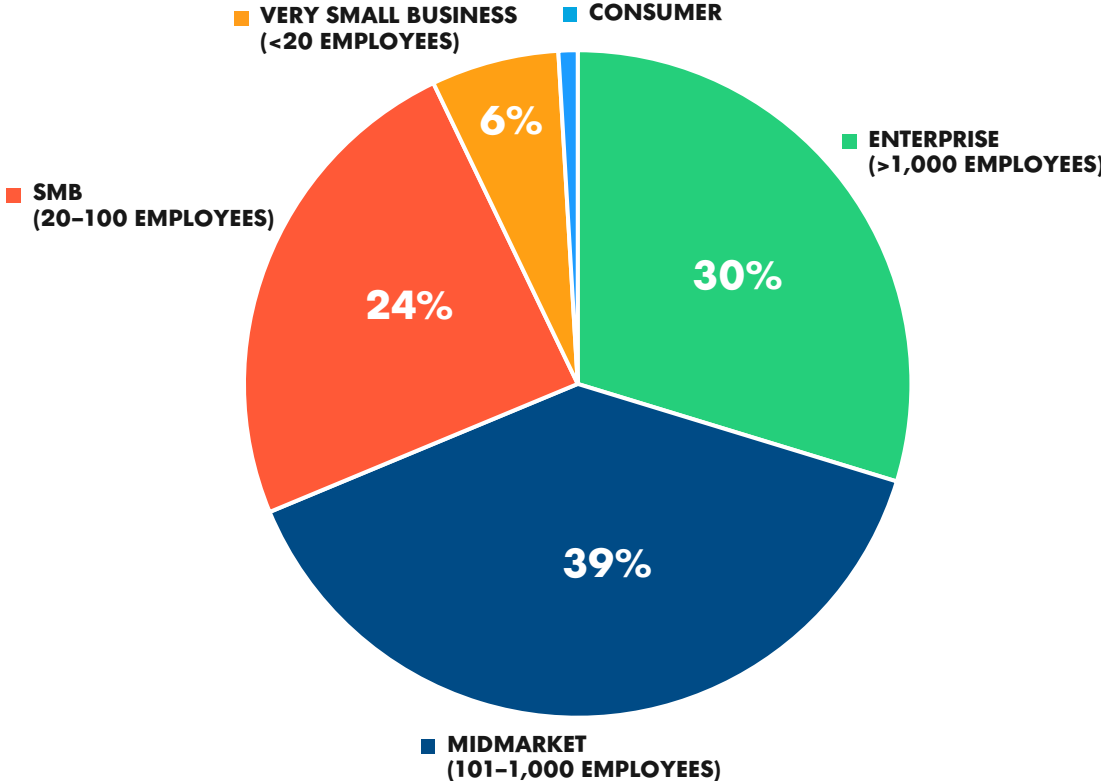


WHO TOOK THE SURVEY THIS YEAR?

DISTRIBUTION BY ROLE



DISTRIBUTION BY ICP (IDEAL CUSTOMER PROFILE)





EXECUTIVE SUMMARY: THE RAW DATA

COMPANY BENCHMARK DEFINITIONS

SIZE AND GROWTH

Employees	Number of full-time equivalent employees at the end of Q2 2022.
Funding	Amount of equity capital raised to date.
Annual Recurring Revenue (ARR)	Company ARR scale at the end of Q2 2022.
YoY Growth Rate	Change in ARR at the end of Q2 2022 vs. Q2 2021.

FINANCIAL

Sales & Marketing Spend	Spending on Sales & Marketing, including headcount, as a % of ending ARR as of Q2 2022.
R&D Spend	Spending on R&D, including headcount, as a % of ending ARR as of Q2 2022.
Gross Margins	Subscription revenue less cost of goods sold divided by subscription revenue at the end of Q2 2022.
Monthly Burn Rate (in 000s)	Net monthly operating cash burn rate at the end of Q2 2022 (total \$ lost each month, negative values = profit).

SAAS VALUE DRIVERS

CAC Payback (months)	Months of subscription gross margin to recover the fully loaded cost of acquiring a customer.
Gross Dollar Retention	Annual gross dollar retention (after churn, exclusive of upsells & expansion) seen in cohorts.
Net Dollar Retention	Annual net dollar retention (after churn, inclusive of upsells & expansion) seen in cohorts.

DIVERSITY

Women In Leadership	% of female representation among employees director-level and above.
Underrepresented Minorities In Leadership	% of underrepresented minority representation among employees director-level and above.

HOW TO READ THESE SLIDES

	<\$1M	\$1-2.5M	\$2.5M-10M	\$10-20M	\$20-50M	>\$50M
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SIZE AND GROWTH

Employees	13 (7-38)	29 (21-38)	63 (38-88)	113 (88-176)	226 (176-276)	876 (488-1000)
YoY Growth Rate	100% (46-286%)	79% (37-153%)	50% (30-115%)	72% (30-101%)	40% (30-52%)	30% (18-55%)

FINANCIAL

Sales & Marketing Spend	32% (21-58%)	25% (20-54%)	34% (25-46%)	33% (19-60%)	40% (33-63%)	34% (23-41%)
R&D Spend	50% (30-70%)	40% (21-66%)	38% (21-50%)	40% (25-55%)	32% (23-40%)	28% (17-43%)
Gross Margins	70% (29-80%)	77% (60-85%)	80% (67-85%)	80% (72-85%)	80% (74-84%)	78% (67-84%)
Monthly Burn Rate (\$ in 000s)	50 (0-175)	125 (50-250)	250 (125-500)	525 (375-1250)	1500 (94-1750)	1750 (0-2000)

Rows represent **common KPIs across categories** including size and growth, financial, value drivers, and diversity.

SAAS VALUE DRIVERS

CAC Payback (months)	7 (4-12)	5 (3-8)	5 (3-8)	15 (9-19)	17 (13-24)	16 (12-20)
Gross Dollar Retention	97% (80-100%)	95% (90-99%)	90% (85-96%)	90% (85-98%)	90% (88-95%)	95% (89-97%)
Net Dollar Retention	100% (87-103%)	105% (100-120%)	105% (95-117%)	111% (105-125%)	110% (101-117%)	110% (101-126%)

DIVERSITY

Women In Leadership	16% (0-23%)	32% (1-48%)	24% (12-44%)	33% (23-48%)	30% (20-34%)	36% (33-50%)
Underrepresented Minorities In Leadership	0% (0-13%)	0% (0-50%)	10% (0-21%)	11% (0-25%)	1% (0-10%)	10% (1-20%)

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Monthly Burn Rate (\$ in 000s)	50 (0-175)	175 (0-225)	175 (0-625)	625 (375-1250)	1500 (94-1750)	1750 (0-2000)

Columns represent distributions of responses from companies at **varying levels of ARR**, from <\$1M to >\$50M.

SAAS VALUE DRIVERS

CAC Payback (months)	7 (4-12)	11 (4-13)	12 (5-18)	15 (9-19)	17 (13-24)	16 (12-20)
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Monthly Burn Rate (\$ in 000s)	50 (0-175)	175 (100-250)	300 (150-450)	500 (250-750)	1500 (94-1750)	1750 (0-2000)

Each cell represents the **median performance of a company, as well as the range (bottom quartile – top quartile)** of each metric at each respective ARR scale.

SAAS VALUE DRIVERS

CAC Payback (months)	7 (4-12)	11 (7-15)	12 (8-16)	13 (9-17)	14 (10-18)	16 (12-20)
Gross Dollar Retention	97% (80-100%)	95% (90-99%)	90% (85-96%)	90% (85-98%)	90% (88-95%)	95% (89-97%)
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FINANCIAL & OPERATING METRICS BY ARR

Median (25th percentile – 75th percentile)

	<\$1M	\$1-2.5M	\$2.5M-10M	\$10-20M	\$20-50M	>\$50M
SIZE AND GROWTH						
Employees	13 (7-38)	29 (21-38)	63 (38-88)	113 (88-176)	226 (176-276)	876 (488-1000)
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Net Dollar Retention	100% (87-103%)	105% (100-120%)	105% (95-117%)	111% (105-125%)	110% (101-117%)	110% (101-126%)
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Underrepresented Minorities In Leadership	0% (0-13%)	0% (0-50%)	10% (0-21%)	11% (0-25%)	1% (0-10%)	10% (1-20%)

FINANCIAL & OPERATING METRICS BY ARR

('22 VS. '21)

	<\$1M	\$1-2.5M	\$2.5M-10M	\$10-20M	\$20-50M	>\$50M
SIZE AND GROWTH						
Employees	13 (-5)	29 (-9)	63 (-13)	113 (-38)	226 (75)	876 (525)
YoY Growth Rate	100% (0%)	79% (-11%)	50% (0%)	72% (22%)	40% (5%)	30% (0%)
FINANCIAL						
Sales & Marketing Spend	32% (7%)	25% (-5%)	34% (2%)	33% (-1%)	40% (5%)	34% (-16%)
R&D Spend	50% (0%)	40% (0%)	38% (4%)	40% (1%)	32% (7%)	28% (-2%)
Gross Margins	70% (3%)	77% (2%)	80% (4%)	80% (5%)	80% (0%)	78% (-1%)
Monthly Burn Rate (\$ in 000s)	50 (0)	175 (125)	175 (-200)	625 (250)	1500 (1125)	1750 (1725)
SAAS VALUE DRIVERS						
CAC Payback (months)	7 (-1)	11 (3)	12 (-3)	15 (0)	17 (-1)	16 (1)
Gross Dollar Retention	97% (-1%)	95% (-1%)	90% (-5%)	90% (6%)	90% (0%)	95% (10%)
Net Dollar Retention	100% (0%)	105% (5%)	105% (-1%)	111% (8%)	110% (5%)	110% (5%)
DIVERSITY						
Women In Leadership	16% (1%)	32% (7%)	24% (-1%)	33% (3%)	30% (0%)	36% (8%)
Underrepresented Minorities In Leadership	0% (0%)	0% (0%)	10% (10%)	11% (9%)	1% (-4%)	10% (1%)

FINANCIAL & OPERATING METRICS BY FUNDING STAGE

Median (25th percentile – 75th percentile)

	Angel / Seed	Series A	Series B	Series C	Series D+
SIZE AND GROWTH					
Employees	21 (13-38)	63 (38-88)	113 (63-176)	176 (176-626)	626 (226-907)
Funding	\$3M (\$0.5-3M)	\$15M (\$8-15M)	\$28M (\$15-63M)	\$63M (\$43-100M+)	\$100M+ (\$100-100M+)
Annual Recurring Revenue (ARR)	\$2M (\$0.5-\$2M)	\$6M (\$2-6M)	\$15M (\$6-15M)	\$15M (\$6-35M)	\$50M (\$35-50M)
YoY Growth Rate	70% (40-100%)	100% (30-180%)	61% (30-150%)	35% (25-60%)	42% (23-59%)
FINANCIAL					
Sales & Marketing Spend	31% (20-52%)	30% (20-46%)	45% (31-80%)	40% (39-50%)	32% (23-52%)
R&D Spend	40% (30-60%)	38% (25-50%)	40% (29-50%)	37% (29-46%)	28% (16-44%)
Gross Margins	80% (70-85%)	80% (73-85%)	76% (60-81%)	75% (62-88%)	78% (72-82%)
Monthly Burn Rate (\$ in 000s)	50 (0-175)	375 (50-625)	625 (375-1250)	1750 (187.5-1875)	2000 (1250-2000)
SAAS VALUE DRIVERS					
CAC Payback (months)	9 (3-14)	14 (7-17)	18 (12-24)	15 (12-19)	17 (14-23)
Gross Dollar Retention	90% (80-96%)	93% (88-97%)	90% (81-97%)	90% (82-98%)	92% (88-95%)
Net Dollar Retention	101% (94-115%)	108% (100-120%)	110% (95-125%)	114% (96-136%)	110% (104-126%)
DIVERSITY					
Women In Leadership	20% (0-40%)	25% (11-30%)	20% (10-30%)	40% (3-45%)	30% (21-38%)
Underrepresented Minorities In Leadership	10% (0-25%)	8% (0-20%)	17% (0-30%)	7% (0-15%)	10% (0-10%)

TIPS FOR INTEGRATING BENCHMARKS

1

Benchmarks are the map, not the route

Financial and operating benchmarks can be used as a map to assess where you are relative to peers. While they provide show you the landscape, they don't tell you the exact route you will need to take. Each company may take a different route—and for good reason.

2

Dodge whiplash with focus

There will always be another hot new metric or goal post set at 300% growth. Make sure you know the type of company you're looking to build and stay focused on executing. Come up for air to check the benchmarks annually or quarterly, not daily.

3

Consider shareholders' risk / return expectations

Different investors have different tastes for risk and return; Either know what your "dream investor" looks like so you can optimize performance vs. benchmarks that align with their "taste" OR determine the way you want to scale your business and find investors that are aligned with that approach.

4

Performance and valuation are a multivariate equation

Growth is a function of investment in sales and product which is a function of growth ... and so on. A sound strategy will involve a series of tradeoffs.



CUTTING BURN WITHOUT CRASHING AND BURNING

HOW CUTTING BURN BECAME NECESSARY

A brief oversimplification of the macroeconomic changes.

Rapid Macroeconomic Changes (January 2022 – September 2022)

Pre-2022



Grow at all costs



Record low interest rates helped drive a long period of growing at all costs.

However, (1) rising inflation caused central banks to (2) increase interest rates. As this happens, investors see (3) less value in long duration assets (like high growth SaaS). Ultimately this (4) reduces the amount of capital available to early-stage SaaS businesses.

**For operators, this has led to whiplash from
“grow at all costs” to “cut at all costs.”**

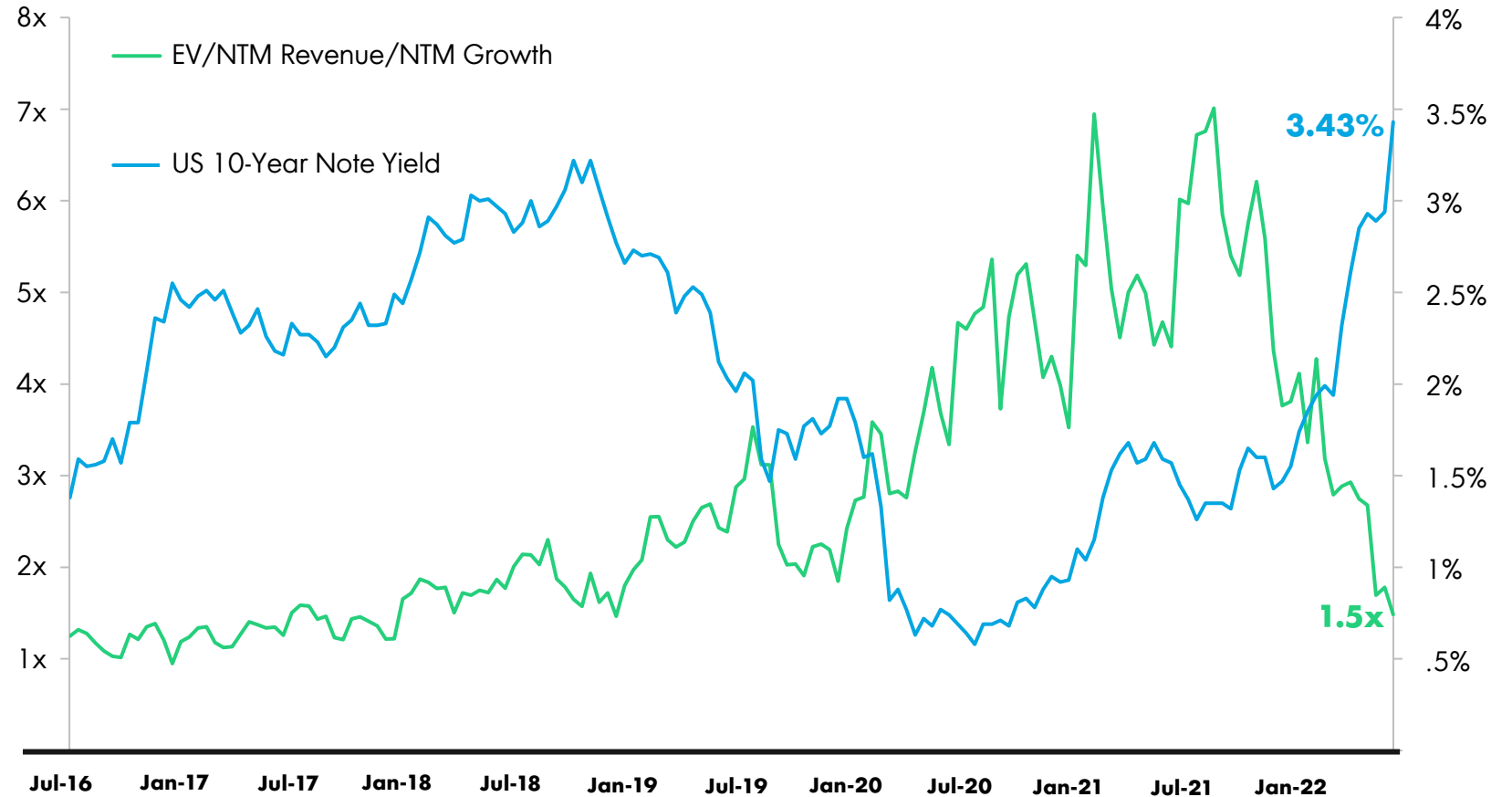
Today



Cut at all costs

INTEREST RATES HAVE DRIVEN MULTIPLE COMPRESSION

EV/NTM Revenue/NTM Growth vs. 10-Year Treasury Note Yield (Last 6 Years)



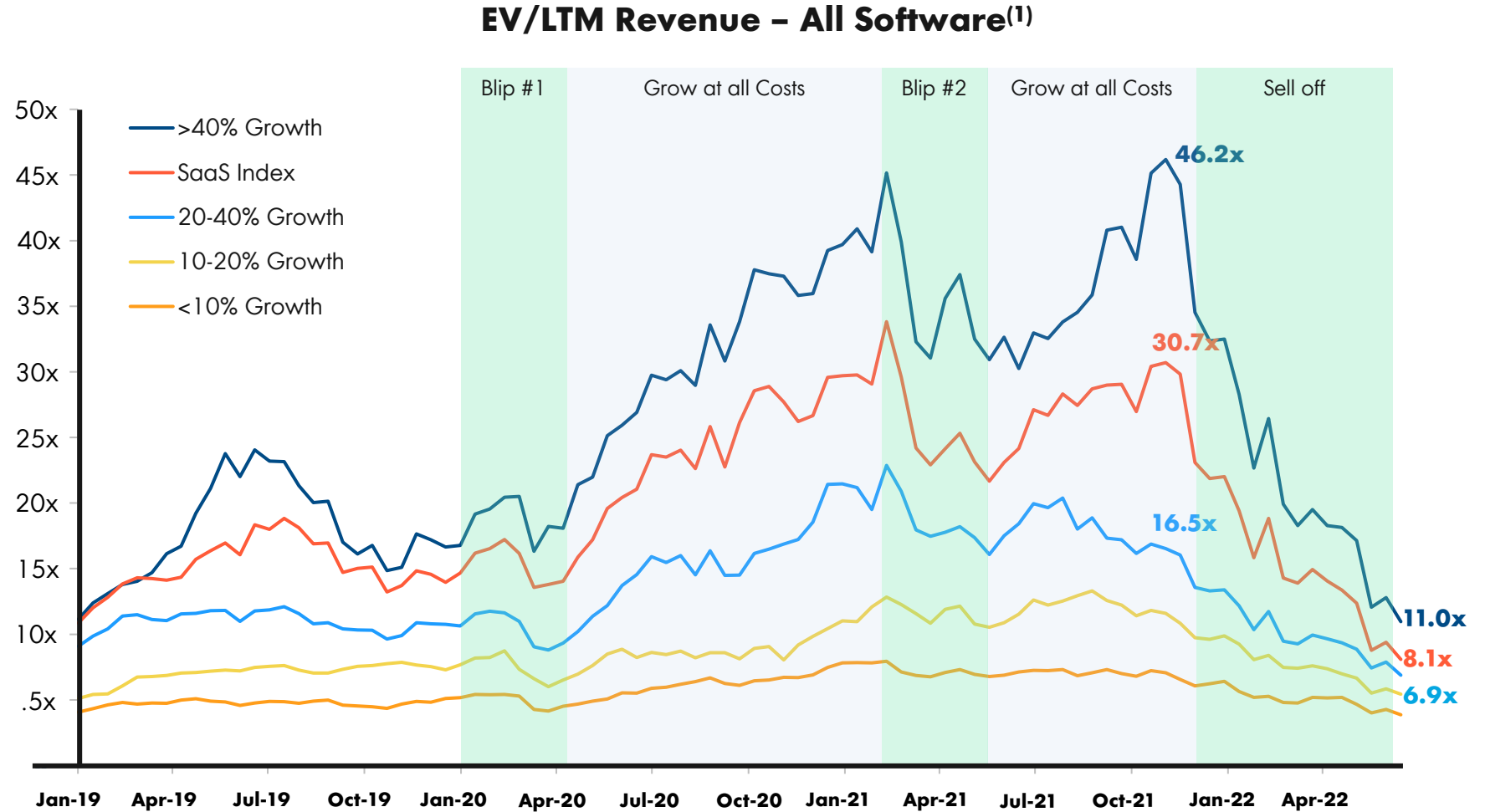
The value of a software company's revenue has been highly correlated with interest rates.

As the Fed has drastically tightened monetary policy, capital has flowed out of technology ETFs leading to multiple compression.

THE MOST RECENT SELL-OFF HAS BEEN SEVERE

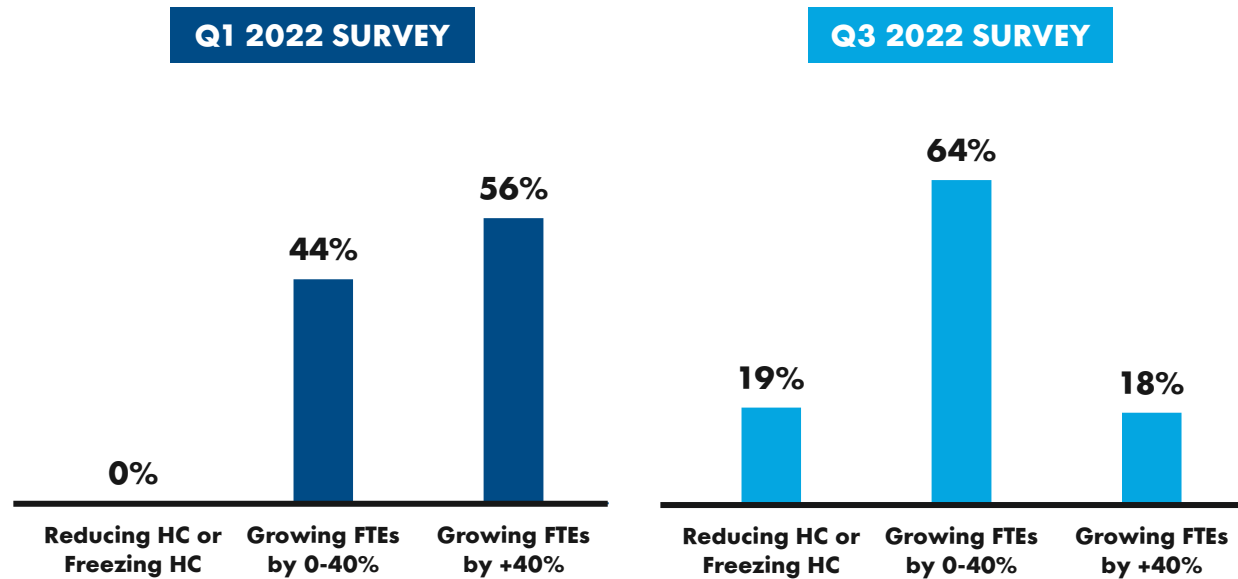
From 2019 to 2021, the average public SaaS business experienced significant multiple expansion.

Despite strong underlying performances, software valuations have compressed in Q1 and Q2 as a result of rising interest rates.



PRIVATE SAAS COMPANIES HAVE RESPONDED, MOST NOTABLY BY ADJUSTING HEADCOUNT

PROJECTED FTE GROWTH RATES % of companies



2022 expected change in headcount

The depth of change is most clearly viewed through two surveys we ran this year. One specific to talent in February and this most recent one in July.

In February, the majority(!) of companies were planning to grow headcount by more than 40%.

This has rapidly shifted as job postings have been replaced with layoff announcements.

Today, most companies are still planning for moderate headcount growth, but nearly 20% are maintaining or reducing their staff.

AND COMPANIES ARE CUTTING REGARDLESS OF THEIR GROWTH RATES

We expected that companies with less than 18 months of cash runway would be making significant cuts.

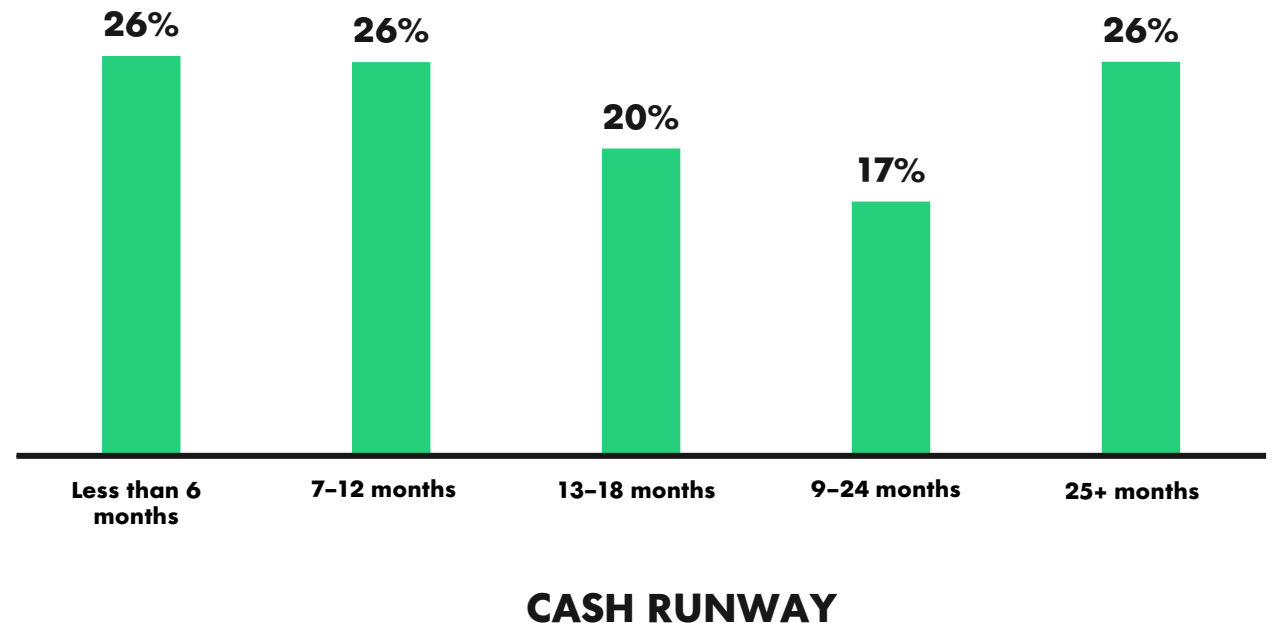
The consensus has been 18 months is “okay,” but 25+ months is ideal.

However, we were surprised to see companies with more than 25 months of cash in the bank cuts as much as those with only six months.

Our take: optionality is the most valuable thing a SaaS company can have today.

If extra cash ends up not being required, it's easier to start spending than to stop.

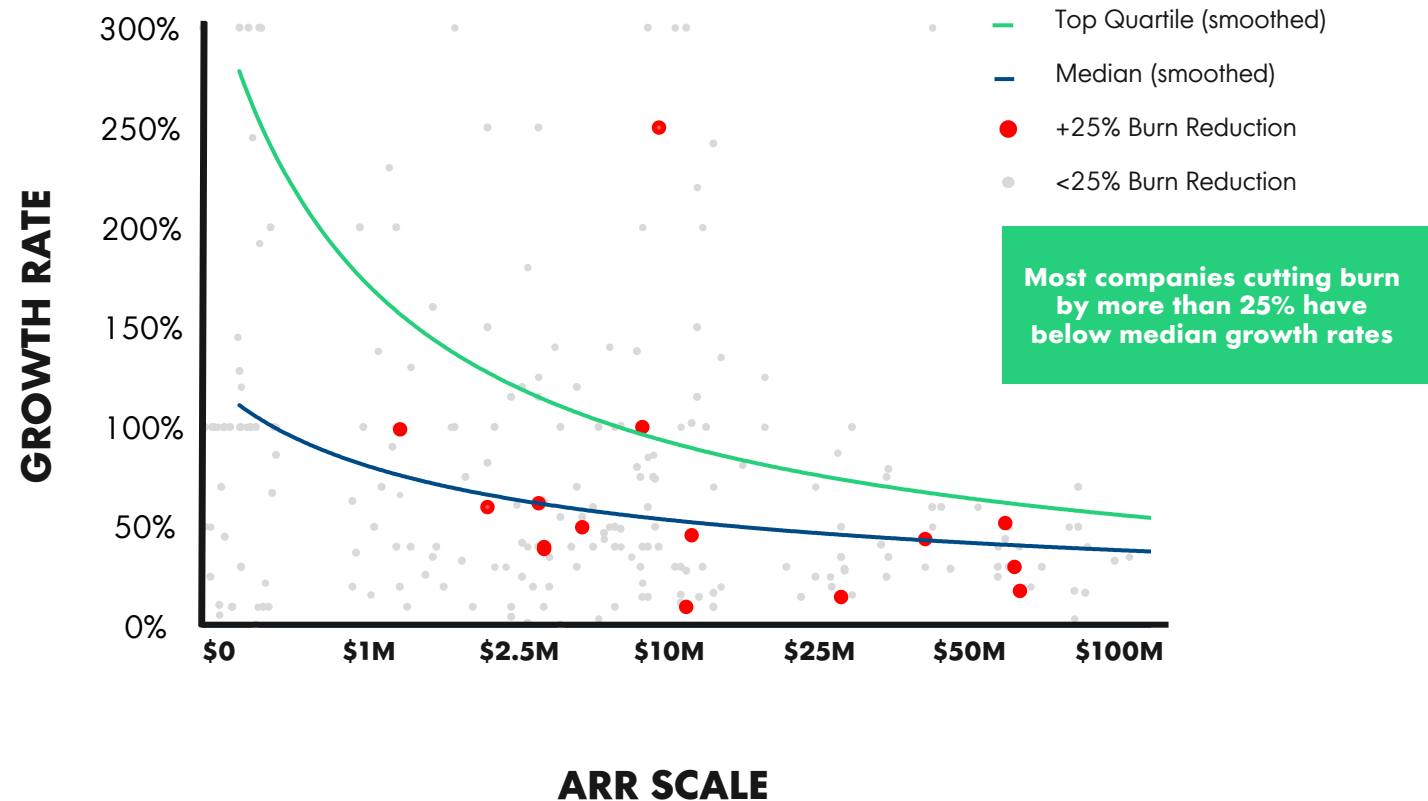
Average Reduction In Cash Burn From FY '22 Plan
By cash runway



CUTTING CASH BURN DOESN'T COME WITHOUT RISKS

GROWTH RATE AND ARR BY CASH BURN REDUCTION

Representative sample of responses



Reducing cash burn was required for most companies, but it only relieved some pressure.

Most companies that reduced cash by more than 25% also perform poorly today when it comes to growth. This makes sense. If burn isn't contributing to growth, it needs to be cut.

However, ultimately companies will need to get back to growing. But they'll need to do so with less cash on hand.

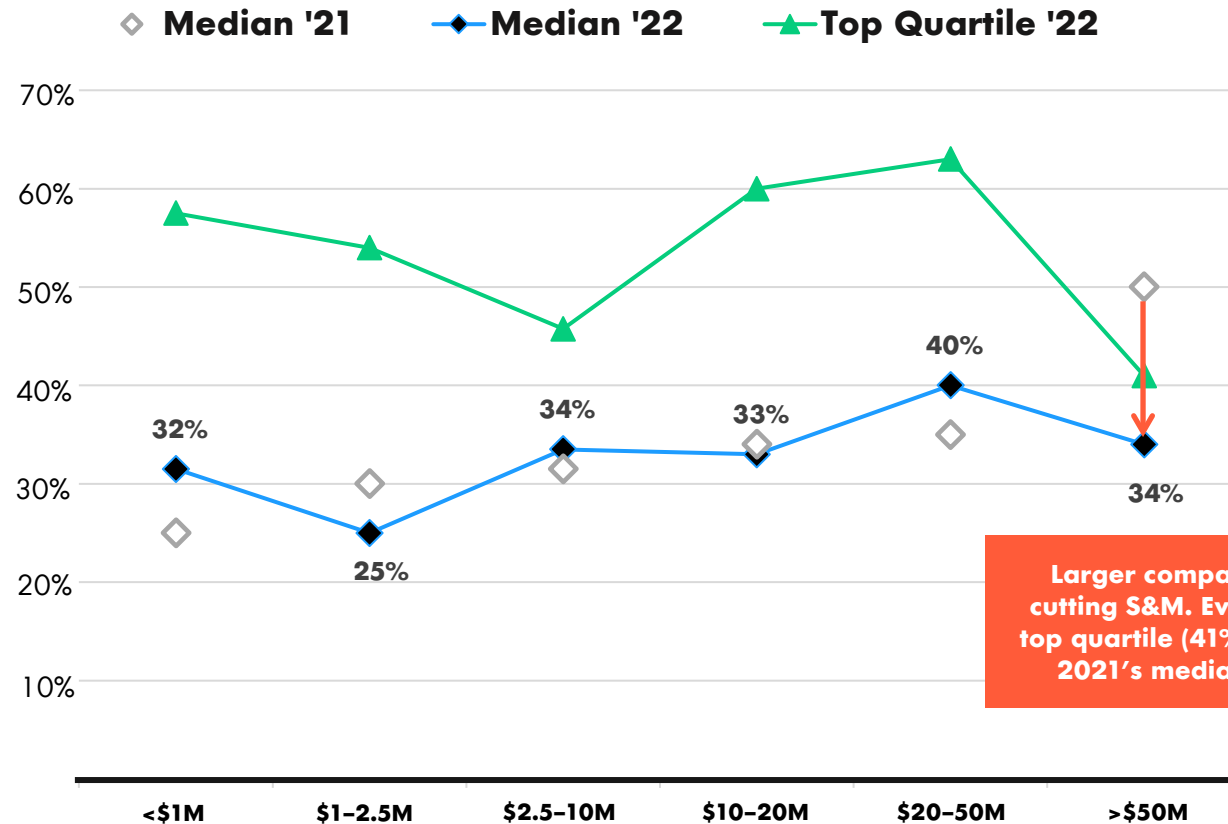
As cuts become commonplace, founders and operators are in a critical position to begin doing more with less.



GO-TO-MARKET, EFFICIENTLY

DESPITE CUTS, S&M SPEND HAS REMAINED CONSISTENT BELOW \$50M

SALES & MARKETING SPEND
(% of ARR)



Larger companies are cutting S&M. Even 2022's top quartile (41%) is below 2021's median (50%)

Despite recent budget cuts, the typical percentage of ARR being spent on sales and marketing hasn't changed much since last year.

The exception lies in larger companies where the median S&M spend has been reduced from 50% to 34%.

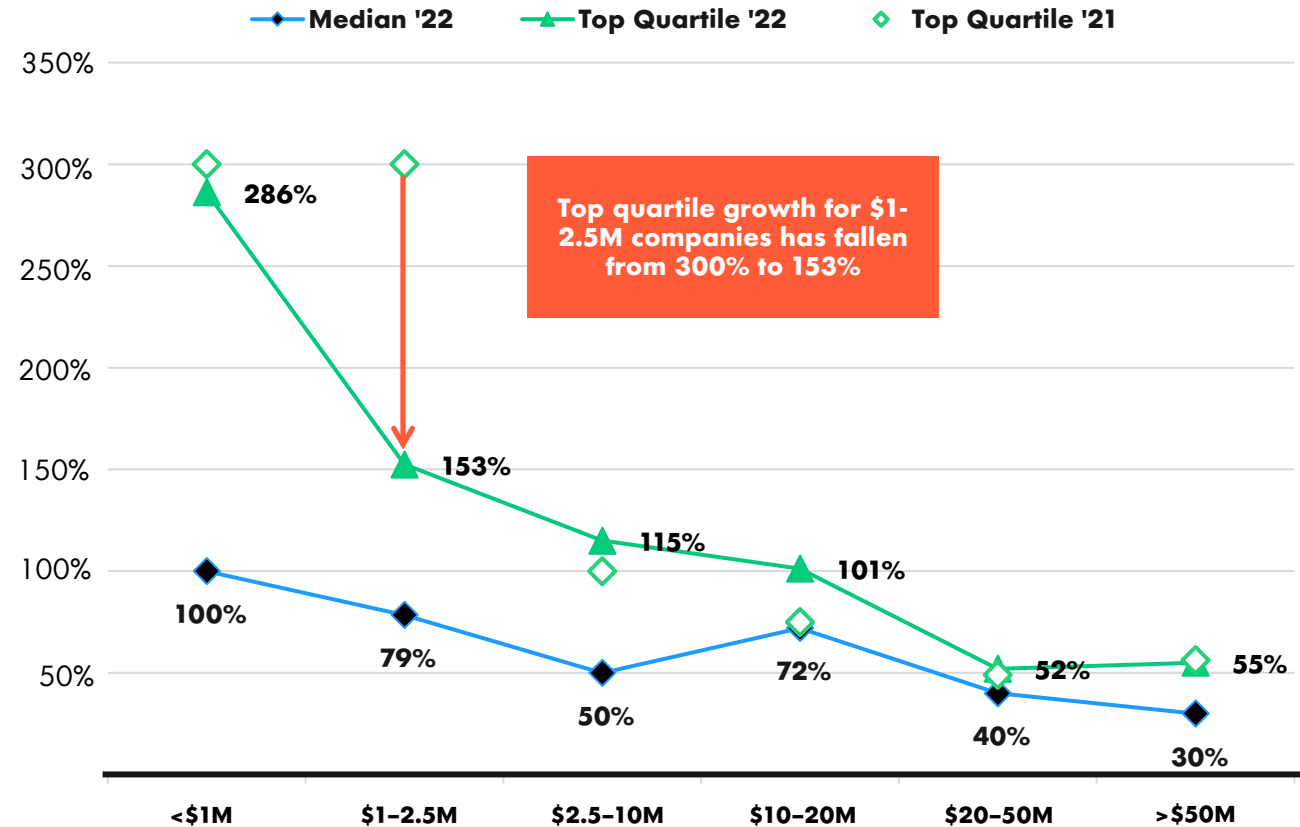
It's likely that these numbers will come down across the board in 2023 as startups begin to focus on more efficient and reliable routes to market.

EARLY-STAGE COMPANIES ARE PULLING BACK ON GROWTH

Growth rates set record breaking highs in 2021—and for good reason. Companies with top quartile growth were able to garner multiples in excess of 100x.

As growth rates become less and less rewarded, the gap between good growth and great growth is shrinking.

GROWTH RATE
By company ARR (annual)



Top quartile growth for \$1-2.5M companies has fallen from 300% to 153%

GROSS DOLLAR RETENTION IS DOWN FOR COMPANIES UNDER \$10M IN ARR

Early-stage companies in the \$2.5-10M range are seeing gross retention come down relative to 2021.

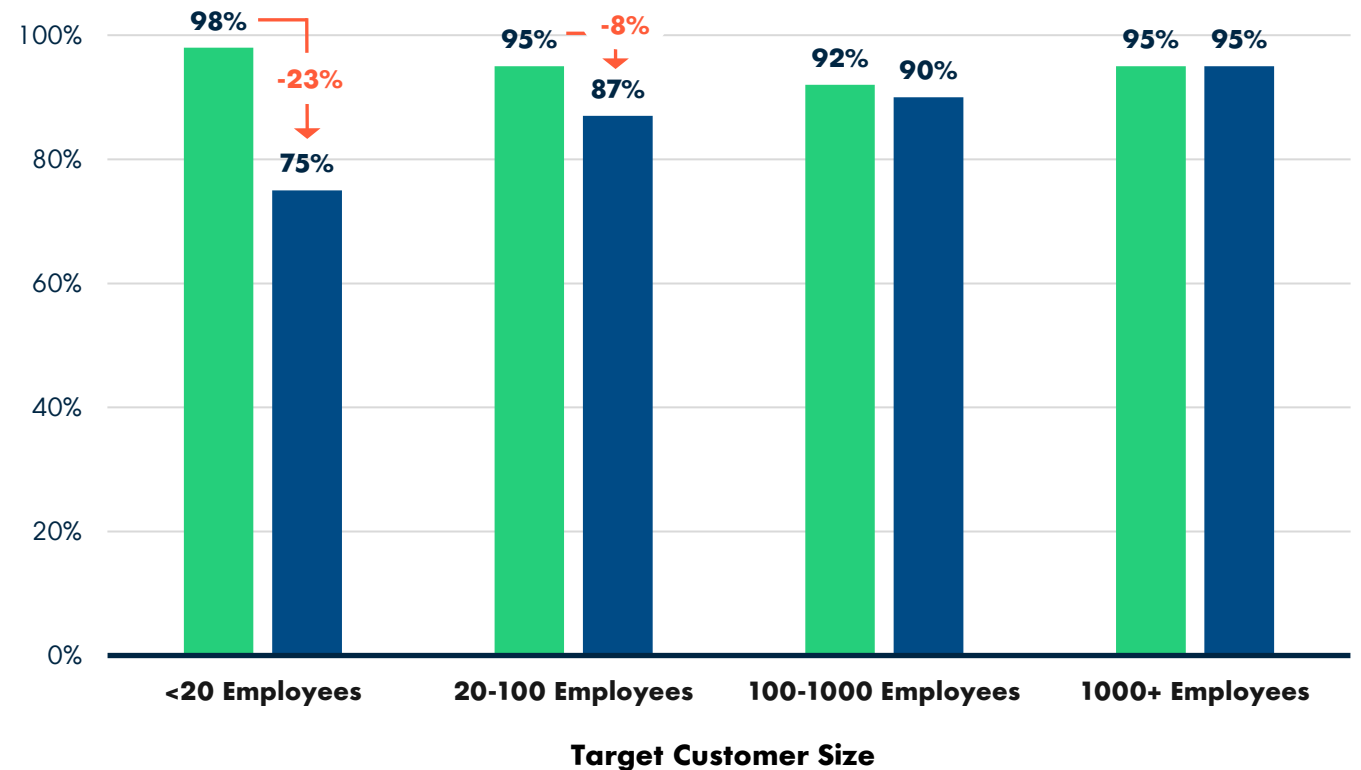
Chargebee's churn insights:

- 1. Set Churn as a Company KPI:** Businesses with a shared company wide KPI for churn see improvements vs. those with differing departmental KPIs for retention
- 2. Personalization goes a long way:** 72% of consumers only want to engage with personalized messaging – as you scale, find ways to create personalized experiences
- 3. ID the customers you can save:** 15-30% of churn can be resolved in the moment of cancellation. For small company sizes, test reactive discounting or help materials during cancellation

GROSS DOLLAR RETENTION AT \$2.5-10M ARR

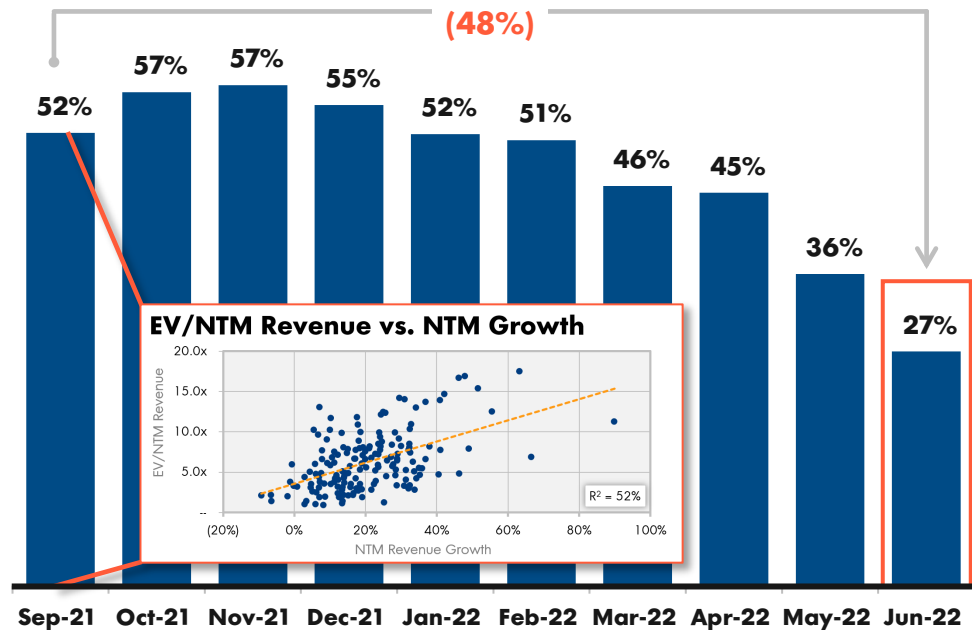
By target customer

■ 2021 ■ 2022

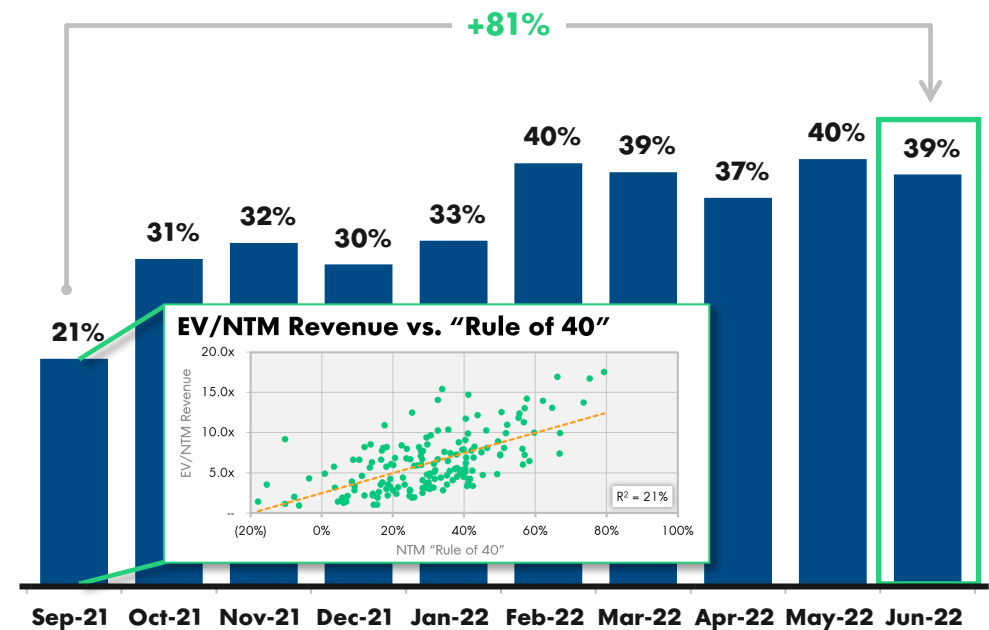


PUBLIC COMPANIES ARE BEING VALUED ON RULE OF 40, NOT ON GROWTH

Valuation Explained By "NTM Growth" Historical R-Squares⁽¹⁾

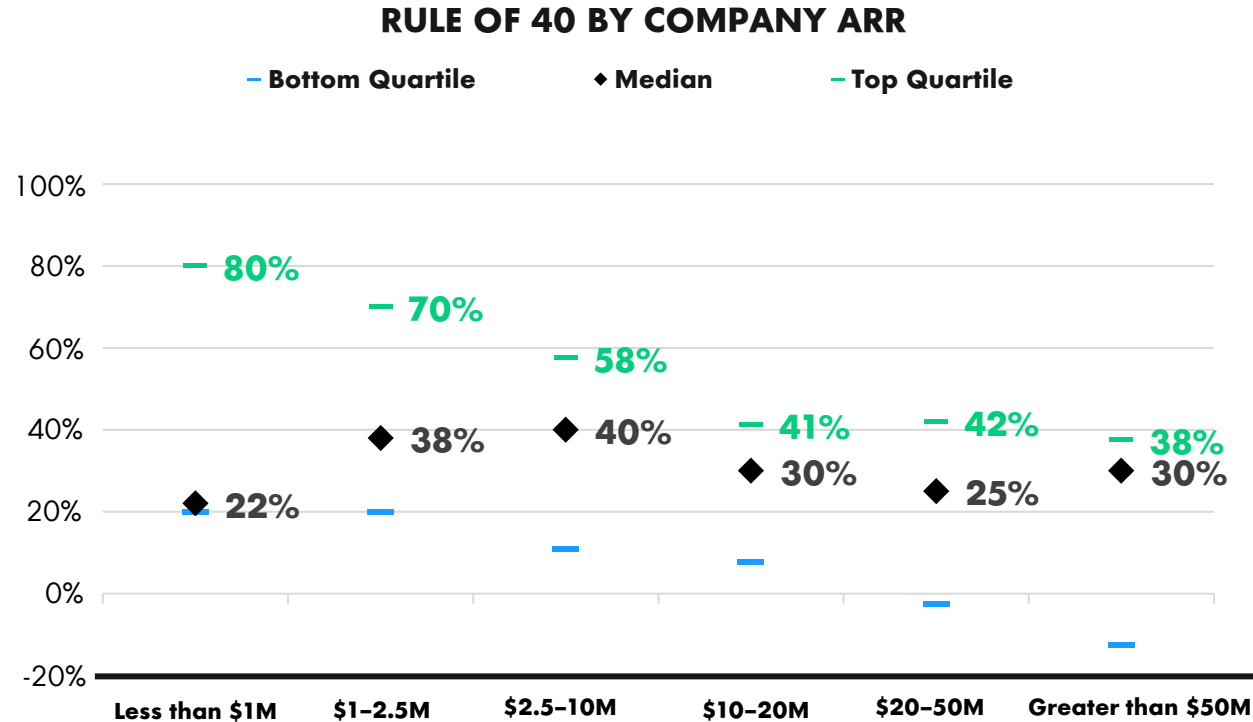


Valuation Explained By "Rule of 40" Historical R-Squares⁽²⁾



Source: Company filings and pitchbook as of 06/15/22.

RULE OF 40 IS BACK—BUT DOES GOOD EQUAL 40?



Rule of 40 has always been a solid gut check for the general balance of a company’s growth and profitability. However, it’s become increasingly important as a driver of how businesses are valued.

For companies with ARR below \$10M, Rule of 40 can vary widely from quarter to quarter.

Achieving 40 each quarter is not required. But, it is required to have a grasp on what caused a drop or spike, and what can be done to get to 40 long term.

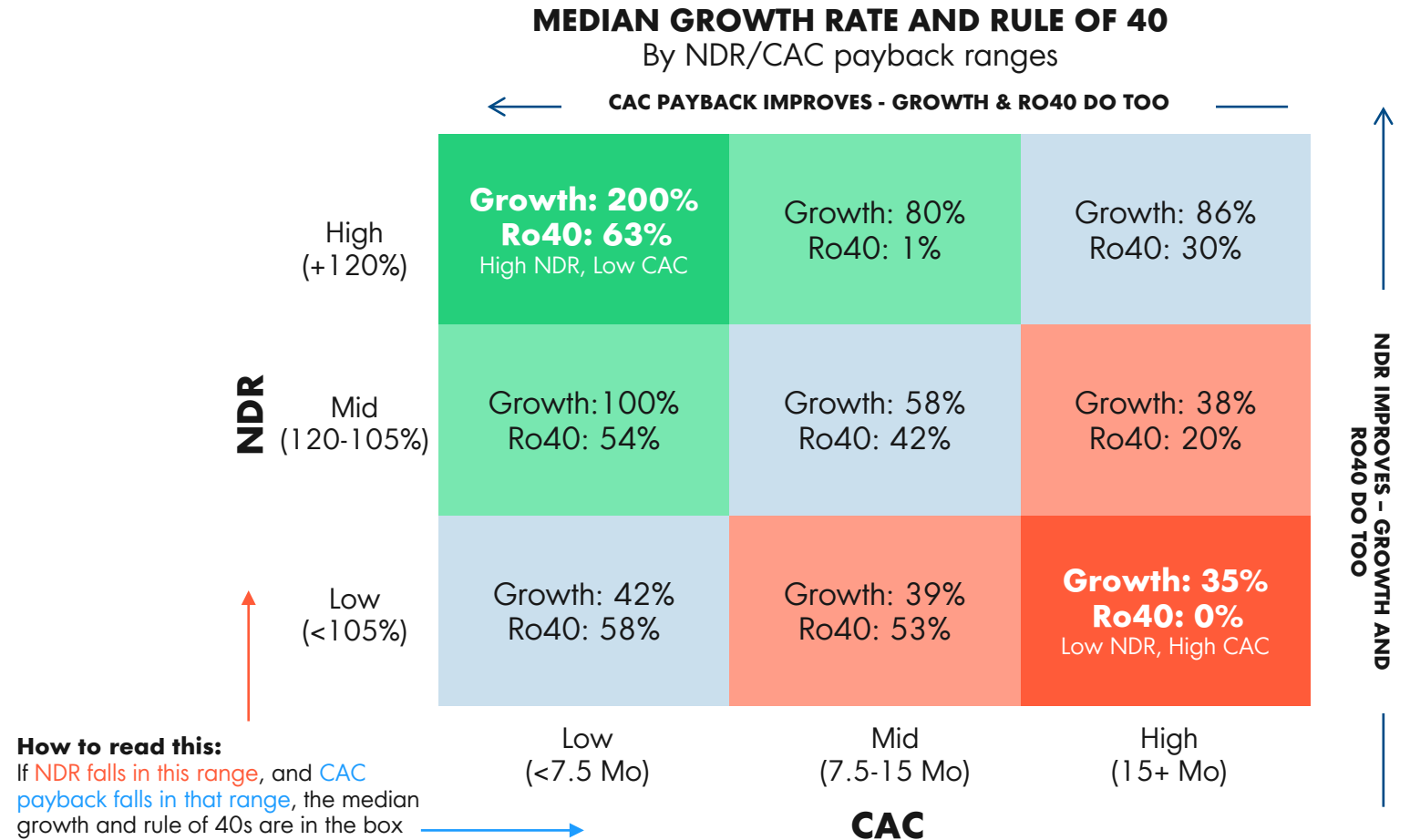
Rule of 40 calculated as YoY ARR growth plus LTM (last 12 months) free cash flow margin or EBITDA margin. For example, if you’re growing at **50%** YoY and have a **-15%** free cash flow margin over the last **12 months**, **your rule of 40 = [50% Growth] + [-15% free cash flow margin] = 35%**.

GO-TO-MARKET EFFICIENCY COMES DOWN TO BLENDING CAC PAYBACK AND NDR

The public markets have oscillated from valuing growth rate alone to valuing rule of 40. For most operators, this shift—combined with a decrease valuations and cash available—has led to the rapid decrease in spending.

However, companies that can achieve top quartile NDR and CAC payback periods are immune from this oscillation.

The data shows the operators focused on these two metrics achieve the best of both worlds: the highest median growth rate and highest median Rule of 40.



Source: 2022 OpenView SaaS Benchmarks Report

GREAT CAC PAYBACK & GREAT NDR WILL VARY BASED ON THE CUSTOMERS YOU TARGET

CAC Payback By Target Customer – 50 th Percentile & 80 th Percentile			
Target Customer	Employees	Good (50th)	Great (80th)
VSMB / Prosumer	<20	9 months	2 months
SMB	20-100	7 months	4 months
Midmarket	101-1,000	14 months	7 months
Enterprise	1000+	14 months	9 months

NDR By Target Customer – 50 th Percentile & 80 th Percentile			
Target Customer	Employees	Good (50th)	Great (80th)
VSMB / Prosumer	<20	100%	107%
SMB	20-100	100%	116%
Midmarket	101-1,000	110%	124%
Enterprise	1000+	110%	125%

Compared with other metrics, CAC and NDR are particularly sensitive to the type of customers you're targeting.

Smaller buyers like SMBs and prosumers tend to come with lower sticker prices and less formal buying processes. When combined, they can add up to a lower CAC than you'll find in the midmarket/enterprise.

The opposite is true with NDR, where opportunities for growth within an account are much higher at larger companies.

The takeaway: Make sure to cut your own metrics by segment with differing targets for NDR and CAC. Snowflake's +170% NDR is great, but if you're selling seats to SMBs, it's an unrealistic target to set.



PLG: MORE THAN JUST PRODUCT

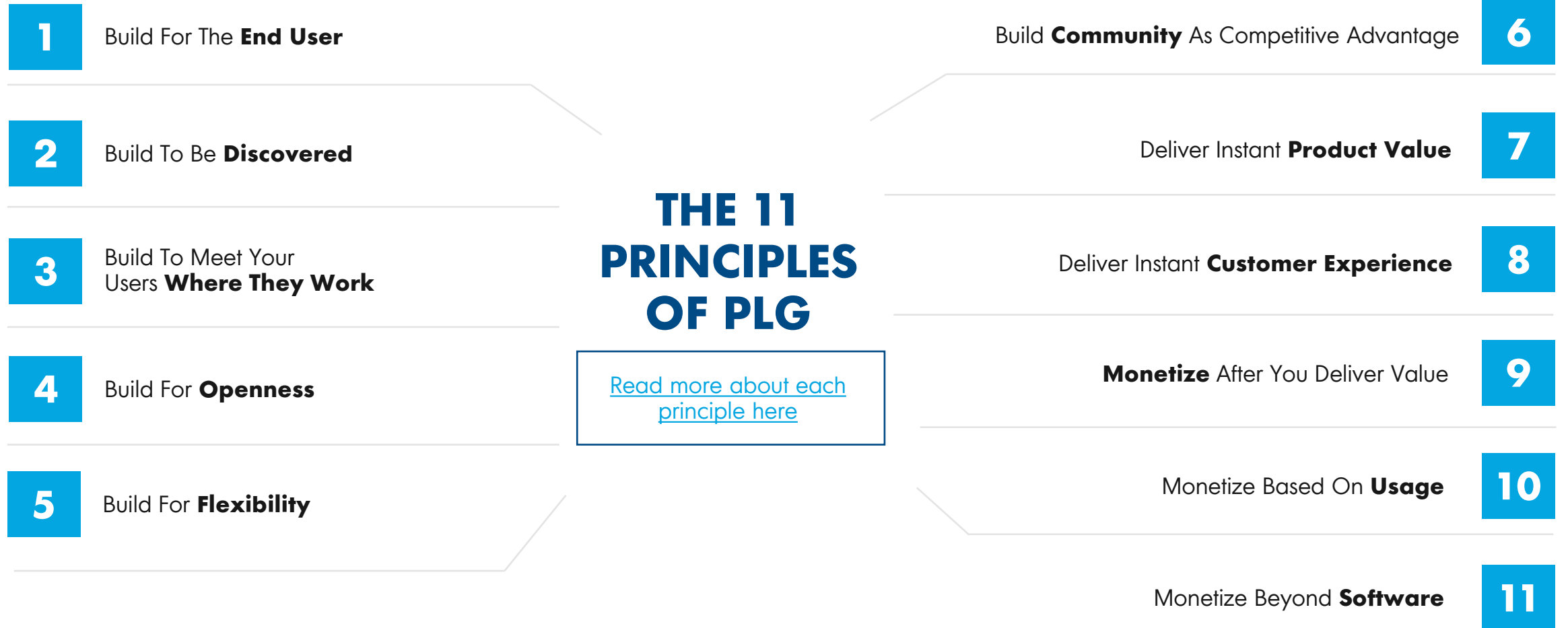
A NEW ERA OF FOR PRODUCT-LED GROWTH

We studied the world's top PLG companies to find out what makes them different

- PLG leaders are **growing 50% year-over-year**, far faster than traditional SaaS companies (21%).
- PLG leaders see best-in-class net retention (128%) and have extremely efficient growth engines (63% Rule of 40).

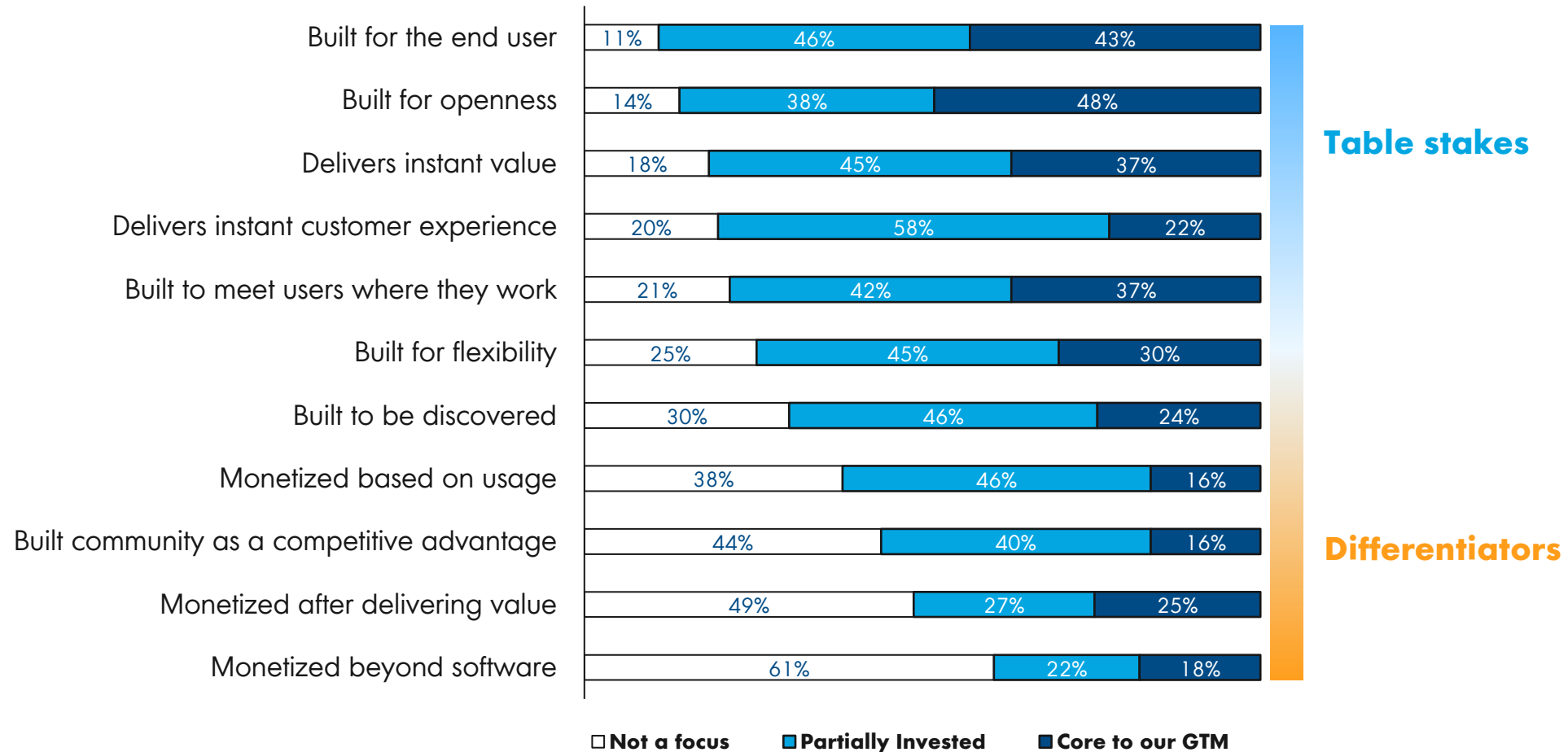


IN THIS NEW ERA, WE SEE 11 CORE PRINCIPLES. LEADERS HAVE ADOPTED 9+



SEVERAL OF THESE TACTICS HAVE BECOME TABLE STAKES WHILE OTHERS CAN DIFFERENTIATE

11 PRINCIPLES OF PLG – TACTIC ADOPTION



COMPANIES WITH DIFFERENTIATED PLG MOTIONS OUTPERFORM PEERS ON CAC PAYBACK

PLG doesn't just align your GTM with how your customers want to buy, it also help align your GTM with financial performance

Companies that see discoverability and a robust free product as core to their strategy return CAC costs four months faster than their peers. The reasoning is intuitive:

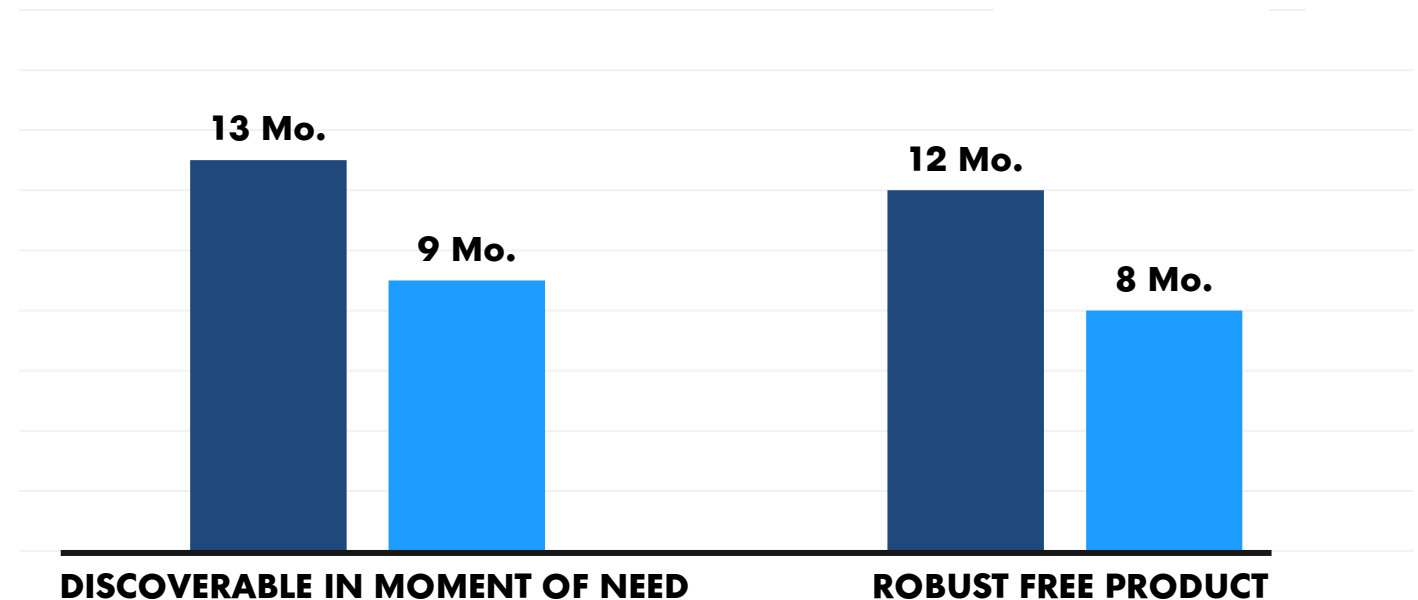
Discoverability: Building your product to be easily discovered helps keep marketing spend efficient

Robust Free Product: Providing a high value product to new users helps improve conversion rates and expand pricing at the time of conversion

MEDIAN CAC PAYBACK

PLG tactic adoption

■ PARTIAL/NOT A FOCUS ■ CORE

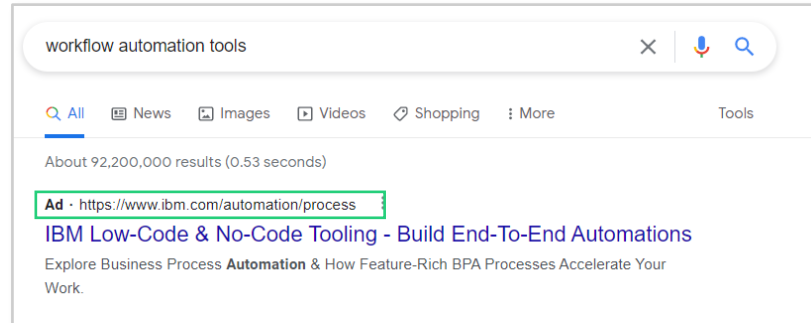


Source: 2022 OpenView SaaS Benchmarks Report

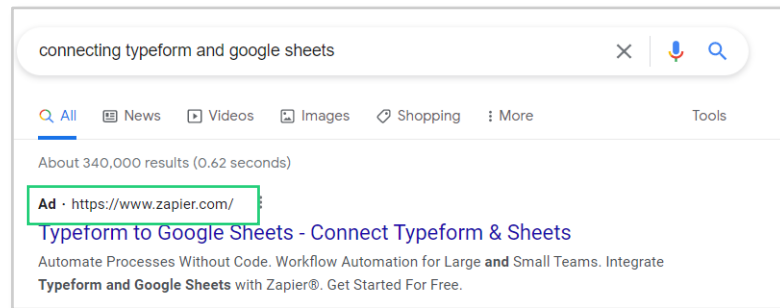
Note: CAC payback periods represent the median CAC payback dependent whether company see a PLG tactic as core vs. partial/not a focus.

GTM TIP 1: MAKING YOUR PRODUCT DISCOVERABLE

End users don't search for tools—and Zapier isn't discoverable there



Instead, they work to be discoverable where their end users are



“ When you're building a company, the first thing you need to do is figure out where customers are hanging out.

It's meeting them where they are at. Do they go to industry events? Are there communities where they hang out? You've got to identify where those core customers are spending their time and use this to inform your decisions. ”

Wade Foster • Co-founder & CEO

GTM TIP 2: PROVIDE A ROBUST FREE PRODUCT WITH “REVERSE TRIALS”

- **Offer a reverse trial:** a 14-day trial of Pro, then users default to the Free plan.
- Let users explore the **full potential** of the product while keeping the door open to nurture the relationship over time.
- After the trial expires, usage limits are the most powerful paywalls (**80/20 rule**).

The image shows the Airtable pricing page with four columns representing different plans: Free, Plus, Pro, and Enterprise. The Pro plan is highlighted as 'Most popular'. Each plan includes a description, a price per seat/month (billed annually or monthly), a 'Sign up' or 'Try for free' button, and a list of features.

Free	Plus	Pro	Enterprise
For individuals or very small teams just getting started with Airtable	For teams looking to create a single source of truth to manage their workflows and processes	For teams and companies who need to create workflows & apps to run their most important processes across their orgs	For departments and organizations who have advanced customization, scale, security, control and support needs
Free	\$10 per seat /month billed annually	\$20 per seat /month billed annually	
Sign up	Try for free	Try for free	Contact sales
Free includes: <ul style="list-style-type: none">✓ Unlimited bases✓ Up to 5 creators or editors✓ Unlimited commenter & read-only users✓ 1 app per base✓ 1 sync integration✓ 1,200 records per base✓ 2GB of attachments per base	Everything in Free, plus: <ul style="list-style-type: none">✓ 3 apps per base✓ 3 sync integrations✓ 5,000 records per base✓ 5GB of attachments per base✓ Custom branded forms✓ 6-month revision & snapshot history✓ Automatic table syncing	Everything in Plus, plus: <ul style="list-style-type: none">✓ 10 apps per base✓ 7 sync integrations including Jira Cloud✓ 50,000 records per base✓ 20GB of attachments per base✓ Gantt & Timeline Views✓ 1-year revision & snapshot history✓ Personal & locked views✓ Field & table editing permissions	Everything in Pro, plus: <ul style="list-style-type: none">✓ Unlimited workspaces per organization✓ Unlimited apps✓ Salesforce & Jira on-prem sync integrations✓ 250,000 records per base✓ 1,000GB of attachments per base✓ 3-year revision & snapshot history✓ SAML-based single sign-on✓ Enterprise-wide admin panel✓ Ongoing Success Program✓ Included Professional Services✓ Add-On Professional Services

GTM TIP 3: DON'T SLEEP ON PRICING

Your product is changing, so should your pricing

As companies expand their product portfolio and/or begin to find new use cases, they're often too slow to adjust pricing with it. Nearly two-thirds of companies changing their prices cite these reasons.

Challenge the model

Matching traditional seat-based pricing models can leave money on the table—over 55% of respondents have at least tested usage-based pricing and seen higher median NDRs.

Do your research

Nearly 20% of companies with less \$50m in ARR do not conduct a dedicated pricing project, and it shows. ARR impact was 7% higher when a project was completed.

61%
of companies adjusted their
pricing in the last year.

On average,
the expected/realized
ARR impact to is

+27%

Convinced?

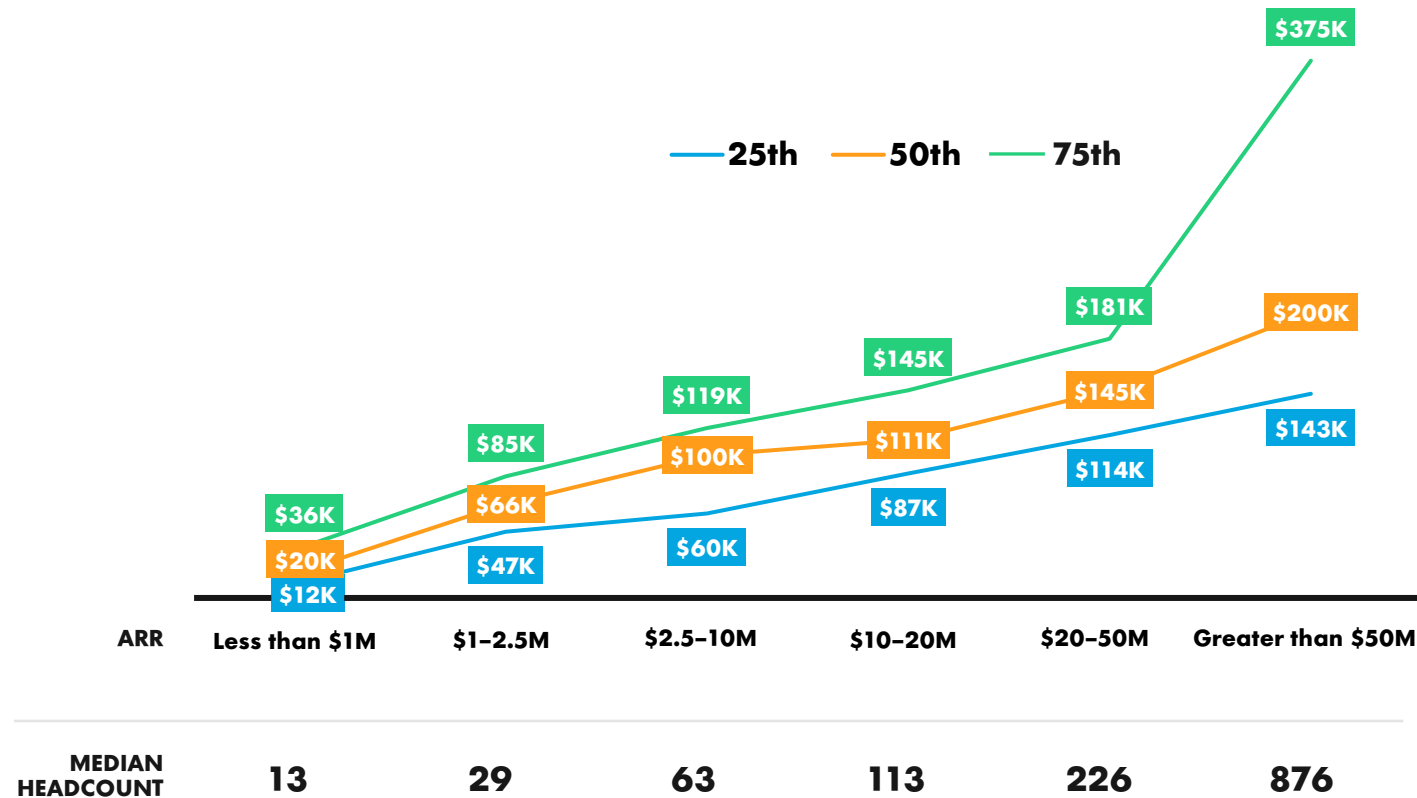
[Get started on pricing here!](#)



**PEOPLE: YOUR BEST,
BUT MOST EXPENSIVE ASSET**

PEOPLE AND THEIR REVENUE CONTRIBUTION

REVENUE PER EMPLOYEE BY ARR
25th, 50th, and 75th percentiles



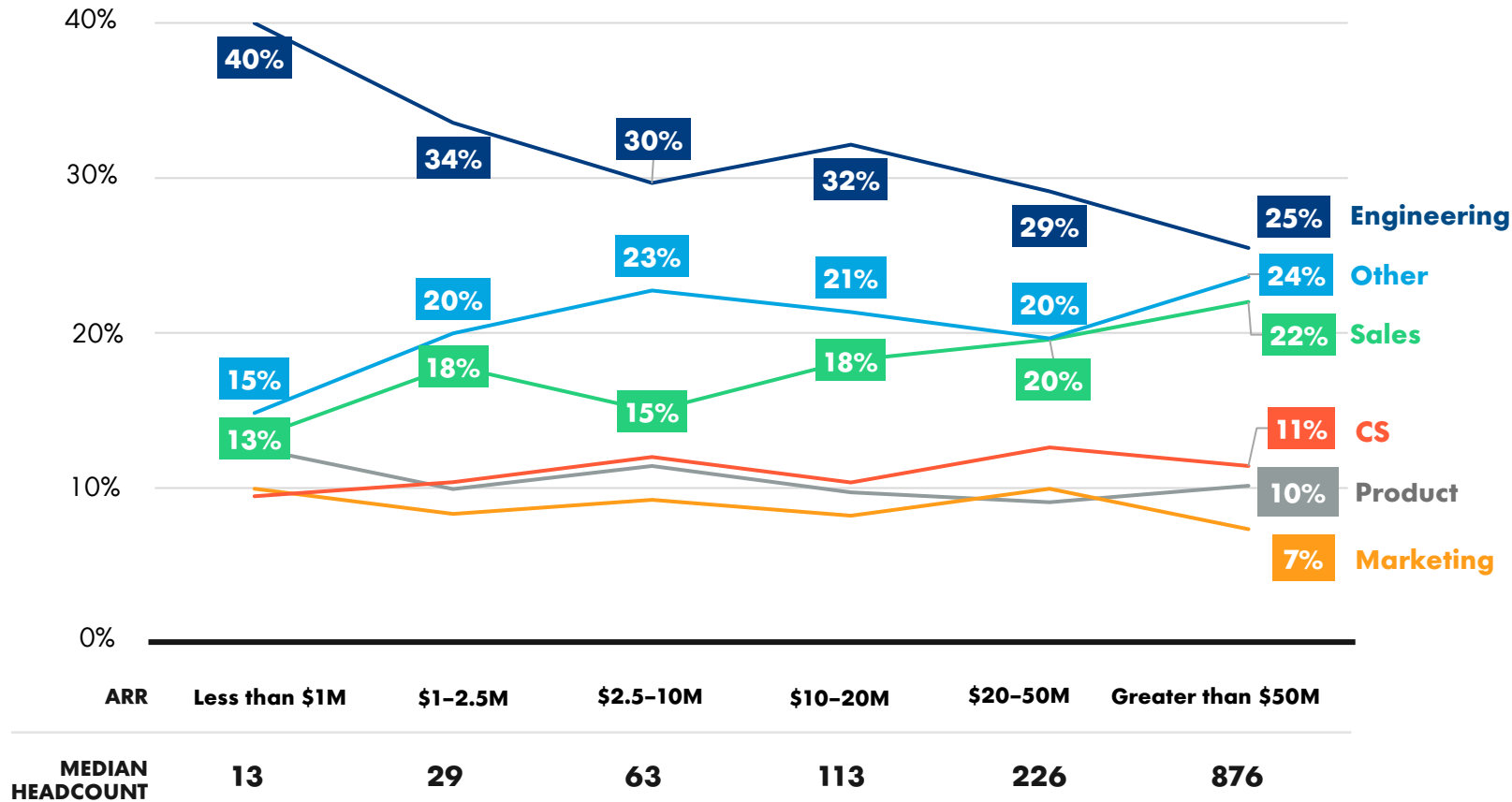
SaaS seems to love complicated metrics. We'd be lying if we said we didn't love a few of them too. However, an increasingly important one is shockingly simple:

ARR per FTE.

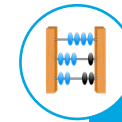
Early on, this metric will be extremely low (\$10-40K), but companies should be mindful in their planning of what this number should look like at scale. **The general rule is to get to or exceed \$200K when you reach scale.**

A TYPICAL COMPANY'S EMPLOYEE DISTRIBUTION

AVERAGE EMPLOYEE DISTRIBUTION
By Department by ARR



Engineering is consistently the largest department, typically representing 200+ employees at \$50M in ARR.



Other varies by organization. Always include HR, Legal, and IT but also organizations that can be sizeable at specific orgs (e.g. Growth or Services).

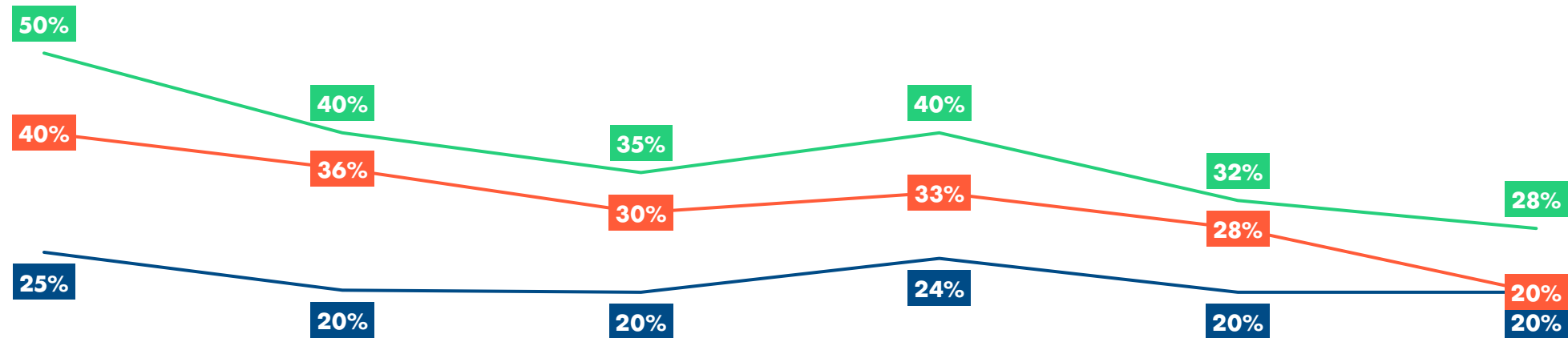


In prior years, we've seen **Sales** outpace Engineering by +\$50M, however, with the rise of PLG, businesses are less likely to make this jump.

ENGINEERING DISTRIBUTION

ENGINEERING EMPLOYEE REPRESENTATION

25th, 50th, and 75th percentiles



Less than \$1M

\$1-2.5M

\$2.5-10M

\$10-20M

\$20-50M

Greater than \$50M

— 25th — 50th — 75th

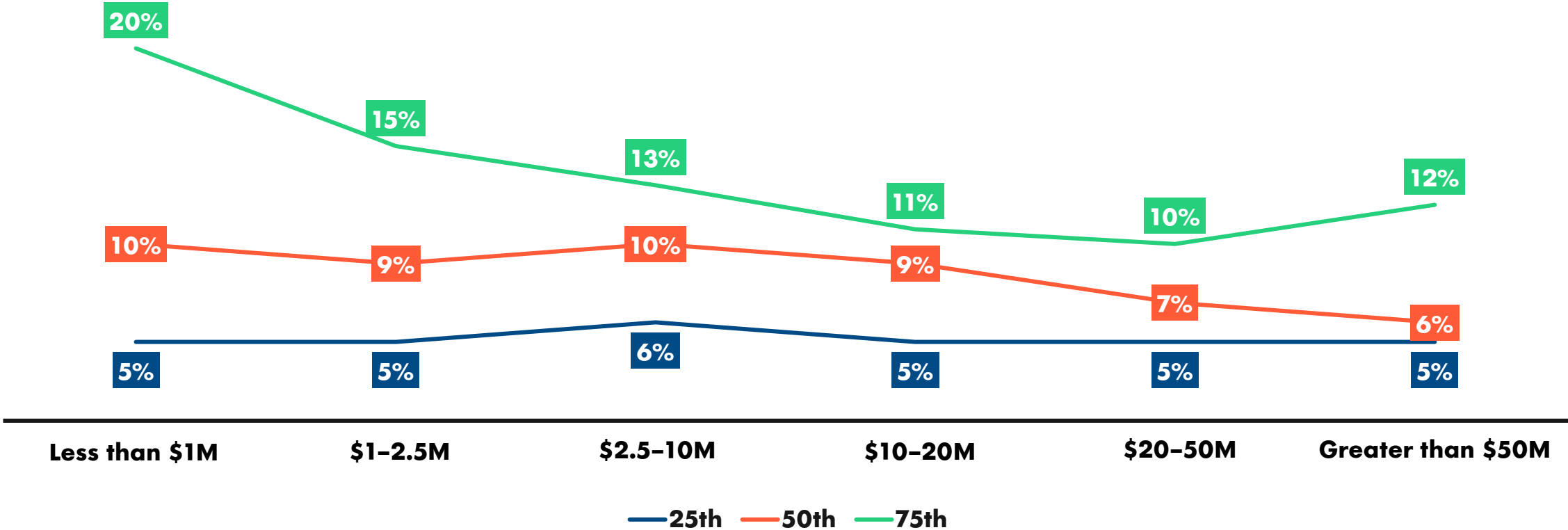
Keep in mind each company will have a different product and GTM strategy.

This may lead to good reasons to buck these trends.

PRODUCT DISTRIBUTION

PRODUCT EMPLOYEE REPRESENTATION

25th, 50th, and 75th percentiles

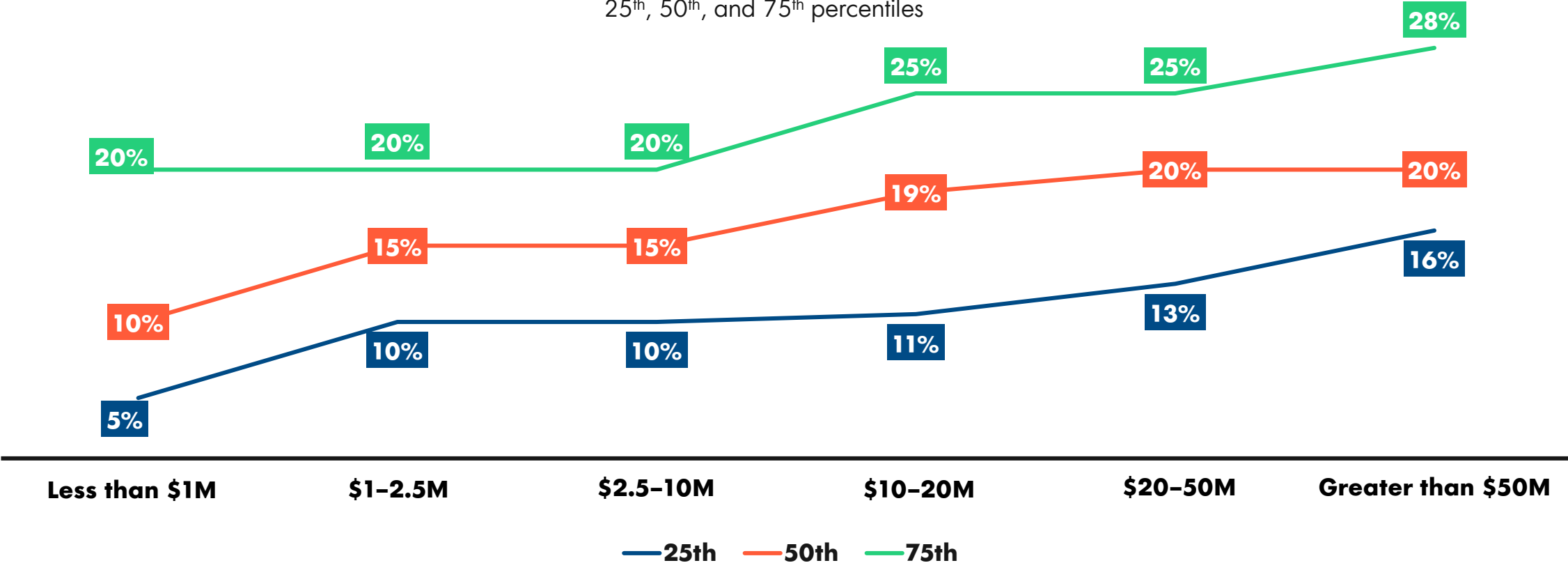


Keep in mind each company will have a different product and GTM strategy.

This may lead to good reasons to buck these trends.

SALES DISTRIBUTION

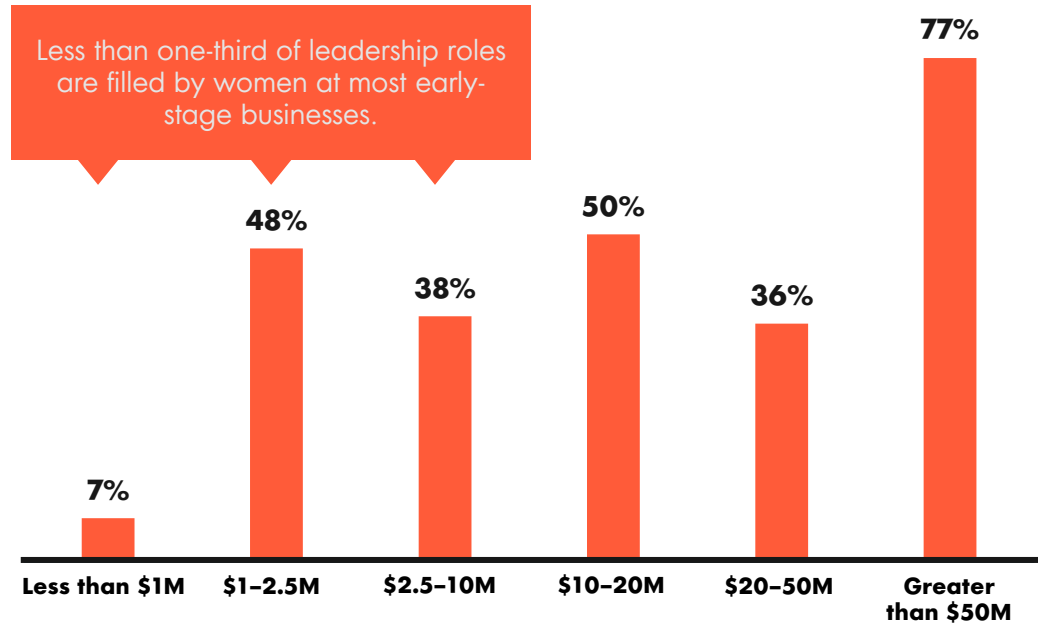
SALES EMPLOYEE REPRESENTATION
25th, 50th, and 75th percentiles



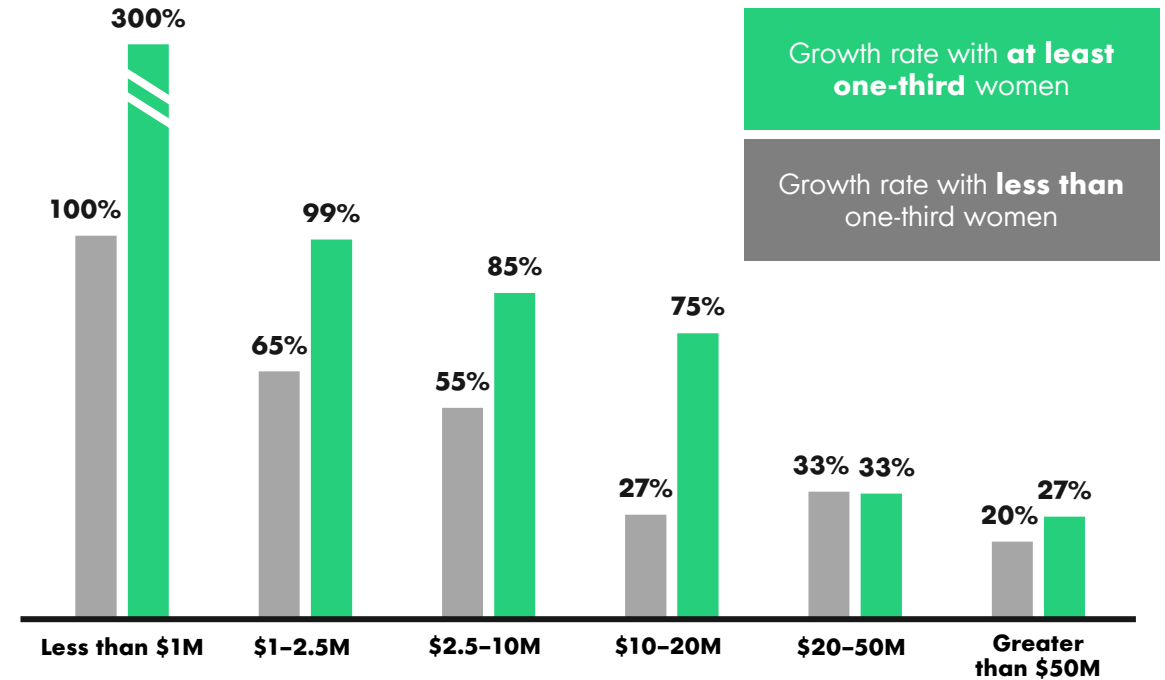
Keep in mind each company will have a different product and GTM strategy.
This may lead to good reasons to buck these trends.

EARLY ON WOMEN LEADERSHIP LAGS; WOMEN'S REPRESENTATION CORRELATED TO HIGHER GROWTH

% OF COMPANIES WITH AT LEAST ONE-THIRD WOMEN LEADERSHIP TEAM



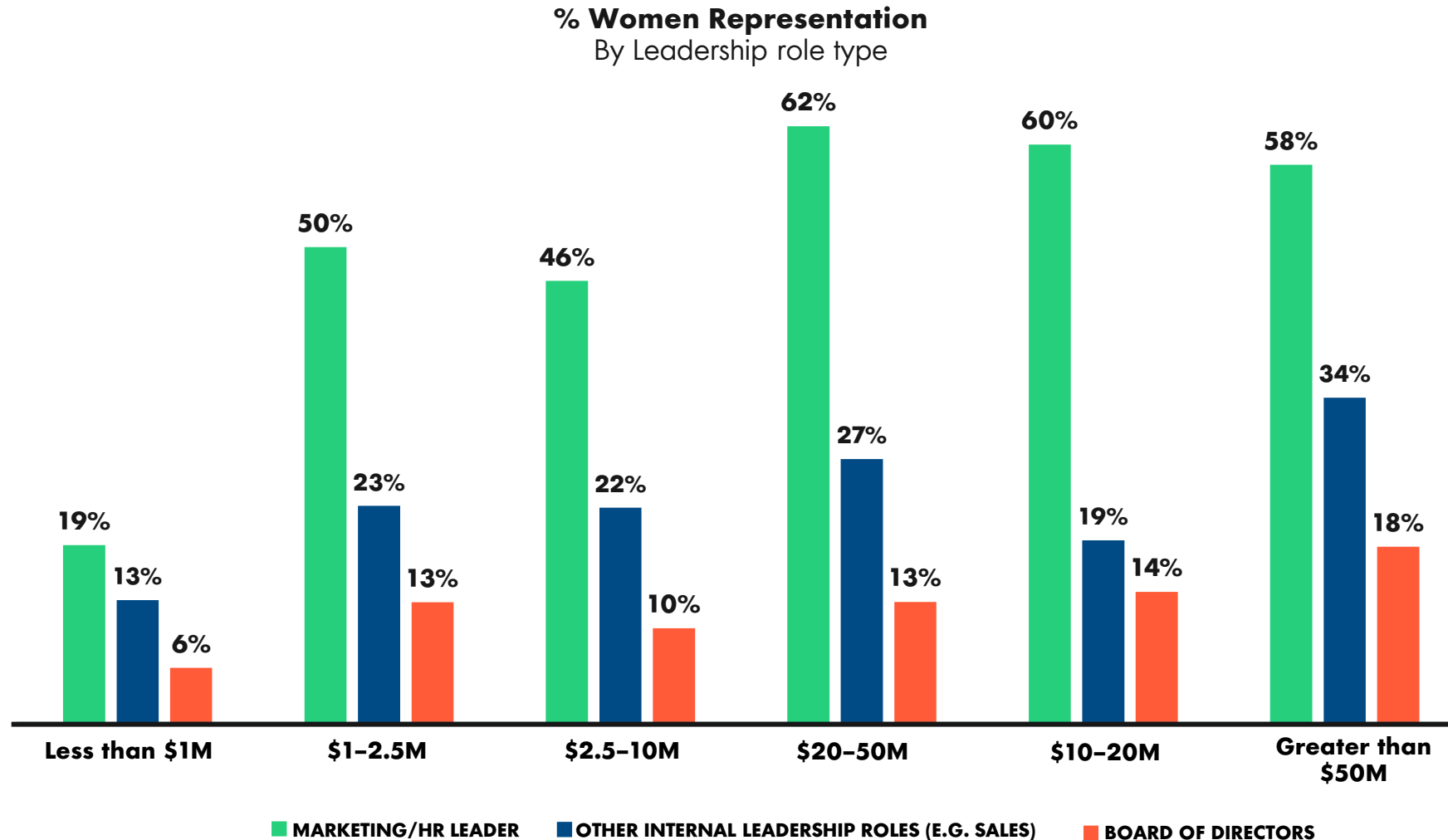
MEDIAN GROWTH RATE
Based on women leader representation



Source: 2022 OpenView SaaS Benchmarks Report

Note: Ideally, this data would be cut by 50% women in leadership, not 33%. However, the sample size becomes too small for early-stage companies with that analysis.

LEADERSHIP ROLES FOR WOMEN ARE DOMAIN-SPECIFIC: PRIMARILY HR AND MARKETING





ABOUT THE AUTHORS

ABOUT THE AUTHORS



CURT TOWNSHEND

SENIOR DIRECTOR, GROWTH

Curt supports OpenView's Growth Team, helping portfolio companies accelerate top-line growth and dominate their markets. He works closely with portfolio leadership teams to discover, test, and implement the most impactful strategies for growth.



KYLE POYAR

OPERATING PARTNER

Kyle leads OpenView's Growth Team, responsible for advising portfolio executive teams on strategies to increase revenue growth and dominate their markets. The team has helped the portfolio generate over \$100 million in additional enterprise value in the last three years.

Kyle specializes in pricing & packaging strategy, which is the most effective yet overlooked growth lever at a SaaS company's disposal. He's an expert in product-led Growth, optimizing go-to-market strategies, and SaaS benchmarks.

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[Kyle Poyar's Growth Unhinged](#)

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[Your Guide to a PLG Series A](#)

[The New User Journey: Follow Your Users to Understand How to Excel at Go-To-Market](#)