THE SME CFO · RESOURCE

The Three Numbers Framework

Investors decide fast, and they decide on a handful of figures. Know these three cold before any fundraising conversation. This one-pager is the working companion to our analysis of the same name.

1. BURN AND THE RUNWAY IT BUYS

- [ ] Burn is the cash you consume each month after revenue.
- [ ] Runway is how many months of it you have left in the bank.
- [ ] Know your burn to the pound, and know the date the money runs out.

2. GROSS MARGIN, NOT JUST REVENUE

- [ ] Revenue shows how big the top line is; margin shows whether the business underneath it works.
- [ ] Be ready to explain what sits in your cost of sales, and why the margin is what it is.

3. THE UNIT THAT REPEATS

- [ ] Every fundable business has a unit that repeats: a customer, a subscription, a transaction.
- [ ] Know what it costs to acquire (CAC) and what it returns over its life (LTV).
- [ ] When lifetime value comfortably clears the cost to acquire, you have a machine worth funding.