Stop Chasing These Vanity Metrics if You Want to Succeed

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A school using FutureFund — my fundraising platform for K-12 school groups — recently raised $9500 for their softball team during a hit-a-thon campaign. That money will have a positive impact on those students, but it's not the kind of thing we'd use to advertise the value of our platform.

Without context, that $9500 doesn't provide any useful information to potential users. It might feel loosely positive, but it says nothing about what they could expect from using the platform. In other words, it's a vanity metric.

Here's a better way to look at the data: $9500 raised by a team of 30 students breaks down to about $353 per student. Imagine a school group trying to raise money for a football team of 50 players — or a fun run with hundreds of participants. That per-student metric would mean much more to them than some arbitrary lump sum.

Startups often make this mistake. They focus on numbers that don't really matter while ignoring the ones that do.

Here's how you can fix that.

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This is the number one vanity metric startups chase (and why it isn’t helpful)

The biggest vanity metric most startups chase is their percentage of growth. You see it all the time – companies advertising that they grew by some incredible amount – like 500% in the previous year. But here’s the thing:

If you start at $1, go to $5, and call it 500% growth, it doesn’t mean anything. It’s still just $5. A lemonade stand can grow by 500% in a year, but that doesn’t make it a successful business or a viable opportunity for investors.

Now, that doesn’t mean the growth percentage never matters. If you’re an established company trying to grow by 20% and you grow by 22%, that could still be important. But for most startups, this is the biggest vanity metric.

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How to spot vanity metrics at a glance

Here’s my rule of thumb when people ask me what a vanity metric is: any metric you put on your website or press release is probably a vanity metric. Any metric with a nice, round number. Stuff with lots of commas. Stuff that looks good.

They’re not always useless, but you shouldn’t chase them. They might look good on your site and make people comfortable doing business with you, and those are broadly useful for your marketing. You just shouldn’t shift your business operations to make them get bigger.

Why your mission should always come first

I've never had a goal to raise $140 million for FutureFund. When we reached $130 million, did it feel good? Of course. Could that kind of achievement be a proxy for more revenue? Sure. But I knew it also couldn't become our mission.

Our mission is to enrich the lives of students everywhere. I'd much rather measure how many students have been impacted by our platform, and how many get opportunities to experience things they wouldn't be able to without our platform.

Those metrics actually tell us how well we're succeeding at our mission. They're a reflection of whether we're fulfilling our purpose, not just how much money we're making. Being purpose-driven helps us set more ambitious goals and have a more meaningful impact in the world. It helps us think big and do better.

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Vanity metrics vs. growth levers

Then there are the growth levers—the numbers we use to improve our business. These are some of the best metrics to analyze, although they're rarely the most interesting ones to talk about. They're not as exciting, but they're much more useful.

Growth levers are different depending on your mission or your immediate goals. For example, if you're acquiring people, you want to look at Customer Acquisition Costs, churn rates, etc. Since our goal at FutureFund is to help schools, we look at how many dollars are raised per student at each school that works with us.

That brings us back to the softball team. Yes, they raised $9,500 — but that $353 per player was the metric we honed in on. It demonstrates to other schools what they might expect by working with us and reflects how effectively people are using the platform, which can guide future upgrades and new features. It isn't just better for advertising; it's a meaningful growth lever as well.

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Growth percentage is too relative to mean much for most startups, and revenue isn't tied to your mission, which ultimately keeps your customers coming back. When you put these vanity metrics aside and focus on growth levers that help you bring more value to your market, you set yourself up for more consistent and sustainable growth.

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