

# OPERATING EXPENSE BENCHMARKS

*How Much Do Insight's Most Efficient  
Companies Spend on Operating Expenses?*

Includes 345 Insight Portfolio Companies with \$1M+ in LTM GAAP revenue that provided detailed TTM operating expense data reported as of September 30, 2023.

# Operating Expenses by Company Size – All Companies

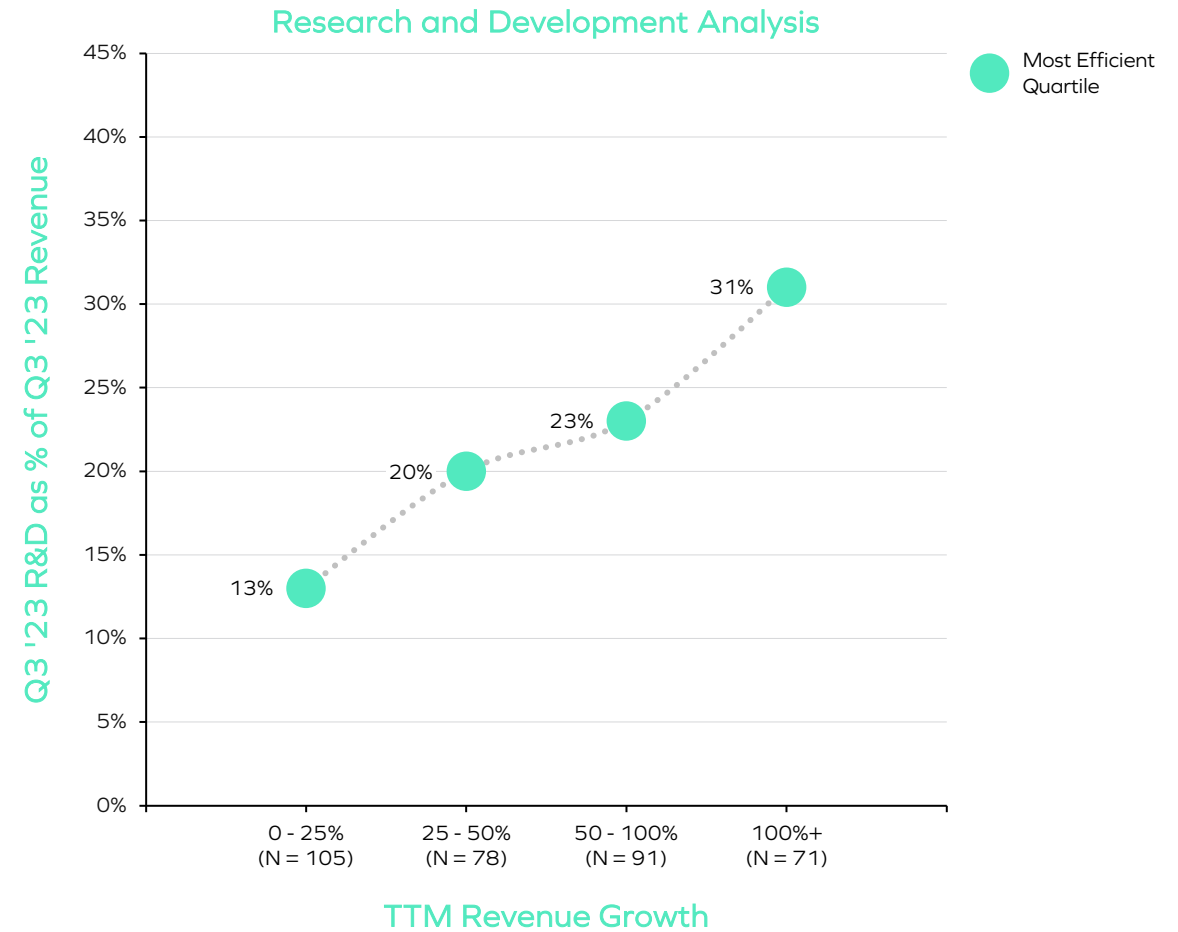
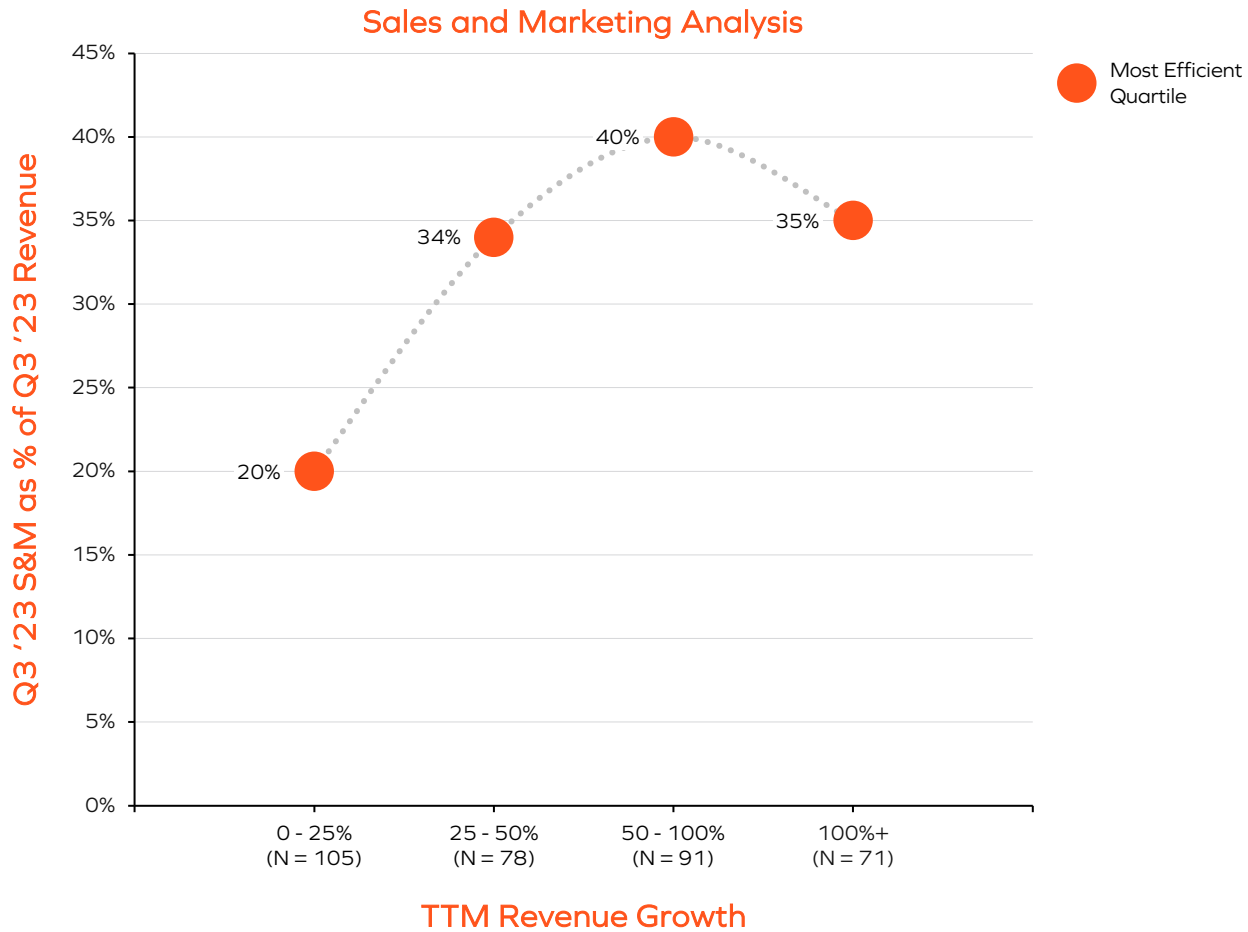
Company Size by:		Top Quartile (i.e. Companies that spent most efficiently)			
TTM Revenue	Median Growth Rate	S&M as a % of Revenue <i>See pages 4 &amp; 6 for more information</i>	R&D as a % of Revenue <i>See pages 4 &amp; 6 for more information</i>	G&A as a % of Revenue <i>See page 7 for more information</i>	Total Operating Expense as a % of Revenue
\$1 – 10M <i>(N = 99)</i>	80%	65%	74%	46%	246%
\$10 – 20M <i>(N = 47)</i>	66%	33%	31%	21%	114%
\$20 – 50M <i>(N = 71)</i>	39%	27%	22%	21%	101%
\$51 – 100M <i>(N = 51)</i>	33%	28%	17%	15%	81%
\$100M+ <i>(N = 77)</i>	19%	18%	9%	12%	60%

# Operating Expenses by Company Size – Software Companies Only

Company Size by:		Top Quartile (i.e. Companies that spent most efficiently)			
TTM Revenue	Median Growth Rate	S&M as a % of Revenue <i>See pages 5 &amp; 6 for more information</i>	R&D as a % of Revenue <i>See pages 5 &amp; 6 for more information</i>	G&A as a % of Revenue <i>See page 7 for more information</i>	Total Operating Expense as a % of Revenue
\$1 – 10M <i>(N = 84)</i>	76%	80%	78%	50%	257%
\$10 – 20M <i>(N = 39)</i>	65%	35%	37%	21%	113%
\$20 – 50M <i>(N = 67)</i>	39%	33%	27%	21%	108%
\$51 – 100M <i>(N = 44)</i>	34%	30%	19%	14%	80%
\$100M+ <i>(N = 52)</i>	16%	20%	12%	12%	63%
<b>Rule of 40 Companies</b> <i>(N = 40)</i>	39%	15%	10%	10%	58%

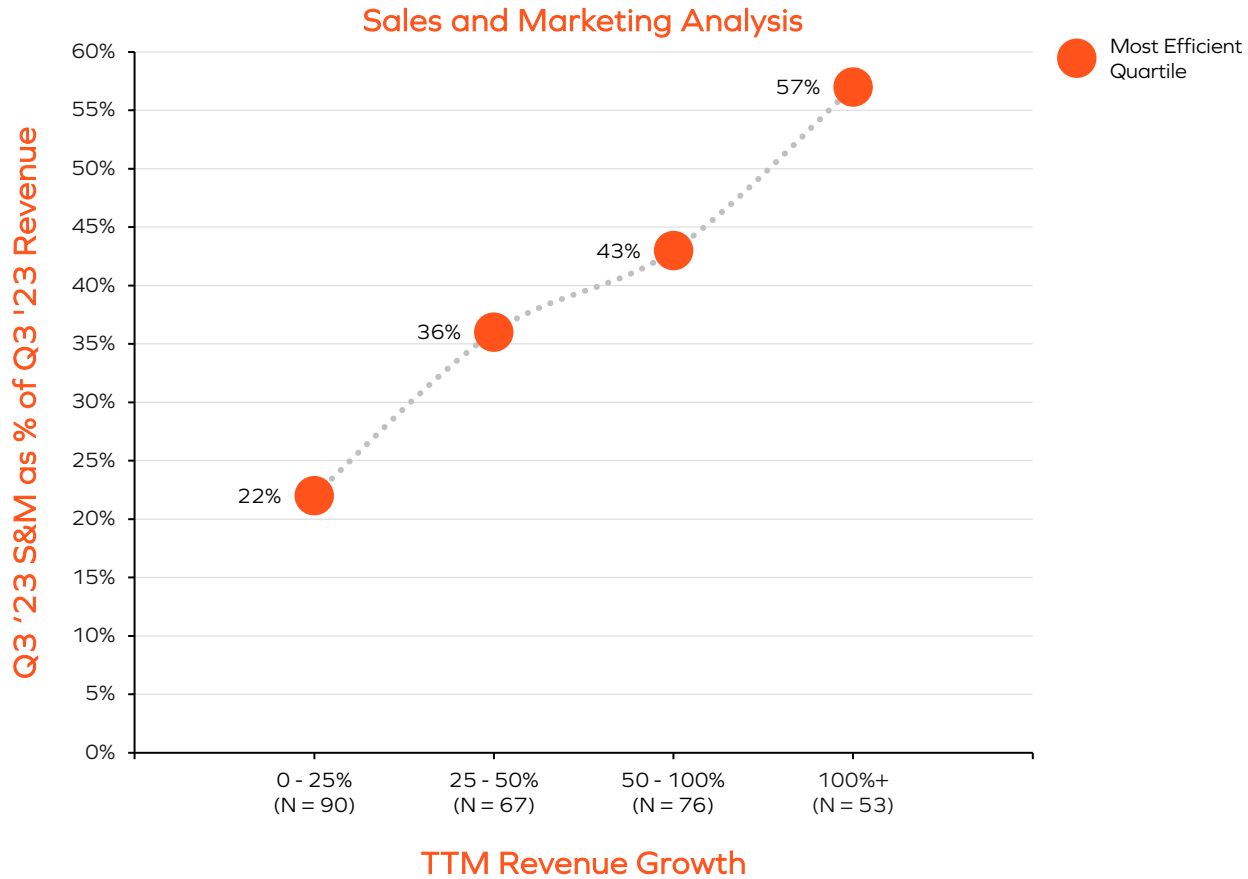
# S&M and R&D as % of Revenue by Revenue Growth – **INSIGHT PARTNERS** All Companies

Companies with faster revenue growth YoY spend more on S&M and R&D.



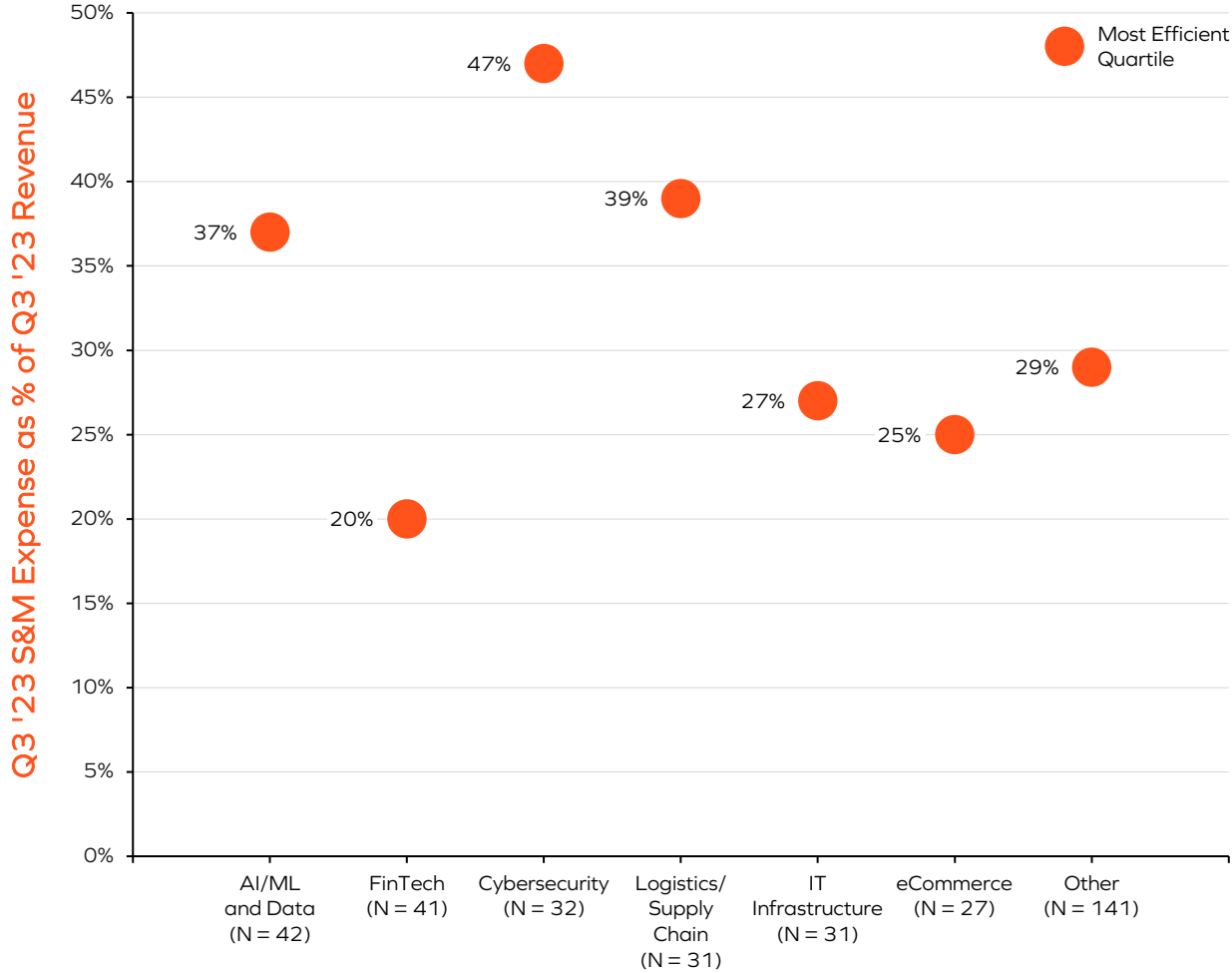
# S&M and R&D as % of Revenue by Revenue Growth – Software Companies Only

Faster growth software companies spend more on S&M and R&D compared to non-software companies of the same growth.



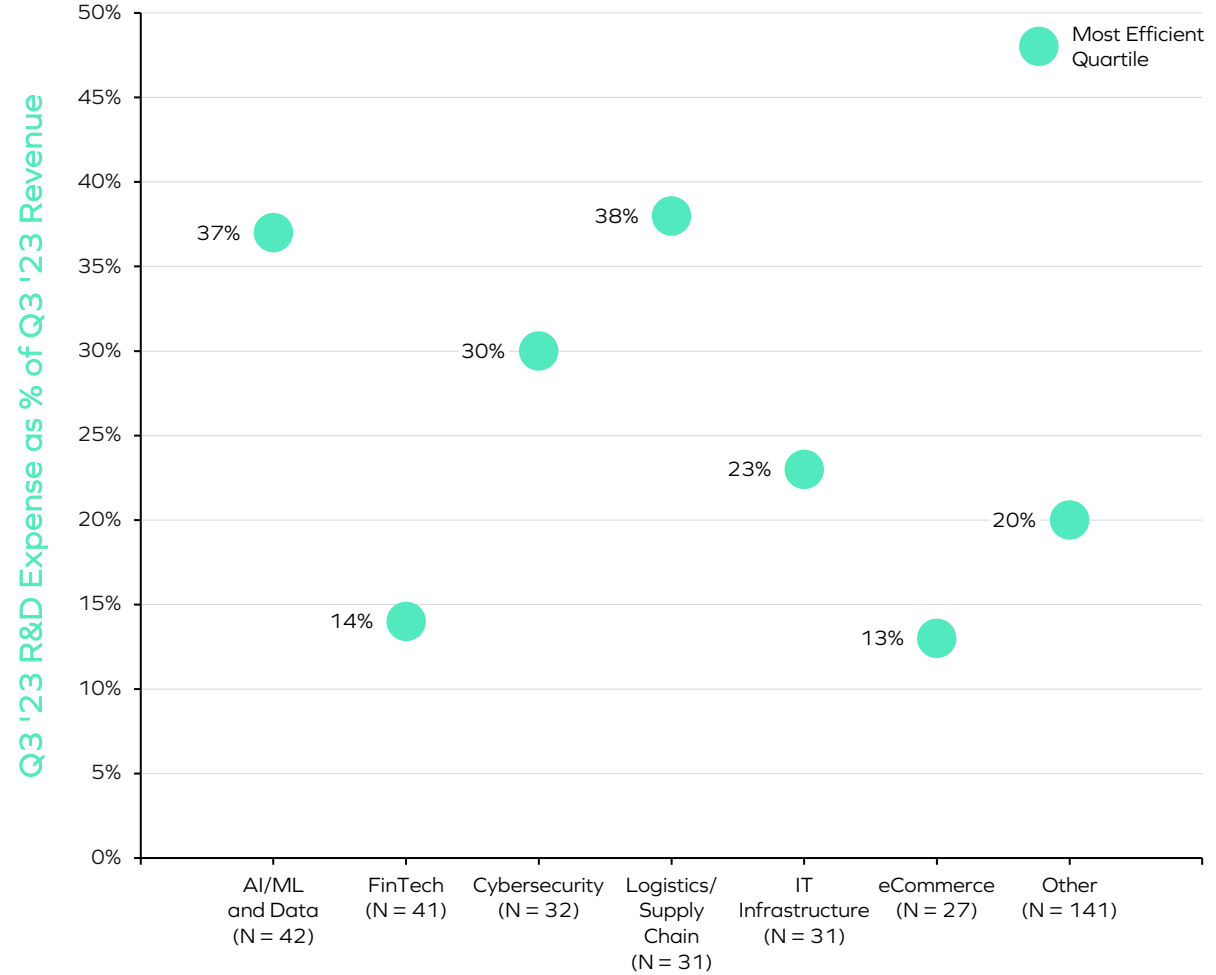
# S&M and R&D as % of Revenue by Business Model

Sales and Marketing Analysis



Vertical

Research and Development Analysis

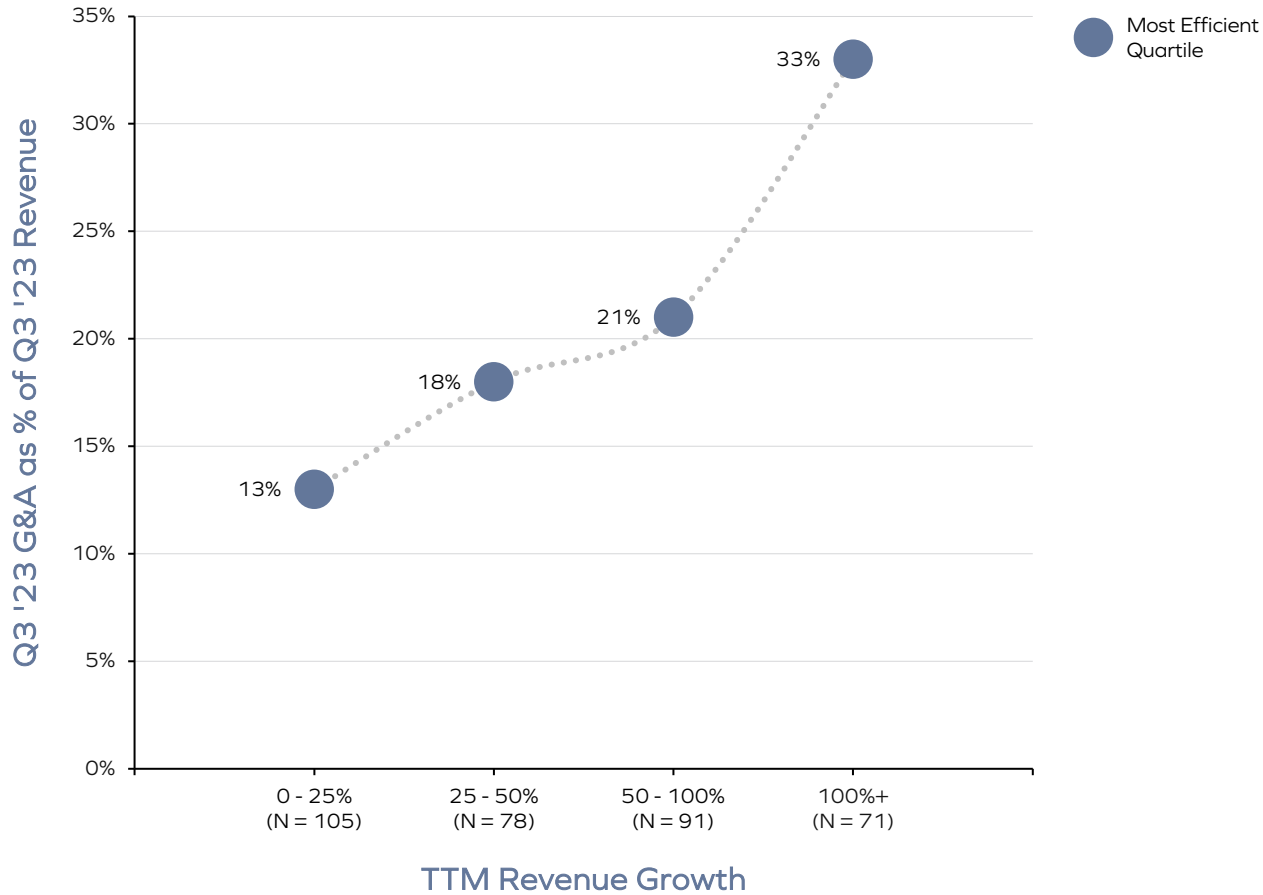


Vertical

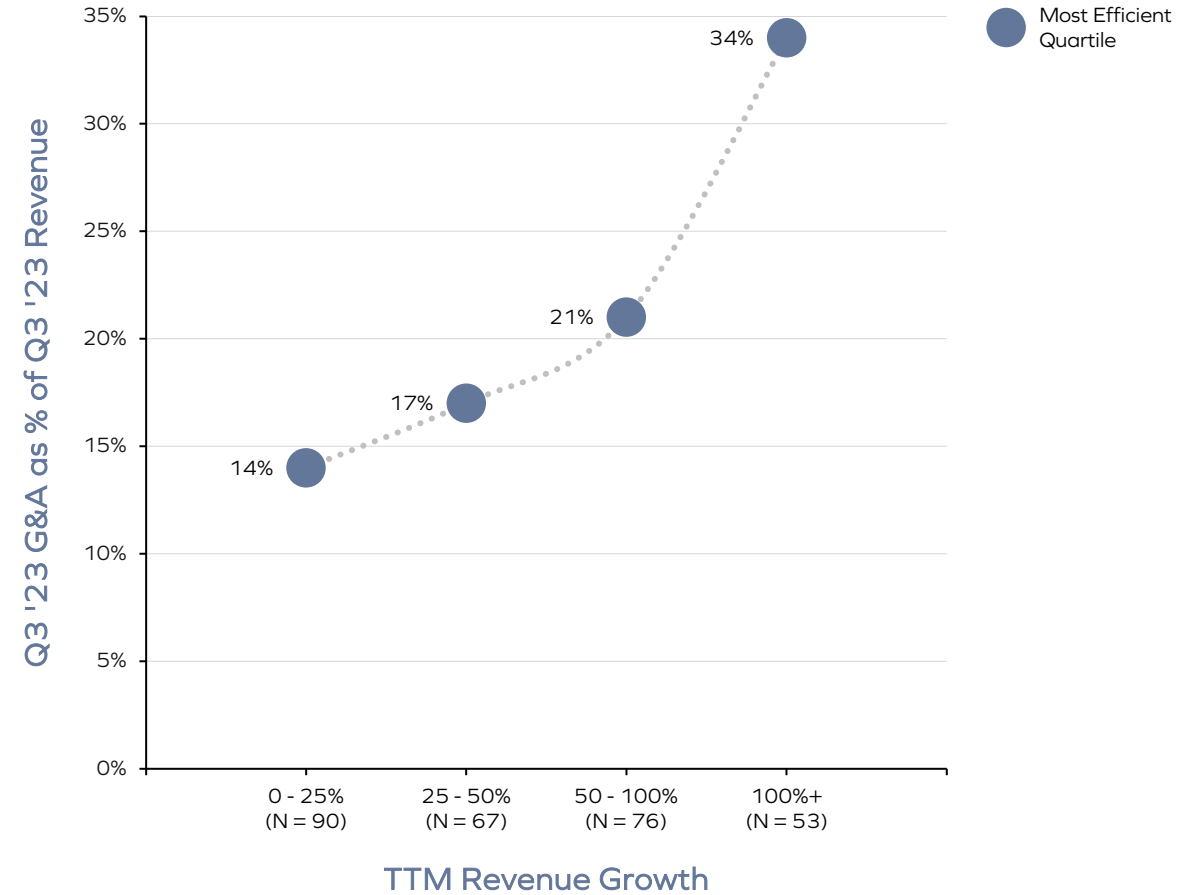
# G&A as % of Revenue by Revenue Growth

Companies with faster revenue growth YoY spend more on G&A.

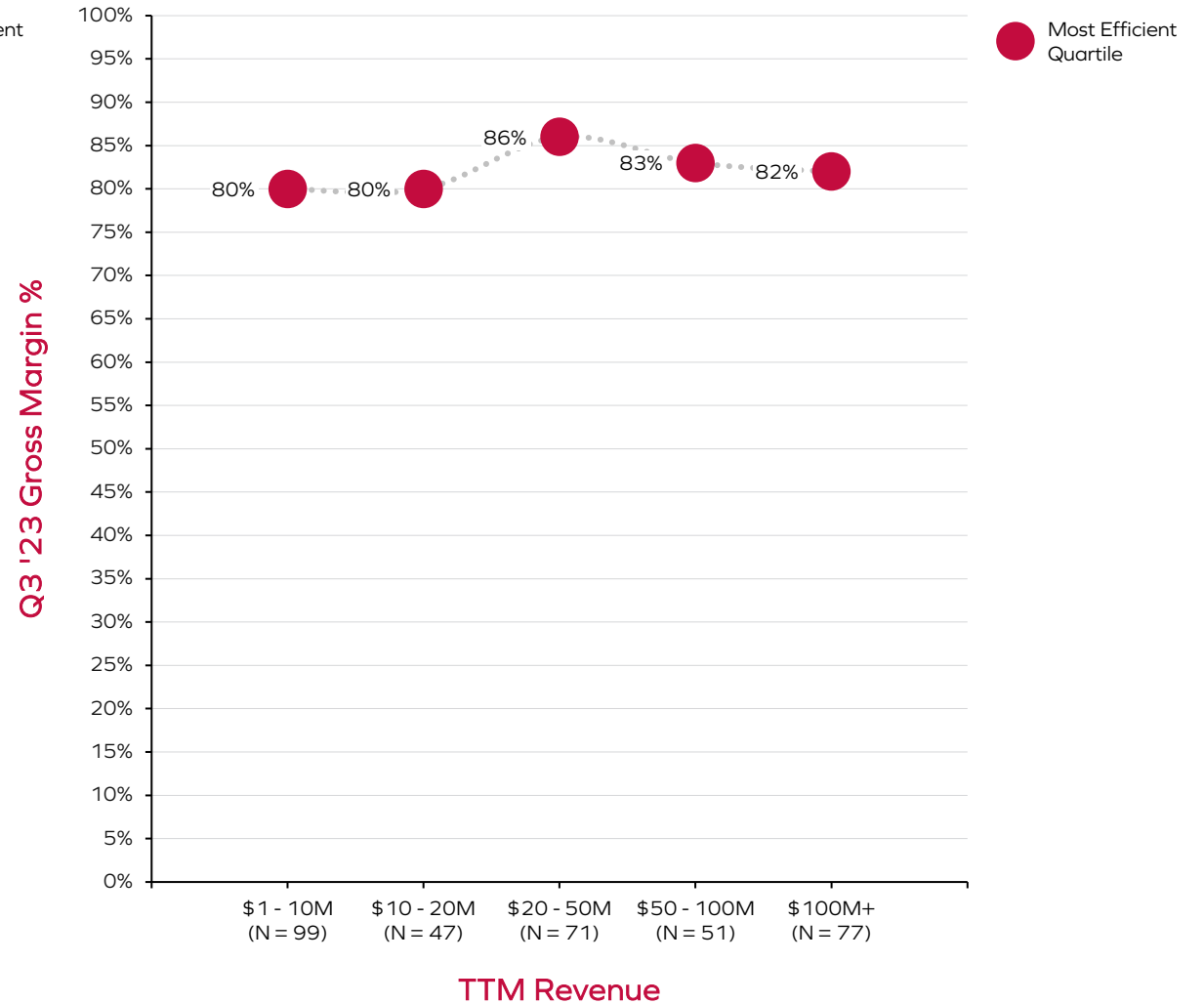
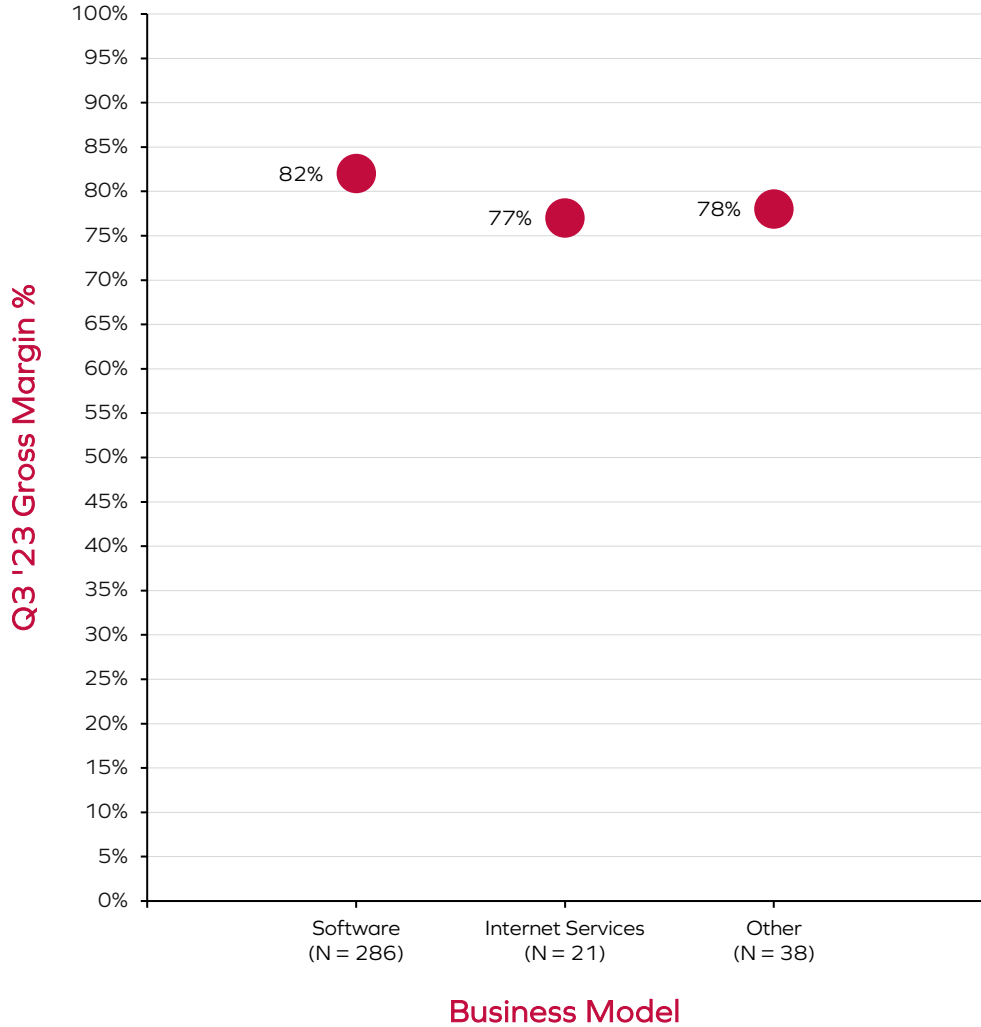
**All Companies**



**Software Companies Only**



# Gross Margin % by Business Model and Company Size





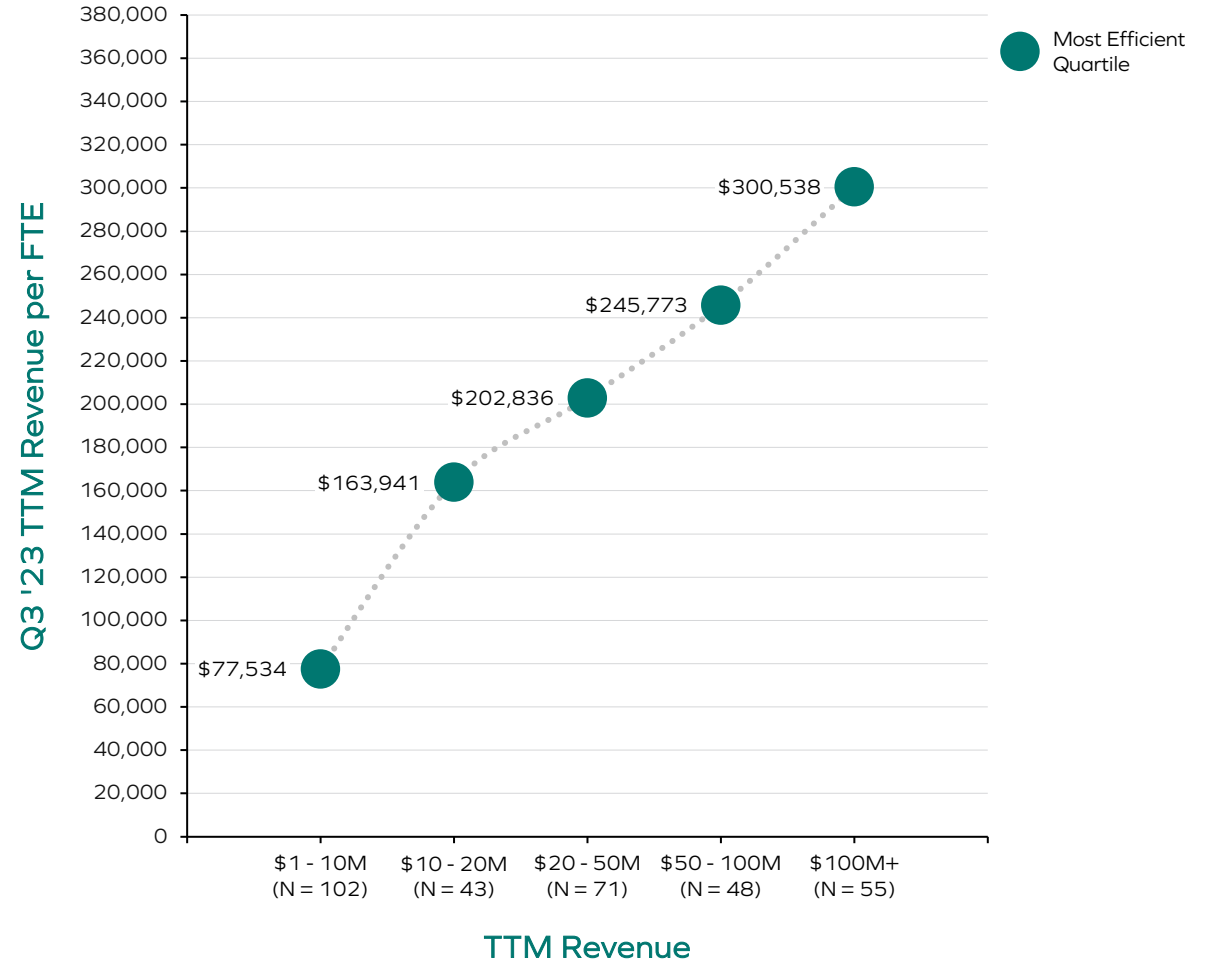
# HEADCOUNT BENCHMARKS

# Revenue Per Full-Time Employee (FTE) by Company Size

All Companies

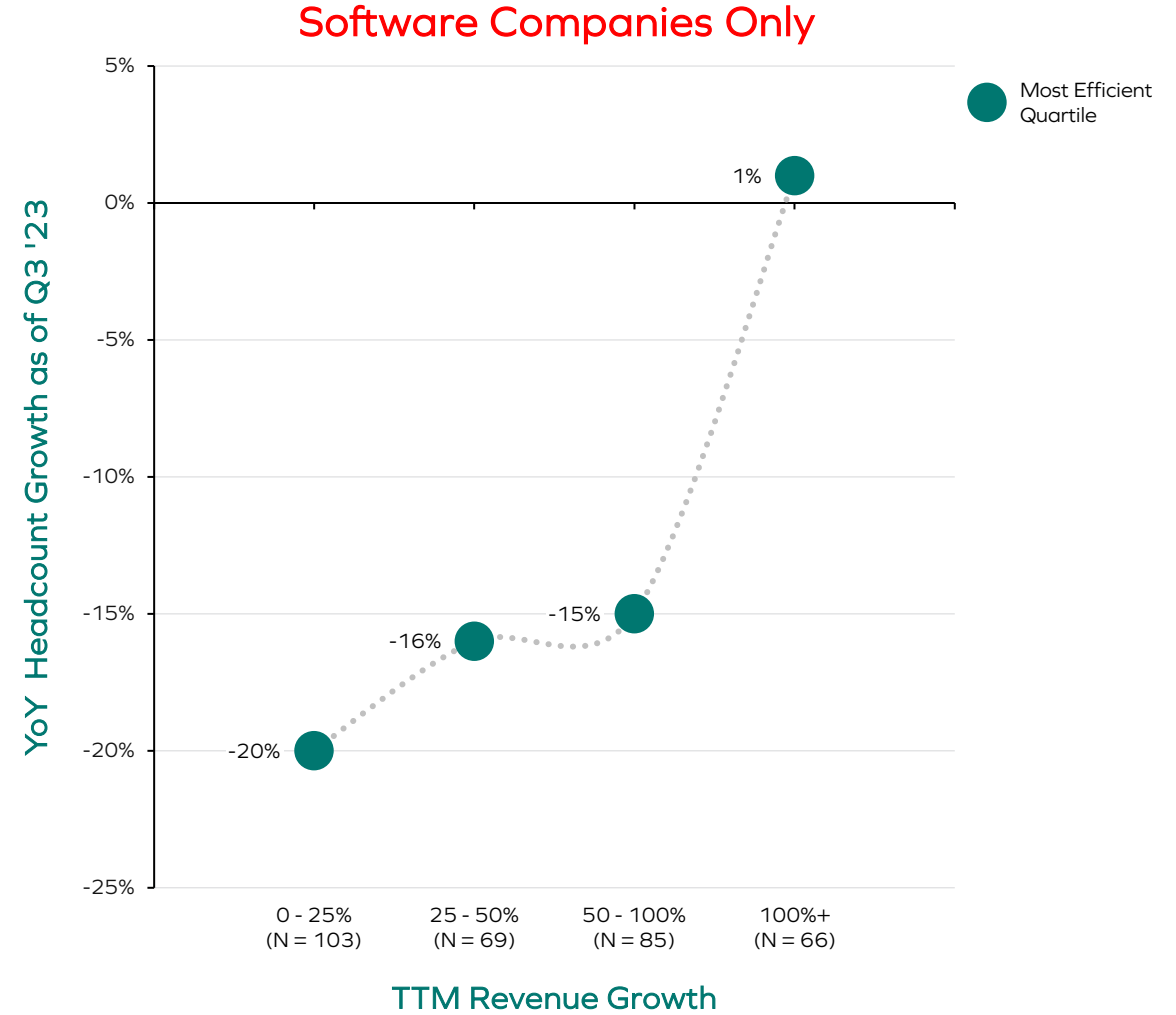
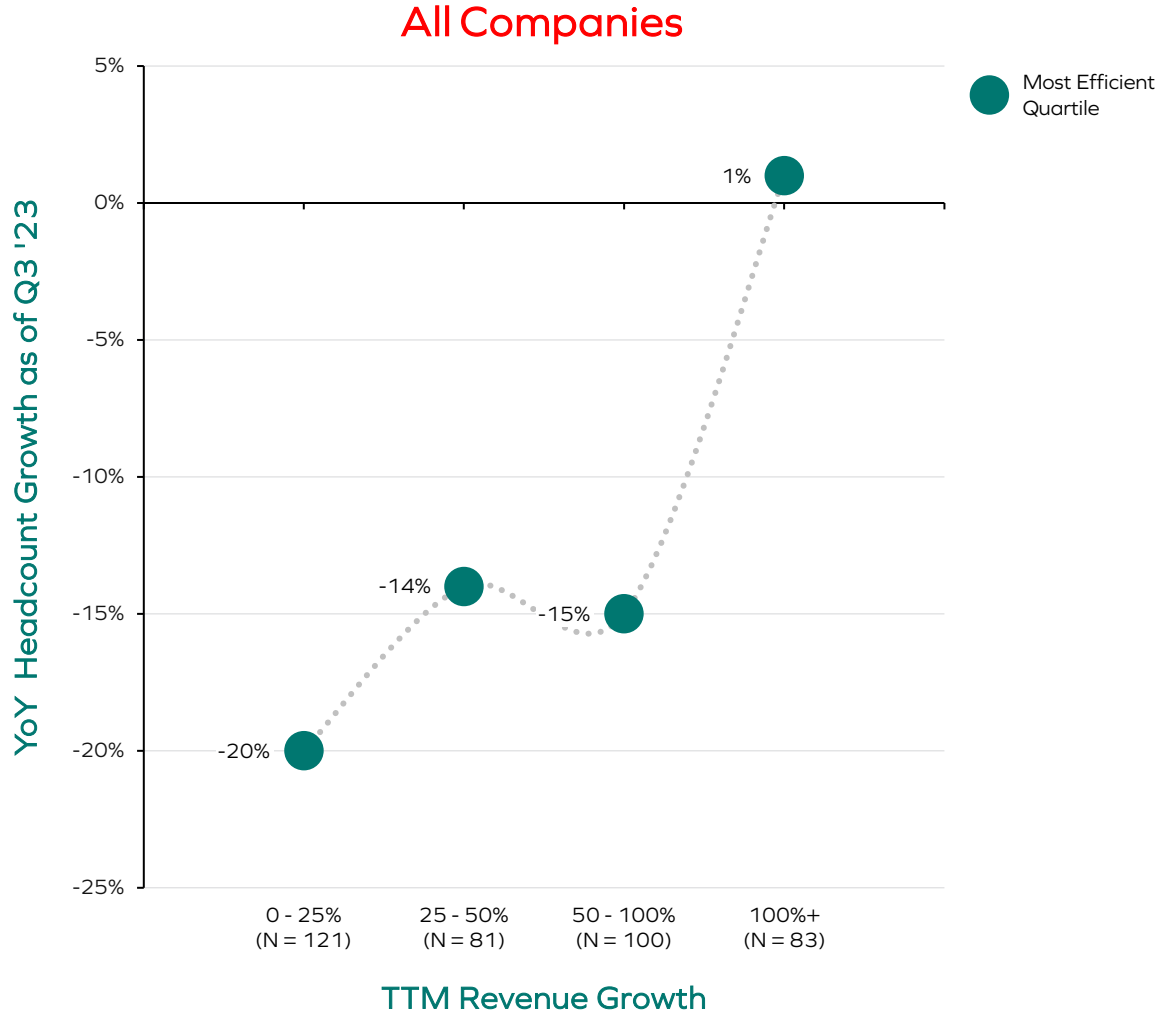


Software Companies Only



Note: Includes 395 Insight Portfolio Companies that provided revenue and headcount data reported as of September 30, 2023.

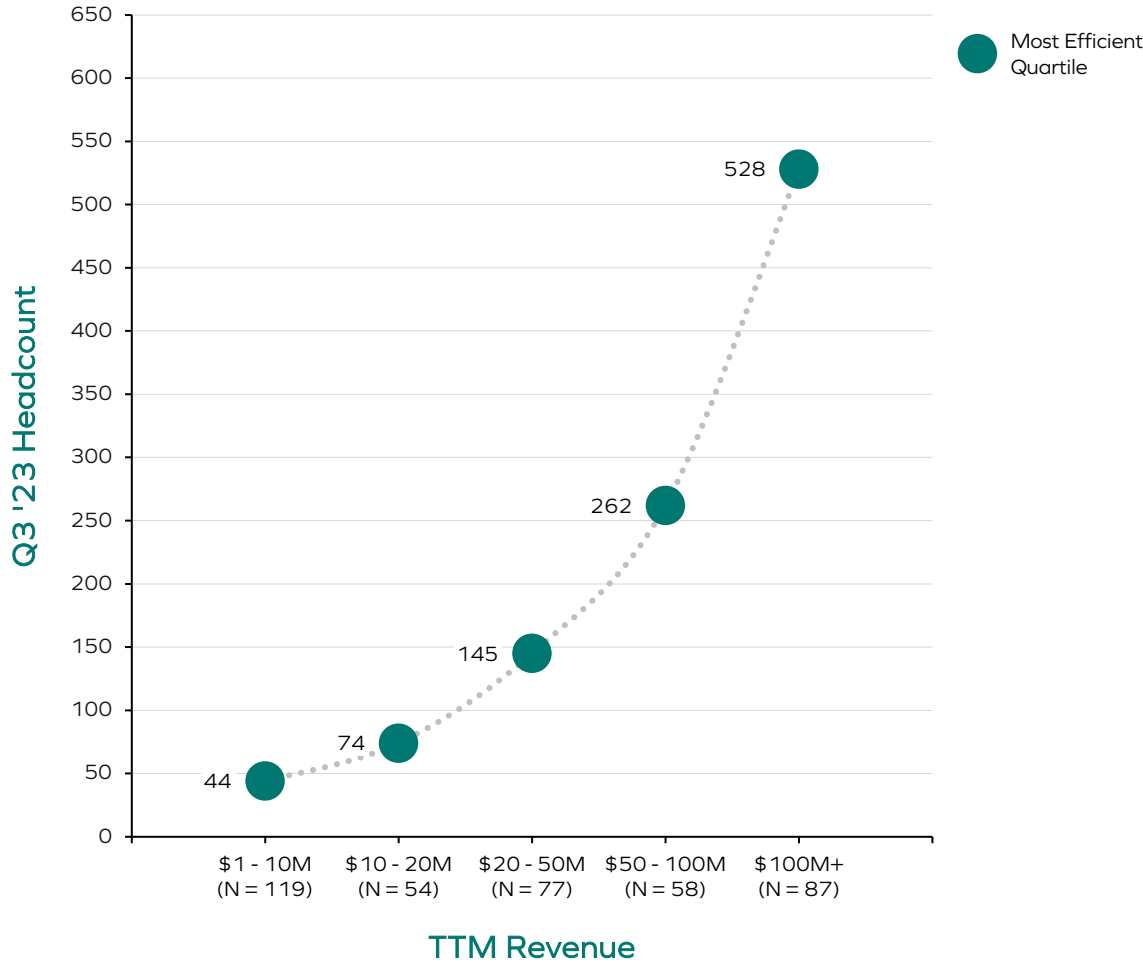
# Headcount Growth by Revenue Growth



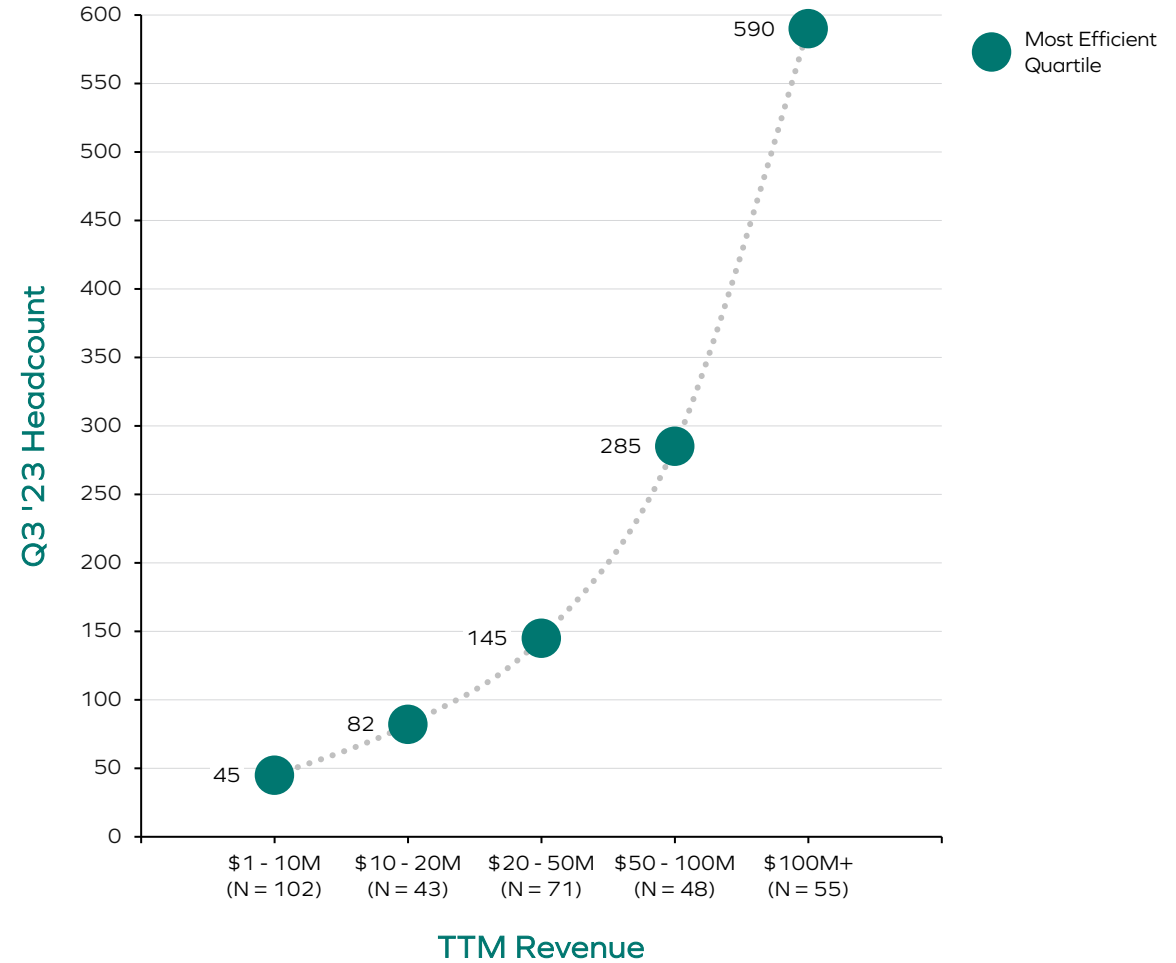
Note: Includes 385 Insight Portfolio Companies that provided revenue and headcount data reported as of September 30, 2023 and September 30, 2022.

# Headcount by Company Size

All Companies



Software Companies Only



Note: Includes 395 Insight Portfolio Companies that provided revenue and headcount data reported as of September 30, 2023.

# Detailed Headcount by # of FTEs

(See page 15 for software companies only)

Headcount Category	Description	Average Detailed Headcount by # of FTEs						Average Detailed Headcount as a % of Total Headcount by # of FTEs					
		Under 50 (N=129)	50 - 99 (N=91)	100 - 199 (N=83)	100 - 399 (N=84)	400 - 999 (N=62)	1000+ (N=40)	Under 50 (N=129)	50 - 99 (N=91)	100 - 199 (N=83)	100 - 399 (N=84)	400 - 999 (N=62)	1000+ (N=40)
Executives	C-suite and all employees reporting to CEO	3	6	6	7	9	11	18%	8%	5%	3%	1%	1%
Engineering	All full-time employees building or testing software, including engineers/developers, QA, and DevOps	9	24	44	83	149	363	35%	34%	31%	30%	24%	21%
Product	All product and tangential full-time employees including product managers, product owners, UI/UX, technical writers, etc.	2	7	11	20	48	119	9%	9%	8%	7%	8%	6%
Hosting & Infrastructure	Technical operators maintaining delivery infrastructure, including site reliability engineers, dedicated operation, security, and hosting	2	3	6	10	24	107	10%	5%	5%	3%	4%	6%
Sales	Quota and non-quota carrying sales people, including pre-sales, BDR, and quota-carrying account managers	2	11	21	52	125	390	7%	15%	14%	18%	20%	18%
Marketing	Marketing headcount	1	5	9	18	37	104	5%	7%	6%	6%	6%	6%
Customer Success	Includes Customer Success reps, renewal managers, and account managers that do not carry a sales quota	2	5	12	24	55	101	5%	7%	9%	8%	9%	6%
Support	All support staff solely dedicated to answer customer issues, technical or not	1	3	7	16	71	289	2%	4%	5%	5%	10%	14%
Human Resources	Human resource management headcount	0	2	4	9	21	48	1%	3%	3%	3%	3%	3%
General & Administrative	Finance, legal, assistance, information technology, general operations	1	5	13	24	56	219	5%	7%	9%	8%	9%	11%
Professional Services	All professional services (implementation, paid consulting, customer training, etc.)	0	2	7	22	31	162	1%	2%	5%	8%	5%	8%
<b>Total Headcount</b>		<b>24</b>	<b>73</b>	<b>143</b>	<b>284</b>	<b>625</b>	<b>1,912</b>						

Note: Includes 489 Insight Portfolio Companies that provided detailed headcount data reported as of September 30, 2023.

# Detailed Headcount by Revenue Growth

(See page 16 for software companies only)

Headcount Category	Description	Average Detailed Headcount by Revenue Growth				Average Detailed Headcount as a % of Total Headcount by Revenue Growth			
		0 - 25% (N = 118)	25 - 50% (N = 78)	50 - 100% (N = 97)	100%+ (N = 83)	0 - 25% (N = 118)	25 - 50% (N = 78)	50 - 100% (N = 97)	100%+ (N = 83)
Executives	C-suite and all employees reporting to CEO	8	7	6	5	5%	4%	7%	7%
Engineering	All full-time employees building or testing software, including engineers/developers, QA, and DevOps	126	91	71	48	29%	29%	30%	34%
Product	All product and tangential full-time employees including product managers, product owners, UI/UX, technical writers, etc.	32	41	20	12	8%	8%	8%	10%
Hosting & Infrastructure	Technical operators maintaining delivery infrastructure, including site reliability engineers, dedicated operation, security, and hosting	24	21	13	8	5%	3%	3%	6%
Sales	Quota and non-quota carrying sales people, including pre-sales, BDR, and quota-carrying account managers	124	95	49	24	16%	18%	17%	15%
Marketing	Marketing headcount	31	23	19	11	6%	6%	7%	6%
Customer Success	Includes Customer Success reps, renewal managers, and account managers that do not carry a sales quota	34	32	25	13	7%	9%	9%	7%
Support	All support staff solely dedicated to answer customer issues, technical or not	66	67	27	13	8%	6%	5%	4%
Human Resources	Human resource management headcount	14	13	10	5	2%	3%	3%	3%
General & Administrative	Finance, legal, assistance, information technology, general operations	55	49	26	11	9%	9%	7%	7%
Professional Services	All professional services (implementation, paid consulting, customer training, etc.)	38	18	9	4	6%	5%	4%	2%
<b>Total Headcount</b>		<b>552</b>	<b>458</b>	<b>275</b>	<b>154</b>				

Note: Includes 376 Insight Portfolio Companies that provided detailed headcount and revenue data reported as of September 30, 2023 and September 30, 2022.

# Detailed Headcount by # of FTEs

## Software Companies Only

Headcount Category	Description	Average Detailed Headcount by # of FTEs						Average Detailed Headcount as a % of Total Headcount by # of FTEs					
		Under 50 (N = 99)	50 - 99 (N = 81)	100 - 199 (N = 70)	100 - 399 (N = 70)	400 - 999 (N = 48)	1000+ (N = 26)	Under 50 (N = 99)	50 - 99 (N = 81)	100 - 199 (N = 70)	100 - 399 (N = 70)	400 - 999 (N = 48)	1000+ (N = 26)
Executives	C-suite and all employees reporting to CEO	3	6	6	7	9	12	18%	8%	5%	3%	2%	1%
Engineering	All full-time employees building or testing software, including engineers/developers, QA, and DevOps	9	25	46	86	149	392	39%	34%	32%	31%	25%	23%
Product	All product and tangential full-time employees including product managers, product owners, UI/UX, technical writers, etc.	2	6	11	19	52	112	9%	9%	8%	7%	8%	6%
Hosting & Infrastructure	Technical operators maintaining delivery infrastructure, including site reliability engineers, dedicated operation, security, and hosting	2	3	7	11	23	129	7%	5%	5%	4%	4%	7%
Sales	Quota and non-quota carrying sales people, including pre-sales, BDR, and quota-carrying account managers	2	11	22	55	128	437	8%	15%	15%	20%	21%	20%
Marketing	Marketing headcount	1	5	8	17	37	81	5%	7%	6%	6%	6%	4%
Customer Success	Includes Customer Success reps, renewal managers, and account managers that do not carry a sales quota	2	5	12	23	49	102	6%	7%	8%	8%	8%	7%
Support	All support staff solely dedicated to answer customer issues, technical or not	0	2	6	15	49	202	2%	3%	4%	5%	8%	11%
Human Resources	Human resource management headcount	0	2	4	8	19	34	1%	3%	3%	3%	3%	2%
General & Administrative	Finance, legal, assistance, information technology, general operations	1	5	11	22	50	177	4%	7%	8%	8%	8%	9%
Professional Services	All professional services (implementation, paid consulting, customer training, etc.)	0	2	8	18	40	223	1%	2%	6%	6%	7%	11%
<b>Total Headcount</b>		<b>24</b>	<b>74</b>	<b>142</b>	<b>282</b>	<b>607</b>	<b>1,901</b>						

Note: Includes 394 Insight Portfolio Companies that provided detailed headcount data reported as of September 30, 2023.

# Detailed Headcount by Revenue Growth

## Software Companies Only

Headcount Category	Description	Average Detailed Headcount by Revenue Growth				Average Detailed Headcount as a % of Total Headcount by Revenue Growth			
		0 - 25% (N = 100)	25 - 50% (N = 67)	50 - 100% (N = 82)	100%+ (N = 66)	0 - 25% (N = 100)	25 - 50% (N = 67)	50 - 100% (N = 82)	100%+ (N = 66)
Executives	<i>C-suite and all employees reporting to CEO</i>	8	8	6	5	4%	5%	7%	7%
Engineering	<i>All full-time employees building or testing software, including engineers/developers, QA, and DevOps</i>	130	72	62	47	30%	29%	32%	36%
Product	<i>All product and tangential full-time employees including product managers, product owners, UI/UX, technical writers, etc.</i>	32	37	14	10	8%	8%	7%	9%
Hosting & Infrastructure	<i>Technical operators maintaining delivery infrastructure, including site reliability engineers, dedicated operation, security, and hosting</i>	27	23	6	9	5%	4%	3%	7%
Sales	<i>Quota and non-quota carrying sales people, including pre-sales, BDR, and quota-carrying account managers</i>	118	84	44	24	16%	19%	18%	16%
Marketing	<i>Marketing headcount</i>	27	19	15	9	5%	6%	7%	6%
Customer Success	<i>Includes Customer Success reps, renewal managers, and account managers that do not carry a sales quota</i>	33	25	18	12	7%	9%	8%	6%
Support	<i>All support staff solely dedicated to answer customer issues, technical or not</i>	57	17	13	8	7%	5%	4%	3%
Human Resources	<i>Human resource management headcount</i>	13	8	7	4	2%	3%	3%	2%
General & Administrative	<i>Finance, legal, assistance, information technology, general operations</i>	49	33	14	8	8%	8%	6%	6%
Professional Services	<i>All professional services (implementation, paid consulting, customer training, etc.)</i>	44	20	8	3	6%	5%	3%	2%
<b>Total Headcount</b>		<b>535</b>	<b>347</b>	<b>208</b>	<b>137</b>				

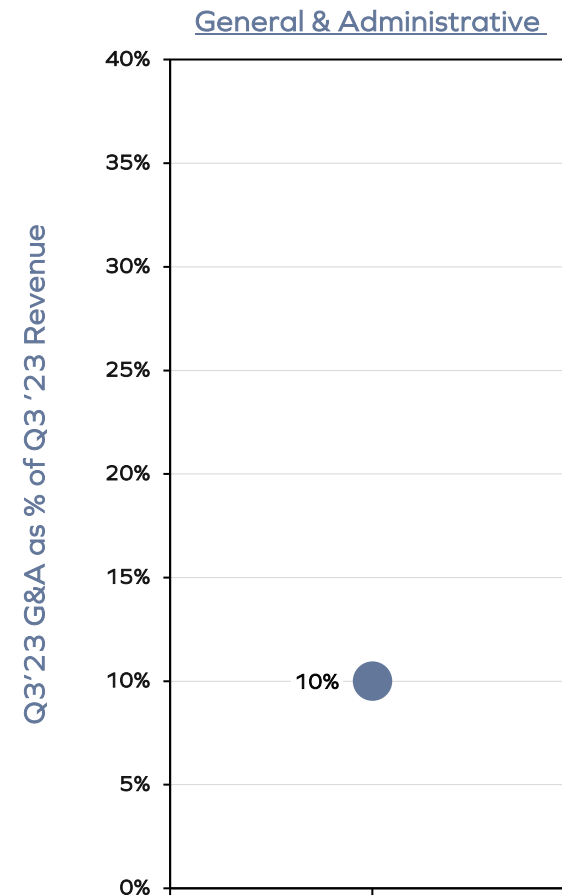
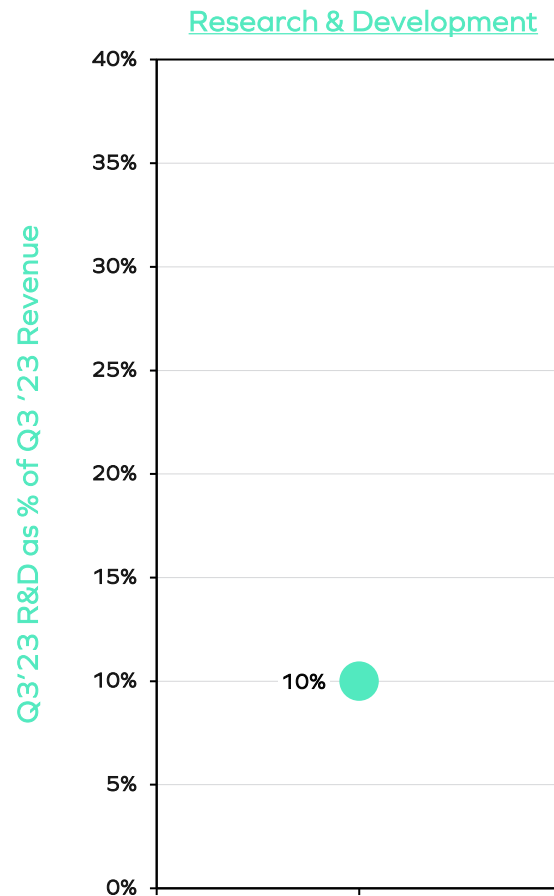
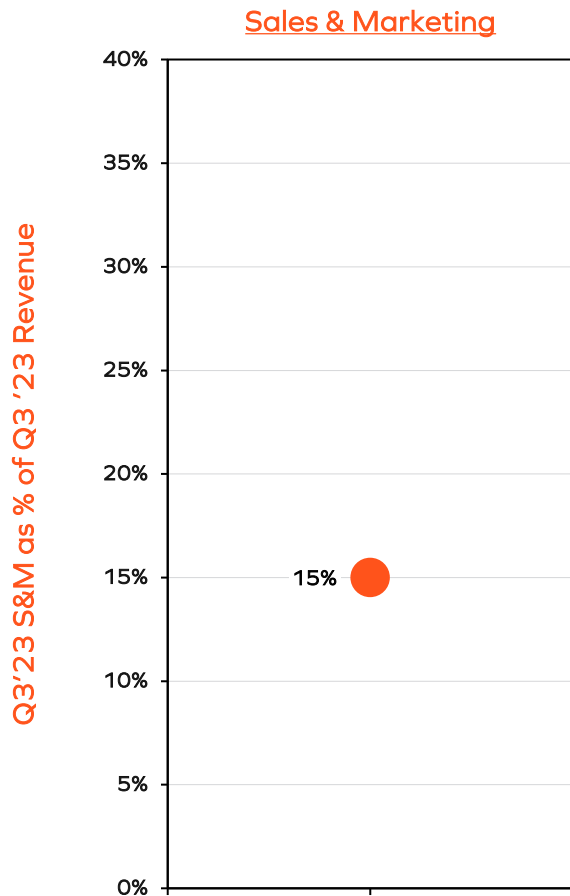
Note: Includes 315 Insight Portfolio Companies that provided detailed headcount and revenue data reported as of September 30, 2023 and September 30, 2022.



# RULE OF 40 COMPANIES

Includes Insight software Portfolio Companies operating with a combined YoY ARR growth rate and LTM EBITDA margin equal to or exceeding 40% as of September 30, 2023.

# Operating Expense Benchmarking – Rule of 40 Companies Only



● Most Efficient Quartile

Q3 '23 Medians	
Growth Rate	39%
Gross Margin	84%
Gross Retention	90%
Net Retention	108%

# Headcount Benchmarking - Rule of 40 Companies Only

	Most Efficient Quartile
TTM Revenue Per Full-Time Employee (N = 45)	\$291,789
YoY Headcount Growth (N = 39)	(2%)
Total Headcount (N = 44)	118

Headcount Category	Description	Average Detailed Headcount	Average Detailed Headcount as a % of Total Headcount
Executives	C-suite and all employees reporting to CEO	8	4%
Engineering	All full-time employees building or testing software, including engineers/developers, QA, and DevOps	132	25%
Product	All product and tangential full-time employees including product managers, product owners, UI/UX, technical writers, etc.	32	7%
Hosting & Infrastructure	Technical operators maintaining delivery infrastructure, including site reliability engineers, dedicated operation, security, and hosting	31	7%
Sales	Quota and non-quota carrying sales people, including pre-sales, BDR, and quota-carrying account managers	118	17%
Marketing	Marketing headcount	30	7%
Customer Success	Includes Customer Success reps, renewal managers, and account managers that do not carry a sales quota	42	9%
Support	All support staff solely dedicated to answer customer issues, technical or not	61	8%
Human Resources	Human resource management headcount	12	3%
General & Administrative	Finance, legal, assistance, information technology, general operations	49	8%
Professional Services	All professional services (implementation, paid consulting, customer training, etc.)	40	5%
<b>Total Headcount</b>		<b>551</b>	

Note: Includes 44 Insight Portfolio Companies that provided detailed headcount as of September 30, 2023.

**INSIGHT**  
PARTNERS

**TIFFANY CONKLIN**

Director, Financial Planning and Analysis  
tconklin@insightpartners.com

**INSIGHTPARTNERS.COM**