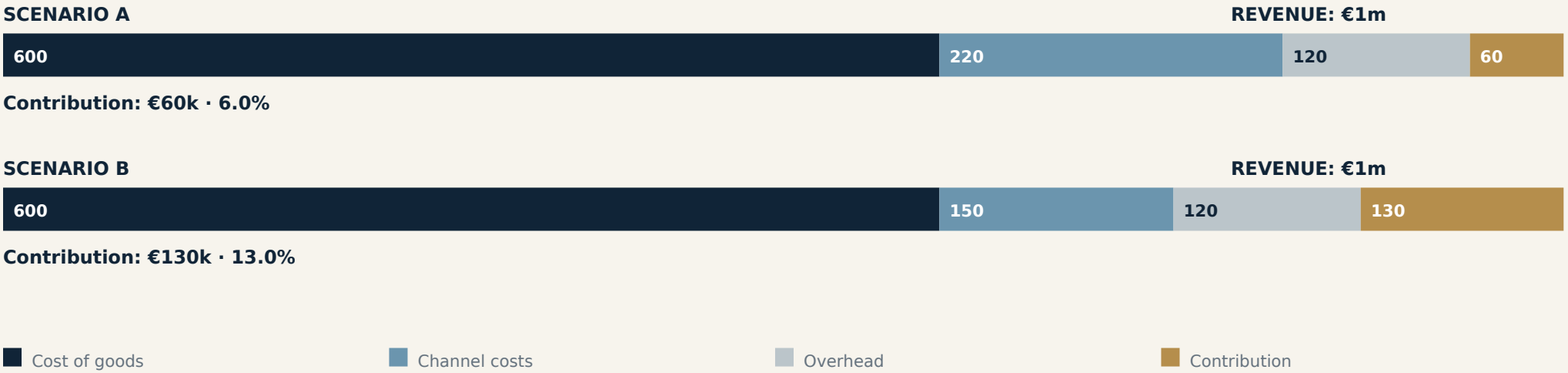
PIERPAOLO BIRONI / EXECUTIVE PERSPECTIVES

DIGITAL GROWTH / EXECUTIVE BRIEF

From revenue growth to economic value

SAME REVENUE. DIFFERENT ECONOMICS.

Two illustrative scenarios · figures in € thousands



GROWTH QUALITY MATRIX

OPTIMIZE Low growth / high quality	**ACCELERATE** High growth / high quality
REASSESS Low growth / low quality	**CORRECT** High growth / low quality

FOUR EXECUTIVE QUESTIONS

VALUE	What contribution is created?
COST	What is the full cost to serve?
SCALE	Can the model sustain growth?
RISK	What trade-offs are acceptable?

THE EXECUTIVE TAKEAWAY

A €70k reduction in channel costs changes contribution from €60k to €130k, at the same revenue. The better model must also be tested for cash flow, scalability and risk.