THE BUSINESS MASTERCLASS · METHOD GUIDE

Orders grew 2.4x. Each order now earns 35% less.

How to take this quick-commerce problem from raw data to a boardroom decision. Four decision notes: each states the question, the approach and the decision, then shows the evidence with the exact Excel steps that produce it.

01
Frame the problem
What exactly is wrong with this business, and how will we know when it is fixed?

02
Diagnose the business
Where is value leaking, and which leaks matter most?

03
Quantify the options
What is each option worth in profit, investment and cash, against the cost of doing nothing?

04
Make the call
What should leadership approve today, and how do we stay in control after approval?

Working files. Quick_Commerce_Case_Data.xlsx holds the raw data only (1,177 store-month records and supporting tables). Named ranges (Orders, GOV, MonthNo, StoreID, City …) are already defined: Formulas → Name Manager. Raw amounts are ₹ lakh: divide by 100 for ₹ Cr; orders ÷ 1,00,000 for lakh. Every result in this guide comes from Quick_Commerce_Case.xlsx, so you can check your build figure by figure.

The four decisions at a glance

#	QUESTION	DECISION
01	**Frame the problem** What exactly is wrong with this business, and how will we know when it is fixed?	The problem is profit per order, not volume. Contribution per order fell from ₹56.7 to ₹37.0 while orders grew 2.4x.
02	**Diagnose the business** Where is value leaking, and which leaks matter most?	The largest leaks are commercial, not operational. Discount alone explains 75% of the fall in contribution per order.
03	**Quantify the options** What is each option worth in profit, investment and cash, against the cost of doing nothing?	Only S2 Moderate turns EBITDA positive: ₹3.6 Cr over 12 months, against −₹30.9 Cr if nothing changes.
04	**Make the call** What should leadership approve today, and how do we stay in control after approval?	Approve S2 for ₹21.1 Cr, released in three gated tranches, starting with ₹9.9 Cr now.

DECISION NOTE 01 OF 04

Frame the problem: What exactly is wrong with this business, and how will we know when it is fixed?

APPROACH

I start with what one order earns. Then I separate the outcome from its symptoms and its driver, check that the data can carry the argument, and fix the KPIs that every option will be judged on.

THE DECISION

The problem is profit per order, not volume. Contribution per order fell from ₹56.7 to ₹37.0 while orders grew 2.4x.

EXHIBIT 1.1

Unit economics: what one order earns

What does one order earn after every variable cost, and which lines move that number?

YEAR 1, ₹ PER ORDER	VALUE
GOV (basket at selling price)	₹676.3
Platform discount	−₹46.1
Landed product cost	−₹502.2
Ad & vendor income	+₹5.2
Fulfilment (picking, delivery, packaging, payment)	−₹70.6
Wastage & expiry	−₹6.0
Contribution per order	**₹56.7**

Source: Quick_Commerce_Case.xlsx · 2 Analysis, section 2

WHAT IT SHOWS

Of a ₹676.3 basket, the business keeps ₹56.7 after variable costs. Landed cost and fulfilment are the two largest deductions; discount is smaller in Year 1 but, as Chapter 2 shows, it moves the most.

SO WHAT FOR MANAGEMENT

Every growth or investment proposal should be tested on this line first. A plan that raises orders but lowers contribution per order consumes value.

DATA

Sheet 1: GOV, Platform discount, Landed cost, Ad & vendor income, Picking, Delivery, Packaging, Payment & other, Wastage, Orders, Month No.

APPROACH

Build a per-order P&L for Year 1 (months 1-12): total each line for the period and divide by orders. Contribution per order = GOV − discount − landed cost + ad income − fulfilment − wastage.

EXCEL

1. Open the case data file. Formulas → Name Manager lists ready-made named ranges (Orders, GOV, MonthNo …).
2. GOV per order, Year 1 (raw amounts are ₹ lakh, so × 1,00,000):

```
=SUMIFS(GOV,MonthNo,">=1",MonthNo,"<=12")*100000/SUMIFS(Orders,MonthNo,">=1",MonthNo,"<=12")
```

3. Repeat for Discount, Landed, AdIncome, Picking + Delivery + Packaging + PaymentOther, and Wastage.
4. Contribution per order = GOV − Discount − Landed + AdIncome − Fulfilment − Wastage.

EXHIBIT 1.2

Problem framing: symptom, outcome, driver

Is the problem "EBITDA is negative", or something more specific that management can act on?

HEADLINE	YEAR 1	LAST 12 MONTHS	CHANGE
Orders (lakh)	68.7	162.2	2.4x
Net revenue (₹ Cr)	432.9	978	2.3x
Contribution per order (₹)	56.7	37.0	−35%
EBITDA (₹ Cr)	5.1	−4.8	—
EBITDA, latest 3 months × 4 (₹ Cr)	—	−9.2	—

LEVEL	IN THIS CASE	USE
Outcome	EBITDA turned negative	Tells you there is a problem
Symptoms	Retention down, loss-making stores	Tell you where it shows up
Driver	Contribution per order down	Tells you what to fix

Source: Quick_Commerce_Case.xlsx · 2 Analysis, section 1

WHAT IT SHOWS

Volume more than doubled while profit per order fell by about a third. The run-rate EBITDA (−₹9.2 Cr) is worse than the 12-month figure (−₹4.8 Cr): the business is still deteriorating.

SO WHAT FOR MANAGEMENT

Problem statement: "Contribution per order fell from ₹56.7 to ₹37.0 while orders grew 2.4x; at the current run-rate EBITDA is −₹9.2 Cr. Which drivers caused this, and which option restores profit within 12 months?"

DATA	Year-1 and last-12-month P&L totals; latest 3 months for the run-rate.
APPROACH	Separate the outcome (EBITDA), the symptoms (falling retention, loss-making stores) and the driver (contribution per order). Then write one measurable problem statement with a baseline, a period and the decision required.
EXCEL	1. Put Month from / Month to in two cells per period (1-12, 25-36, 34-36) and reference them in every SUMIFS: `=SUMIFS(Orders,MonthNo,">="&C$5,MonthNo,"<="&C$6)/100000` 2. Annualise the latest 3 months by multiplying by 4. This is the current run-rate, not a forecast.

EXHIBIT 1.3

Data understanding and quality checks

Can this dataset answer the question, and where could it mislead?

CHECK	RESULT
Store-month records	1,177
Months	36
Stores	50
Cities	9
Active stores at the end of Year 1	26
Active stores at Oct-26	50

DATA ISSUE	WHY IT MATTERS	HOW TO HANDLE IT
Stores opened over time, so there are fewer records than 50 × 36	Totals grow with the store base	Compare per order, per store-month or per store
Amounts are in ₹ lakh	Easy to mix with ₹ Cr	Report ₹ Cr (÷ 100); orders in lakh (÷ 1,00,000)
Cohort retention matures only to month 33	Last cohorts have no 90-day result yet	Weight retention by cohort size; exclude immature cohorts
Latest 3 months × 4 is a run-rate	Seasonality can distort it	Use it as a starting point, never as a forecast

Source: Quick_Commerce_Case.xlsx · 2 Analysis, sections 1 and 7d

WHAT IT SHOWS

The data covers the question fully. The main risk is comparing periods with different store bases: Year 1 ended with 26 stores, the last year with 50. Per-order and per-store measures remove that distortion.

SO WHAT FOR MANAGEMENT

Agree scope, units and comparison periods with management before analysis starts. It prevents debates about numbers later in the review.

DATA	Sheet 1 main table (store × month, columns A:T) and supporting tables A-F to the right.
APPROACH	Confirm record count, months, stores and cities; check units; identify anything that makes periods non-comparable.

EXCEL	1. Records:
	`=COUNTA(StoreID)`
	2. Months:
	`=MAX(MonthNo)`
	3. Distinct stores and cities:
	`=SUMPRODUCT(1/COUNTIF(StoreID,StoreID))`
	`=SUMPRODUCT(1/COUNTIF(City,City))`
	4. Add a helper column in U (header "Period") and fill down to row 1182; you will use it for PivotTables in Chapter 2:
	`=IF(D6<=12,"Y1",IF(D6<=24,"Y2","Y3"))`

EXHIBIT 1.4

KPI framework: growth, productivity, profitability

Which small set of KPIs explains the business, and how is each one defined?

FAMILY	KPI	DEFINITION	YEAR 1	LAST 12 MONTHS
Growth	Orders (lakh)	Σ orders ÷ 1,00,000	68.7	162.2
Growth	Net revenue (₹ Cr)	GOV − platform discount	432.9	978
Productivity	Capacity utilisation	Orders ÷ (capacity × operating days)	57.2%	67.4%
Productivity	Fulfilment cost per order (₹)	Fulfilment ÷ orders	70.6	73.8
Profitability	Discount, % of GOV	Platform discount ÷ GOV	6.8%	9.2%
Profitability	Gross margin, % of net revenue	(Net revenue − landed) ÷ net revenue	20.3%	17.8%
Profitability	Contribution per order (₹)	Contribution ÷ orders	56.7	37.0
Profitability	EBITDA (₹ Cr)	Contribution − fixed store cost − overheads	5.1	−4.8
Customer	90-day retention	Cohort-weighted repeat within 90 days	74.4%	67.4%

Source: Quick_Commerce_Case.xlsx · 2 Analysis, section 1

WHAT IT SHOWS

Growth KPIs are strong. Productivity has not kept pace: fulfilment cost per order rose and the network is less utilised. Every profitability KPI moved the wrong way.

SO WHAT FOR MANAGEMENT

These nine KPIs become the monthly scorecard and, in Chapter 4, the gate measures that release investment.

DATA

P&L lines, Capacity, Operating days, cohort table B.

APPROACH

Group KPIs into growth, productivity and profitability; fix numerator, denominator, unit and period for each; compare Year 1 with the last 12 months.

EXCEL

1. Capacity utilisation (orders ÷ available capacity):

```
=SUMIFS(Orders,MonthNo,">=25")/SUMPRODUCT((MonthNo>=25)*Capacity*OpDays)
```

2. Discount, % of GOV:

```
=SUMIFS(Discount,MonthNo,">=25")/SUMIFS(GOV,MonthNo,">=25")
```

3. Cohort-weighted 90-day retention:

```
=SUMPRODUCT((Coh_Month>=25)*Coh_New*Coh_Ret90)/SUMIFS(Coh_New,Coh_Month,">=25")
```

Decision. The problem is profit per order, not volume. Contribution per order fell from ₹56.7 to ₹37.0 while orders grew 2.4x.

- Every growth or investment proposal should be tested on this line first. A plan that raises orders but lowers contribution per order consumes value.
- Problem statement: "Contribution per order fell from ₹56.7 to ₹37.0 while orders grew 2.4x; at the current run-rate EBITDA is −₹9.2 Cr. Which drivers caused this, and which option restores profit within 12 months?"
- Agree scope, units and comparison periods with management before analysis starts. It prevents debates about numbers later in the review.
- These nine KPIs become the monthly scorecard and, in Chapter 4, the gate measures that release investment.

DECISION NOTE 02 OF 04

Diagnose the business: Where is value leaking, and which leaks matter most?

APPROACH

I follow the rupees per order from Year 1 to today, then test stores, cities, customers and categories until every loss has a cause and a size. Each cause is ranked in rupees, on its own basis.

THE DECISION

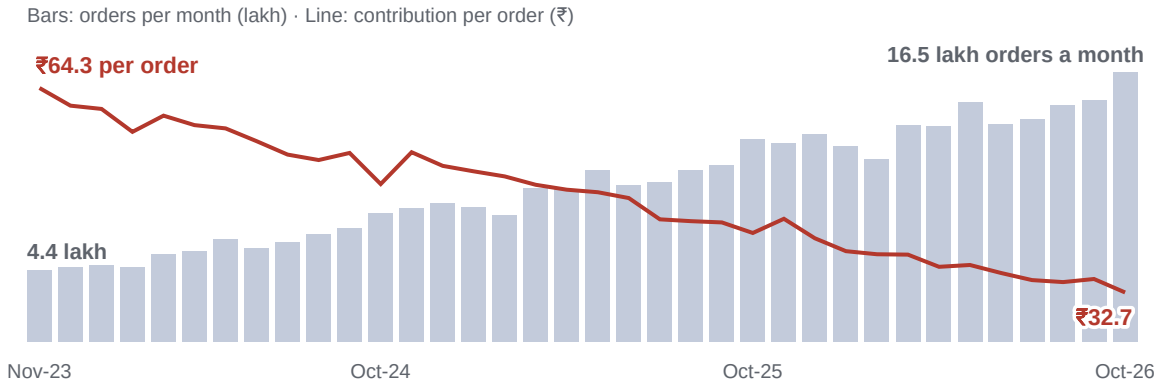
The largest leaks are commercial, not operational. Discount alone explains 75% of the fall in contribution per order.

EXHIBIT 2.1

Growth trend: did profit grow with volume?

Did profit grow with volume every year, or did the gap open at a specific point?

METRIC	Y1	Y2	Y3	Y2 VS Y1	Y3 VS Y2
Orders (lakh)	68.7	115.1	162.2	+67.6%	+40.9%
Net revenue (₹ Cr)	432.9	709.5	977.9	+63.9%	+37.8%
Contribution (₹ Cr)	38.9	54.6	60.0	+40.4%	+9.7%
Contribution per order (₹)	56.7	47.5	37.0	−16.2%	−22.1%
Discount, % of GOV	6.8%	7.9%	9.2%	+1.1% pts	+1.2% pts
EBITDA (₹ Cr)	5.1	7.1	−4.8	+2.0	−11.8



Monthly orders (bars) and contribution per order (line), Nov-23 to Oct-26.

Source: Supporting calculation on the raw data · Quick_Commerce_Case.xlsx · 2 Analysis, section 1 trend

WHAT IT SHOWS

Orders grew +67.6% and then +40.9%, but contribution grew only +9.7% in Year 3 and EBITDA fell by ₹11.8 Cr. The gap opened in Year 2 and widened sharply in Year 3.

SO WHAT FOR MANAGEMENT

Deterioration is accelerating, so a wait-and-see option carries a rising cost. Analysis should focus on what changed between Year 2 and Year 3.

DATA

Orders, GOV, discount, P&L lines by period; monthly orders and contribution.

APPROACH

Build Year 1, Year 2 and Year 3 totals and compute year-on-year change; plot the monthly trend.

EXCEL

1. Insert → PivotTable on `A5:U1182` (include the Period column). Rows: Period. Values: Sum of Orders, Sum of GOV, Sum of Platform discount.
2. Growth:

```
=D8/C8-1
```

3. For a discount rate, compare percentage points, not growth:

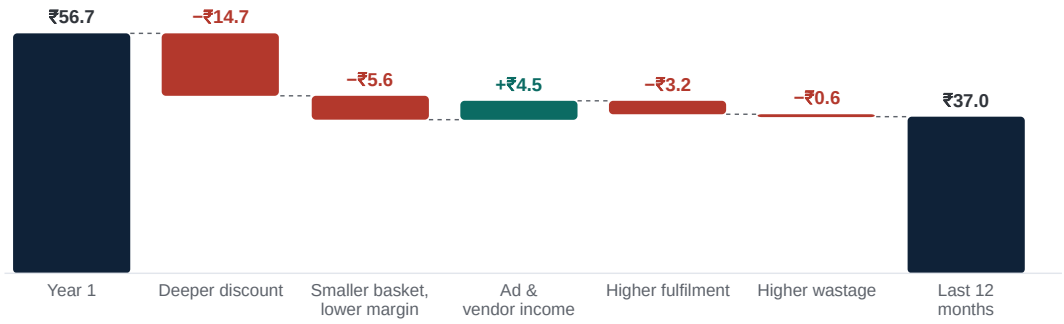
```
=Y3_rate - Y1_rate
```

4. Monthly chart: Rows = Month No, Values = Orders; add contribution per order on a secondary axis.

EXHIBIT 2.2

The per-order walk: where the rupees went

Which cost lines explain the fall in contribution per order?



Contribution per order, Year 1 to the last 12 months (₹).

STEP	₹ PER ORDER	SHARE OF NET FALL
Deeper discount	−₹14.7	75%
Smaller basket, lower margin	−₹5.6	29%
Ad & vendor income	+₹4.5	−23%
Higher fulfilment	−₹3.2	16%
Higher wastage	−₹0.6	3%
Net fall	**₹19.7**	

Source: Quick_Commerce_Case.xlsx · 2 Analysis, section 2

WHAT IT SHOWS

Discounting alone explains 75% of the fall (−₹14.7 of ₹19.7). Basket and margin explain most of the rest; operating cost lines moved little. Ad income partly offset the damage.

SO WHAT FOR MANAGEMENT

The first lever is commercial: discount discipline and vendor funding. Cost-cutting in operations cannot close a gap this size.

DATA

Per-order lines for Year 1 and the last 12 months (from exhibit 1.1).

APPROACH

Start from Year-1 contribution per order and move one line at a time to the Year-3 figure. Signs: a cost that rises is negative; income that rises is positive. The bridge must close to zero.

EXCEL

1. Step = Year-3 per-order line − Year-1 per-order line (reverse the sign for cost lines).
2. Basket and margin step = (GOV − landed cost) per order, Year 3 minus Year 1.
3. Check:

```
=ROUND(Y1_CPO + SUM(steps) - Y3_CPO, 6)   → must be 0
```

4. Share of the fall = step ÷ (Y3 CPO − Y1 CPO).

EXHIBIT 2.3

Stores and cities: volume or productivity?

Is the problem located in particular cities, or in a particular kind of store?

CITY	STORES	ORDERS L12M, LAKH	ORDERS Y1, LAKH	UTIL.	₹ / ORDER	PROFIT, ₹ CR	LOSS-MAKING
Bengaluru	9	31.3	15.1	73%	31.8	2.50	2
Chennai	3	7.0	0.0	45%	32.8	−0.19	2
Delhi	7	23.9	10.8	66%	41.7	3.53	2
Gurugram	6	23.2	9.8	76%	44.9	5.01	1
Hyderabad	4	12.6	3.5	67%	26.6	0.02	1
Kolkata	3	6.1	2.6	53%	33.7	0.20	1
Mumbai	9	31.5	15.3	72%	38.4	3.76	3
Noida	4	8.2	3.7	55%	33.1	0.34	2
Pune	5	18.5	8.0	70%	38.7	2.57	1

STORE AGE AT OCT-26	STORES	LOSS-MAKING	SHARE LOSS-MAKING	LOSS (₹ CR)
12 months or younger	15	15	100%	4.1
Older than 12 months	35	0	0%	0.0

STORE MATURITY, LAST 12 MONTHS	UTILISATION	STORE PROFIT (₹ CR)	PROFIT PER ORDER (₹)
New (0-6 months)	28%	−3.9	−₹34.9
Ramping (7-12 months)	58%	0.7	₹4.1
Mature (over 12 months)	78%	20.9	₹15.6

Source: Supporting calculation on the raw data · Quick_Commerce_Case.xlsx · 2 Analysis, section 4

WHAT IT SHOWS

Every city has at least one loss-making store, so city does not explain the losses. Store age does: all 15 loss-making stores are 12 months old or younger, and none of the 35 older stores loses money. New stores run at 28% utilisation against 78% for mature ones, so fixed cost is spread over too few orders. Chennai looks weakest, but it had no Year-1 orders: its weakness is youth, not location. That is the difference between a correlation (city) and a supported explanation (utilisation).

SO WHAT FOR MANAGEMENT

This is a productivity and ramp problem, not a demand problem. Do not exit cities; slow new openings and fix how young stores ramp.

DATA

Store ID, City, Store age, Orders, Capacity, Operating days, all P&L lines, Fixed cost; months 25-36.

APPROACH

Build store operating profit for the last 12 months; summarise by city; then test whether store age explains the losses better than city does.

EXCEL

1. City view: PivotTable, Rows = City, Filter = Period "Y3", Values = Sum of Orders.
2. Store operating profit (one store, last 12 months):

```
=SUMPRODUCT((StoreID="ST01")*(MonthNo>=25)*(GOV-Discount-Landed+AdIncome-Picking-Delivery-Packaging-PaymentOther-Wastage-FixedCost))/100
```

3. Loss-making stores in a city:

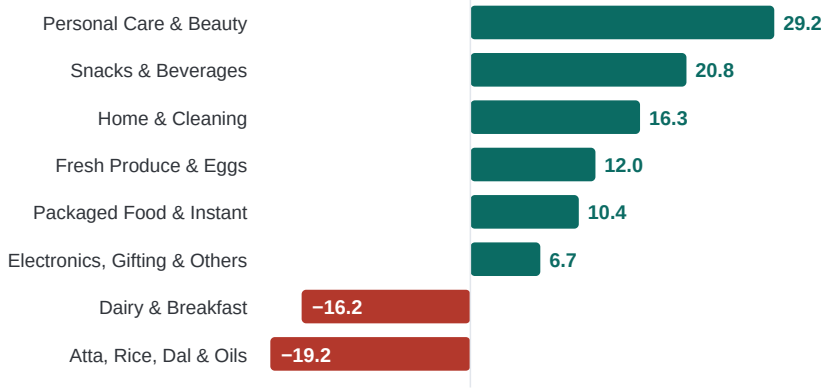
```
=COUNTIFS(CityCol,"Pune",ProfitCol,"<0")
```

4. Age test: count loss-makers with age at Oct-26 ≤ 12 and > 12 using COUNTIFS on the store table.

EXHIBIT 2.4

Customers and categories: is the mix diluting profit?

Is the mix of what is sold, and to whom, reducing profit?



Contribution by category after full cost to serve, last 12 months (₹ Cr).

CUSTOMER SEGMENT	SHARE OF ORDERS	CONTRIBUTION (₹ CR)	₹ PER ORDER
Loyal core	40%	51.5	₹79.3
Occasional core	25%	18.6	₹45.9
Deal-seekers	16%	−8.6	−₹33.2
New customers (first 90 days)	12%	−2.1	−₹11.0
Lapsing / reactivated	7%	0.7	₹5.8

Source: Quick_Commerce_Case.xlsx · 2 Analysis, section 3

WHAT IT SHOWS

Dairy and Staples rose from 26% to 34% of GOV and lose ₹35.4 Cr after full cost to serve. Deal-seekers and new customers lose ₹10.8 Cr, and 90-day retention fell from 74% to 67%. Growth has been bought with traffic that does not pay.

SO WHAT FOR MANAGEMENT

Set a margin floor on Dairy and Staples, renegotiate vendor terms, and target discounts away from deal-seekers towards core customers.

DATA

Source table C (category GOV, discount, landed cost, wastage, order lines, weight) and table D (segment ledger); cohort table B.

APPROACH

Allocate fulfilment cost by drivers (50% order lines, 50% weight), add a GOV share of ad income and wastage, and compute contribution by category and segment.

EXCEL

1. Fulfilment allocated to a category:

```
=Fulfilment_Y3*(0.5*Lines/SUM(Lines)+0.5*Weight/SUM(Weight))
```

2. Category contribution = GOV − discount − landed + ad income share − allocated fulfilment − wastage.
3. Check: the category total must equal network contribution for the same period.

EXHIBIT 2.5

Root causes, ranked in rupees

Which issues deserve management attention first?

#	ROOT CAUSE	IMPACT (₹ CR)	GROUP
1	Dairy + Staples contribution loss	35.4	P2
2	Discount above the Year-1 rate	25.3	P1
3	Discount-led customers: loss in negative segments	10.8	P2
4	Vendor co-funding gap vs target	7.0	P1
5	Loss-making stores	4.1	P3
6	Excess stock above target days (cash, not EBITDA)	4.0	P3
7	Excess fulfilment cost vs best-quartile stores	3.0	P3
8	Wastage above the Year-1 rate	1.2	P3

P1 = discounts · P2 = category and customer mix · P3 = store productivity. Excess stock is cash, not EBITDA.

Source: Quick_Commerce_Case.xlsx · 2 Analysis, section 5

WHAT IT SHOWS

The two largest leaks are commercial (mix and discount), not operational. Store-level issues are real but smaller, and largely explained by young stores ramping.

SO WHAT FOR MANAGEMENT

Prioritise P1 and P2 levers in the first 90 days; address P3 through ramp plans and a pause on new openings rather than cost cuts.

DATA

Outputs of exhibits 2.2 to 2.4; vendor promotion table E; inventory.

APPROACH

Quantify each leak on its own basis for the last 12 months, rank them, and group them into three problems. Do not add them: their bases overlap.

EXCEL

1. Discount above the Year-1 rate:

```
=(Disc%_Y3 - Disc%_Y1) * GOV_Y3
```

2. Vendor co-funding gap:

```
=MAX(0, 50% * (Vendor + Platform) - Vendor)
```

3. Rank:

```
=RANK(C5,$C$5:$C$12)
```

Decision. The largest leaks are commercial, not operational. Discount alone explains 75% of the fall in contribution per order.

- Deterioration is accelerating, so a wait-and-see option carries a rising cost. Analysis should focus on what changed between Year 2 and Year 3.
- The first lever is commercial: discount discipline and vendor funding. Cost-cutting in operations cannot close a gap this size.
- This is a productivity and ramp problem, not a demand problem. Do not exit cities; slow new openings and fix how young stores ramp.
- Set a margin floor on Dairy and Staples, renegotiate vendor terms, and target discounts away from deal-seekers towards core customers.
- Prioritise P1 and P2 levers in the first 90 days; address P3 through ramp plans and a pause on new openings rather than cost cuts.

DECISION NOTE 03 OF 04

Quantify the options: What is each option worth in profit, investment and cash, against the cost of doing nothing?

APPROACH

I build the No change baseline first, convert each fix into rupees with a realistic delivery haircut, and compare all four options on one basis: EBITDA, investment, cash, return and risk.

THE DECISION

Only S2 Moderate turns EBITDA positive: ₹3.6 Cr over 12 months, against −₹30.9 Cr if nothing changes.

EXHIBIT 3.1

Baseline: the cost of doing nothing

What happens to EBITDA over the next 12 months if management changes nothing?

STARTING RUN-RATE	VALUE
Orders (lakh)	183.3
GOV (₹ Cr)	1,209
Discount, % of GOV	9.5%
Contribution per order (₹)	33.8
EBITDA (₹ Cr)	−9.2

ASSUMPTION (TYPED, SHEET 2 §6B)	VALUE
Order uplift as young stores ramp	6%
Discount creep if unmanaged (pts of GOV)	0.8%
Landed-cost inflation (pts of GOV)	0.3%
Fulfilment cost inflation	3.5%
Fixed store cost inflation	5%
Central overhead inflation	6%
New stores opened under No change	10

S4 NO CHANGE, NEXT 12 MONTHS	₹ CR
EBITDA before one-time costs	−30.9
Net cash flow	−46.9

Source: Quick_Commerce_Case.xlsx · 2 Analysis, sections 6a, 6b, 6c, 6e

WHAT IT SHOWS

Without action, EBITDA moves from a run-rate of −₹9.2 Cr to −₹30.9 Cr: creep and inflation compound, and new stores add losses while they ramp.

SO WHAT FOR MANAGEMENT

Doing nothing is itself a costly decision. It is the benchmark every option must beat.

DATA

Latest 3 months × 4 (sheet 2 section 6a) and the typed common assumptions (section 6b).

APPROACH

Start from the run-rate, apply order uplift from ramping stores, discount creep and cost inflation, and add the planned 10 new stores.

EXCEL

1. Orders next year:

```
=RunRate_Orders*(1+Uplift)
```

2. Discount next year:

```
=RunRate_Disc% + Creep - Creep_Avoided(option)
```

3. Fulfilment:

```
=Orders*RunRate_FulfilPerOrder*(1+Inflation)/100
```

EXHIBIT 3.2

Levers: converting issues into rupees

How much is each fix worth, and how much of it can realistically be delivered in year one?

LEVER	FULL-SCOPE BENEFIT (₹ CR)	YEAR-1 DELIVERY	SCOPE S1	SCOPE S2	SCOPE S3	ONE-TIME COST (₹ CR)	CAPEX (₹ CR)
L1 Discount efficiency (caps, min-basket, vendor funding)	15.1	70%	60%	100%	60%	1.4	0.0
L2 Pricing on 12 flagged SKUs	2.2	75%	0%	100%	60%	0.3	0.0
L3 Category margin floor (Dairy, Staples)	9.3	50%	50%	100%	50%	1.6	0.0
L4 Retention and basket (core segments)	1.8	40%	30%	100%	40%	2.4	0.0
L5 Store productivity (90-day ramp plans)	1.2	45%	0%	100%	50%	2.0	0.8
L6 Fulfilment efficiency (batching, rostering, pick paths)	4.2	55%	100%	100%	70%	1.3	0.6
L7 Inventory and wastage (forecast-led ordering)	2.2	55%	100%	100%	70%	0.9	0.4
L8 Network fixed cost (close or merge 2, resize or relocate 5)	1.5	45%	0%	100%	0%	2.2	2.6
Total	**37.5**						

FIRST-YEAR LEVER BENEFIT (₹ CR)	S1	S2	S3	S4
Benefit × delivery × scope	12.4	22.3	12.7	0.0

Source: Quick_Commerce_Case.xlsx · 2 Analysis, sections 6d and 6e

WHAT IT SHOWS

Discount efficiency (₹15.1 Cr) and the category margin floor (₹9.3 Cr) carry most of the value. Delivery haircuts are deliberate: no lever is assumed to land in full in year one.

SO WHAT FOR MANAGEMENT

Concentrate leadership attention on the two largest levers; treat the rest as supporting moves with clear owners.

DATA

Lever assumptions (sheet 2 §6d) linked to the leaks in Chapter 2.

APPROACH

Annual benefit at full scope × first-year delivery × option scope. Scope is what distinguishes the options.

EXCEL

1. L1 discount lever:

```
=Disc_pts_recovered*RunRate_GOV - Order_loss*RunRate_Orders*RunRate_CPO/100
```

2. First-year benefit for an option:

```
=SUMPRODUCT(Benefit, Delivery, Scope_S2)
```

EXHIBIT 3.3

Option P&L: EBITDA, investment, cash, ROI, payback

What does each option return for the money and the cash it needs?

₹ CR, NEXT 12 MONTHS	S1 CONSERVATIVE	S2 MODERATE	S3 AGGRESSIVE	S4 NO CHANGE
EBITDA before one-time costs	−10.9	3.6	−15.5	−30.9
One-time costs	4.6	12.1	5.3	0.0
EBITDA after one-time costs	−15.4	−8.5	−20.8	−30.9
Total investment	5.6	21.1	27.1	11.5
Net cash flow	−14.5	−17.3	−49.3	−46.9
Incremental EBITDA vs No change	20.0	34.5	15.4	—
12-month ROI	3.6x	1.6x	0.6x	—
Payback (months)	3.3	7.3	21.1	—

Source: Quick_Commerce_Case.xlsx · 2 Analysis, section 6e

WHAT IT SHOWS

S1 has the best ratio (3.6x ROI, 3.3-month payback) but leaves EBITDA negative at −₹10.9 Cr. S2 is the only option with positive EBITDA (₹3.6 Cr). S3 spends the most and burns ₹49.3 Cr of cash.

SO WHAT FOR MANAGEMENT

ROI alone favours small fixes. Management needs the absolute outcome, the cash requirement and the return together.

DATA

Option P&L (sheet 2 §6e).

APPROACH

EBITDA = existing-store EBITDA + lever benefit + new-store result. Investment = one-time cost + lever capex + new-store capex. Net cash = EBITDA − investment − working capital. ROI = incremental EBITDA vs No change ÷ investment. Payback = investment ÷ (incremental EBITDA ÷ 12).

EXCEL

1.
```
ROI     =IF(Investment=0, 0, Incremental_EBITDA/Investment)
Payback =IF(Incremental_EBITDA<=0, 0, Investment/(Incremental_EBITDA/12))
```

EXHIBIT 3.4

The highest-revenue option is not the best option

Why not choose the option that grows revenue the most?

OPTION	TOTAL NET REVENUE (₹ CR)	REVENUE RANK	EBITDA (₹ CR)	NET CASH (₹ CR)	DECISION SCORE	SCORE RANK
S1 Conservative	1,162	4	−10.9	−14.5	4.00	2
S2 Moderate	1,190	3	3.6	−17.3	4.54	1
S3 Aggressive	1,244	1	−15.5	−49.3	2.10	3
S4 No change	1,196	2	−30.9	−46.9	1.19	4

DECISION CRITERION	WEIGHT
12-month EBITDA before one-time costs	30%
Net cash flow	25%
Exit run-rate uplift (sustainability)	20%
Execution and strategic risk	25%

Source: Supporting calculation on the raw data · Quick_Commerce_Case.xlsx · 2 Analysis, sections 6e and 6f

WHAT IT SHOWS

S3 Aggressive produces the most revenue (₹1,244 Cr) but ranks third on value: it opens 18 stores before the economics are fixed, so EBITDA is −₹15.5 Cr and cash −₹49.3 Cr. S2 ranks first with a score of 4.54.

SO WHAT FOR MANAGEMENT

Balance growth against profitability, investment, cash, execution risk, time to impact and sustainability. Make the weights explicit so the decision can be challenged.

DATA

Option totals (sheet 2 §6e) and the decision score (§6f).

APPROACH

Score each option 1-5 on EBITDA, cash and exit run-rate (scaled), add a judgement score for risk, and weight them.

EXCEL

1. Scaled score:

```
=1+4*(x-MIN(range))/(MAX(range)-MIN(range))
```

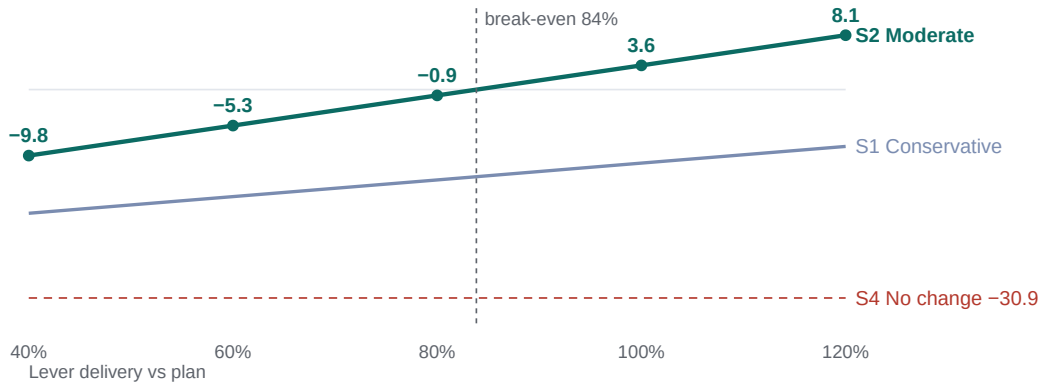
2. Weighted score:

```
=SUMPRODUCT(Weights, Scores)
```

EXHIBIT 3.5

Sensitivity: how wrong can the plan be?

Does the recommendation still hold if levers under-deliver?



S2 and S1 EBITDA by share of planned lever delivery (₹ Cr).

LEVER DELIVERY VS PLAN	S2 EBITDA	S1 EBITDA	S2 MINUS NO CHANGE	S2 BEATS S1?
40%	−9.8	−18.3	21.1	Yes
60%	−5.3	−15.8	25.6	Yes
80%	−0.9	−13.4	30.0	Yes
100%	3.6	−10.9	34.5	Yes
120%	8.1	−8.4	38.9	Yes

Source: Quick_Commerce_Case.xlsx · 2 Analysis, section 6g

WHAT IT SHOWS

S2 beats S1 and No change at every delivery level tested. At 60% delivery it is still ₹25.6 Cr ahead of doing nothing. EBITDA turns positive at 84% delivery: that is the line to watch.

SO WHAT FOR MANAGEMENT

Use break-even delivery as a governance trigger: below it at two checkpoints, step down to S1.

DATA	S2 and S1 EBITDA excluding levers, lever benefit (sheet 2 §6g).
APPROACH	Recompute EBITDA at 40% to 120% of planned lever delivery; find break-even delivery for S2.
EXCEL	1. `EBITDA at x% =EBITDA_excl_levers + x*Lever_benefit` `Break-even =-EBITDA_excl_levers/Lever_benefit`

Decision. Only S2 Moderate turns EBITDA positive: ₹3.6 Cr over 12 months, against −₹30.9 Cr if nothing changes.

- Doing nothing is itself a costly decision. It is the benchmark every option must beat.
- Concentrate leadership attention on the two largest levers; treat the rest as supporting moves with clear owners.
- ROI alone favours small fixes. Management needs the absolute outcome, the cash requirement and the return together.
- Balance growth against profitability, investment, cash, execution risk, time to impact and sustainability. Make the weights explicit so the decision can be challenged.
- Use break-even delivery as a governance trigger: below it at two checkpoints, step down to S1.

DECISION NOTE 04 OF 04

Make the call: What should leadership approve today, and how do we stay in control after approval?

APPROACH

I state the recommendation first, back it with the numbers, and attach a gated roadmap: money follows evidence, every risk has a trigger and an owner, and the decisions needed today are explicit.

THE DECISION

Approve S2 for ₹21.1 Cr, released in three gated tranches, starting with ₹9.9 Cr now.

EXHIBIT 4.1

Building the recommendation

Which option should management approve, and on what evidence?

DECISION DIMENSION	S1 CONSERVATIVE	S2 MODERATE	S3 AGGRESSIVE	S4 NO CHANGE
Business impact: EBITDA (₹ Cr)	−10.9	3.6	−15.5	−30.9
Financial return: ROI	3.6x	1.6x	0.6x	—
Investment (₹ Cr)	5.6	21.1	27.1	11.5
Cash: net cash flow (₹ Cr)	−14.5	−17.3	−49.3	−46.9
Execution risk (5 = safest) · bandwidth	4.5 · Low	3.5 · Medium	1.5 · Very high	1.5 · High
Time to impact: payback (months)	3.3	7.3	21.1	—
Sustainability: exit run-rate uplift (₹ Cr a year)	25.8	47.7	26.0	—
Decision score	**4.00**	**4.54**	**2.10**	**1.19**

Source: Quick_Commerce_Case.xlsx · 2 Analysis, sections 6c, 6e and 6f

WHAT IT SHOWS

S2 Moderate is the only option with positive EBITDA and the highest exit run-rate uplift (₹47.7 Cr a year). S1 is safer but leaves value unclaimed; S3 adds risk and burns cash; S4 lets losses compound.

SO WHAT FOR MANAGEMENT

Recommendation: approve S2 Moderate, ₹3.6 Cr EBITDA against −₹30.9 Cr if nothing changes, for ₹21.1 Cr of investment released in gated tranches.

DATA Option outcomes (sheet 2 §6e-6g); decision score.

APPROACH Compare all four options across business impact, return, investment, cash, risk, time to impact and sustainability; select the option that wins on balance and state why each alternative loses.

EXCEL

1. Recommended option:

```
=INDEX(OptionNames, MATCH(MAX(Scores), Scores, 0))
```

EXHIBIT 4.2

Implementation roadmap and gates

How should S2 be executed so that money follows results?

GATE KPI	MONTH 0	MONTH 3	MONTH 6	MONTH 9	MONTH-12 TARGET
Discount, % of GOV (at most)	9.5%	9.0%	8.6%	8.3%	8.2%
Contribution per order, ₹ (at least)	33.8	38.5	43.2	45.8	47.1
Loss-making stores (at most)	13	11	9	8	7
Monthly EBITDA, ₹ Cr (at least)	−0.76	0.07	0.90	1.37	1.61

Month 0 · Stabilise
Discount caps live; new openings frozen; exit and resize decisions. Tranche 1: ₹9.9 Cr

Month 3 · Gate 1
Basics in place. Tranche 2: ₹6.6 Cr

Month 6 · Gate 2
Economics proven; gated new stores only. Tranche 3: ₹4.6 Cr

Month 9 · Re-weight
Move money to levers that deliver; stop the rest

Month 12 · Close
Realised vs plan; choose the next 12-month option

Source: Quick_Commerce_Case.xlsx · 2 Analysis, sections 7a and 7b

WHAT IT SHOWS

Money follows evidence: ₹9.9 Cr now, the rest only when discount, contribution per order, store losses and EBITDA hit their gates. Thresholds tighten gradually, so the plan is demanding but not front-loaded.

SO WHAT FOR MANAGEMENT

Each gate has an owner and a consequence: pass and release, miss and re-plan. Write that into the approval.

DATA Gate KPIs and funding tranches (sheet 2 §7a-7b); owners (§7c).

APPROACH	Set Month-12 targets from the S2 plan; derive Month-3, 6 and 9 gate thresholds from the share of improvement due; tie each tranche to a gate.
EXCEL	1. Gate threshold: `=Start + (Target - Start) * Share_due_by_checkpoint`

EXHIBIT 4.3

Risk, governance and early warnings

What could derail the plan, and how will management know early enough to act?

EARLY WARNING (IF)	THRESHOLD	PRE-AGREED ACTION (THEN)	OWNER
Orders fall after discount cuts	More than 1% below run-rate for 2 weeks	Relax caps for core segments only; keep caps on deal-seekers	Commercial Head
Dairy or Staples margin stays flat	Flat for 2 months	Delist or substitute floor-breaching SKUs within 30 days; escalate top-5 vendor terms	Category Head
New store under the utilisation curve	Under 30% at day 90	Ramp plan first; relocate / close list at Month 6; final decision at Month 9	Network Head
Savings start to hurt service	Customer complaints or cancellations rise	Revert batching in those stores	Operations Head
Lever delivery below break-even	Two checkpoints in a row	Move to the next-safer option (S1) and stop new commitments	CEO and CFO

REVIEW	FREQUENCY	DECIDES
Store and SKU scorecard	Monthly	Corrective actions within levers
Gate reviews	Months 3 and 6	Release of the next tranche
Re-weighting	Month 9	Move money between levers; final store decisions
Close-out	Month 12	Next 12-month option

Source: Quick_Commerce_Case.xlsx · 2 Analysis, section 7c

WHAT IT SHOWS

Each risk has a measurable trigger and a named owner. The overriding rule is lever delivery: below 84% at two checkpoints, the plan steps down to S1.

SO WHAT FOR MANAGEMENT

Governance turns a recommendation into a managed case: one owner per lever, a monthly scorecard and gates with consequences.

DATA	IF-THEN rules (sheet 2 §7c); gate KPIs; break-even delivery.
APPROACH	For each major risk define an early-warning indicator, a threshold, a pre-agreed action and an owner; set the review cadence.
EXCEL	1. Flag a breach on the monthly scorecard: `=IF(Actual>Gate,"Breach","On track")`

EXHIBIT 4.4

The nine-slide management presentation

How do you present the case to a leadership team in nine slides?

#	SLIDE	HEADLINE (WITH THE NUMBER)
1	Business situation	Orders grew 2.4x; net revenue reached ₹978 Cr
2	Core problem	Contribution per order fell from ₹56.7 to ₹37.0; EBITDA is −₹4.8 Cr
3	Key findings	Discount explains 75% of the fall; losses sit in young stores
4	Root causes	Dairy and Staples lose ₹35.4 Cr; discount above Year-1 rate costs ₹25.3 Cr
5	Financial impact	If nothing changes, EBITDA falls to −₹30.9 Cr
6	Strategic options	Only S2 turns EBITDA positive: ₹3.6 Cr
7	Recommendation	Approve S2 for ₹21.1 Cr; break-even at 84% delivery
8	Implementation roadmap	Three tranches: ₹9.9 Cr now, the rest released at Month 3 and Month 6 gates
9	Risks and decisions	Five triggers with owners; four decisions needed today

Source: Quick_Commerce_Case.xlsx · 2 Analysis, sections 1-7

WHAT IT SHOWS

The storyline mirrors the analysis: situation, problem, evidence, consequence, choice, plan. Every headline is a claim the numbers support.

SO WHAT FOR MANAGEMENT

End on the decision, not the analysis: what you need the leadership team to approve today.

DATA	Outputs of Chapter 1-4.
APPROACH	Write the headline of every slide as a full sentence with a number, then add one supporting exhibit.
EXCEL	1. Link every number on the slides to a cell in your workbook so it updates if the model changes. Paste charts as linked objects, not pictures.

Decision. Approve S2 for ₹21.1 Cr, released in three gated tranches, starting with ₹9.9 Cr now.

- Recommendation: approve S2 Moderate, ₹3.6 Cr EBITDA against −₹30.9 Cr if nothing changes, for ₹21.1 Cr of investment released in gated tranches.
- Each gate has an owner and a consequence: pass and release, miss and re-plan. Write that into the approval.
- Governance turns a recommendation into a managed case: one owner per lever, a monthly scorecard and gates with consequences.
- End on the decision, not the analysis: what you need the leadership team to approve today.

Formula reference

EXHIBIT	USE	FORMULA
1.1	Unit economics: what one order earns	`=SUMIFS(GOV,MonthNo,">=1",MonthNo,"<=12")*100000/SUMIFS(Orders,MonthNo,">=1",MonthNo,"<=12")`
1.2	Problem framing: symptom, outcome, driver	`=SUMIFS(Orders,MonthNo,">="&C$5,MonthNo,"<="&C$6)/100000`
1.3	Data understanding and quality checks	`=COUNTA(StoreID)`
1.3	Data understanding and quality checks	`=MAX(MonthNo)`
1.3	Data understanding and quality checks	`=SUMPRODUCT(1/COUNTIF(StoreID,StoreID))`
1.3	Data understanding and quality checks	`=SUMPRODUCT(1/COUNTIF(City,City))`
1.3	Data understanding and quality checks	`=IF(D6<=12,"Y1",IF(D6<=24,"Y2","Y3"))`
1.4	KPI framework: growth, productivity, profitability	`=SUMIFS(Orders,MonthNo,">=25")/SUMPRODUCT((MonthNo>=25)*Capacity*OpDays)`
1.4	KPI framework: growth, productivity, profitability	`=SUMIFS(Discount,MonthNo,">=25")/SUMIFS(GOV,MonthNo,">=25")`
1.4	KPI framework: growth, productivity, profitability	`=SUMPRODUCT((Coh_Month>=25)*Coh_New*Coh_Ret90)/SUMIFS(Coh_New,Coh_Month,">=25")`
2.1	Growth trend: did profit grow with volume?	`=D8/C8-1`
2.1	Growth trend: did profit grow with volume?	`=Y3_rate - Y1_rate`
2.2	The per-order walk: where the rupees went	`=ROUND(Y1_CPO + SUM(steps) - Y3_CPO, 6) → must be 0`
2.3	Stores and cities: volume or productivity?	`=SUMPRODUCT((StoreID="ST01")*(MonthNo>=25)*(GOV-Discount-Landed+AdIncome-Picking-Delivery-Packaging-PaymentOther-Wastage-FixedCost))/100`
2.3	Stores and cities: volume or productivity?	`=COUNTIFS(CityCol,"Pune",ProfitCol,"<0")`
2.4	Customers and categories: is the mix diluting profit?	`=Fulfilment_Y3*(0.5*Lines/SUM(Lines)+0.5*Weight/SUM(Weight))`
2.5	Root causes, ranked in rupees	`=(Disc%_Y3 - Disc%_Y1) * GOV_Y3`
2.5	Root causes, ranked in rupees	`=MAX(0, 50% * (Vendor + Platform) - Vendor)`
2.5	Root causes, ranked in rupees	`=RANK(C5,$C$5:$C$12)`
3.1	Baseline: the cost of doing nothing	`=RunRate_Orders*(1+Uplift)`
3.1	Baseline: the cost of doing nothing	`=RunRate_Disc% + Creep - Creep_Avoided(option)`
3.1	Baseline: the cost of doing nothing	`=Orders*RunRate_FulfilPerOrder*(1+Inflation)/100`
3.2	Levers: converting issues into rupees	`=Disc_pts_recovered*RunRate_GOV - Order_loss*RunRate_Orders*RunRate_CPO/100`
3.2	Levers: converting issues into rupees	`=SUMPRODUCT(Benefit, Delivery, Scope_S2)`
3.3	Option P&L: EBITDA, investment, cash, ROI, payback	`ROI =IF(Investment=0, 0, Incremental_EBITDA/Investment)`
3.3	Option P&L: EBITDA, investment, cash, ROI, payback	`Payback =IF(Incremental_EBITDA<=0, 0, Investment/(Incremental_EBITDA/12))`

EXHIBIT	USE	FORMULA
3.4	The highest-revenue option is not the best option	`=1+4*(x-MIN(range))/(MAX(range)-MIN(range))`
3.4	The highest-revenue option is not the best option	`=SUMPRODUCT(Weights, Scores)`
3.5	Sensitivity: how wrong can the plan be?	`EBITDA at x% =EBITDA_excl_levers + x*Lever_benefit`
3.5	Sensitivity: how wrong can the plan be?	`Break-even =-EBITDA_excl_levers/Lever_benefit`
4.1	Building the recommendation	`=INDEX(OptionNames, MATCH(MAX(Scores), Scores, 0))`
4.2	Implementation roadmap and gates	`=Start + (Target - Start) * Share_due_by_checkpoint`
4.3	Risk, governance and early warnings	`=IF(Actual>Gate,"Breach","On track")`