

Strategic Planning & Operating Models

For High Growth Startups



Case Study – SurveyMonkey



Company Overview

- SMBs & Enterprise “experience management” software
- ~\$500M of Annual Revenue - peak valuation was \$3B dollars
- Strategic M&A fell through - ultimately sold to a PE firm for scraps at < 3x revenue

Strategic Planning Approach

- 14-person finance & strategy team
- Revenue forecasting alone tracked over **2,000 revenue drivers**, individually forecasted over **144 customer cohorts**
- Through the tumultuous COVID era, predicted Surveys Business (80% of revenue) to a **99.9% Bookings accuracy**
- **Strong business partner & functional lead relationships**, all forecasts started with being grounded in our business partners views with little regard for the “noise” from investors

Case Study – SurveyMonkey

On paper with our functional leads, it looked like we did all the right things.

- **Data driven:** Tracked 2,000+ metrics
- **High accuracy:** 99.9% forecast accuracy
- **Collaborative:** Led bottoms-up based on initiative pipeline in partnership with functional leads

But still resulted in poor outcomes and ineffective strategic planning

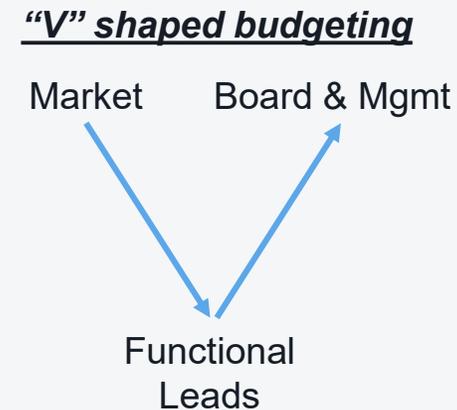
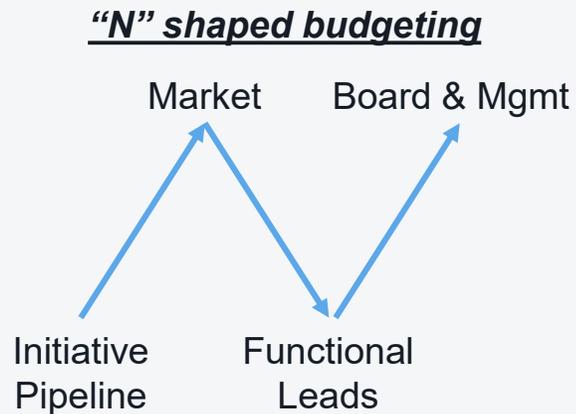
Why?

What's causing this disconnect?

Key Learnings

#1: Did “N” shaped budgeting instead of “V” shaped budgeting

- Misalignment with market realities - spent like a “high growth” unprofitable tech startup but aimed for high single digits/low teens growth rates
- Starting bottoms up tends to anchor teams to minimal incremental improvements and limits their thinking
- Constraints lead to innovation & bold decisions



#2: Signal was lost within the noise

- Thousands of metrics tracked but noise led to inaction and lack of accountability
- “Critical few” were not measured at all - # of Surveys sent, % of paying customers using the product. etc

VC backed Hybrid Budgeting Approach

Top Down Market Expectations

- Identify **fundability thresholds** for your stage
- Focus on the specific **2-3 areas** to inflect & derisk the business (e.g. retention, moving up market, cross-sell)

Bottoms Up Operational Realities

- Break down company-level goals **into actionable initiatives** by function
- Tie key initiatives to **a metric** we can measure against

“Critical Few” Execution Focus

- Concentrate on the **few vital drivers** that impact 80% of your outcomes
- Use a **single-corporate contingency line**

Successful plans clearly defines the **critical few drivers** that puts the company on a path to be **attractive enough** to reach the next milestone while remaining grounded in **operational realities** with buy-in from functional leads

Agenda

- 1** Strategic Planning Foundations
- 2 Model Narrative & Metrics
- 3 Operating Model Best Practices
- 4 Operationalizing Finance & Strategy
- 5 FAQs and Q&A

Strategic Planning Process

For Each Time Horizon Define...

- 1 1-2 Overarching Objectives
- 2 Key Initiatives or “Bets”
- 3 Success Metrics against Objective
- 4 Clear De-prioritization List

What Effective Strategic Planning Enables

- ✓ Forces prioritization
- ✓ Accelerates learning
- ✓ Enables faster decisions
- ✓ Prevents strategy drift
- ✓ Creates accountability

Example of a Bad Strategic Plan

| Context: AI Developer Tool for Testing Infrastructure

Year 1

Main Objectives

- Grow quickly
- Hire the best talent

Key Initiatives

- Build what customers want
- Sell to anyone who will buy

Success Metrics

- \$1MM+ in ARR

De-prioritization List

- None we're a startup we must do everything

Year 2

Main Objectives

- Scale revenue and users simultaneously

Key Initiatives

- Grow sales team and PLG motion
- Double ACVs and users

Success Metrics

- \$5MM+ in ARR
- 120%+ in NRR

De-prioritization List

- We can't afford to say no to anything

Year 3

Main Objectives

- Become the market leader

Key Initiatives

- 3x the team
- Expand internationally

Success Metrics

- \$20MM+ in ARR

De-prioritization List

- That's not how startups work

Example of a Bad Strategic Plan

| Context: AI Developer Tool for Testing Infrastructure

Year 1

Premature monetization

- Charging excessively from day 1 killed viral growth.
- You end at 500 paying users while competitor's free tier explodes to 100K devs and becomes the standard
- Board increasingly frustrated at constant ARR misses

Engineering Chaos

- Building every feature request creates Frankenstein product
- Star engineers quit after 6 months of whiplash

Year 2

Channel Conflict

- Sales reps constantly lose deals to own PLG product – CRO quits after 6 months

Identify Crisis

- Marketing can't explain who you're for - "We're Stripe meets Salesforce meets GitHub"

Burn Spikes

- Scaling both GTM motions accelerates burn to \$800K per month and LTV to CAC plummets to 1x

Year 3

Zombie ARR

- Reached \$4M ARR but it's with thousands of small customers and 40% annual churn and negative unit economics
- Literally paying to keep customers

Management Team Burnout

- After 3 years of 80 hr work weeks, team can't understand why progress has been slow
- Attrition spikes and investor interest plummets

Example of a Good Strategic Plan

Context: AI Developer Tool for Testing Infrastructure

Year 1

Main Objectives

- Become the default solution for developers in this space

Key Initiatives

- Build viral free tier
- Derisk willingness to pay through pricing experiments

Success Metrics

- 100K MAUs
- Validate \$20/month/user tier with > 80% retention

De-prioritization List

- Sales-led motion
- Revenue maximization

Year 2

Main Objectives

- Monetize large PLG base
- Test into limited enterprise use cases

Key Initiatives

- Optimize PLG monetization
- Sign handful of enterprise contracts for learning

Success Metrics

- 2% conversion - \$5M PLG ARR
- 5+ enterprise contracts

De-prioritization List

- SMB/mid market motion
- Vertical use cases

Year 3

Main Objectives

- Build sales led flywheel
- Dominate fintech developer segment

Key Initiatives

- Build dedicated sales team
- Scale fintech-specialized R&D

Success Metrics

- \$5M SLG ARR
- 30+ fintech logos at \$150K+ ACV

De-prioritization List

- Other top verticals (healthcare)
- International expansion

Observations from 100+ strategic plans

- 1 Strategic plans that **aren't written down** isn't a plan at all.
- 2 Founders who brave enough to prioritize & make tradeoffs **always outcompetes** those who try to do everything
- 3 Investors are **easy to manage** when you tell them what to measure and why. **Without guidance** they're forced to compare you to standard but potentially misaligned benchmarks relative to your strategy
- 4 A strategic plan (no matter how often it changes) is a **2x velocity multiplier** as it becomes an explicit **"decision making framework"** throughout the organization

Observations from 100+ strategic plans

| It's not about being “right”
| it's about creating velocity
| by having a direction

Agenda

- 1 Strategic Planning Foundations
- 2 Model Narrative & Metrics**
- 3 Operating Model Best Practices
- 4 Operationalizing Finance & Strategy
- 5 FAQs and Q&A

Link the Quantitative and Strategic Narrative

Model Driver	2024A	Q1 2025A	Q2 2025A	Q3 2025A	Q4 2025E	2025E	2026E	2027E	Strategic & Operational Narrative
Operational Metrics									
Monthly Active Users (MAUs)	2K	15K	35K	65K	100K	100K	300K	500K	<ul style="list-style-type: none"> • Year 1: Build viral distribution loops - Target 100K MAUs via open-source core, GitHub marketplace listing, CI/CD integrations, and developer influencer partnerships; sacrifice revenue to seed every major eng org • Year 2: Leverage network effects while adding paid tiers • Year 3: Shift focus from growth to monetization...
PLG Conversion Rate	-	-	-	-	0.1%	0.1%	2.0%	3.0%	[...]
Average Revenue per User (Monthly)	-	-	-	-	\$20	\$20	\$40	\$50	[...]
Enterprise Customers	-	-	-	-	-	-	5.0	30.0	[...]
Enterprise ACV	-	-	-	-	-	-	\$80K	\$150K	[...]
Enterprise Gross Retention	-	-	-	-	-	-	90.0%	93.0%	[...]
Enterprise Net Retention	-	-	-	-	-	-	110.0%	150.0%	[...]
Topline									
Self Serve ARR	-	-	-	-	\$24K	\$24K	\$2.9M	\$9.0M	[...]
Sales Led ARR	-	-	-	-	-	-	\$400K	\$4.5M	[...]
Total ARR	-	-	-	-	\$24K	\$24K	\$3.3M	\$13.5M	
Expenses									
Gross Margin	-	-	-	-	70.0%	70.0%	78.0%	82.0%	[...]
PLG Payback (months)	-	-	-	-	-	-	3	4	[...]
Enterprise Payback (months)	-	-	-	-	-	-	12	10	[...]
Headcount									
Engineering	3	4	5	6	7	7	15	25	[...]
Sales & Marketing	1	1	2	2	3	3	12	35	[...]
G&A	1	1	1	2	2	2	5	10	[...]
Total FTEs	5	6	8	10	12	12	32	70	[...]

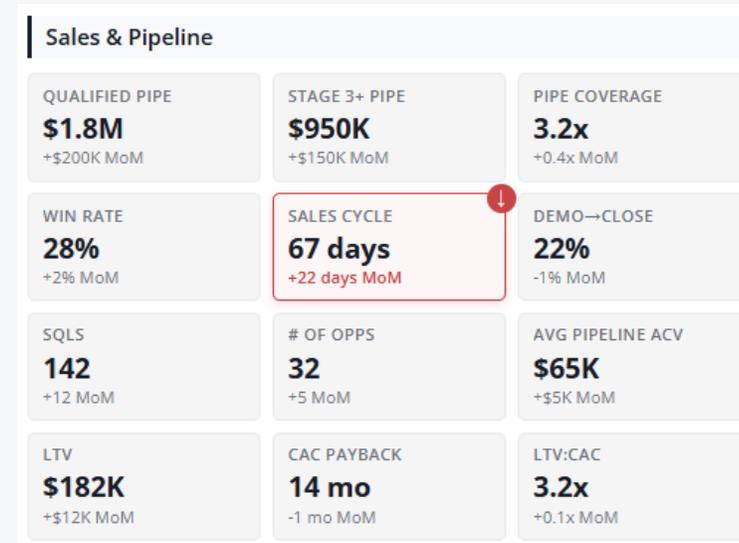
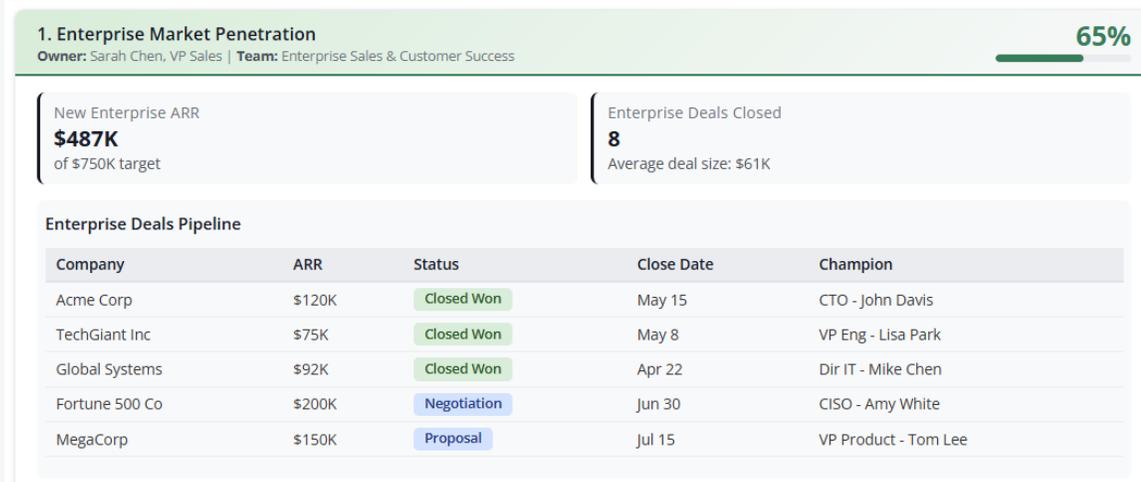
Inflection Metrics & “Report Card” Metrics

Inflection Metrics

- Unbundled controllable metrics that measure progress against 2-3 key focus areas the function is **trying to inflect**
- Ties directly to an incremental intentional strategy for the quarter(s)

Report Card Metrics

- Laundry list of standard metrics to track to determine “health” of the function
- Only large variances need to be surfaced to diagnose and rectify / lean into opportunities
- If no major variances – need to intentionally declutter

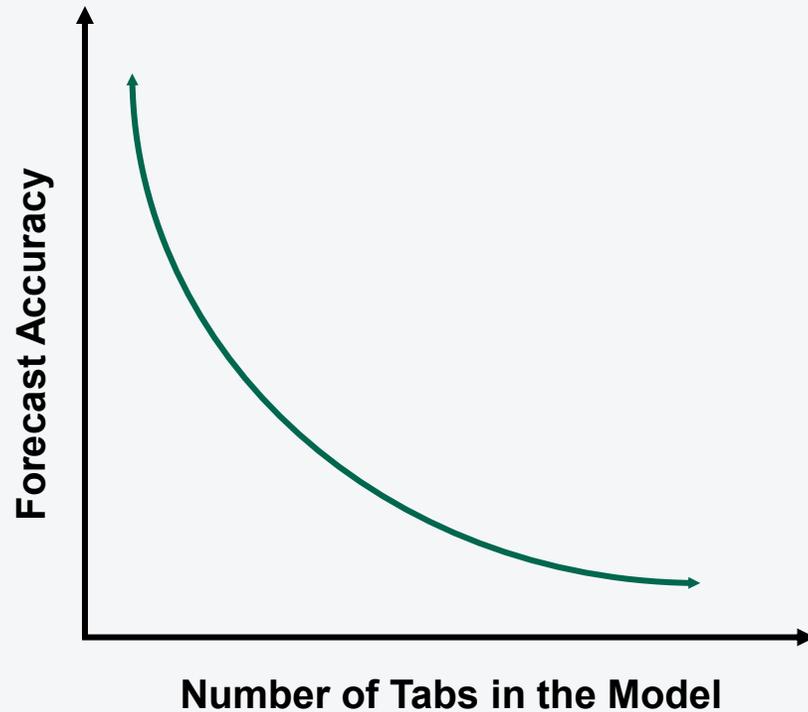


Agenda

- 1 Strategic Planning Foundations
- 2 Model Narrative & Metrics
- 3 Operating Model Best Practices**
- 4 Operationalizing Finance & Strategy
- 5 FAQs and Q&A

Increased complexity \neq Increased accuracy

Especially for startups given limited metrics, high degree of uncertainty, and low sample size of historical data...



#1 Mistake of Operators

Operating Model Best Practices

1 Calculators not Crystal Balls

20+ tab models create **unnecessary overhead**, obscure key signals and reducing time to work with functional leads

2 Forecast only what's measured

Only include metrics in your model that are actually tracked by the business

3 Make it accountable

Forecast outputs should tie to operational ownership

4 Mind your altitude

Nobody knows what bank fees will be 2 years from now, forecast at an altitude that informs business decisions

Operating Model Best Practices

Recommended Model Structure (easy to maintain and customize / modular)

Outputs

- Forecast (monthly actuals + forecast, all 3 statements, where “all the math happens”)
- **Charts & Tables** (dynamic charts for any recurring reporting)
- **Dashboard & Summary** (what to walk through with management)

Assumptions

- Headcount Plan (Employee census + near-term hiring plan)
- Forecast Inputs (all other model inputs)

Analysis

- **Model Narrative** (dynamically plugged key metrics to walk through with mgmt each quarter)
- **BvA** (automated budget vs actuals)
- **Other one-off analysis** (driven from various KPIs in model, delete once unused)

Sources

- GL Mapping (dynamically plugged key metrics to walk through with mgmt each quarter)
- ERP Exports (P&L, BS, cashflow not necessary)
- **Operational KPIs** (Stripe, CRM exports, etc. for operational & topline KPIs)

Operating Model Best Practices

Roll up ERP CoA to an altitude that impacts business decisions

[ACME Labs]		CoA Mapping	
QBO P&L	P&L Categorizations	QBO BS	BS Categorizations
Income		Assets	
Consumer Income	Income - Self Serve	Current Assets	
Discounts	Returns, Allowances, and Discounts	Bank Accounts	
One Time & Implementation	Professional Services	Bill Payments Clearing	
Enterprise Contracts	Income - Enterprise	Invoice Payments Clearing	
Self Serve Income	Income - Self Serve	Mercury Checking	
Total Income		Mercury Treasury	
Cost of Goods Sold		Stripe Clearing	
Customer Success		Stripe Merchant Account	
401(K) Expense - Customer Success		Stripe Payments	
Bonuses - Customer Success		Total for Bank Accounts	Total Cash
Employer Payroll Taxes - Customer Success		Accounts Receivable	
Health Insurance - Customer Success		Accounts Receivable	
Other Employee Benefits - Customer Success		Total for Accounts Receivable	Accounts Receivable
Regular Payroll - Customer Success		Other Current Assets	
Total Customer Success	COGS - Customer Success	Accrued Revenue	
Hosting	COGS - Hosting	Money In Transit	
Merchant Fees	COGS - Merchant Fees	Payment Processor Clearing - Stripe	
Total Cost of Goods Sold		Prepaid Expenses	
Gross Profit		Stripe Receivables	
Expenses		Undeposited Funds	
Advertising	Advertising - S&M	Total for Other Current Assets	Other Current Assets
Bank Fees	Other - G&A	Total for Current Assets	
Charitable Contributions	Other - G&A	Fixed Assets	
Dues & Subscriptions	Other - G&A	Computers & Equipment	Fixed Assets
Employee Related		Accumulated Depreciation - Computers &	Accumulated Depreciation

Minimize Model Maintenance

- Fast to remap if forecast categories change
- Don't need to re-pipe the model when COA updates
- Forecasts become more manageable and greatly reduces complexity
- Should take < 30 minutes to roll forward actuals

Operating Model Best Practices

Have a main “forecast” tab with all 3 statements with actuals & forecast

[ACME Labs]									
Forecast					X				
In \$USD	CoA Mapping	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast
		Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Operating Expenses									
Sales & Marketing									
Salaries & Wages	Payroll - S&M	XXXX							
Bonuses & Severance	Bonus - S&M	XXXX							
Commission	Commission - S&M	XXXX							
Payroll Taxes & Benefits	Employee Benefits - S&M	XXXX							
Advertising	Advertising	XXXX							
Conferences	Conferences	XXXX							
Contractors	Contractors - S&M	XXXX							
Other	Other - S&M	XXXX							
Total Sales & Marketing	Total Sales & Marketing	XXXX							
Research & Development									
Salaries & Wages	Payroll - R&D	XXXX							
Bonuses & Severance	Bonus - R&D	XXXX							
Payroll Taxes & Benefits	Employee Benefits - R&D	XXXX							
Contractors	Contractors - R&D	XXXX							
Software	Software - R&D	XXXX							
Other	R&D - Other	XXXX							
Total Research & Development	Total Research & Development	XXXX							
General & Administrative									
Salaries & Wages	Payroll - G&A	XXXX							
Bonuses & Severance	Bonus - G&A	XXXX							
Payroll Taxes & Benefits	Employee Benefits - G&A	XXXX							
Contractors	Contractors - G&A	XXXX							
Professional Fees	Professional Fees	XXXX							
Travel	Travel	XXXX							
Meals & Entertainment	Meals & Entertainment	XXXX							
Facilities	Facilities	XXXX							
Other	Other - G&A	XXXX							
Total General & Administrative	Total General & Administrative	XXXX							
Corporate Contingency	Miscellaneous Expense	XXXX							
Total Operating Expenses	Total Operating Expenses	XXXX							
EBITDA									
Operating Margin (%)	EBITDA	XXXX%							

Operating Model Best Practices

Actuals should be 'sumifs' on ERP source tabs that are direct exports, rolling up the CoA balancing all the 3 statements

[ACME Labs]									
Forecast					x				
In \$USD	CoA Mapping	Actuals Jun-25	Actuals Jul-25	Actuals Aug-25	Forecast Sep-25	Forecast Oct-25	Forecast Nov-25	Forecast Dec-25	Forecast Jan-26
Operating Expenses									
Sales & Marketing									
Salaries & Wages	Payroll - S&M	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Bonuses & Severance	Bonus - S&M	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Commission	Commission - S&M	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Payroll Taxes & Benefits	Employee Benefits - S&M	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Advertising	Advertising	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Conferences	Conferences	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Contractors	Contractors - S&M	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Other	Other - S&M	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Total Sales & Marketing	Total Sales & Marketing	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Research & Development									
Salaries & Wages	Payroll - R&D	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Bonuses & Severance	Bonus - R&D	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Payroll Taxes & Benefits	Employee Benefits - R&D	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Contractors	Contractors - R&D	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Software	Software - R&D	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Other	R&D - Other	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Total Research & Development	Total Research & Development	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
General & Administrative									
Salaries & Wages	Payroll - G&A	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Bonuses & Severance	Bonus - G&A	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Payroll Taxes & Benefits	Employee Benefits - G&A	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Contractors	Contractors - G&A	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Professional Fees	Professional Fees	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Travel	Travel	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Meals & Entertainment	Meals & Entertainment	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Facilities	Facilities	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Other	Other - G&A	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Total General & Administrative	Total General & Administrative	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Corporate Contingency	Miscellaneous Expense	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Total Operating Expenses	Total Operating Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
EBITDA	EBITDA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Operating Margin (%)		XXXX%	XXXX%	XXXX%	XXXX%	XXXX%	XXXX%	XXXX%	XXXX%

Operating Model Best Practices

The “forecast” formulas should contain the math driven by assumptions in the “forecast inputs” tab

[ACME Labs]											
Forecast							x				
In \$USD	CoA Mapping	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast		
		Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26		
Operating Expenses											
Sales & Marketing											
Salaries & Wages	Payroll - S&M	XXXX									
Bonuses & Severence	Bonus - S&M	XXXX									
Commission	Commission - S&M	XXXX									
Payroll Taxes & Benefits	Employee Benefits - S&M	XXXX									
Advertising	Advertising	XXXX									
Conferences	Conferences	XXXX									
Contractors	Contractors - S&M	XXXX									
Other	Other - S&M	XXXX									
Total Sales & Marketing	Total Sales & Marketing	XXXX									
Research & Development											
Salaries & Wages	Payroll - R&D	XXXX									
Bonuses & Severence	Bonus - R&D	XXXX									
Payroll Taxes & Benefits	Employee Benefits - R&D	XXXX									
Contractors	Contractors - R&D	XXXX									
Software	Software - R&D	XXXX									
Other	R&D - Other	XXXX									
Total Research & Development	Total Research & Development	XXXX									
General & Administrative											
Salaries & Wages	Payroll - G&A	XXXX									
Bonuses & Severence	Bonus - G&A	XXXX									
Payroll Taxes & Benefits	Employee Benefits - G&A	XXXX									
Contractors	Contractors - G&A	XXXX									
Professional Fees	Professional Fees	XXXX									
Travel	Travel	XXXX									
Meals & Entertainment	Meals & Entertainment	XXXX									
Facilities	Facilities	XXXX									
Other	Other - G&A	XXXX									
Total General & Administrative	Total General & Administrative	XXXX									
Corporate Contingency	Miscellaneous Expense	XXXX									
Total Operating Expenses	Total Operating Expenses	XXXX									
EBITDA	EBITDA	XXXX									
Operating Margin (%)		XXXX%									

Operating Model Best Practices

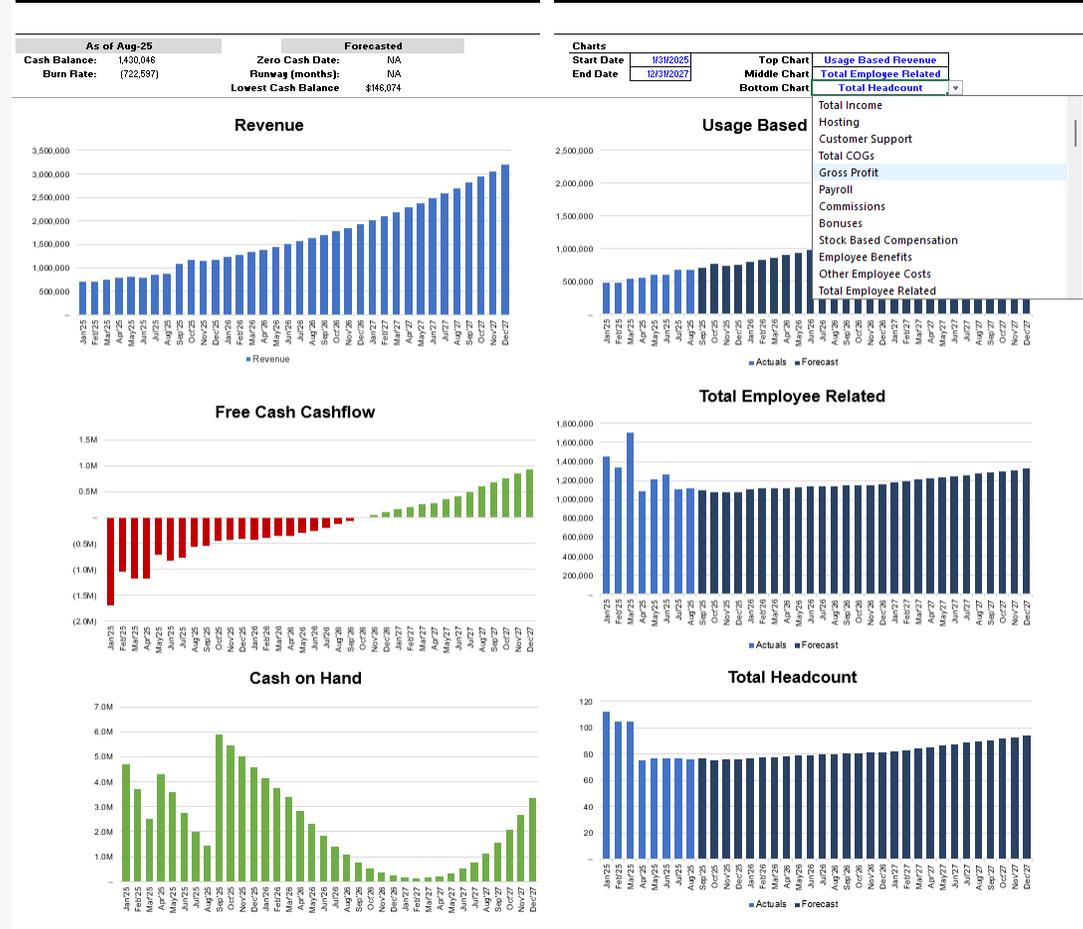
Updating the forecast should just be re-exporting the “sources” and doing a formula roll forward of “Actuals” to “Forecast”

[ACME Labs]									
Forecast									X
In \$USD	CoA Mapping	Actuals Jun-25	Actuals Jul-25	Actuals Aug-25	Forecast Sep-25	Forecast Oct-25	Forecast Nov-25	Forecast Dec-25	Forecast Jan-26
Operating Expenses									
Sales & Marketing									
Salaries & Wages	Payroll - S&M	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Bonuses & Severance	Bonus - S&M	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Commission	Commission - S&M	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Payroll Taxes & Benefits	Employee Benefits - S&M	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Advertising	Advertising	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Conferences	Conferences	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Contractors	Contractors - S&M	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Other	Other - S&M	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Total Sales & Marketing	Total Sales & Marketing	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Research & Development									
Salaries & Wages	Payroll - R&D	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Bonuses & Severance	Bonus - R&D	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Payroll Taxes & Benefits	Employee Benefits - R&D	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Contractors	Contractors - R&D	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Software	Software - R&D	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Other	R&D - Other	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Total Research & Development	Total Research & Development	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
General & Administrative									
Salaries & Wages	Payroll - G&A	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Bonuses & Severance	Bonus - G&A	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Payroll Taxes & Benefits	Employee Benefits - G&A	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Contractors	Contractors - G&A	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Professional Fees	Professional Fees	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Travel	Travel	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Meals & Entertainment	Meals & Entertainment	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Facilities	Facilities	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Other	Other - G&A	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Total General & Administrative	Total General & Administrative	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Corporate Contingency	Miscellaneous Expense	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Total Operating Expenses	Total Operating Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
EBITDA	EBITDA	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Operating Margin (%)		XXXX%	XXXX%	XXXX%	XXXX%	XXXX%	XXXX%	XXXX%	XXXX%

Operating Model Best Practices

Invest in a visual dynamic management view that quickly answers “what I have to believe” while being able to drill down into specifics

[ACME Labs] Summary Financials							
Actuals Ending August 31, 2025							
(\$ USD)	2024A	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025E	2026E
Topline							
Beginning Sales-Led cARR	XXM	XXM	XXM	XXM	XXM	XXM	XXM
(+) New Committed ARR	XXM	XXM	XXM	XXM	XXM	XXM	XXM
(-) Net Expansion Committed ARR	XXM	XXM	XXM	XXM	XXM	XXM	XXM
(-) Churned Committed ARR	(XXM)	(XXM)	(XXM)	(XXM)	(XXM)	(XXM)	(XXM)
Ending Sales-Led Committed ARR	XXM	XXM	XXM	XXM	XXM	XXM	XXM
Ending Sales-Led Live ARR	XXM	XXM	XXM	XXM	XXM	XXM	XXM
Sales-Led Gross Dollar Retention	XX%	XX%	XX%	XX%	XX%	XX%	XX%
Sales-Led Net Dollar Retention	XX%	XX%	XX%	XX%	XX%	XX%	XX%
Ending Self Serve	XXM	XXM	XXM	XXM	XXM	XXM	XXM
Total Committed ARR	XXM	XXM	XXM	XXM	XXM	XXM	XXM
% Growth	XX%	XX%	XX%	XX%	XX%	XX%	XX%
Total Live ARR	XXM	XXM	XXM	XXM	XXM	XXM	XXM
% Growth	XX%	XX%	XX%	XX%	XX%	XX%	XX%
Sales-Led Ending Customers	XX	XX	XX	XX	XX	XX	XX
Sales-Led cARR per Customer	XX	XX	XX	XX	XX	XX	XX
Financials (Management View)							
Net Revenue	XXM	XXM	XXM	XXM	XXM	XXM	XXM
% YoY Growth	XX%	XX%	XX%	XX%	XX%	XX%	XX%
Hosting & LLM	XX	XX	XX	XX	XX	XX	XX
Customer Success	XX	XX	XX	XX	XX	XX	XX
Payment Processing	XX	XX	XX	XX	XX	XX	XX
Cost of Goods Sold	XXM	XXM	XXM	XXM	XXM	XXM	XXM
Gross Profit	XXM	XXM	XXM	XXM	XXM	XXM	XXM
% Margin	XX%	XX%	XX%	XX%	XX%	XX%	XX%
Operating Expenses							
Sales & Marketing							
Headcount Related	XXM	XXM	XXM	XXM	XXM	XXM	XXM
Advertising & Conferences	XXM	XXM	XXM	XXM	XXM	XXM	XXM
Other	XXM	XXM	XXM	XXM	XXM	XXM	XXM
Total Sales & Marketing	XXM	XXM	XXM	XXM	XXM	XXM	XXM
Research & Development							
Headcount Related	XXM	XXM	XXM	XXM	XXM	XXM	XXM
Contractors	XXM	XXM	XXM	XXM	XXM	XXM	XXM
Software & Other	XXM	XXM	XXM	XXM	XXM	XXM	XXM
Total Research & Development	XXM	XXM	XXM	XXM	XXM	XXM	XXM



Operating Model Best Practices

30% of accuracy comes from mechanics

70% from how you “**operationalize**” your budget

Agenda

- 1 Strategic Planning Foundations
- 2 Model Narrative & Metrics
- 3 Operating Model Best Practices
- 4 Operationalizing Finance & Strategy**
- 5 FAQs and Q&A

Operationalizing Your Budget

**You pay a
50%+ operating tax
if your functional
leads can't answer...**

1. What inflection metrics am I responsible for?
2. Am I pacing ahead or behind on those key metrics?
3. How many people can I hire?
4. How much money can I spend for the rest of the quarter to reach my targets?

Operationalizing Your Budget

1. What inflection metrics am I responsible for?
2. Am I pacing ahead or behind on those key metrics?
3. How many people can I hire?
4. How much money can I spend for the rest of the quarter to reach my targets?

**Accounting data is
universally misused**

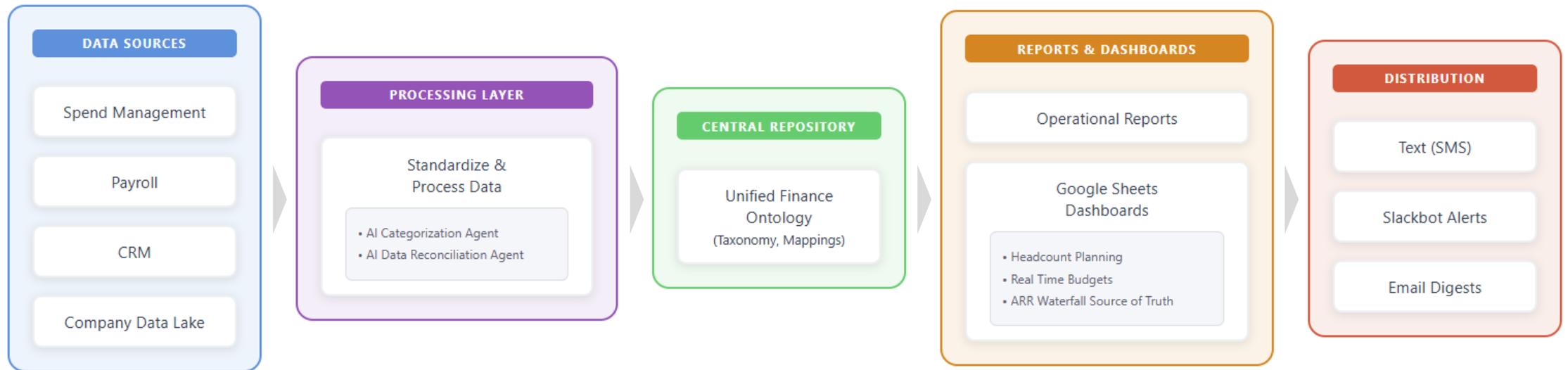
**Realtime, 95% accurate data
is more effective for
business decisions than
6 week delayed 100%
accurate data**

Operationalizing Your Budget

Timely data that **impacts business decisions**
Maintain **high signal to noise ratio**

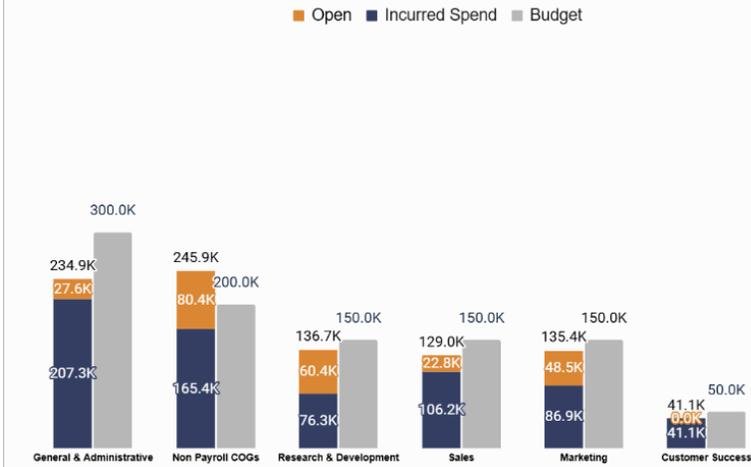
Operationalizing Finances Data Pipeline

End-to-End Data Flow Architecture



Operationalizing Your Budget

Real Time Budgets by Department



Spend Detail by Department

Spend Detail by Department		
Department	ALL	
Summary		
Quarterly Budget	1,000,000	
(-) Incurred Spend	(683,200)	
Remaining	316,800	
% of Budget Remaining	32%	
(-) Open Purchase Requests	(239,740)	
Remaining	77,060	
% of Budget Remaining	8%	
Spend by Category		
Expense Category	Incurred Spend	Open Bills
Total	683,200	239,740
Facilities	104,110	-
IT Expenses	11,610	-
Professional Fees	11,440	27,600
Meals & Entertainment	53,280	-
Software	176,680	44,100
Professional Development	8,230	-
Travel	69,540	-
Other	17,460	-
Hosting	142,600	81,440
Contractors	7,510	40,200
Events & Conferences	37,070	20,300
Advertising	43,670	26,100

Live Budget Tracking by Department

Department	Owner	QTD	Spend by Month (Incurred + Open)				QTD	Budget		
			Apr-25	May-25	Jun-25	Q2 Budget		\$ Remaining	% of Budget Remaining	
Research & Development	Winter Jones	136.7K	0.0K	56.5K	80.1K	0.0K	136.7K	150.0K	13.3K	9%
Non Payroll COGs	Winter Jones	245.9K	0.0K	152.6K	93.3K	0.0K	245.9K	200.0K	-45.9K	(23%)
Sales	Brett Morgan	129.0K	0.0K	49.8K	79.2K	0.0K	129.0K	150.0K	21.0K	14%
Marketing	Sterling Richardson	135.4K	0.0K	70.7K	64.7K	0.0K	135.4K	150.0K	14.6K	10%
Customer Success	Ellis Howard	41.1K	0.0K	23.2K	17.9K	0.0K	41.1K	50.0K	8.9K	18%
General & Administrative	Robin Peterson	234.9K	0.0K	132.5K	102.4K	0.0K	234.9K	300.0K	65.1K	22%
IT Expenses		8.7K	0.0K	3.2K	5.5K	0.0K	8.7K		-8.7K	n.a.
Facilities		104.1K	0.0K	52.2K	52.0K	0.0K	104.1K		-104.1K	n.a.
Professional Fees		39.0K	0.0K	31.0K	8.0K	0.0K	39.0K		-39.0K	n.a.
Rev Share		0.0K	0.0K	0.0K	0.0K	0.0K	0.0K		0.0K	n.a.
Other G&A		8.2K	0.0K	2.3K	6.0K	0.0K	8.2K		-8.2K	n.a.
Contractors		0.0K	0.0K	0.0K	0.0K	0.0K	0.0K			
Recruiting		0.0K	0.0K	0.0K	0.0K	0.0K	0.0K			
Other		8.2K	0.0K	2.3K	6.0K	0.0K	8.2K			
Total		922.9K	0.0K	485.4K	437.5K	0.0K	922.9K	1.0M	77.1K	8%

Enables

- Real-time decision-making without waiting for 4-6 week close
- Functional leads understand clearly what they can **proactively deploy** and when to get approval from CEO/Finance
- Reduces operating tax across the firm while **increasing velocity**

Goals

- Increase **transparency** and **autonomy**
- Make “unintentional” decisions into “intentional” decisions

Operationalizing Your Budget

CFO Executive Summary

Hiring Capacity: You can **open ~2 new reqs** (\$140K base salary avg) by Q4 2025

Hiring Pipeline: Of **15 open roles**, **3 are filled**, **12 are still sourcing**

Employee Census: Currently **21 active employees**, with **2 planned departures**, and **3 upcoming starts**

What Changed?: Opened **2 open roles**, **1 new planned departure**, **1 R&D head started**, and **\$50K of salary increases**

AVAILABLE TO OPEN

\$205K
~2 heads

✓ Within Budget

Q4 2025 BUDGET

\$5.3M

-

COMMITTED

\$5.1M

Current Payroll	\$3.1M
+ Open Roles	+ \$2.3M
+ Salary Increases	+ \$0.2M
- Planned Departures	- \$0.2M
Total Committed	\$5.1M

Open Roles

15

▲2

Waiting REQ

1

▼3

Sourcing

4

▲2

Offer

2

▲1

Filled

3

▲1

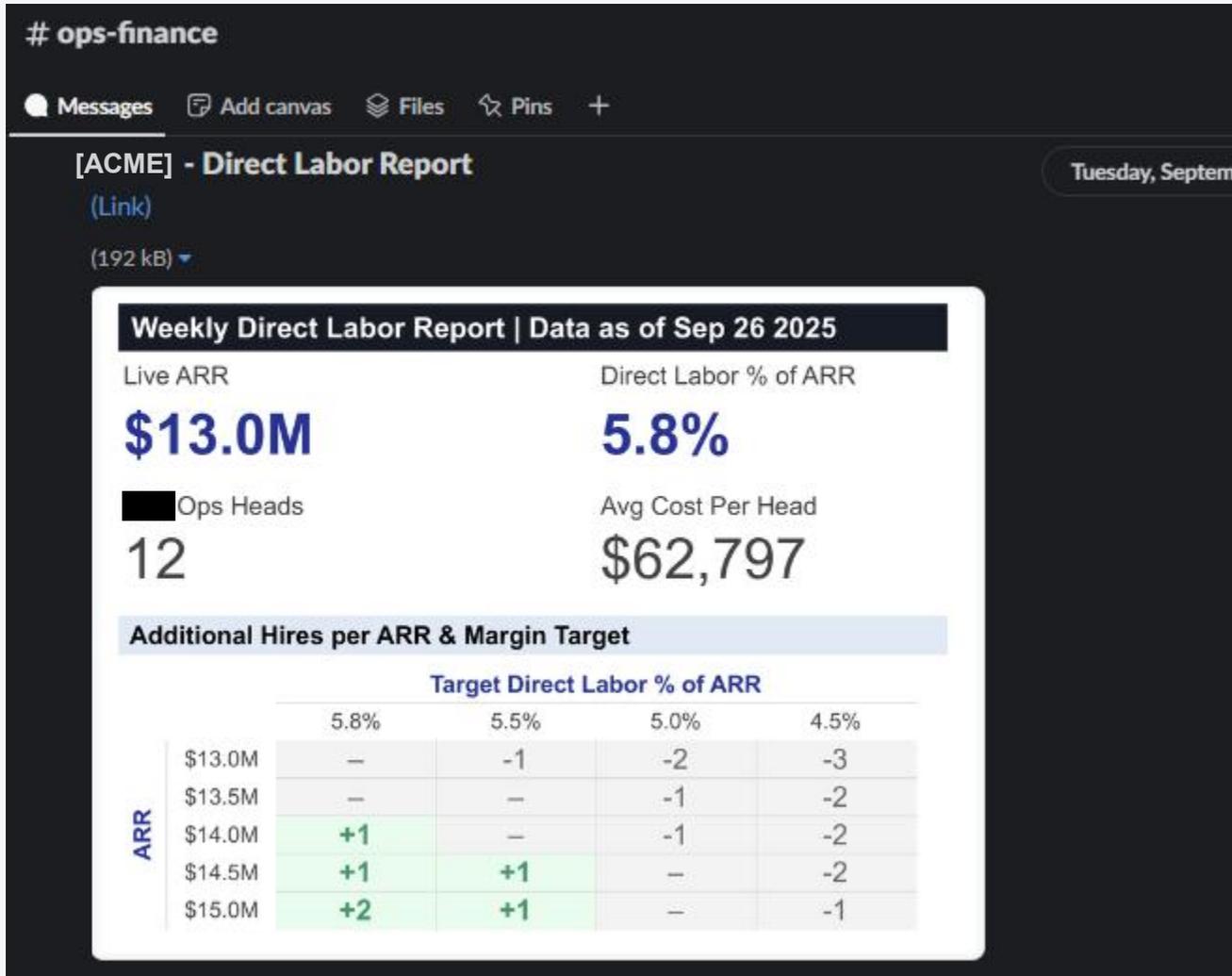
Enables

- Real-time decision-making without waiting for 4-6 week close
- Functional leads understand clearly what they can **proactively deploy** and when to get approval from CEO/Finance
- Reduces operating tax across the firm while **increasing velocity**

Goals

- Increase **transparency** and **autonomy**
- Make “**unintentional**” decisions into “**intentional**” decisions

Operationalizing Your Budget



Enables

- Real-time decision-making without waiting for 4-6 week close
- Functional leads understand clearly what they can **proactively deploy** and when to get approval from CEO/Finance
- Reduces operating tax across the firm while **increasing velocity**

Goals

- Increase **transparency** and **autonomy**
- Make “**unintentional**” decisions into “**intentional**” decisions

Operational excellence is a competitive advantage

99% of companies have **operational tax**

The top 1% of companies have **operational excellence** which is defined by;

Transparency - Do we understand what happened and why?

Alignment - Are the board, management, and employees aligned on the key bets & critical few metrics?

Accountability - Does strategy, prioritization, or resourcing change when you beat or miss targets?

Autonomy - Are functional leaders clear on their goals, resources, and empowered to address gaps?

Velocity - How quickly are good decisions surfaced, made, and implemented?

Operational excellence is a **sustainable competitive advantage**

CFO Advisors Playbook to Operational Excellence

Education

Customer Problems

- Stakeholders don't share a common language for objectives, success metrics, or process
- Decisions stall, rework multiplies, and buy-in erodes

Solutions

- Strategic Planning Foundations *(with Stanford & Lightspeed)*
- Economics & Mindset of a VC
- Hybrid Budget Framework
- World class Board Meetings *(with Oracle CFO)*
- Treasury Playbook *(with Mercury)*
- Mastering Investor Relations *(with Bessemer Venture Partners)*
- Value Creation vs Value Creation *(with Mozilla CFO)*
- Building your CFO Team *(with A16z)*
- [Metric Guides & Dictionary]

Workbooks & Rituals

Customer Problems

- Decisions made out of sequence with partial data and unstructured discussions
- No guided process for the right questions, with the right data, at the right time.

Solutions

- Strategic Planning
- Custom Operating Model
- Quarterly Department Reviews
- [Cost to Serve]
- [Employee Awards]

Dashboards & Flashes

Customer Problems

- Leaders can't answer "How many heads can I hire? How much can I spend? What metric do I own and am I pacing ahead or behind?"
- Data exists but is fragmented, stale, and not action-oriented

Solutions

- Headcount & Hiring
- Real Time Expenses
- Departmental Expenses
- ARR Source of Truth
- Monthly Financial Reviews
- [Unit Economics]
- [Sales Efficiency]
- [Value Creation]

Roadmap

Monitoring & Alerts

Finops Implementation

Agenda

- 1 Strategic Planning Foundations
- 2 Model Narrative & Metrics
- 3 Operating Model Best Practices
- 4 Operationalizing Finance & Strategy
- 5 FAQs and Q&A**

FAQs

1. **How do we balance optimism vs realism while maintain credibility?**
2. **Any advice on managing investors & missed projections?**

Investors Generally Care About 3 Things

1. Is this company consistently beating or missing plan (trust / business understanding)
2. Is this plan on a venture scale path?
3. If things don't work out, what's the liquidity of the company?

CFO Advisors Recommendations

- **Center conversations** around strategy → key inflection metrics → resulting P&L impact if executed well
- Plan for “**venture growth**” (path to 2-3x+) depending on business cycle
- Present 80% confidence (management) scenario, beat and raise as things are de-risked through the year
- Show “**resilience**” **scenario**, if targets are missed how investments will change to manage liquidity
- Consistent excuses lead to a **loss of credibility** (i.e. quarters of “deals being pushed out”)

Board Members' Favorite Slides

Top Priorities from Last Board Meeting

Priorities	Status
1. Launch new product "Barbie" by March 1	Launched March 15
2. Hire new CRO by Feb 1	Screening to final 2 candidates
3. Sign 20 new customers for product X	Signed 23 new customers
4. Move 100% of sales team to new compensation system by Mar 31	Delayed until Sept 30

Top Priorities for Next Board Meeting

Priorities
1. Hire new CRO by May 1
2. Sign 50 new customers for product X
3. Move 100% of sales team to new compensation system by Sept 30
4. Hire 25 engineers in new R&D center in Bangalore by June 30

Why This Is Effective

- Focuses board on the top priorities
- Commits to measurable outcomes
- Holds CEO and leadership team accountable for results (with red/yellow/green grading)

FAQs

3. If many of our contracts are pilots/early terminations how do we think about ARR/Forecasting? How to manage investors given high churn or pilot mix?

Buyer Context

- Significant pressure to operate like an “AI Native” company
- “Try 5 tools” pick the best 1 and churn the rest
- Experimental spend is real and can lead to high churn

CFO Advisors Recommendations

On Financial Planning

- Track “ARR” that is pilot or early term, apply a discount rate to corresponding revenue to see if it materially impacts any major investment decisions or runway

On Strategy & Investor Relations

- Understand the difference between **value creation** and **value capture**

FAQs

3. If many of our contracts are pilots/early terminations how do we think about ARR/Forecasting? How to manage investors given high churn or pilot mix?

Value Capture – Economics You Extract from Customers

- ARR, NRR, ACV. Metrics everyone leads with, standardized, easy to benchmark, but a **lagging indicator**
- **Effectively 100% of companies** track value creation
- Absence of contract restrictions, if value capture > value creation this **will lead to churn**

Value Creation – Impact You Have on Customers

- Actual customer outcomes achieved. Unique per company, messy, unstandardized, hard to benchmark but a **leading indicator**
 - SpaceX = \$ per ton to orbit, Netflix = Minutes watched, Intercom = Cases resolved
- **95%+ of companies** don't track value creation, companies that can inflect their value creation metric by 5-10x the next best alternative are more likely to have resilient success
- Demonstrating increasing value creation metric can **resolve anxieties** around historically high churn or a high pilot mix. Give something **tangible** for an **investor to underwrite**

Open Q&A