# Mastering Metrics: How Founders Build Clarity, Rhythm & Momentum

**Sriram Chidambaram, Founder & Managing Partner, SRF Capital Studio**

*"Metrics are not about numbers, they're about clarity and conviction. The earlier you start measuring what matters, the faster you'll learn and scale."*

# KNOW YOUR MENTOR

SRF Capital Studio

## SRIRAM CHIDAMBARAM

### Education

- CGMA from CIMA, UK
- Fellow Certified Management Accountant from the ICWAI
- Qualified Company Secretary from the ICSI
- EGMP from IIM-Bangalore

### Experience

- Founder and Managing Partner at SRF Capital Studio
- VP Finance at E4E, a US based IT/ITeS multinational
- Head of finance at MAS Holdings, UK

### Relevant Professional Expertise

- Managed various Boards during the corporate and consulting career
- Working currently with more than 50 companies managing their finance funtion, doing monthly reporting, reviewing with management, giving strategic advisory
- Mentor with more than 20 startup Incubators

# About SRF Capital Studio

SRF Capital Studio

## Strategy | Capital |Execution

### Strategy

Building robust playbooks, financial models, and competitive benchmarking frameworks that give you clarity on your path forward

- Strategic playbooks
- Financial models
- Market benchmarking

### Capital

Preparing you for investor conversations with funding readiness assessments, investor connects, and sophisticated deal structuring

- Funding readiness
- Investor connects
- Deal structuring

### Execution

Delivering hands-on CFO services, comprehensive MIS reporting, financial controllership, and regulatory compliance support

- CFO services
- MIS & reporting
- Compliance

**We act as your Strategic Finance Office** bringing institutional-grade financial leadership to early-stage companies, helping you navigate from vision to scale with confidence and clarity.

# Choosing Your Business Architecture

SRF Capital Studio

### Business Models

- Manufacturing
- Services
- SaaS
- E-Commerce
- Marketplace

### Customer Segments

- B2B
- B2C
- B2G
- B2B2C

### Industries

- EdTech
- FinTech
- HealthTech
- AgriTech
- CleanTech
- AI
- F&B
- Fashion
- Real Estate

Your choice of business model, customer segment, and industry creates your strategic context. Each combination has distinct capital requirements, scaling paths, and risk profiles.

# Think You Don’t Need Metrics Yet? Think Again!

SRF Capital Studio

Founders often misjudge the importance of early metrics.

"We’re too early for metrics."

"We’ll track this when we have revenue."

"Metrics are just numbers; intuition matters more."

"We need perfect data before tracking metrics."

**Reality: Metrics provide clarity, direction, and validation.**

# Importance of Metrics

SRF Capital Studio

Startups that master metrics scale faster and secure investor confidence.

Metrics guide decisions, improve operational efficiency, and align the team with clear goals.

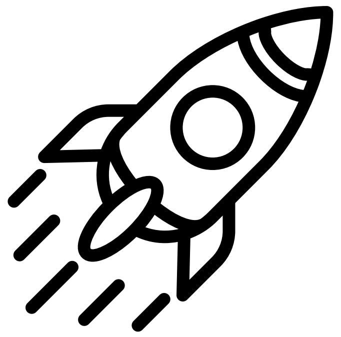
Knowing your numbers is key to optimizing burn, revenue, and customer acquisition.

# Key Metrics for Startups across various stages

SRF Capital Studio

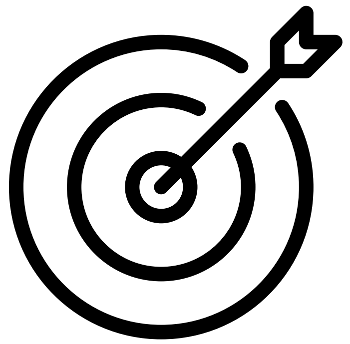
## Early Stage

- Customer Acquisition Cost
- Lifetime Value
- Churn Rate



## Growth Stage

- Monthly Recurring Revenue
- Gross Margins
- Customer Retention



## Late Stage

- Burn Rate
- Cash Runway
- Operational Efficiency
- Revenue Per Employee

# Key Metrics by Business Model

SRF Capital Studio

### SaaS

- Customer Acquisition Cost (CAC)
- Monthly Recurring Revenue (MRR)
- Churn Rate

### Manufacturing

- Sales Growth Rate
- Average Order Value
- Customer Lifetime Value (CLV)

### Platform

- Monthly Active Users
- Customer Acquisition Cost
- Gross Merchandise Value

### Services

- Average Revenue Per User
- Utilization Rate
- Customer Retention Rate

### E-Commerce

- Cart Abandonment Rate
- Conversion Rate
- Average Order Value

### Product

- Conversion Rate
- Average Order Value
- Repeat Purchase Rate

# Metrics matter from Day 1

SRF Capital Studio

### Provides Clarity

Help founders understand what's working and what's not

### Guide Decision-Making

Enable data-driven strategies rather than gut instincts

### Validate Assumptions:

Prove (or disprove) key business hypotheses early.

### Attract Investors

Show traction, efficiency, and growth potential.

### Ensure Sustainability

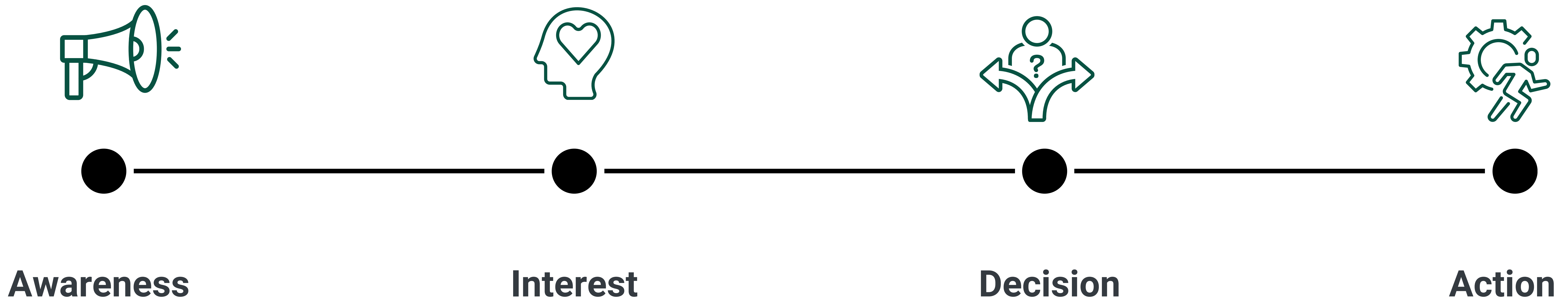
Help track cash burn, unit economics, and long-term viability.

### Identify Red Flags Early

Spot inefficiencies and risks before they escalate.

# KEY FRAMEWORKS

# The Sales funnel & performance analytics

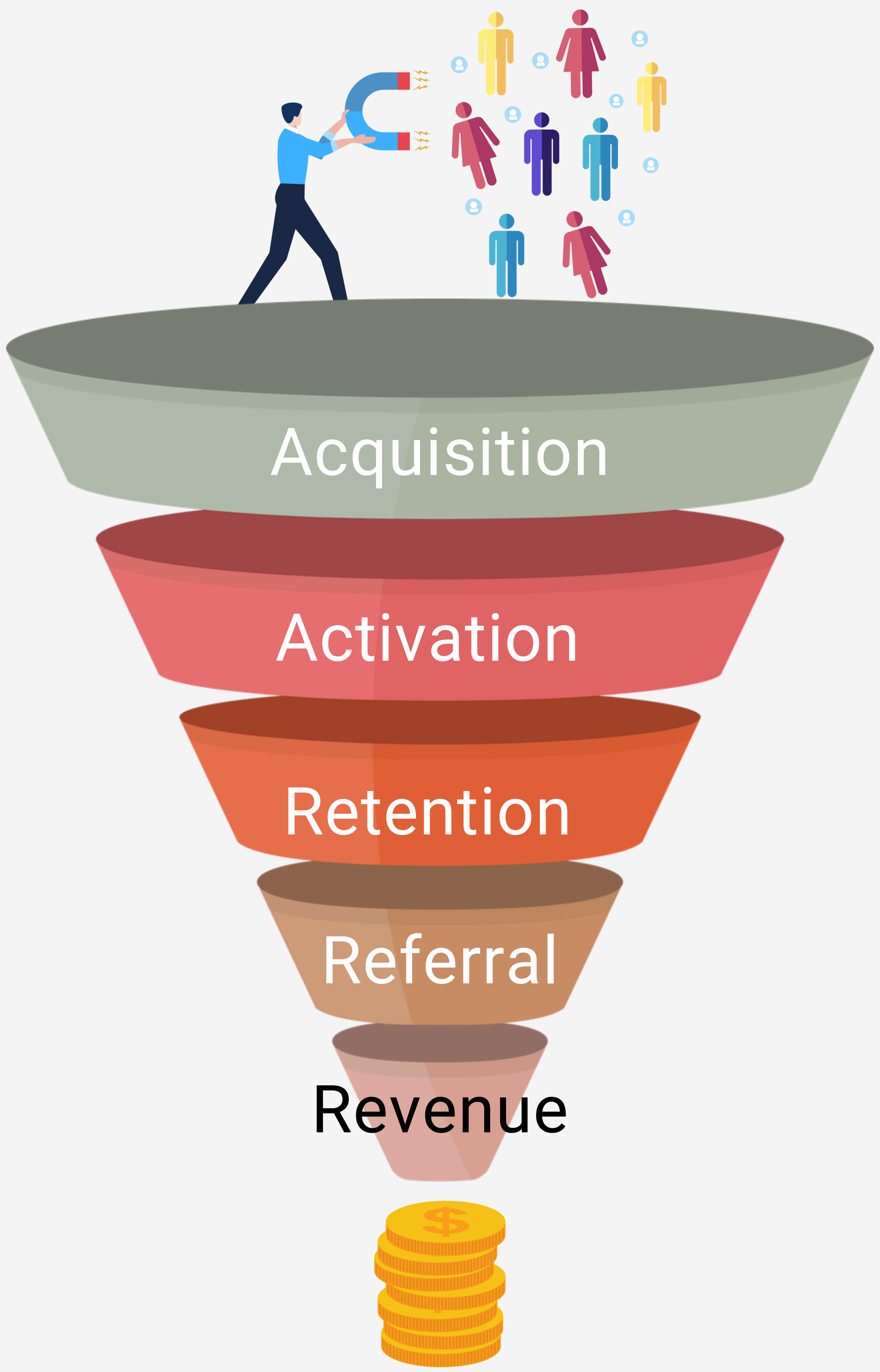



### Typical Sales Pipeline Metrics

- Lead to MQL (Marketing Qualified Lead)
- MQL to SQL (Sales Qualified Lead)
- SQL to Closed-Won

# Funnel Metrics for B2C Business

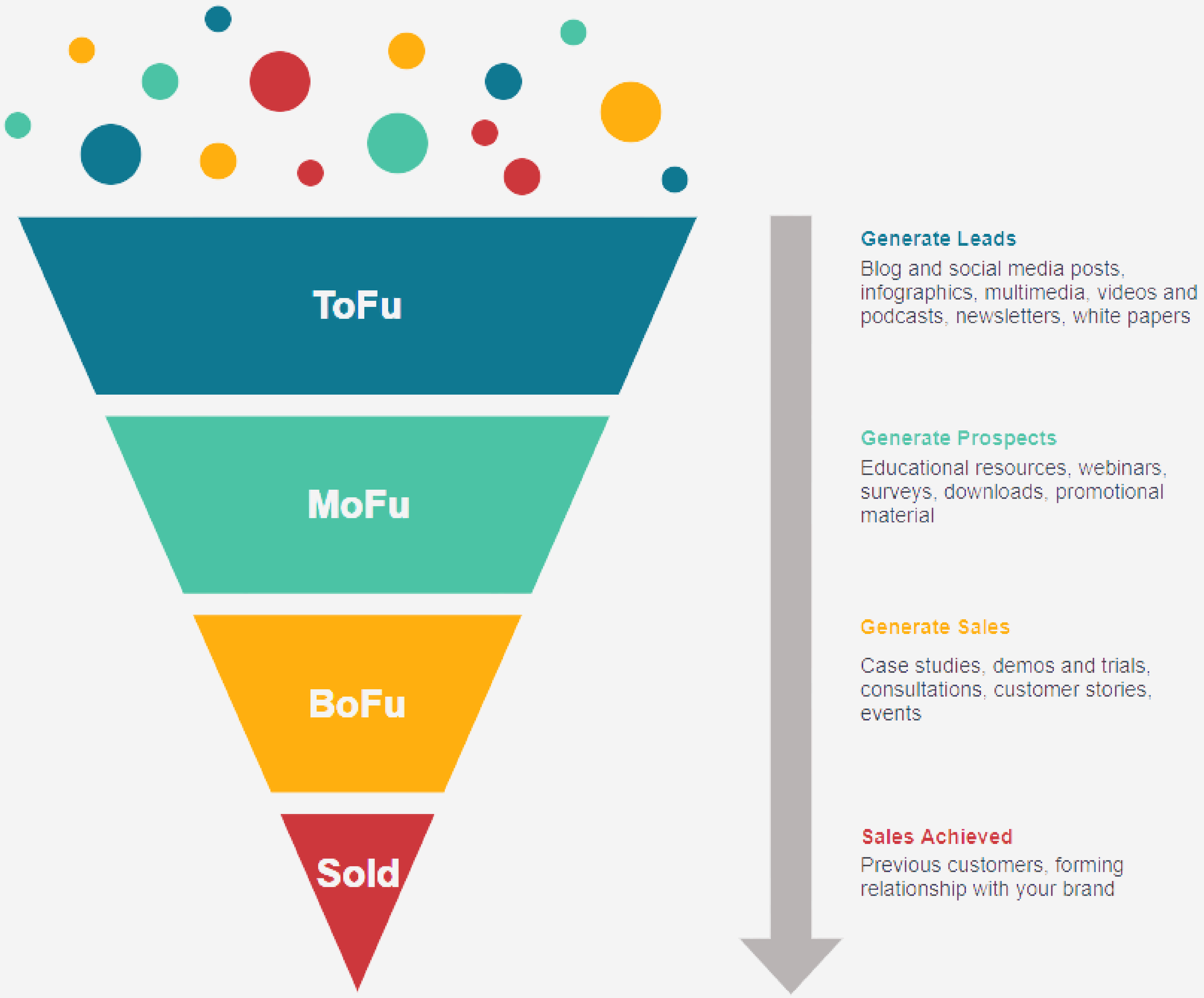
SRF Capital Studio




*AAARRR funnel begins with Acquisition and builds to Revenue, highlighting how strong retention, monetization, and user delight naturally lead to organic growth through referrals, fueling a continuous, compounding growth loop.*

# Funnel Metrics for B2B Business

SRF Capital Studio




*The sales funnel maps the customer journey from awareness to purchase, starting with Top of the funnel (traffic & leads), moving through Middle of the funnel (nurturing & trust), and ending with Bottom of the funnel (conversion & revenue). Once sold, the focus shifts to retention and maximizing customer lifetime value.*

# Sales Metric - B2B & B2C

SRF Capital Studio

| B2B | B2C |
| --- | --- |
| • Leads Generated<br>• SQLs & Conversion Rate<br>• CAC, Deal Cycle Time<br>• Pipeline Coverage Ratio | • Website Visits<br>• Add-to-Cart Rate<br>• Conversion Rate<br>• Repeat Purchase Rate<br>• ROAS |

# SaaS Metrics Waterfall Framework

SRF Capital Studio

*The SaaS Metrics Waterfall Framework breaks down* ***Monthly Recurring Revenue (MRR) movements into key components to track growth, expansion, and churn.***

Breakdown of MRR Movements:

| New MRR | Expansion MRR | Contraction & Churned MRR |
|---|---|---|
| Revenue from newly acquired customers | Additional revenue from existing customers through upsells, cross-sells, or upgrades. | Revenue lost due to downgrades (contraction) or cancellations (churn). |

# Cold Start Theory Framework (For Marketplaces)

SRF Capital Studio

The Challenge:

Marketplaces fail at the start because buyers need sellers and sellers need buyers, creating a deadlock with no initial activity.

The Solution:

Successful marketplaces break this loop by:

- Starting with one side of the market
- Focusing on a small, specific micromarket
- Using manual, non-scalable efforts to create early transaction

The Outcome:

Once a critical mass is reached, network effects kick in, growth becomes organic, and the marketplace scales sustainably.

# B2B Overview

## In B2B, Predictability and Pipeline Drive Everything

B2B businesses thrive on recurring relationships, long sales cycles, and trust-based selling. Whether you're SaaS, services, or manufacturing, the core principle remains: consistent, measurable progress through a repeatable funnel.

### SaaS

**Core Focus:** Recurring revenue

**North Star:** Net Revenue Retention

**Key Metrics:** CAC, Activation %, Churn

### Services

**Core Focus:** Client trust & utilization

**North Star:** Client Retention Rate

**Key Metrics:** Utilization %, Margin, Repeat %

### Manufacturing

**Core Focus:** Reliability & efficiency

**North Star:** On-time Delivery %

**Key Metrics:** Lead Time, Defect %, Unit Margin

# B2C Overview

## In B2C, Scale Comes from Retention, Not Reach

B2C businesses often obsess over acquisition and virality, but the real winners understand that retention and engagement drive long-term value. Whether you're e-commerce, an app, or a platform, the metric that matters most is how often users come back.

### E-commerce

**Core Focus:** Customer loyalty

**North Star:** Repeat Purchase Rate

**Key Metrics:** CAC, AOV, ROAS

### Consumer App

**Core Focus:** Engagement & habit

**North Star:** DAU/MAU

**Key Metrics:** Activation %, Retention %, ARPU

### Platform

**Core Focus:** Network liquidity

**North Star:** Match Rate

**Key Metrics:** GMV, Take Rate, Supply:Demand Ratio

# Why Unit Economics Matter

SRF Capital Studio

Sustainable Growth

Attracting Investors

Reduced Dependency on Funding

Flexibility and Adaptability

# How can you find the unit economics

SRF Capital Studio

## Understand Revenue and Costs

- Identify revenue and costs per unit.
- Separate fixed (e.g., rent, salaries) and variable costs (e.g., marketing, transaction fees).

## Assess Profitability

- Determining the Gross Profit : Revenue generated by a single unit- COGS
- Determining the Net Profit: Revenue generated by a single unit- all expenses (COGS and Fixed Costs)

## Customer Metrics

- Determine Customer Acquisition Cost (CPA): Total acquisition cost ÷ New customers.
- Determine Customer Lifetime Value (LTV): Avg revenue per customer × Avg customer lifespan.
- Determine Payback Period: CPA ÷ Monthly revenue per customer.

# Key unit economics across various Business Models

SRF Capital Studio

### SaaS

- Customer Acquisition Cost
- Customer Lifetime Value
- Churn Rate
- Monthly Recurring Revenue

### Manufacturing

- Bill of Materials
- Capacity Utilization
- Machine Run Time Per Unit
- Labor Cost Per Unit

### Platform

- Customer Acquisition Cost
- Lifetime Value
- Take Rate
- Gross Merchandise Value

### Services

- Gross Margin Per Service
- Revenue Per Employee
- Average Revenue Per User
- Service Delivery Cost

### E-Commerce

- Average Order Value
- Gross Margin
- Return Rate
- Cart Abandonment Rate

### Product

- Product Contribution Margin
- Contract Manufacturing Cost
- COGS

# Bringing It All Together

## The Discipline of Metrics Mastery

Metrics mastery isn't about tracking everything — it's about tracking the right things at the right time. As you've seen across B2B and B2C models, the metrics that matter evolve as you grow. The common thread? Discipline, rhythm, and a relentless focus on what moves the needle.

### Start Simple

Don't build a complex dashboard on day one. Pick 3-5 metrics that align with your current stage and business model, then track them consistently.

### Build Rhythm

Review metrics weekly, discuss them in team meetings, and use them to drive real decisions. Metrics only matter when they change behavior.

### Evolve Thoughtfully

As you scale, your metrics will shift. What worked at MVP won't work at scale. Revisit your dashboard quarterly and adjust to your new reality.

> "The best founders don't just measure metrics — they use metrics to build conviction, align teams, and accelerate learning."

# KEY METRICS & UNIT ECONOMICS BY BUSINESS MODEL

# Key metrics & Unit econimics - SaaS

SRF Capital Studio

## METRICS

| MRR, ARR | Churn & Retention | CAC, LTV | Net Revenue Retention (NRR) |
|---|---|---|---|
| *Recurring monthly and annual revenue from subscriptions.* | *Churn = loss; retention = customers you keep.* | *CAC is cost to acquire; LTV is revenue per customer.* | *Revenue kept and grown from existing customers* |

## UNIT ECONOMICS

| CAC | Gross Margin per User | Burn Multiple Benchmarks | Expansion Revenue Metrics |
|---|---|---|---|
| *Time taken to recover customer acquisition cost from gross margin* | *Profit earned per user after direct costs.* | *Cash burned for every $1 of net new ARR — lower is better.* | *Revenue growth from existing customers via upsells, cross-sells, or upgrades.* |

# Key metrics & Unit econimics - PLATFORM

SRF Capital Studio

## METRICS

| Liquidity | Match Rate | DAU/MAU Ratio | Supply Side vs Demand Side Health |
| --- | --- | --- | --- |
| *% of users successfully finding value (matches, hires, etc.).* | *Success rate of meaningful connections made on the platform.* | *Measures daily user stickiness and engagement.* | *Balance of active supply-side vs demand-side users.* |

## UNIT ECONOMICS

| CAC | Cross-side network effects | LTV | Engagement costs |
| --- | --- | --- | --- |
| *Cost to acquire each supply- and demand-side user.* | *One side's growth increases value for the other.* | *Lifetime value varies by role (e.g., buyer vs seller).* | *Spend to keep users active (e.g., support, incentives).* |

# Key metrics & Unit econimics - ECOMMERCE

## METRICS

| GMV, AOV | Cart Abandonment Rate | Repeat Purchase Rate | ROAS |
|---|---|---|---|
| *Total transaction value and average order size.* | *% of users dropping off at checkout.* | *% of customers who buy again.* | *Return on every dollar spent on ads.* |

## UNIT ECONOMICS

| CAC by segment | Gross Margin after Returns | Order Fulfillment Cost | CLTV by Cohort |
|---|---|---|---|
| *Customer acquisition cost by marketing source.* | *Net margin post-refund adjustments.* | *Logistics + packaging + handling cost per order.* | *Lifetime value segmented by customer group.* |

# Key metrics & Unit econimics - Services

SRF Capital Studio

## METRICS

| Utilization Rate | Average Revenue per Client | Repeat Bookings | CSAT / NPS |
|---|---|---|---|
| *% of billable hours out of total available hours.* | *Revenue earned per client over time.* | *% of clients booking services again.* | *Satisfaction and loyalty metrics from client feedback.* |

## UNIT ECONOMICS

| Revenue per Employee | CAC | Churn by Segment | Profit per Project |
|---|---|---|---|
| *Revenue generated per full-time employee.* | *Cost to onboard each new client.* | *Loss rate analyzed by client type or tier.* | *Net earnings per completed service engagement.* |

# Key metrics & Unit econimics - Manufacturing

SRF Capital Studio

## METRICS

| Units Produced | Lead Time | Yield Rate | On-Time Delivery % |
|---|---|---|---|
| *Total number of finished goods in a period.* | *Time from order to delivery.* | *% of defect-free units produced.* | *Share of orders shipped as scheduled.* |

## UNIT ECONOMICS

| Unit Margin | Fixed vs Variable Cost Ratio | Contribution Margin by Line | Break-even Volume |
|---|---|---|---|
| *Profit per unit = Selling Price - COGS.* | *Cost structure efficiency analysis.* | *Profit contribution per product line.* | *Minimum units needed to cover total costs.* |

# Key metrics - DeepTech

SRF Capital Studio

| Model | Growth Metric | Efficiency Metric | Risk Metric | Tech Validation Metric |
|---|---|---|---|---|
| **SaaS** | ARR / MAUs | CAC, Payback | Churn | Model accuracy, latency |
| **Marketplace** | GMV, Orders | Take rate | Liquidity | Transaction success rate |
| **Platform** | API calls, Data volume | Revenue/customer | Dependency risk | Uptime %, data freshness |
| **E-commerce** | Orders/day, AOV | Fulfilment cost | Inventory risk | QC accuracy |
| **Services** | Bookings, Utilization | Rev/employee | Delivery risk | Automation % |
| **Manufacturing** | Units, Yield % | Cost/unit | Supply risk | Defect %, MTBF |
| **IP Licensing** | Patents, LOIs | Cost/patent | Infringement | FTO clearance |
| **Robotics** | Robots deployed | Cost/mission | Field failures | Autonomy %, uptime |
| **Climate/Energy** | Installed MW | Cost/kWh | Policy risk | Degradation %, load factor |

# Key Unit Economics - DeepTech

SRF Capital Studio

| Model | Revenue Unit | Main Cost Driver | Target Gross Margin | Deep-Tech Lens |
|---|---|---|---|---|
| **SaaS** | Per seat / API | Cloud, sales, compute | **75–90%** | GPU + model training costs |
| **Marketplace** | % of GMV | Dual-side CAC | **20–35%** | Sensor / verification tech |
| **Platform** | Subscription + usage | Infra + onboarding | **65–85%** | Data ingestion + security |
| **E-commerce** | Per SKU | Logistics + inventory | **30–45%** | BOM + QC automation |
| **Services** | Per contract | Talent + delivery | **30–50%** | Automation leverage |
| **Manufacturing** | Per unit | Materials + yield | **40–60%** | Learning curve + defect rate |
| **IP Licensing** | Royalty / license | Legal + upkeep | **85–95%** | Patent life + enforceability |
| **Robotics** | Per robot + AMC | Hardware + service | **45–65%** | Uptime + MTBF |
| **Climate/Energy** | Per unit energy | CapEx + O&M | **50–70%** | Degradation + tariffs |

# Idea to PMF Stage Metrics

**Customer Interviews**

*Direct insights from early adopters validating the problem.*

**Signup Conversion**

*% of visitors who sign up — signals early interest.*

**Engagement (DAUs)**

*Daily active usage to assess real product value.*

**Retention Cohorts**

*Tracks how well users stick around over time.*

# Growth to Scale Metrics

SRF Capital Studio

| CAC Efficiency | LTV Expansion | Churn Control | Burn Multiple |
|---|---|---|---|
| *Revenue generated vs. cost to acquire customers.* | *Growth in lifetime value from upsells and stickiness.* | *Managing user drop-offs to stabilize growth.* | *Capital spent to generate each $1 of net new revenue.* |

# The 5-Step Founder Playbook

## How to Build Your Metrics System from Scratch

SRF Capital Studio

01

### Identify your value engine

Understand what drives value creation in your specific business model and where leverage exists.

02

### Select 1 North Star + 3–5 KPIs

Choose metrics that directly connect to your strategic goals and avoid vanity numbers.

03

### Build a weekly & monthly rhythm

Establish consistent review cadences that fit your team's workflow and decision cycles.

04

### Review for insight, not reporting

Focus on understanding trends and anomalies rather than just reading numbers aloud.

05

### Assign ownership for every action

Every metric needs a human owner who can explain it, improve it, and act on it.

# Building a Weekly Metrics Rhythm

## Ritual Beats Dashboard

Consistency in review tempo creates accountability and faster learning cycles. Different frequencies serve different strategic purposes.

### Weekly

**Focus:** Tactical

**Example KPIs:** Leads, DAU, Churn

**Review Owner:** Founder + Ops

### Monthly

**Focus:** Strategic

**Example KPIs:** CAC, Retention

**Review Owner:** Founders + Finance

### Quarterly

**Focus:** Reflective

**Example KPIs:** North Star, Unit Economics

**Review Owner:** Founders + Advisors

# Metrics Review Template

**Track → Discuss → Decide → Document → Test**

| KPI | Trend | Insight | Next Action | Owner |
| --- | --- | --- | --- | --- |
| CAC | ↑ 10% | Paid channel saturation detected | Test referral programs | Growth |
| Activation | ↓ 5% | New onboarding friction identified | Simplify flow | Product |
| Retention | → Stable | Core users remain engaged | Expand features | Product |

Every KPI needs a human behind it — not a spreadsheet. Ownership drives accountability and action.

SRF Capital Studio

# The 4-Step Metrics Audit

## Validate Your Metrics Quarterly

1 **Relevance**

Do they match our current stage and strategic priorities?

2 **Decision Value**

Do they trigger clear actions and inform real choices?

3 **Ownership**

Is someone accountable for each metric's performance?

4 **Evolution**

Do we revise them regularly as the business grows?

# When Metrics Go Wrong

## Red Flags to Watch For

### Metrics improve but outcomes don't

You're tracking vanity metrics instead of indicators that predict real business health.

### Only lagging metrics tracked

You're driving by looking in the rearview mirror with no leading indicators to guide decisions.

### Conflicting data signals

Different sources tell different stories, creating confusion instead of clarity.

### No actions follow reviews

Metrics are reported but not acted upon, making the entire exercise performative.

SRF Capital Studio

## The Fix

- Replace vanity metrics with leading indicators that predict outcomes
- Reconnect every KPI directly to strategic goals and decisions
- Drop metrics that no longer teach you anything valuable

**"Every dead metric steals oxygen from a live one."**

# Recap: Founder's Metric Journey

**From Setup → Rhythm → Review → Action → Evolution**

SRF Capital Studio

1. **Start Early**
   Don't wait for perfect data infrastructure
2. **Focus on Few**
   Quality over quantity in metric selection
3. **Build Rhythm**
   Consistency creates accountability
4. **Review Weekly**
   Regular review catches issues early
5. **Act Fast**
   Speed of response matters more than perfection
6. **Evolve Quarterly**
   Adapt metrics as your business grows

# Founder's KPI Habits

## 5 Habits of Metric-Driven Founders

SRF Capital Studio

1

### Review every Friday

End each week by checking your core metrics and identifying trends before they become problems.

2

### Keep a Metrics Journal

Document insights and hypotheses to track what you learn over time and validate assumptions.

3

### Focus on leading indicators

Prioritize metrics that predict future outcomes over those that only report past performance.

4

### Connect every KPI to a decision

If a metric doesn't inform an action or choice, question whether you need to track it at all.

5

### Share learnings with your team

Make metrics transparent and educational so everyone understands what drives business success.

# Clarity Creates Momentum

SRF Capital Studio

> **"Metrics don't build companies - founders who act on metrics do."**

Start. Simplify. Stay consistent.

# Reference: Sample KPI Library by Model

## Quick Reference Guide for Q&A

| Model | Primary KPIs | Secondary KPIs |
|---|---|---|
| SaaS | MRR, Churn Rate, CAC | Expansion Revenue, NPS, Payback Period |
| Services | Utilization Rate, Gross Margin, Client LTV | Project Completion Rate, Avg Project Value |
| E-commerce | AOV, Repeat Purchase Rate, CAC | Cart Abandonment, ROAS, Inventory Turn |
| Platform | GMV, Take Rate, Liquidity Score | Match Rate, Time to Transaction, NPS |
| Manufacturing | Unit Cost, Contribution Margin, Inventory Days | Defect Rate, Production Yield, Lead Time |

Use this as a starting point to identify which metrics best fit your specific business model and stage.

# SCAN HERE

TO RECIEVE THE COPY OF THIS DECK AND OTHER RELATED RESOURCES

# SCAN HERE

TO FOLLOW OUR WHATSAPP CHANNEL FOR UPDATES AND VALUABLE INSIGHTS

+91 99403 92753 | sriram@srfcapital.studio | https://www.linkedin.com/in/sriramchidambaram/