

Estimation of Revenue Impact of Growth (Inorganic Scaling)

Patient Engagement Solutions Company

- Built a model to estimate the annual incremental revenue for a given increase in the network size.
- Identified growth potential across different segments of the current network and quantified the revenue impact of growth across the segments.

Estimation of Revenue Impact of Growth (Inorganic Scaling)

Analyzing Revenue Impact of Inorganic Growth For a Patient Engagement Company

Situation

- The client wanted to understand the growth potential and revenue impact of inorganic network expansion across different client segments.
- Partnered with the client to build a robust analytical model to quantify revenue impact of inorganic expansion based on overall network, client segment and product line growth scenarios.

Accordion Value Add

- Developed a bottoms-up financial model to estimate revenue impact from inorganic expansion based on contract type and client segment.
- Helped identify product line segments with high revenue growth opportunities for potential network expansion.
- Provided flexibility for end users, including the sales team, to customize contract expansion probability based on specific customers or specialties sales insights.
- Created a standardized repository of contract information by consolidating data from multiple sources to facilitate additional analytical models.

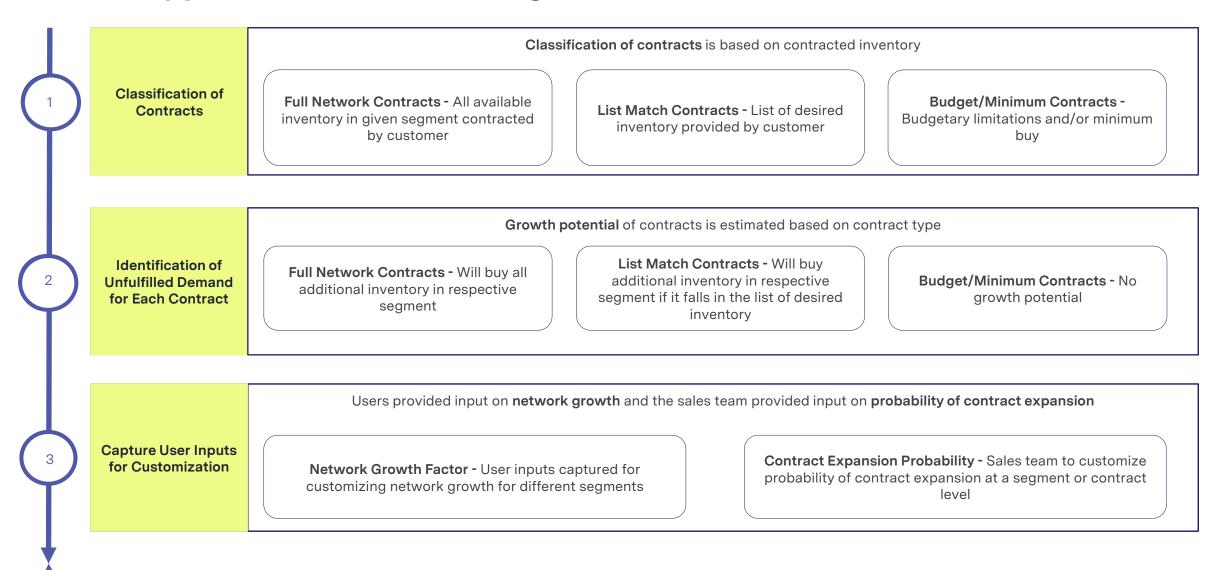
Impact

- The incremental revenue estimates based on different network growth scenarios helped make critical decisions in post acquisition planning and financial projections.
- The revenue impact model helped the client identify optimal network growth for different segments of the network.

ACCORDION © 2024 Accordion CONFIDENTIAL

Model Approach and Methodology (1/2)

ACCORDION



© 2024 Accordion CONFIDENTIAL

Model Approach and Methodology (2/2)

Incremental contracted inventory is estimated at a contract level and is based on growth potential, network growth factors, and contract expansion probability **Estimating** Incremental Contracted Inventory List Match Contracts - Incremental contracted inventory is Full Network Contracts - Incremental contracted inventory is assumed to grow proportionally with network size; subject to assumed to grow proportionally with the increase in network additional conditions involving initial inventory lists provided size by the customer Revenue impact of growth is estimated at a contract level and then aggregated across different segments Output Revenue Impact of Growth = [Incremental Contracted Inventory] x [Avg. Price Per Month]*[Number of Months]

Data Consolidation: A single source of data was missing. Gathering data gathering from multiple sources to establish a standard repository was a key challenge.