



Stanford eCorner

Avoid Vanity Metrics

Jessica Mah, *inDinero*

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Video URL: <http://ecorner.stanford.edu/videos/2856/Avoid-Vanity-Metrics>

Jessica Mah, co-founder of inDinero, warns entrepreneurs against putting faith in "vanity metrics," numbers that do not reflect the true success of a business, but may sound attractive to the media and general public.



Transcript

We had set goals for ourselves, for how many users we'd have or how much revenue we'd be making and the numbers seem impressive but a lot of them are just vanity metrics. They sound really good to TechCrunch and to Inc. Magazine, but they don't translate into business success. What's an example of vanity metrics? Say for example inDinero could say it's tracking tens of millions of transactions and billions of dollars of business assets, which is all true. But how many of these users are active and paying money and how much money are they paying and how loyal are they and are we solving real problems for them and that's where we really had to... And you were tracking those real numbers as what? Well, I track the real numbers too and like they were not as great as I wanted them to be. Right. And so was that something that you had to fix or was it just kind of like you were stuck for a while? Well, we were - I think we were so unhappy during that time period because we kind of assume that we'd be successful. Like, we had raised expectations so high ourselves that when reality came to us we had no choice but to feel bad about it.