Five numbers explain your whole product.

D8A.ACADEMY/RESOURCES/AARRR-FUNNEL

THE FUNNEL

Acquisition	they show up
Activation	first value felt
Retention	they come back
Revenue	they pay
Referral	they bring friends

ONE METRIC EACH

signup / visit	acquisition rate
aha in day 1	activation
week-4 return	retention cohort
MRR	revenue that repeats
invites sent	referral, k-factor

WHERE IT LEAKS

activation	← fix this one first.
not acquisition	ads hide the hole

READ IT RIGHT

by cohort	week they joined
stage / stage	rates, not totals
one owner each	or nobody moves it

ANTI-VANITY

page views	not a stage
followers	not a stage either
count stage moves	the only progress

GOTCHAS

revenue first	← churn eats MRR alive.
mixing cohorts	averages hide decay
five dashboards	one page beats them

WORTH MEMORIZING

01 One metric per stage

If a stage has three metrics it has none. Pick one rate, give it one owner.

Acquisition	signups / visits. Where do the best cohorts come from?
Activation	share reaching the aha moment in day 1.
Retention	cohort still active in week 4.
Revenue	MRR, and the free-to-paid rate behind it.
Referral	invites per active user that convert.

→ Rates between stages, not totals inside them: 40% of signups activating beats 10,000 signups you cannot describe.

02 Trap: pouring into a leaky funnel

Most teams fix acquisition first because it is the stage money can buy. The leak is usually one floor down.

SYMPTOM	THE REFLEX	THE FIX
flat retention	buy more ads	fix activation first
low revenue	raise prices	check week-4 retention
no referrals	add a share button	earn a wow moment

→ Order of operations: activation, retention, then acquisition. Ads on a leaky funnel rent growth, they do not build it.