



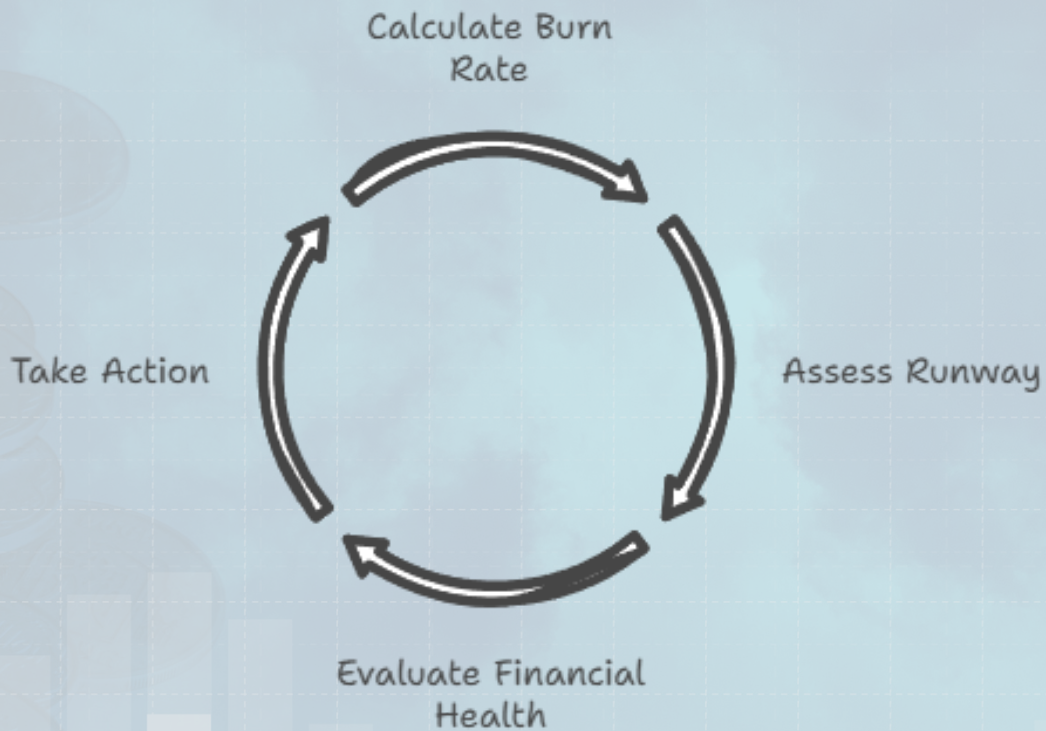
# FINANCIAL METRICS EVERY STARTUP SHOULD TRACK

"You Can't Improve  
What You Don't  
Measure."

Financial metrics are the mirror of your startup's health. Here's what you should be tracking from Day

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# BURN RATE



Stay lean, spend smart.

**Burn Rate = Monthly Cash Outflow**

Tells how fast you're spending money.

Calculates your startup's runway

**Runway = Cash ÷ Burn Rate.**

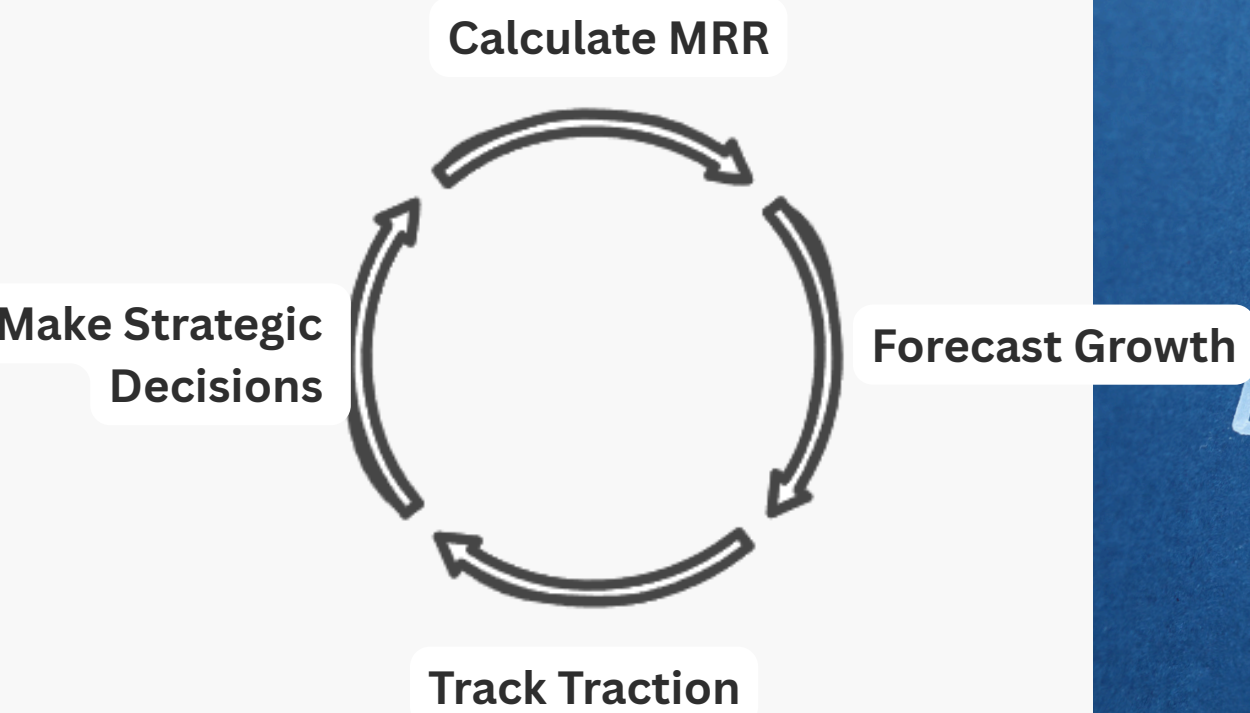
Includes salaries, rent, tools, and marketing

**Fixed + variable costs = total spend.**

High burn rate = shorter survival window

# MONTHLY RECURRING REVENUE (MRR)

Predictable Income, Predictable Growth



**Consistency matters more than spikes.**

- MRR is the fixed monthly revenue from subscriptions or contracts.
- It helps track growth, stability, and financial predictability.
- A rising MRR shows traction; declining MRR signals churn or weak retention.
- Break it down into new, expansion, and churned MRR for better insight.
- MRR is a key metric investors use to value your startup.



# CUSTOMER ACQUISITION COST (CAC)



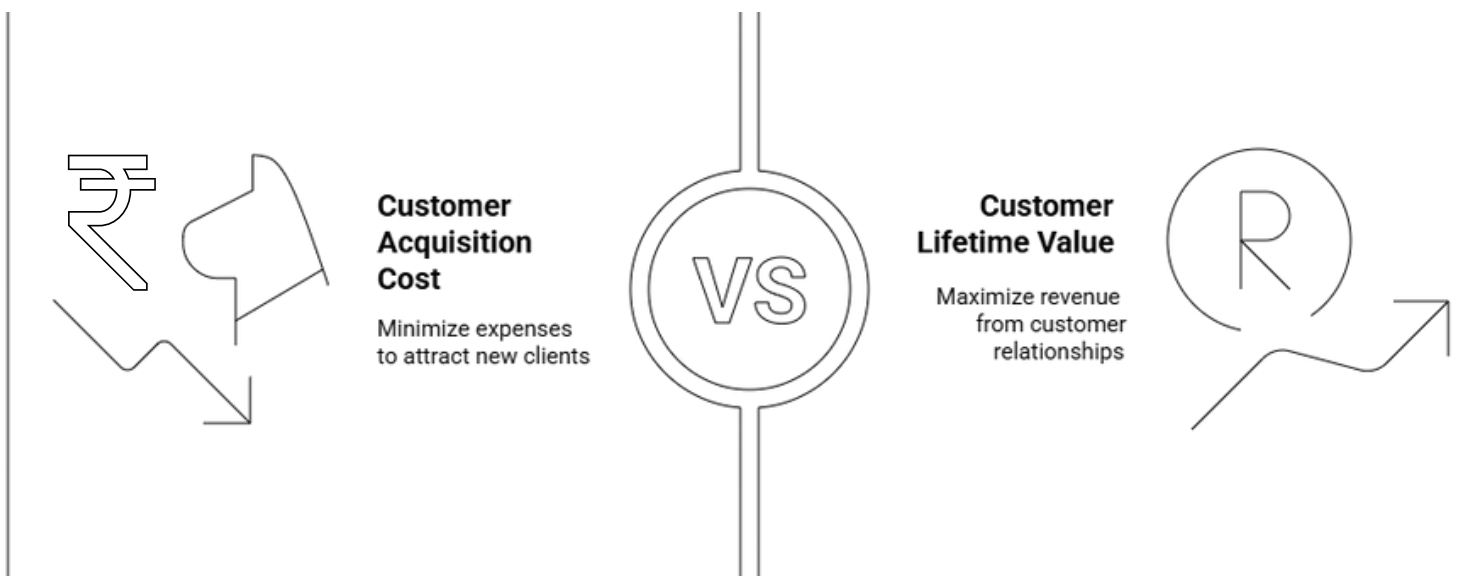
- Average cost to acquire a new customer
- Helps measure marketing/sales efficiency

## Formula:

(All marketing + sales expenses) ÷ No. of new customers acquired

## Why It Matters:

- Lowering CAC increases profitability
- Compare CAC to Customer Lifetime Value (LTV)



# Net Profit Margin

## What it shows:

Cost to gain one customer

## Why it matters:

High CAC eats your profits

## Pro Tip:

Regularly review net profit to identify hidden costs and improve business health

## Calculating Net Profit Margin

Deduct all business costs

**Subtract Expenses**



Determine the final profit

**Calculate Net Profit**



Evaluate long-term viability

**Assess Sustainability**

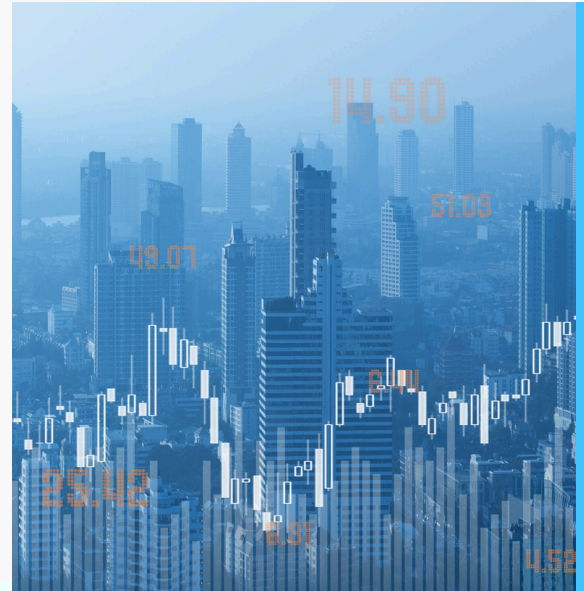


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# Cash Runway

## Definition:

The time (in months) your business can survive before funds run out, given your current burn rate.



## Formula:

Runway = Current Cash  
÷ Monthly Burn Rate

## Why it matters:

Gives clarity on how long you have to achieve milestones or raise more money.

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