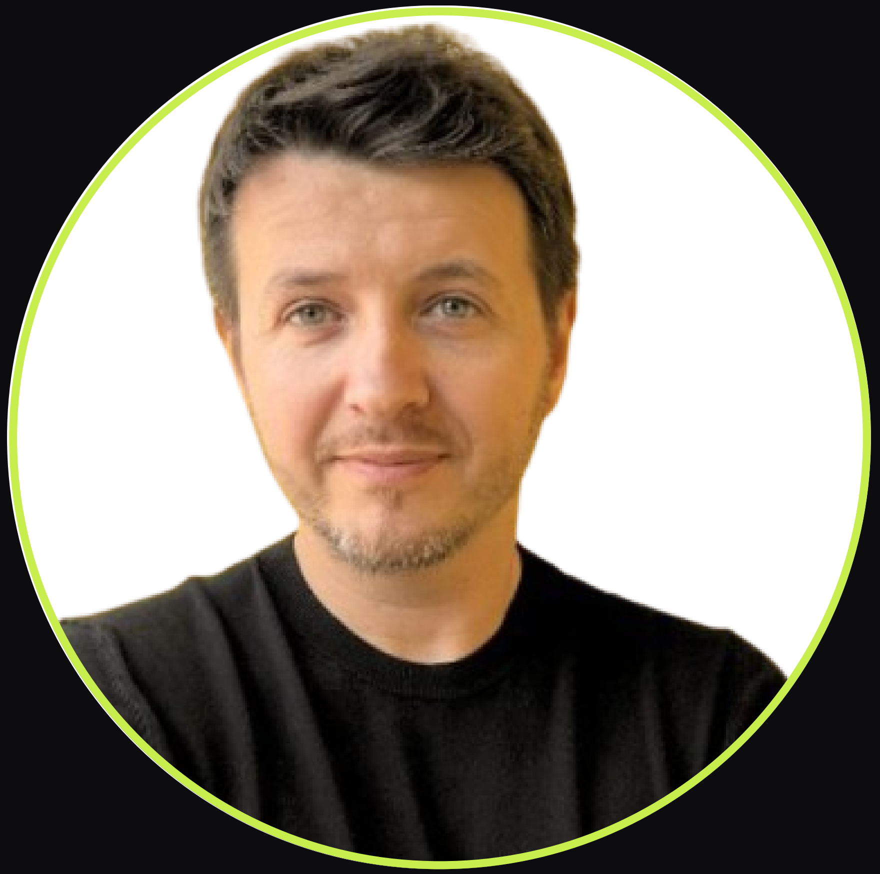

Dancho Nestorov

Ecommerce Strategy Lead

When Ecom Growth creates more PAIN than PROFIT

Diagnosing foundations for profitable ecommerce growth

Raise your hand if…

AUDIENCE CHECK-IN

You are trying actively to grow your ecommerce revenue?

AUDIENCE CHECK-IN

You are actively working on initiatives to **secure the profitability** of that growth?

The standard Growth Playbook

- More budget into traffic & ads
- Expand to new channels
- Invest in CRO & tools
- Install new apps
- Ship new features

End Result:
Bottom line remains flat/go negative

THE PROBLEM

Wrong sequence, not wrong ambition

“

Don’t scale revenue, scale what your model allows.

THE WARNING SIGNS

What unready growth looks like in practice

More orders - but something feels off

- More orders → but margins are being squeezed
- Cost-to-serve rising faster than revenue
- Bestsellers selling out at peak
- Weak retention → 80%+ revenue from new customers
- Ad account feels capped → spend more, ROAS drops
- Agency hopping without fundamentally better results

80%

of "ad problems" have nothing to do with ads.

It's the business model math that needs solving first

The Boxing Ring Analogy

VS

THE DIAGNOSIS

A readiness model built on 4 foundations

Where is the constraint?

01
Unit economics

02
Customer economics

03
Operational readiness

04
Strategic Priority

Foundation 1 · Unit Economics

KNOW YOUR ENGINE ROOM

- What is your gross margin per order?
- What is the max you can afford to pay to acquire a new customer and still be profitable? (allowable CAC)
- What is your contribution margin after all variable costs?

ROAS without margin context is a grossly misleading number

Foundation 2 · Customer Economics

THE 2ND SALE IS THE MOST IMPORTANT SALE

- What percentage of customers place a second order? When?
- What is your LTV over 12 months versus your CAC?
- What is your most common second purchase? Deliberately engineering for it?

If you stopped all paid acquisition today — what would your revenue look like in 90 days?

Foundation 3 · Operational Readiness

GROWING DEMAND VIA BROKEN OPERATION, SCALES THE PROBLEM

- Can your stock & cash flow absorb a 30-50% order uplift?
- What are your lead times? Long lead times = missed opportunity
- Are your bestsellers consistently available, or do you regularly sell out during your best trading periods

Sending your best sales person on 6 week vacation during peak = running out of stock for your best sellers

Foundation 4 · Strategic Priority

FIX BEFORE YOU SCALE

FIRST	Fix Revenue Per Visitor (CVR × AOV)	THEN	*scale ad spend*
FIRST	Fix unit economics	THEN	*invest in CRO*
FIRST	Fix email capture rate	THEN	*build/optimise complicated flows*
FIRST	Match initiative to business type	THEN	*anything else*

THE PROOF

Client Case

Strong plan on paper

→ Ambitious target - 2x in 18m

→ Plan: Standard Growth Playbook

Result: What happened

- Revenue grew - but margin dissapeared
- ROAS fine, not blended profitability
- Bestsellers sold out, ads kept running
- 70% revenue from new customers

The diagnosis · What was wrong

Unit Economics

No allowable CAC defined.
No margin-based product prioritisation.

Customer Economics

2nd purchase not considered.
Email capture below benchmark.

Operational Readiness

No review on operational costs - order costs more vs what it brings.

Strategic Priority

Invested in acquisition without fixing revenue per visitor. (CVR+AOV)

What Changed

FIX BEFORE YOU SCALE

- Promotional spend realigned to high-margin acquisition products
- Improve RPV and site merchandizing before increasing adspend
- Standard email flows built and focus to grow share of email
- Online product listing process improved. Longer period to sell

THE NEXT STEP

Answers to figure out

The fastest path to profitable scale is almost never

"more."

It is almost always "better."

Better economics. Better sequencing. Better clarity on where the constraint really sits.

The Foundation Readiness Scorecard

Foundation	Key diagnostic questions to answer	RAG
Unit Economics	Your gross margin per order? Your break-even CAC? Your contribution margin?	
Customer Economics	What % of customers buy a second time? After what period 2nd purchase happens? Health of LTV vs CAC ratio?	
Operational Readiness	Can your stock, cash flow and ops absorb a 30-50% uplift in orders? Lead times from suppliers? NooS assortment (Never out of stock)? Days per year your best sellers are out of stock?	
Strategic Priority	Key constraints for my business type? Key levers for my business type? Am I investing and doing the right things in the right order?	

This Week: Your Action Plan

Download the file

QR code next slide

Fill the Foundation Readiness scorecard

Reflect & understand key constrains

Play with the margin calculator

Understand current state
Model "what-if" situations
Action plan - 1st to tackle

☐ Quarterly Pulse Check

Verify impact on bottom line from actions by pulling key levers
Not a deep-dive — just a sense check of the direction of travel.

Foundation Readiness Scorecard

+

Margin Calculator

Thank You!

Not sure where to start?

Check our audits offering and see which one is right for you