

cube



**Strategic Finance  
Office**

metatron



**Business Roadmap  
Advisory**

octahedron



**Investment Banking  
Advisory**

icosahedron



**Mergers & Acquisitions  
Advisory**

**PRE  
QUATE**

Business model  
redesign can boost  
your ARR & make  
you more investible.

Start-ups often undervalue the breadth of the problem they are solving and chase after short term-cash flows. Prequate tweaked **Auber's** model to create product stickiness and make them more investible.

Note: Names of businesses have been masked to protect client confidentiality privileges and non-disclosure agreements. Information which is extremely specific has been masked if they are part of a live transaction or a completed PE transaction.

Case Study  
Last updated

#16-10-V  
May 14, 2020

## 1 Beginning a journey

**Auber** was a 4-year-old B2B e-retailer providing tools and implements to small service providers (a \$3Bn market) with a team of 10 employees. **Auber** had been consistently growing and was generating over \$100k with less than \$1k of marketing spends per annum. The company had been trying to raise funds, but unable to get investors excited about the opportunity.

Initial operations of the company:

- GM of 14% across all products
- Tech spends of \$75k per annum
- Over 40 merchants actively ordering on the platform
- 150+ shipments a month

They had begun approaching investors for scaling the reach by adding more service providers across the country investors often compared it to their competition who had failed to break bank.

**Prequate** was brought in to help **Auber** remodel their business and make them more attractive for VC investment.

## 2 Developing a deep understanding

**Prequate** started off with a deep-dive into the key challenges that these service providers faced, the problems that technology could solve, the core fundamentals of a product, its possible adoption challenges, its stickiness and the type of data it was able to generate when it was deployed over time.

Prequate noticed:

- Product solved only one of the problems that the service providers faced – time to physically buy
- Product installed was essentially a piece of expensive real-estate on their target service providers phone
- Service providers had a tendency of switching to old habits if it yielded no other benefit

**The real-estate of the app screen could be used more productively – to digitize the lives of the service provider, increase transparency and retain clients.**

## 3 Asking the right questions

**Prequate** deduced that the product would be quite easily unhinged by its competition which had much better capital firepower. It meant that the business model needed to solve larger problems in a way that answered >

- How integrated is this to all that I do as a service provider? Will I need to build new habits?
- Who gains primarily from using the product – me, my customers or **Auber**?
- Will this benefit me in ways more than just efficiency?

## 4 Getting to brass tacks

**Prequate** worked with their entire management teams including their customer onboarding team to get a detailed understanding of the challenges that service providers faced day-in & day-out.

### ▲ Create a well-rounded detailed customer persona

Identify & document clearly the life of target customer, his daily routine, his concerns & his challenges every day

### ▲ Problem & solution segregation

Roster the set of problems and segregate them based on those that can be solved with technology and those that can be solved with better operations – ignore the rest

### ▲ Create a product roadmap

Challenge the current product roadmap as to whether it solves these challenges. If not, what should be added?

### ▲ Redesign the business model

Create new business model which involves solving the problems using technology on a sustained basis

## 5 Solution snapshot

**Prequate** derived a:

- ▲ **a new business model:** which involved providing a much needed workflow digitization application, completely built for any smartphone, for service providers – for free. App would integrate into their e-tail to close the loop; and
- ▲ **Re-strategized their product roadmap:** to include one-hand operation, one touch support, CRM functionalities, e-invoicing and digital service history and e-payments modules. Clients could use this tool to chat securely.

Result?  
Business model redesign can  
boost your ARR & make you  
more investible.

- ▲ Raised seed funding of over ▲ \$1M in under 90 days
- ▲ Software ARR growing by ▲ 170% MoM (2,000% Ann)
- ▲ GM% increased from 14% to ▲ 26% in 3 months
- ▲ Product use & adoption increased by ▲ 100% MoM
- ▲ Solution sold as software can bring in huge revenues at a 90% GM

PRE  
QUATE

website

If you want to  
see what else we do

If you want us to  
reach you

chatbot

email

If you want to  
write to us

If you want access to  
more of our thought leadership

sign-up

book time

If you want to book  
a quick call with the team