FINANCIAL LITERACY & ACUMEN WORKSHOP

Making the numbers make sense

A working session on financial statements, forecasting, and the metrics investors will ask about, built for founders who are just getting started.

Angela Pierce, CPA
Founder and CEO, Truspan Financial Technology

September 17, 2026

What we'll cover in the hour

- **01** Why finance matters
- **02** The three statements
- **03** Burn & runway
- **04** Key growth metrics: ARR, Magic Number, NRR
- **05** Building a forecast
- **06** Questions & Discussion

ANGELA PIERCE, CPA

Founder & CEO
Truspan Financial Technology

30 years in finance

20 years as a CFO

4 exits

$1B+ capital raised

CPA · MBA

truspanfinancial.com

Finance is a decision tool, not a report card

Every dollar in your business already reflects a decision you made. Financial literacy just means seeing those decisions clearly enough to make the next one on purpose, instead of by instinct.

Revenue Strategy

- What will the customer be willing to pay (why)
- How do you sell and go to market
- What type of revenue do I have (MRR/NRR)
- What do I know about my competitors

Hiring & Expense Planning

- What do roles cost for the next 12 months
- Do you really need them or can you wait
- What resources do you need right now, why?
- Don't forget all the expenses

Fundraising

- What story does my model tell an investor
- Who can I call on now and who later
- What milestones will make me investable
- What type of investment vehicle do I need

Master these three levers, and everything after this slide is just vocabulary for decisions you're already making.

What investors look for in your P&L

Revenue growth rate

- The trajectory matters as much as the number: show the trend, quarter over quarter
- Are underlying assumptions reasonable and defendable
- When do you have first revenue, big step, when do you hit $1M in revenue, and $5M, etc.
- They will discount it n matter what so don't take offense

Gross margin %

- Benchmark it against your model: SaaS, services, and hardware all look different here
- Margins generally improve over time so if it is erratic or inconsistent ask why
- Cost of goods sold includes all costs associated with customer delivery and direct support: cloud, inventory, implementation, customer support

OPEX, fully loaded

- Payroll, benefits, software, rent, and T&E: nothing quietly left off
- How much is invested in S&M, R&D, and G&A, look at benchmarks they change over time
- Metrics like ARR per employee and % expense as % of revenue ensure you make reasonable assumptions (Marketing 3%-6% of revenue at scale as an example)

EBITDA

- Earnings before interest, taxes, taxes, depreciation, amortization amortization
- The profitability lens investors and lenders use once you're past pure growth mode
- It will be negative early on but you will generally show it positive within a few years,
- Used in calculating Rule 40 (Rev growth rate + EBITDA %)

Working capital is the hidden clock

1. You invoice a customer, and wait 60 days or more to get paid: that gap is Accounts Receivable
2. You have to pay your team now, on payroll day, whether or not that invoice has cleared
3. Can you negotiate longer terms with vendors, and push Accounts Payable out to buy yourself time
4. Inventory or equipment you hold shows up here too, and ties up cash until it converts back to revenue

The gap between cash out and cash in is what breaks companies, not a lack of profit

Great companies often fail because they do not manage their Balance Sheet

Proving you won't run out of money

This is where you show you've thought through the working capital needed to fund the business, and answered four questions:

How much

- What does the business need, month to month, just to run
- Until revenue can support the business, what will we burn in operations (on the P&L)

What you're assuming

- Can you defend assumptions behind that number, one by one
- Take a hard look at your revenue; customers, rate per, churn or installation cycles, beta, free customers
- Are costs realistic, have you thought of everything – but don't pay for something before needed

When you need it

- This quarter, in six months, or tied to a specific milestone
- Investors love milestones, they also help keep you honest and accountable
- Can you delay payment with timing, partnerships, equity?

Where from

- Revenue, a raise, or a line of credit: name the source, not just the number
- Different sources at different times
- Why type of instrument? SAFE, Note, Loan, Equity, Customers

This is the statement a sharp investor often reads first, to see if you've actually thought it through

Before revenue scale, two numbers matter most

Burn rate

The net cash your company spends each month: everything going out, minus any cash coming in

Track it weekly/monthly, not quarterly. It moves faster than you think.

Runway

Cash in the bank, divided by your monthly burn rate: how many months before you're out of money

Set a decision trigger well before it hits zero.

Each block below is one month of runway. Cash runs down quicker than you think

It takes 4-6 Months to raise money

It takes longer to close a customer than you think – whatever you think add 90 days to it for go live and another 30 days to get paid

Runway (months) = Cash in bank ÷ Monthly burn rate

ARR and MRR: revenue, annualized

MRR

Monthly Recurring Revenue

The predictable subscription revenue you can count on this month

ARR

Annual Recurring Revenue

MRR multiplied by 12: the number you'll be asked about most often

Pre-revenue, this is where you're headed, not where you are. Set an ARR target for month 12 and 24, and build your forecast toward it.

If you have Non Recurring Revenue, understand how it fits and scales – mix of recurring & non recurring impacts your enterprise value

Two different ways to measure GTM efficiency, you may be asked about either

Magic Number

(New ARR this quarter) ÷ Sales & marketing spend last quarter

Above 0.75: efficient, worth investing more

Below 0.5: fix the model before spending more

CAC and LTV:CAC

CAC = Total sales & marketing spend ÷ new customers acquired

LTV = expected revenue per customer, over the life of the relationship

LTV : CAC of 3:1 or better is the common bar

Net vs. Gross Revenue Retention: two views of the same customers customers

Net Revenue Retention (NRR)

Revenue this year from last year's customers, including upgrades and downgrades, divided by what those customers paid last year

Above 100%: existing customers alone grow revenue

Above 120%: best-in-class SaaS benchmark

Gross Revenue Retention (GRR)

The same calculation, but counting only downgrades and cancellations, capped at 100%: no credit for upsells

Above 90%: a sticky customer base on its own

Shows retention without upsells masking churn

Your one-page glossary

MRR
Monthly recurring revenue

ARR
MRR × 12

Gross margin
Revenue minus cost of goods sold, as a percent of revenue

EBITDA
Earnings before interest, taxes, depreciation, amortization
amortization

OPEX
Operating expenses: payroll, tools, T&E, rent

Burn rate
Net cash spent per month

Runway
Months of cash left at current burn

CAC
Cost to acquire one customer

LTV
Expected revenue per customer, over the relationship

Magic Number
Growth efficiency of sales and marketing spend

NRR
Revenue growth from existing customers, upsells included

GRR
Retention from existing customers, capped at 100%

SAFE
Simple Agreement for Future Equity: converts to shares later, no interest or maturity

Preferred vs Common
Preferred (investors) gets paid first in a sale; common (founders, team) is paid after

Rule of 40
ARR or Revenue annual growth rate % + EBITDA as a % of revenue = goal over time is 40%+

Build your model before you need it

1. Start with expenses. You already know most of them: rent, salaries, tools, contractors.
2. Estimate revenue in ranges, not a single line: a conservative case and an upside case.
3. Rebuild it monthly against actuals. A forecast that never changes isn't being used.
4. Treat it as a living document, not a fundraising artifact you build once and file away.

Rule of thumb: update the moment you get a real data point, a signed contract, a missed hire, a slower sales cycle.

Some questions to ask as you build your financial strategy

1. What's my pricing, relative to my comps, and what are customers already used to paying? That sets your path to ARR and NRR.
2. Do I have capex or upfront costs before I can go to market, what are the gates to get to revenue?
3. How long will it realistically take to close funding, and do I have the runway to survive that timeline?
4. What are my financial milestones: the proof points that show investors the model works?

Three things to do this week

1 Build, or rebuild, a 12-month cash forecast, keep it simple and hold yourself accountable

2 Know your runway number, and set a decision trigger before it runs out, reach out to 10 potential investors

3 Pick one metric, an ARR target, # leads/prospects, whatever takes you to the next gate and track it

Do these three, and you'll walk into any investor conversation more prepared than most founders at your stage.

Let's put this into practice

Free 1-hour CFO Consult

Bring your questions and or your numbers for an open conversation

Book a Consult

Try Truspan, free forever

Our forecasting platform is free forever. Build the model from today's slides in your own account.

Try Truspan Forecasting Software

THANK YOU

Questions and discussion

Pricing, runway, your model, your metrics: nothing is off limits

Angela Pierce, CPA

Founder and CEO, Truspan Financial Technology

truspanfinancial.com