

2025 Financial Planning: What You Need to Do Differently This Year



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anrok

What we'll cover

1. What a great AOP process looks like
2. Practical tips for each department
3. What is different about planning for 2025

What is the purpose of an Annual Operating Plan (AOP)?

1. **Align** the team and investors towards a shared goal
2. Propose a strategic **allocation** of resources

★ **Operational excellence**

PRE-AOP

Inputs into the AOP Process



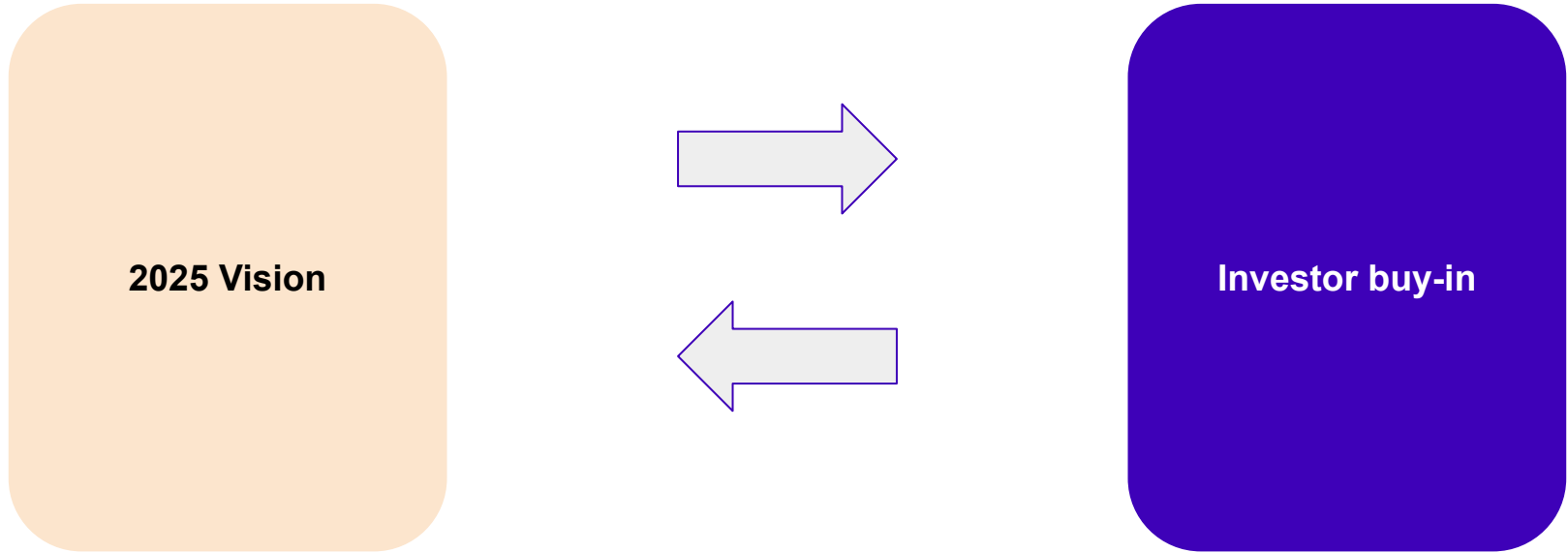
Company Strategy

Multi-Year Vision

Annual goals

AOP PROCESS

Get investor buy-in on the **annual goal** direction early



AOP PROCESS

Develop bottoms up view



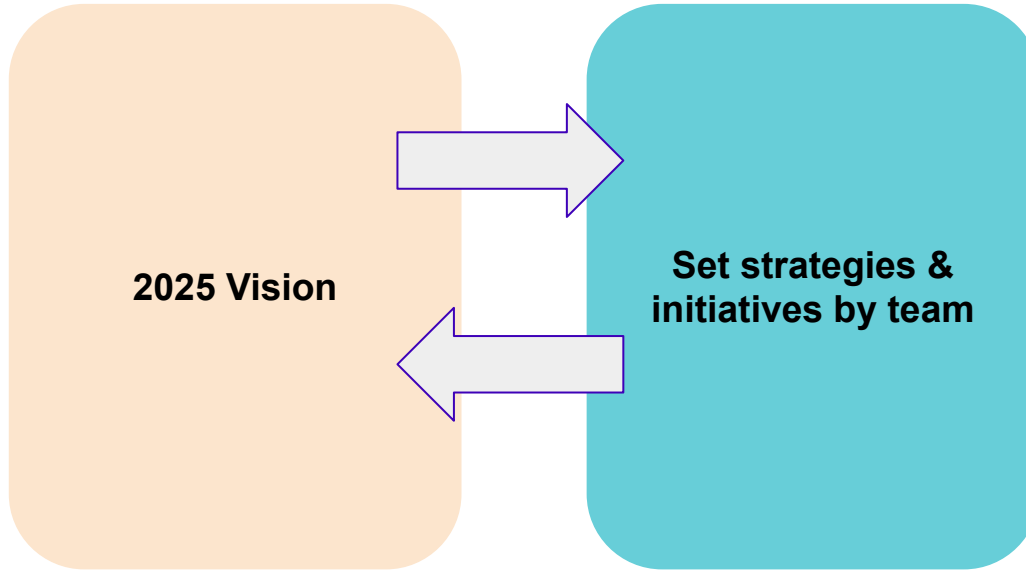
2025 Vision



**Set strategies &
initiatives by team**

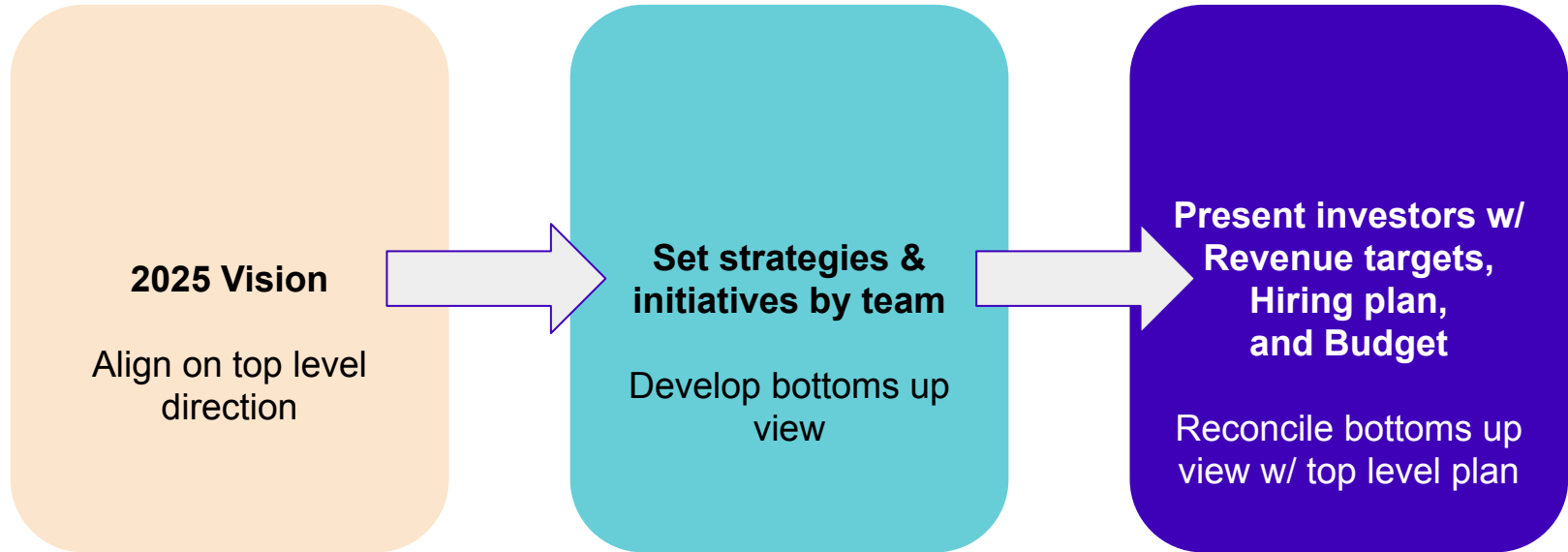
AOP PROCESS

Reconcile bottoms up view with top level plan



AOP PROCESS

Present plan to Board and exec team for finalization



What we'll cover

1. **What a great AOP process looks like** ✓
2. **Practical tips for each department** 👉
3. What is different about planning for 2025

Sales

Marketing

Engineering

PRACTICAL TIPS

Rules of thumb for three departments



Sales

- Start with ARR goals from management
- Use market comps and benchmarks
What did other similar companies do on their walk up to IPO?
- Roll up: Enterprise vs PLG
Enterprise sales: ideally 70% of reps hit 100% quota or more




What net new ARR you can hit w/ existing team?
Back into how many new reps you need to make up for the gap to your ARR goals

PRACTICAL TIPS

Rules of thumb for three departments



Marketing

- **Start with Pipeline creation required for ARR goals**
Divide your ARR goals by your close rate % to get pipeline creation target
- **Define initiatives over headcount**
Understand and align on the rationale
-  **Know when you are hitting diminishing returns to spend**

PRACTICAL TIPS

Rules of thumb for three departments



Engineering

- Start with how new products help hit ARR goals
- What resources are needed from engineering, product, design to deliver on new products



Manage margin early

Look at cloud cost growth in relation to actual revenue growth

What we'll cover

1. What a great AOP process looks like ✓
2. **Practical tips for each department** ✓
3. What is different about planning for 2025 🙌



“I believe it's hard to predict the future.
It's not that hard to predict the present.”

- HOWARD MARKS

Two sea change developments in tech



Macro



AI

Four implications for 2025



The AI factor

Define your place in the ecosystem



LLM economics

Compute heavy companies vs companies that utilize LLMs



Churn

Revise baselines in a cooling market



Productivity paradox

Avoid unrealistic expectations

SUMMARY

What we covered

- ✔ What a great AOP process looks like
- ✔ Practical tips for three departments
- ✔ What is different about planning for 2025

Financial Planning Template | Three Year Vision Alignment

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	A	B	C	D	E	F
1			2024	2025	2026	2027
2		Implied ARR (Target)	\$100,000	\$190,000	\$260,000	\$338,000
3		Growth				
4						
5		Implied ARR (Stretch)	\$96,100	\$217,138	\$428,505	\$699,759
6		Growth		2.26x	1.97x	1.63x
7						
8						
9		Core Product	\$95,000	\$190,000	\$323,000	\$484,500
10		Additional bets	\$1,100	\$27,138	\$105,505	\$215,259
11						
12		Core Product				
13		2025: [Vision for next year]				
14		2026: [Vision for two years out - expand SKUs for example]				
15		2027: [Vision for three years out - expand globally for example]				
16		Count	2,500	4,750	5,873	6,921
17		ACV	\$38	\$40	\$55	\$70
18		ARR contribution	\$95,000	\$190,000	\$323,000	\$484,500
19				2.00x	1.70x	1.50x
20						
21		New bet 1				
22		2025: [Vision for next year - launch beta]				
23		2026: [Vision for two years out - GA]				
24		2027: [Vision for three years out - Grow sales team]				
25		Count	5	119	470	969
26		ACV	\$200	\$200	\$200	\$200
27		ARR contribution	\$1,000	\$23,750	\$93,964	\$193,800
28		Attach rate		3%	8%	14%
29						
30		New bet 2				
31		2025: [Vision for next year - launch beta]				
32		2026: [Vision for two years out - GA]				
33		2027: [Vision for three years out - Grow sales team]				
34		Count	1	5	12	20
		ACV	\$100	\$250	\$350	\$450
		ARR contribution	\$100	\$1,250	\$4,200	\$9,000

Thank you

👉 Email hello@anrok.com if we can help quantifying tax liabilities ahead of 2025 planning

Yes, Anrok covers US & Global VAT 🌍

