

# REVENUE TRUTH SELF-DIAGNOSTIC

Healthtech Edition

Twelve questions. Answer each honestly. Score yourself Pass, Watch, or Fail. Two or more Fails in any cluster means you have a board conversation coming that your current reporting will not survive.

## HOW TO SCORE

**PASS** Your metric is clean, defined, and reported consistently.

**WATCH** You're in range but the definition is soft or the trend is moving.

**FAIL** You can't answer this confidently, or you know the number is wrong.

## CLUSTER 1 — ACQUISITION ECONOMICS

**1** Does your CAC calculation include implementation cost and customer success onboarding hours — not just S&M; spend?  PASS  
 WATCH  
 FAIL  
*Red flag: Most CAC calculations exclude 20–40% of actual acquisition cost.*

**2** Can you report CAC payback period on a gross profit basis, broken out by ICP segment?  PASS  
 WATCH  
 FAIL  
*Red flag: Blended CAC on a revenue basis overstates efficiency and hides segment-level problems.*

**3** Is your LTV:CAC ratio based on at least 24 months of active cohort data?  PASS  
 WATCH  
 FAIL  
*Red flag: LTV extrapolated from cohorts under 24 months is a projection, not a measurement.*

**4** Are your ICP segment definitions stable quarter over quarter, with win/loss tracked by segment?  PASS  
 WATCH  
 FAIL  
*Red flag: Segment definitions that shift quarterly make it impossible to read cohort trends honestly.*

Cluster 1 Score: Pass \_\_\_ Watch \_\_\_ Fail \_\_\_

**2+ Fails = board risk in acquisition economics**

## CLUSTER 2 — REVENUE QUALITY

**5** Is your Net Revenue Retention calculated without contractual price escalators — genuine expansion only?  PASS  
 WATCH  
 FAIL  
*Red flag: MSA price escalators counted as expansion routinely inflate NRR by 10–20 points.*

**6** Does your Gross Revenue Retention exclude contracts reclassified as "restructured" rather than churned?  PASS  
 WATCH  
 FAIL  
*Red flag: "Restructured" is the most common mechanism for hiding logo churn from board reporting.*

**7** Can you report expansion attach rate separately from professional services revenue?  PASS  
 WATCH  
 FAIL  
*Red flag: PS revenue counted as ARR expansion signals no real product-led expansion motion exists.*

**8** Is your logo churn rate reported including SMB churners, not just "strategic" accounts?  PASS  
 WATCH  
 FAIL  
*Red flag: Excluding SMB churn from the narrative systematically understates retention risk.*

Cluster 2 Score: Pass \_\_\_ Watch \_\_\_ Fail \_\_\_

**2+ Fails = board risk in revenue quality**

## CLUSTER 3 — FORECAST INTEGRITY

**9** Are your pipeline stage weights based on actual historical close rates — updated in the last two quarters?  
*Red flag: Default or stale stage weights are the single most common source of forecast fiction.*

PASS  
 WATCH  
 FAIL

**10** Is your forecast accuracy measured against the original revenue call at quarter open — not the CFO-adjusted commit?  
*Red flag: Measuring against adjusted commit makes forecast accuracy unmeasurable and meaningless.*

PASS  
 WATCH  
 FAIL

**11** Is your slippage rate tracked by stage, with slipped deals re-entered as new pipeline flagged separately?  
*Red flag: Recycled slippage counted as new pipeline systematically inflates coverage ratios.*

PASS  
 WATCH  
 FAIL

**12** Is your average sales cycle reported separately for enterprise and SMB segments?  
*Red flag: Averaged cycles hide enterprise deterioration — the most expensive problem to discover late.*

PASS  
 WATCH  
 FAIL

Cluster 3 Score: Pass \_\_\_ Watch \_\_\_ Fail \_\_\_

**2+ Fails = board risk in forecast integrity**

**OVERALL** Total Pass \_\_\_ Total Watch \_\_\_ Total Fail \_\_\_

**0-1 Fails** Your metrics are in reasonable shape. The risk is probably in the definitions — make sure your board is seeing the same numbers you are.

**2-4 Fails** You have at least one cluster with a structural problem. The board may not see it yet, but it will surface — at a raise, a renewal, or a board meeting you weren't expecting.

**5+ Fails** Your revenue reporting is not board-grade. This is fixable — but it requires rebuilding the measurement architecture before you can defend the numbers.

**Bent Christiansen | Interim CRO**

I install board-grade revenue truth systems for VC and PE-backed healthtech companies that need commercial clarity before their next board meeting or raise.

[bent@freeboardhealth.com](mailto:bent@freeboardhealth.com)  
[calendly.com/bent-freeboardhealth](https://calendly.com/bent-freeboardhealth)  
[linkedin.com/in/bent-christiansen](https://linkedin.com/in/bent-christiansen)