# FIXING THE BOTTOM LINE

A TURNAROUND STRATEGY FOR A SAAS BUSINESS UNIT

- The business unit was losing profitability due to support-heavy contracts and poor cost control at the client level.

- I used clustering, churn modeling, and financial simulations to understand the problem and test corrective actions.

- Rather than over-relying on ML, this project focused on strategy simulation — dropping low-value clients, repricing bloated contracts, and simulating automation savings.

Result: A leaner, optimized client base and a clear uplift in net profit through smarter decisions — not just PREDICTIONS.

PROFITABILITY LEAKS FROM THE INSIDE:
COST, CHURN, AND CHAOS

- Nearly 30–40% of clients were eating into profits due to high servicing costs and low satisfaction.

- These clients weren't just risky — many were already unprofitable.

- Churn risk and net margins weren't always aligned — meaning retention without context was hurting more than helping.

Churn Risk Distribution (0 = Stable, 1 = At Risk)

Net Profit vs Cost to Serve (Colored by Churn Risk)
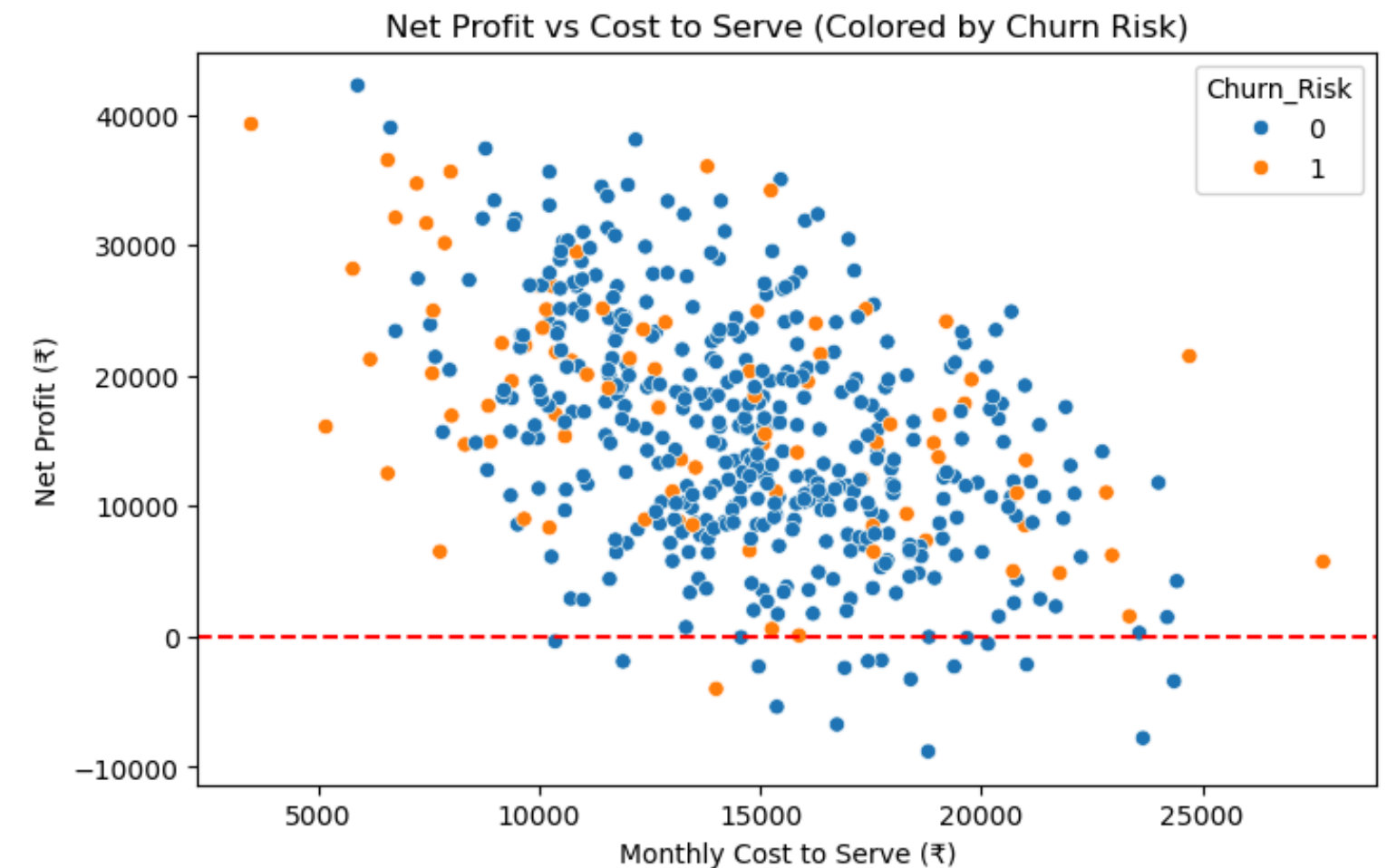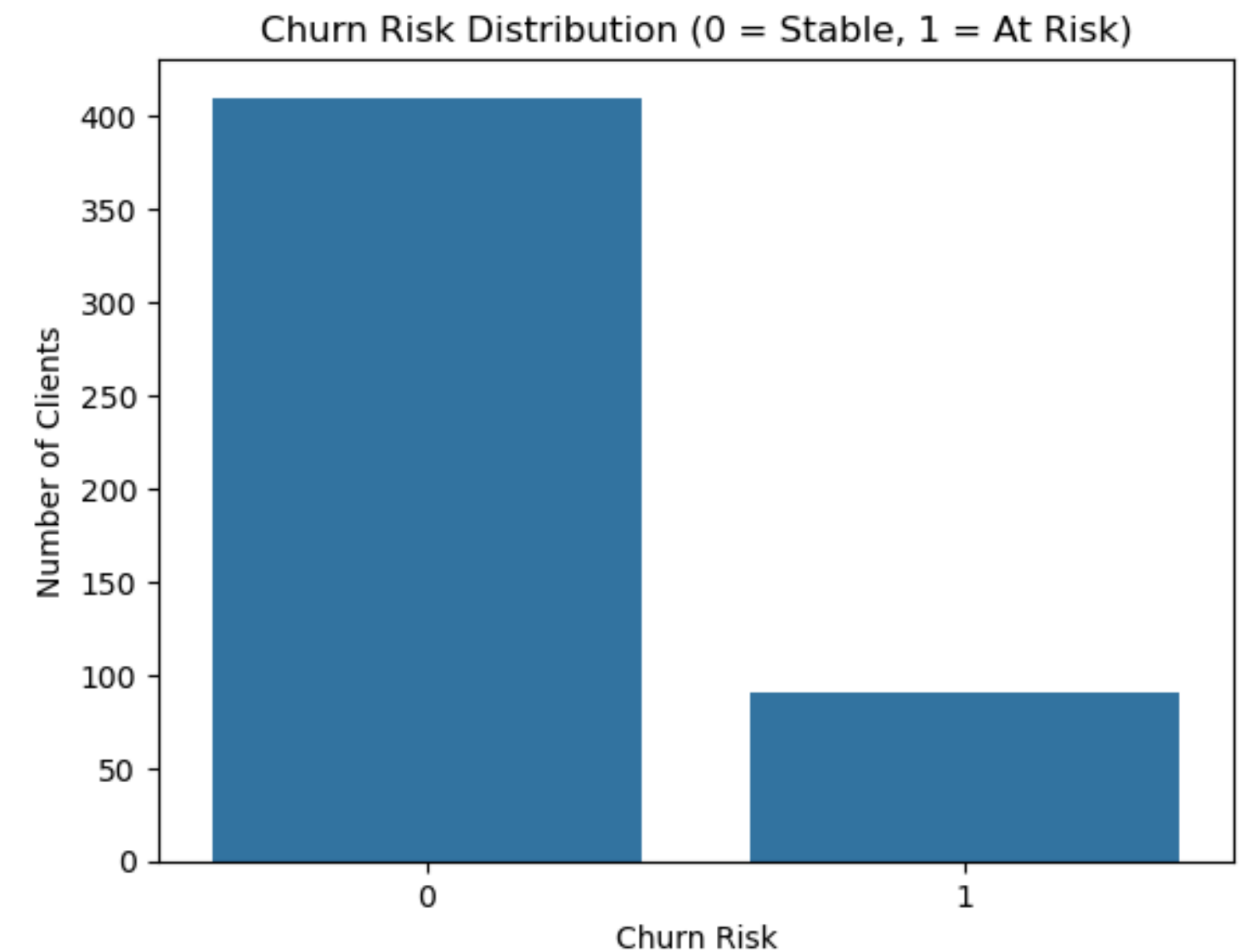
BEHAVIOR-BASED CLUSTERING AND SEGMENT PROFILING

- Applied K-Means clustering on usage, invoice, cost, satisfaction, and support data.
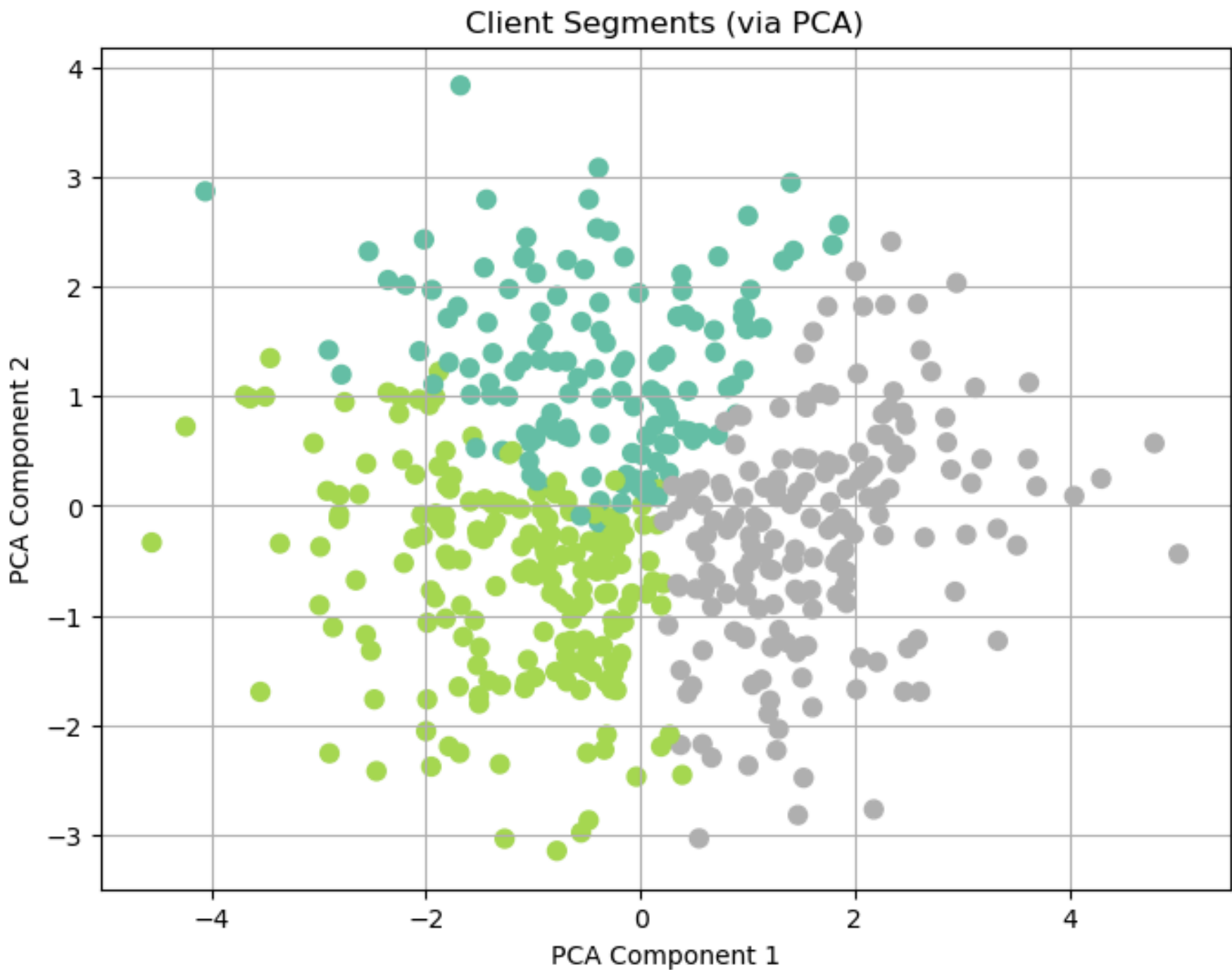
- Identified 3 behavioral personas:

Client Segments (via PCA)

SEGMENT	PERSONA NAME	DESCRIPTION
0	Costly Revenue Generators	High invoice but even higher cost, high support
1	Low-Touch Profitable Clients	Lean, satisfied, quietly profitable
2	At-Risk Drainers	Low usage, low satisfaction, high churn risk

TURNAROUND STRATEGY SIMULATED USING SEGMENT LOGIC

- Built a forward-looking simulation by segment type:
- Initial naive strategy failed (profit ↓).
- Refined simulation improved profitability through selective execution

ACTION	TARGET	DESCRIPTION
❌ Drop Clients	At-Risk Drainers (Net Profit < 0)	Cut-negative value clients
💵 Reprice	Costly Generators	Reduced cost by 15% to improve ROI
Automate	All Segments	Added ₹1500 in cost savings per client

BEFORE VS AFTER:
Financial Impact of the Refined Strategy
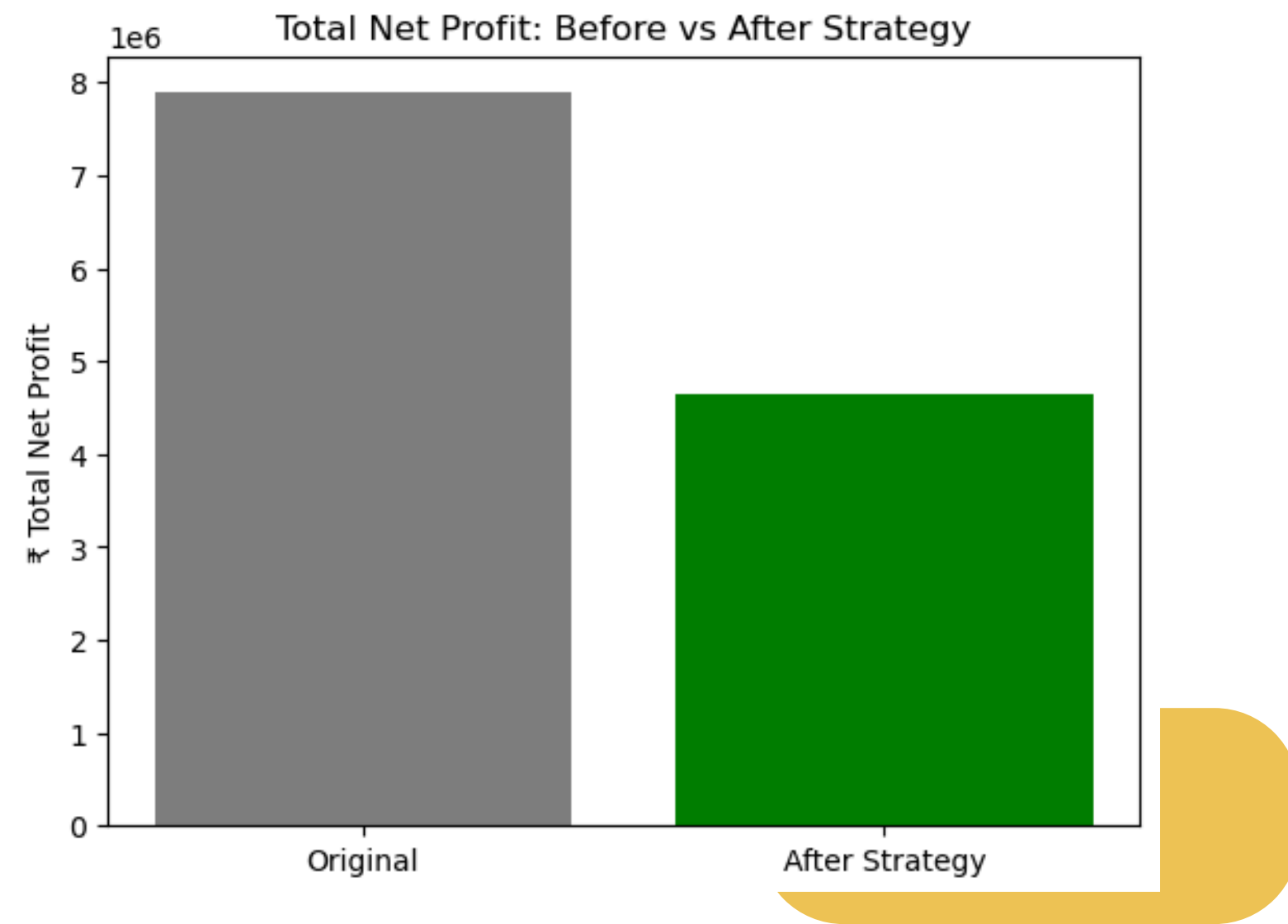
- Refined strategy led to a ₹X increase in net profit after correcting the initial misfire.

- Demonstrated the importance of data-led simulation before real-world implementation.

- Strategically trimmed cost without blanket client churn.
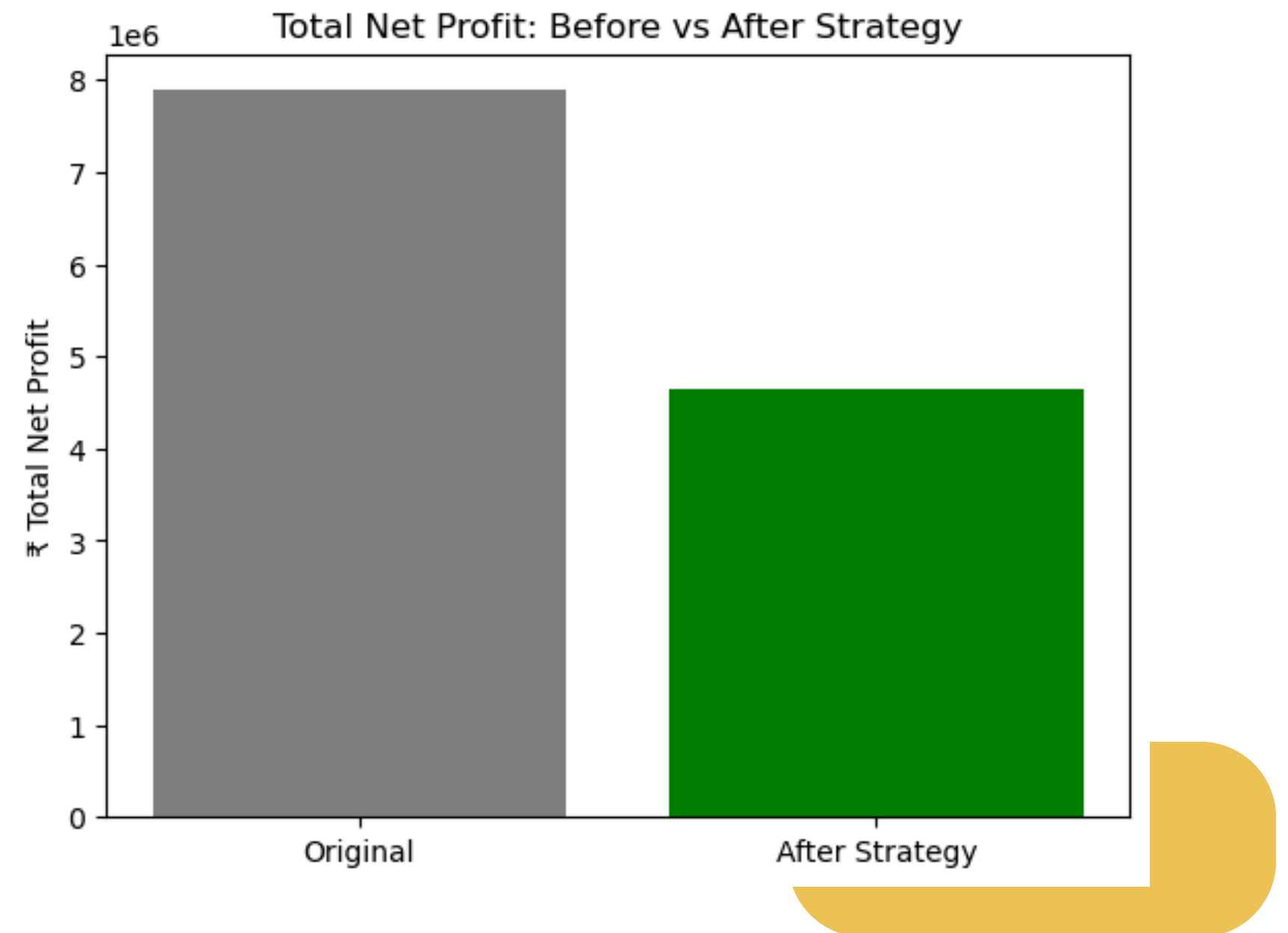
# ACTION-IMPACT MATRIX FOR THE LEADERSHIP TEAM

Action	Strategic Value	Confidence Level	Suggested Next Step
Drop Loss-Making Clients	High	High	Proceed immediately
Reprice "Costly Generators"	Medium	Medium	Run A/B pricing pilot
Automate Onboarding Costs	Medium	High	Add to upcoming product roadmap
Targeted Recovery for Segment 2	High	Medium	Test with small-scale retention push
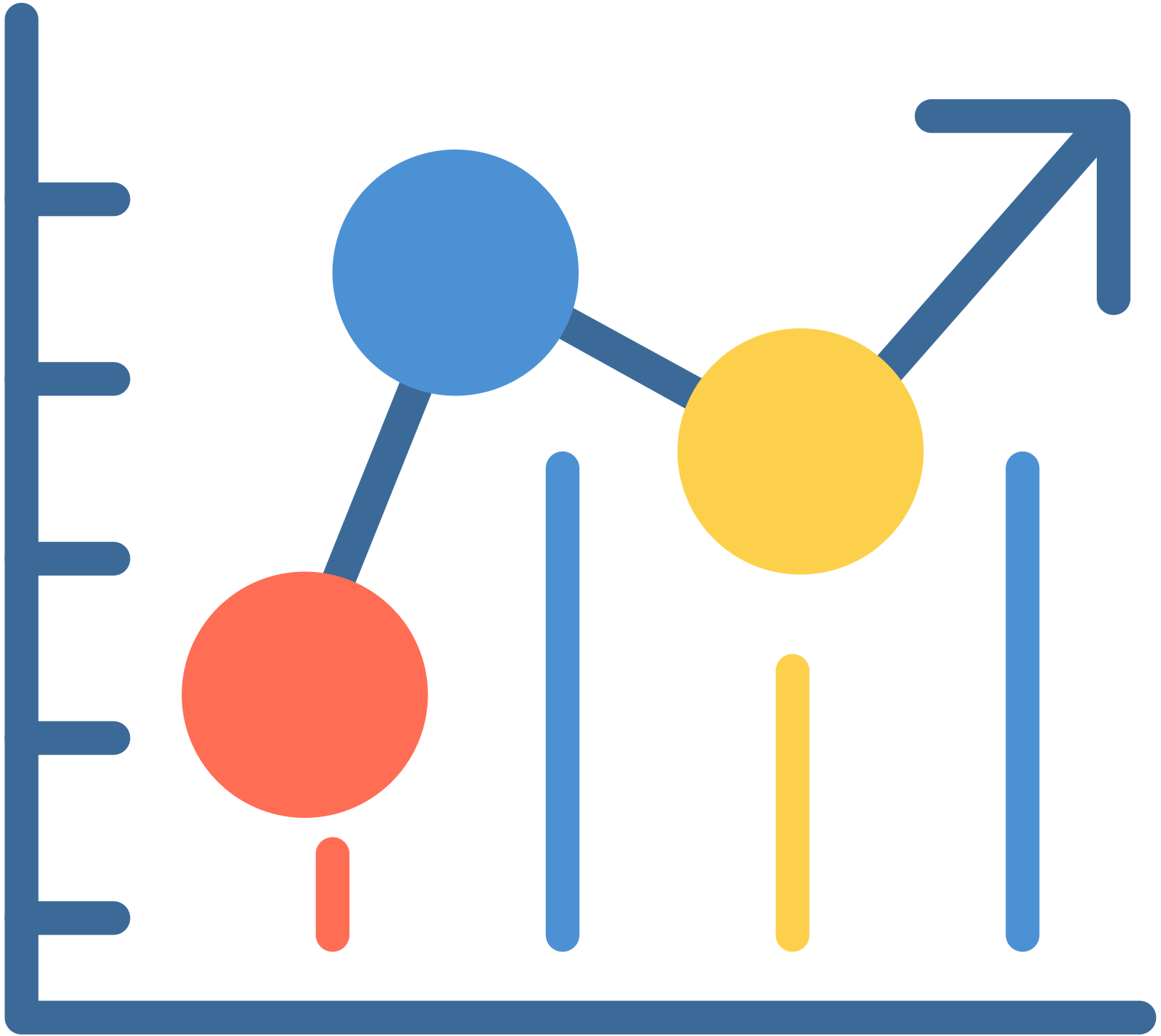
financial
STRATEGY

Innovation
AT WORK

THANK YOU !!

DATA
DRIVEN
DECISIONS

team
work