

How to use: go through each section and check every box that applies. Tally your score at the end. Any unchecked box is a documented operational gap.

Acquisition Economics

- 1 ☐ Do you know the CAC-to-first-month-revenue ratio for each plan tier?
- 2 ☐ Have you calculated months of retention needed to recoup CAC?
- 3 ☐ Does churn historically hit before CAC payback completes?
- 4 ☐ Do you track cash reinvestment lag separate from reported MRR growth?
- 5 ☐ Can you name average months-to-breakeven per acquisition channel?

Fit And Friction

- 6 ☐ Have you tested a one-time or usage-based tier against subscription-only?
- 7 ☐ Do signup drop-off metrics show friction before product evaluation?
- 8 ☐ Have customers said billing cadence mismatches their usage pattern?
- 9 ☐ Does your pricing page offer any non-recurring purchase path?
- 10 ☐ Have you measured revenue lost to subscription-averse buyers?

Retention Reality

- 11 ☐ Can you separate inertia renewals from actively engaged renewals?
- 12 ☐ Do you audit accounts still paying but no longer logging in?
- 13 ☐ Have you modeled MRR if inertia renewals were audited out?
- 14 ☐ Is churn reduction budgeted as its own line item?
- 15 ☐ Do you know your net churn number including expansion revenue?

Churn Accounting

- 16 ☐ Do you have a defined cutoff for writing off failed-payment accounts?
- 17 ☐ Does reported MRR include past-due accounts not yet churned?
- 18 ☐ Do you track gross new signups against net MRR trend monthly?
- 19 ☐ Have you checked if logo growth masks a shrinking net base?
- 20 ☐ Does one cancelled account subtract dollar for dollar from MRR?

Operational Fragility

- 21 ☐ Have you mapped every operational part that could break recurring revenue?
- 22 ☐ Does onboarding failure rate correlate with early cancellation?
- 23 ☐ Have you stress tested billing failures against churn spikes?
- 24 ☐ Would a locked contract fix or just mask price instability?
- 25 ☐ Is any single team a point of failure for retention?

SCORING GUIDE

Score	Level	What it means
0 to 11	CRITICAL	Structural failures are actively destroying margin
12 to 19	MODERATE	Gaps in two or three areas that need immediate attention
20 to 25	STRONG	Systems are solid, focus on optimization

Book a free data audit at modonix.com/service. We identify your top 3 margin leaks in one session. Written by Ahmed Abuswa, Modonix.com