baremetrics

# Communicating in the world of AI*

*Aussie Idioms

How ya going

How’s it going

Flat out

Tickety boo

Crook

Chuck a sickie

Have a crack

Fill your boots

Yeh nah

Nah yeh

Have a good one

Hoo roo

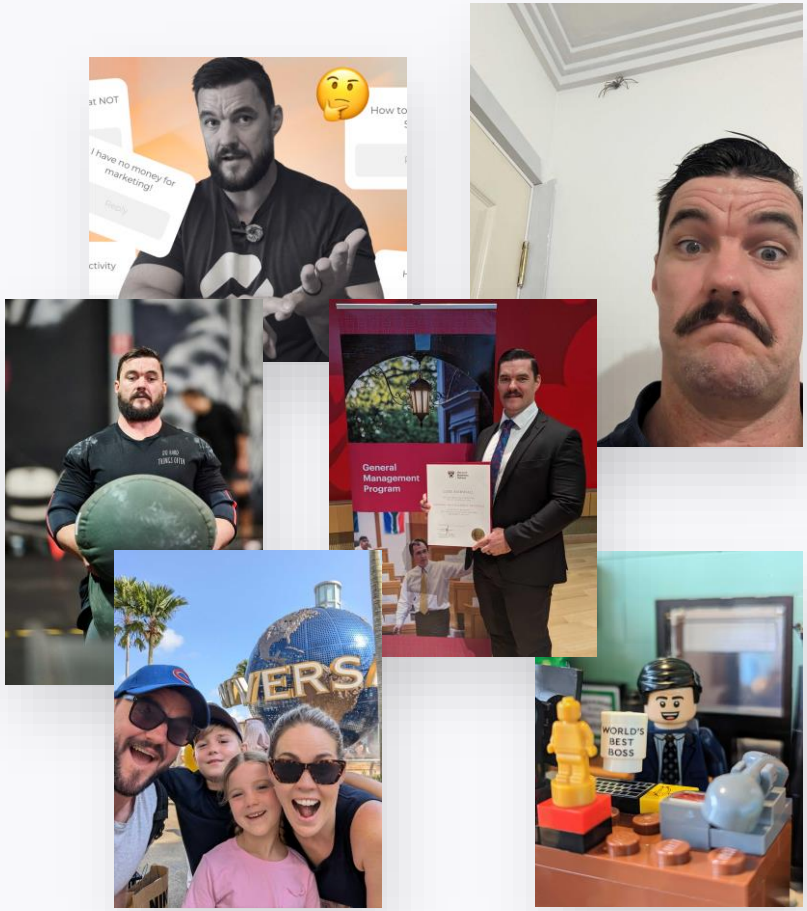
Crack on

Brekky

HELLO! 👋

# Who am I?

- ✅ CEO Baremetrics
- ✅ Partner – Xenon Partners PE
- ✅ 11yr Australian Army Officer Veteran
- ✅ MBA
- ✅ HBS Alumnus
- ✅ Lego Enthusiast
- ✅ Wannabe Strongman
- ✅ Dad and Husband



baremetrics

# Beyond the Dashboard

## The So What? of SaaS Data

THE PROBLEM 🧐

# Drowning in Dashboards

Every SaaS company has dashboards, but most just observe rather than act.

Can you think of a goal or KPI that you fail to hit but keep on reporting on it without changing approach?

Teams spending more time reporting than deciding.

How well you structure your collection and review will determine how well you can action.

Vanity metrics trap ( DAUs, page views, traffic).

- PPC in poor markets
- Agency incentivised on clicks
- Top of funnel content – eyes but not intent.

THE QUESTION 🤔

# How Do We Become More Action Oriented?

| ASK SO WHAT? | SO WHAT DOES THIS MEAN FOR X... |
| --- | --- |
| Google updated their search algorithm | So what does this mean for our high converting pages? |
| We need to add more fields to the trial sign up form | So what impact will this have on our conversion rate? |
| We need to increase our ad spend to get more leads | So what keywords will drive PQLs? |
| That customer cohort in February has expanded significantly | So what attributes did they possess? |

THE SOLUTION 🤠

# Practical Frameworks

1

OODA

2

ASDA

3

Hypothesis Driven Experimentation

THE SOLUTION 😡

# Resources

Action Oriented Frameworks

KPI Tracker – metrics that matter

Goal Matrix – simplicity is key

Hypothesis Framework

## 1 OODA: Observe → Orient → Decide → Act

Core idea: Move fast from data to decision to action.

How to use it:

- Observe – churn has spiked.
- Orient – which customer segments can we attribute it to?
- Decide – which levers do we want to adjust or which levers can we adjust quickly
- Act – design an experiment and test against baseline

So What?:

- Shortens the time between insight and action.
- If you are taking the energy to measure it, ensure you can action it.
- Build a repeatable SOP to allow rapid testing and innovation.

## 2 ASDA: Act → Sense → Decide → Adapt

Context: In Iraq (especially during counter-IED and counterinsurgency ops), coalition forces often faced ambiguous or incomplete intel. Waiting for full clarity before moving meant losing the initiative.

ASDA Application:

- Act: Patrols or raids were launched quickly, even on fragmentary intel.
- Sense: Troops collected real-time signals — local reactions, enemy responses, patterns in roadside bomb placement.
- Decide: Commanders adjusted tactics on the fly (e.g., rerouting convoys, shifting night ops timing).
- Adapt: Immediate follow-on missions kept insurgents reactive.

Impact: By “acting to generate information,” units forced insurgents to reveal patterns. This was crucial against decentralized, fast-moving opponents who exploited slower Western planning cycles.

# ASDA/OODA- Real Example

Q1 Goal- Increase organic search traffic by 10% MoM through new blogs and how to articles

ASDA Application: My organic search metrics are declining. Market chatter indicated that AI models may be using a new protocol to crawl and rank content. So what...does that mean for the future of my searchability?

- Act: create an llms.txt file for my help docs subdomain.
- Sense: did the inclusion of the file have any impact on impressions and clicks? Ensure my Search Console and Analytics are equipped to monitor referrals from AI
- Decide: Do I retrospectively edit all my blog posts to adhere to the potential new standard?
- Adapt: Focus on traditional high converting pages and stay up to date with any new standards that are proven ensuring new organic content meets the brief.

THE SOLUTION 😱

# Practical Frameworks

3

Hypothesis Driven Experimentation

## 3 Hypothesis Driven Experimentation

OBSERVATION ESTIMATION ACTION FLIP IT

- Experiment roadmap aligned with goals
- Bias for action
- Constant improvement

## 3 Hypothesis Driven Experimentation

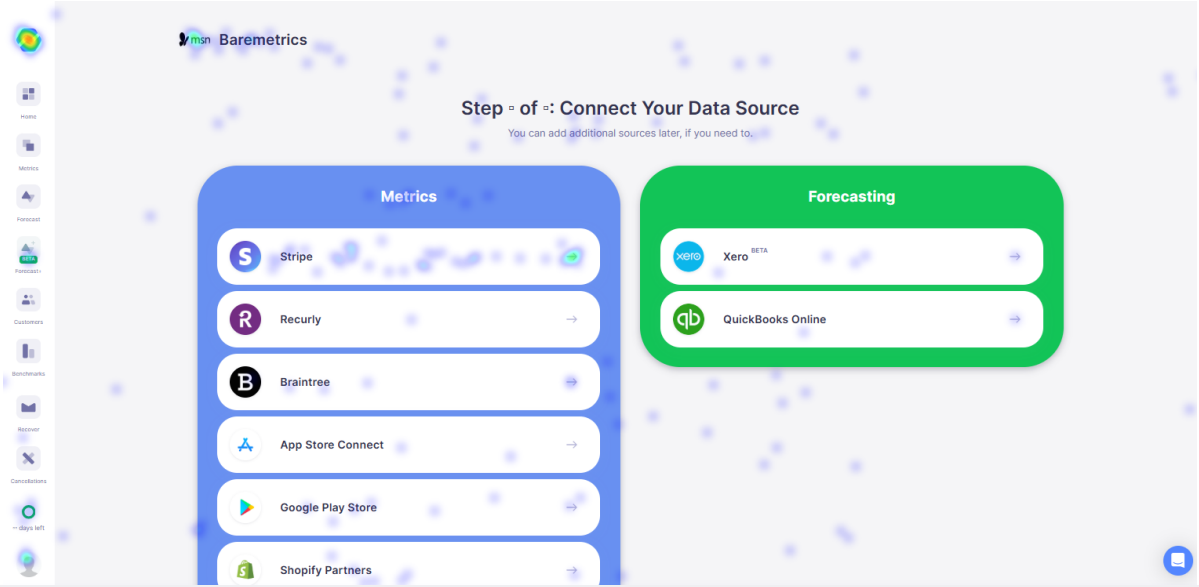
OBSERVATION | ESTIMATION | ACTION | FLIP IT

What have you seen/heard from your clients/visitors?

“Everyone keeps clicking around the connection screen but doesn’t add their API key”

# 3 Hypothesis Driven Experimentation

OBSERVATION ESTIMATION ACTION FLIP IT



3 Hypothesis Driven Experimentation

OBSERVATION ESTIMATION ACTION FLIP IT

Why do you think they are doing that and what can you change?

“There are too many other places for them to click out of the connection screen”

3 Hypothesis Driven Experimentation

OBSERVATION ESTIMATION ACTION FLIP IT

Implement a change and test against the control

“Let’s add contrast to the connection window and eliminate all other menu bar options”

## 3 Hypothesis Driven Experimentation

OBSERVATION ESTIMATION ACTION FLIP IT

Action (If This)

“By eliminating all other clickable elements and fields aside from the one we want them to engage with”

Estimation (Then That)

“we will see an increase in trial to connection rate”

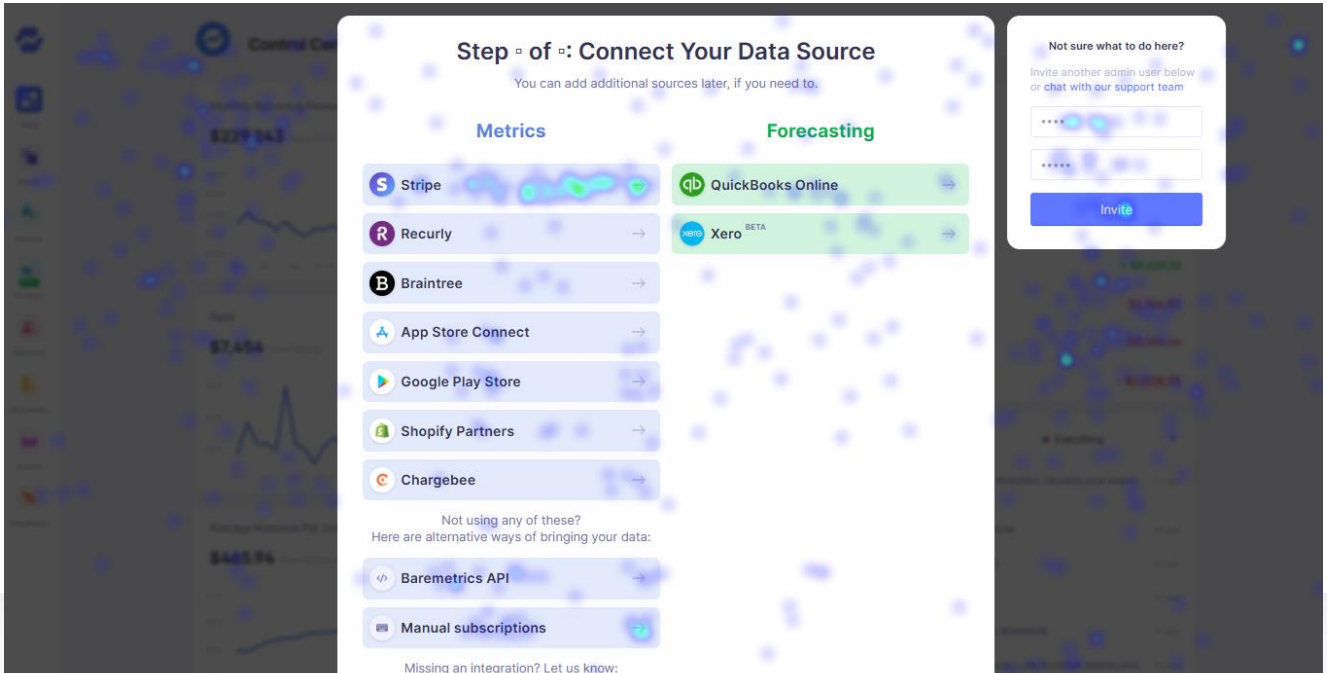
target metric – trial to connection rate

Observation (Because)

“because currently there are too many distractions, giving users options to click away from the high value action.”

# 3 Hypothesis Driven Experimentation

OBSERVATION ESTIMATION ACTION FLIP IT



# 3 Hypothesis Driven Experimentation – fail example

OBSERVATION

IF we change Free Trial to Free Metrics/Reports/Insights
THEN we will see an increase in trials attributed to the homepage
BECAUSE homepage CTA conversion is low compared to blog CTAs which are more product specific

OUTCOME

Inconclusive increase in daily trials week on week

WHAT'S NEXT

Grip up analytics to ensure causation

## + OODA/ASDA

Core takeaway

### OODA

great for situations where you can observe clear signals (churn metrics, conversion funnels as above)

### ASDA

perfect when data is ambiguous (new market, untested feature) — act first (launch MVP), then sense how customers respond, then decide next steps

## + OODA/ASDA

Core takeaway

### OODA

Quarterly goals tied to large changes that require significant data

### ASDA

Two week/monthly sprints, fuel the next round of OODA

# Q1 Review

| Observation | Experiment |
| --- | --- |
| ● Trial to Activated rate has flattened<br>● Reactivation MRR increased<br>● An integration partner entered a new geography | 🟢 Experiment for Trials<br>🟢 A/B re-engagement campaign<br>🟢 New Landing Page from PPC |
| ● Open rate and CTR on newsletter has decreased<br>● New feature released | 🟢 Internal Newsletter redesign<br>🟢 Expansion campaigns for underutilised features |
| ● Organic traffic has continued to decline<br>● New AI search tools are emerging | 🟢 Add llms.txt file<br>🟢 Increase Reddit OP & Engagement<br>🟢 Increase LI engagement, increased short form video |

# Q2 Goal Matrix

## BAU

| Goal | Supporting Efforts | KPI | On Track (include metrics) | Fail If |
|---|---|---|---|---|
| Finish Q2 at $XXXk MRR or higher | 🟢 Experiment for Trials<br>🟢 A/B re-engagement campaign<br>🟢 New Landing Page from PPC | T3M avg >5% | 🟢 $XYZk MRR | MRR by 30 Jun <$YYYk |
| Net Rev Churn <2.5% | 🟢 Internal Newsletter redesign<br>🟢 Expansion campaigns for underutilised features | 25 accounts expanded to Rec or CI | 🟢 1.5% | T3M avg >2.5% |
| Increase traffic attributed to all channels other than Organic by 10% MoM | 🟢 Add llms.txt file<br>🟢 Increase Reddit OP & Engagement<br>🟢 Increase LI engagement, increased short form video | Increase traffic attributed to:<br>• Direct<br>• Referral<br>• Social<br>10%MoM | 🟢 Direct +22%<br>🟢 Referral +6%<br>🟢 Social +94% | Total traffic increases <10% for the Q |

## Strategic Initiatives

| | | | | |
|---|---|---|---|---|
| Conduct discreet price structure experiments<br>Q2.1- 30% reduction on /pricing<br>Q2.2- Recover % vs Fixed<br>Q2.3- Revert to Freemium | 🟡 Increase new customers<br>🟡 Increase ARPU<br>🟡 Increase NPC Conversion | | 🟡 New Customers<br>Q1 100 → Q2 120<br>🟡 APRU<br>Q1 $855 → Q2 $900<br>🟡 NPC Conversion<br>Q1 4.73% → Q2 5.33% | No new customers onboarded at new pricing |

# KPI Template

| ASP | Rolling ASP | ACV | Sales & Marketing Spend | CAC | LTV | T6M LTV Average | LTV:CAC | T6M LTV:CAC Ave | Payback Months (Goal < 18) | T6M Payback Ave | Net Income | SaaS Quick Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 2,060 | 25,733 | 12,867 | 137,309 | 114,257 | 10.7x | 6x | 8 | 11 | | #DIV/0! |
| 2,000 | 125 | 1,991 | 25,733 | 8,578 | 100,297 | 119,225 | 7.8x | 7x | 5 | 11 | | 1.2 |
| 300 | 135 | 1,979 | 25,733 | 25,733 | 80,841 | 115,260 | 9.4x | 7x | 16 | 11 | | 0.4 |
| #DIV/0! | #DIV/0! | 1,979 | 25,733 | 25,733 | 101,388 | 109,309 | 3.9x | 7x | 16 | 11 | | #DIV/0! |
| 129 | #DIV/0! | 1,939 | 32,400 | 32,400 | 134,293 | 114,495 | 5.2x | 7x | 21 | 12 | | #DIV/0! |
| 650 | #DIV/0! | 1,899 | 32,400 | 32,400 | 80,841 | 105,828 | 2.5x | 7x | 21 | 15 | | 0.1 |
| 250 | #DIV/0! | 1,833 | 32,400 | 16,200 | 98,921 | 99,430 | 3.1x | 5x | 11 | 15 | | #DIV/0! |
| 750 | #DIV/0! | 1,682 | 32,400 | 10,800 | 92,819 | 98,184 | 5.7x | 5x | 8 | 16 | | 0.4 |
| 2,700 | #DIV/0! | 1,722 | 32,400 | 16,200 | 127,631 | 105,982 | 11.8x | 5x | 12 | 15 | | #DIV/0! |
| #DIV/0! | #DIV/0! | 1,740 | 32,400 | 32,400 | 99,016 | 105,587 | 6.1x | 6x | 23 | 16 | | 0.0 |
| 1,650 | #DIV/0! | 1,732 | 32,400 | 16,200 | 79,644 | 96,478 | 2.5x | 5x | 12 | 15 | | 1.7 |
| 8,450 | #DIV/0! | 1,861 | 24,067 | 24,067 | 146,704 | 107,456 | 9.1x | 6x | 16 | 14 | | #DIV/0! |
| #DIV/0! | #DIV/0! | 1,814 | 24,067 | 24,067 | 143,001 | 114,802 | 5.9x | 7x | 17 | 15 | | 0.1 |
| 250 | #DIV/0! | 1,784 | 24,067 | 24,067 | 216,243 | 135,373 | 9.0x | 7x | 17 | 16 | | 1.3 |

| Month | MRR - Ending | ARR - Ending | MoM Growth | T6M CMPD (Goal = 3%) | New | Expansion | Reactivation | Contraction | Churn | Net New MRR | Ending MRR (Goal) | MRR Attainment (%) | MRR Source - New | MRR Source - Exp | Gross MRR Exp | Gross MRR Churn | Net Churn | T6M Average (Goal <= 0%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| December 2021 | 88,576 | 1,042,602 | 4.10% | -0.45% | | | | | | 0 | 88,576 | 100% | #DIV/0! | #DIV/0! | 0.0% | 0.0% | 0.0% | 0.0% |
| January 2022 | 89,576 | 1,033,002 | 1.13% | -0.16% | 6,000 | 0 | 0 | 0 | 5,000 | 1,000 | 89,576 | 100% | 100.0% | 0.0% | 0.0% | 5.6% | 5.6% | 0.9% |
| February 2022 | 89,042 | 1,068,504 | -0.60% | 0.50% | 300 | 0 | 0 | 534 | 300 | -534 | 89,042 | 100% | 100.0% | 0.0% | 0.0% | 0.9% | 0.9% | 1.1% |
| March 2022 | 89,042 | 1,068,504 | 0.00% | 0.89% | 0 | 0 | 0 | 0 | 0 | 0 | 89,042 | 100% | #DIV/0! | #DIV/0! | 0.0% | 0.0% | 0.0% | 1.1% |
| April 2022 | 89,171 | 1,070,052 | 0.14% | 0.79% | 129 | 0 | 0 | 0 | 0 | 129 | 89,171 | 100% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.1% |
| May 2022 | 85,463 | 1,025,556 | -4.16% | -0.59% | 650 | 0 | 0 | 0 | 4,358 | -3,708 | 85,463 | 100% | 100.0% | 0.0% | 0.0% | 4.9% | 4.9% | 1.9% |
| June 2022 | 86,163 | 1,033,956 | 0.82% | -0.65% | 500 | 200 | 0 | 0 | 0 | 700 | 86,163 | 100% | 71.4% | 28.6% | 0.2% | 0.0% | -0.2% | 1.9% |
| July 2022 | 82,413 | 988,956 | -4.35% | -1.28% | 2,250 | 0 | 0 | 0 | 6,000 | -3,750 | 82,413 | 100% | 100.0% | 0.0% | 0.0% | 7.0% | 7.0% | 2.1% |
| August 2022 | 87,813 | 1,053,756 | 6.55% | -0.23% | 5,400 | 0 | 0 | 0 | 0 | 5,400 | 87,813 | 100% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.9% |
| September 2022 | 87,013 | 1,044,156 | -0.91% | -0.41% | 0 | 0 | 0 | 0 | 800 | -800 | 87,013 | 100% | #DIV/0! | #DIV/0! | 0.0% | 0.9% | 0.9% | 2.1% |
| October 2022 | 88,313 | 1,059,756 | 1.49% | 0.55% | 3,300 | 0 | 0 | 0 | 2,000 | 1,300 | 88,313 | 100% | 100.0% | 0.0% | 0.0% | 2.3% | 2.3% | 2.5% |
| November 2022 | 96,763 | 1,161,156 | 9.57% | 1.95% | 8,450 | 0 | 0 | 0 | 0 | 8,450 | 90079 | 107% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.7% |
| December 2022 | 94,321 | 1,131,852 | -2.52% | 2.27% | 0 | 300 | 0 | 2,742 | 0 | -2,442 | 91881 | 103% | 0.0% | 100.0% | 0.3% | 2.8% | 2.5% | 2.1% |
| January 2023 | 94,571 | 1,134,852 | 0.27% | 1.24% | 250 | 1,000 | 0 | 1,000 | 0 | 250 | 92800 | 102% | 20.0% | 80.0% | 1.1% | 1.1% | 0.0% | 1.0% |

# KPI Template

| | Visitors (web) | Discovery Call | MoM Growth | Disco -> Demo CR | Demo Booked | Conversion Rate Demo Booked > Demo Completed | Demo Complete | Conversion Rate Demo Completed > SQL | SQL | Conversion Rate SQL > NPC |
|---|---|---|---|---|---|---|---|---|---|---|
| August 2020 | 2345 | 11 | -42% | 136% | 15 | 27% | 4 | 125% | 5 | 100% |
| eptember 2020 | 2443 | 3 | -73% | 467% | 14 | 21% | 3 | 267% | 8 | 63% |
| October 2020 | 2308 | 66 | 2100% | 42% | 28 | 14% | 4 | 75% | 3 | 67% |
| Jovember 2020 | 2659 | 92 | 39% | 20% | 18 | 11% | 2 | 250% | 5 | 120% |
| )ecember 2020 | 2845 | 41 | -55% | 24% | 10 | 10% | 1 | 200% | 2 | 100% |
| January 2021 | 3493 | 15 | -63% | 127% | 19 | 26% | 5 | 100% | 5 | 80% |
| February 2021 | 3027 | 31 | 107% | 45% | 14 | 14% | 2 | 200% | 4 | 150% |
| March 2021 | 3440 | 87 | 181% | 29% | 25 | 12% | 3 | 133% | 4 | 0% |
| April 2021 | 2071 | 39 | -55% | 31% | 12 | 25% | 3 | 0% | 0 | 0% |
| May 2021 | 4520 | 9 | -77% | 111% | 10 | 50% | 5 | 100% | 5 | 80% |
| June 2021 | 7568 | 8 | -11% | 88% | 7 | 114% | 8 | 63% | 5 | 160% |
| July 2021 | 4617 | 8 | 0% | 138% | 11 | 64% | 7 | 71% | 5 | 20% |
| August 2021 | 2558 | 10 | 25% | 100% | 10 | 30% | 3 | 133% | 4 | 150% |

THE SOLUTION 😡

# Resources

Action Oriented Frameworks

KPI Tracker – metrics that matter

Goal Matrix – simplicity is key

Hypothesis Framework

SAY G'DAY 🐯

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