

# The Cascade

## Seven Misses That Stalled a \$200M Product

How a large real estate platform  
built for 8% of its market and didn't know it

**92%** of eligible agents  
never purchased a single credit

**40%**

utilization  
vs. 70% target

**~900**

bps Y/Y  
activation decline

**7**

sequential misses  
identified in the diagnostic

# Two Foundational Decisions Set the Entire Cascade in Motion

40%

actual utilization  
vs. 70% target

*Engagement diagnostic*

~900 bps

year-over-year  
activation decline

*Engagement diagnostic*

92%

of eligible agents  
never purchased

*Engagement diagnostic*

The Product Team unknowingly defined its market as the 8% who already bought. And they shipped a monolithic bundle that forced every agent to buy every feature whether they valued it or not.

One error narrowed who could buy. The other narrowed what they could buy.

**PMF was real for a fraction of the market, and the packaging made sure it stayed that way.**

## Strategy before structure.

The pricing strategy the platform never defined: incent acquisition and activation at the agent segment level with the right pricing model, packaging construct, and metering while protecting margin.

# The Cascade: Seven Sequential Misses



Result: 30pp utilization gap | 40% actual vs. 70% target | Each miss compounds the one before it

# Six Root Causes Behind the Utilization Gap

## **A** Activation Friction

Credits sit dormant waiting for media fulfillment scheduling.

## **B** Governance Leakage

Per-agent allocation prevents centralized team management.

## **C** Pricing-Value Misalignment

Discounts reward purchasing, not utilization (<50% even bulk).

## **D** Evaluation Failure

Single-deal ROI negative (\$230 vs. \$400+). Try once, leave.

## **E** One-and-Done Churn

50% early-termination penalty confirms anticipated abandonment.

## **F** All-or-Nothing Bundling

Monolithic package suppresses adoption, blocks WTP discovery.

*Existing commercial model addressed none of these. The discount ladder served the 10% who bought in bulk.*

# Reversing the Cascade: Segment-Level Strategy

**A**

## \$99 COGS-Positive Trial



Self-sourced media, 60-day window, Day 45 performance report. Fills the 92% pipeline.

**\$4-8M | Acquire**

**B**

## Subscription + Rebates



GBB tiers (\$295-\$595/mo). Quarterly cash-back at 85% activation. Rebate forfeiture forces utilization.

**\$12-18M | Activate**

**C**

## Pooled Credits + Governance



Centralized pool, role-based access, auto-apply rules, credit reclaim. 1.2x overage billing.

**\$8-12M | Scale**

**D**

## Enterprise + Deal Desk



Give-Get matrix at every tier. 80% activation commitment. VP approval at 35% floor.

**\$6-10M | Expand**

**\$30-45M incremental | +15-20pp utilization | 70%+ margin floor | >105% NRR**

*Each strategy deploys independently. The failure of one does not compromise the others.*

# AC

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## Request a Diagnostic

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*The utilization gap started with how the market was defined. Everything else followed.*