CASE STUDY · FINTECH · B2C · PAN-AFRICAN

The growth forecast was strong. Ahead of a raise, the customer base had to prove it.

A pan-African remittance business growing at exceptional speed and preparing to raise capital. Whether it was growing was not in question. The numbers already showed that: fees up 561%, transaction value up 507%, customers up 408% year-on-year. What the raise required was evidence of something more important: what that growth was built on, whether the revenue was durable, and whether the customer base could support the next stage of the story.

The analysis rebuilt the base from individual observed behaviour, looked beyond the aggregate reporting, and tracked concentration, movement, durability and what the existing customer book could genuinely support. What Keystone IQ found changed the investment conversation.

SECTOR	GEOGRAPHY	TRANSACTING BASE	Y2 FEES	IDENTITY
Fintech · Remittance · B2C	Pan-African	31,167 customers	$9.54m	Withheld

$12.62m

Floor: same retention and acquisition quality repeated. Plus 32.3% on current fees.

$5.04m

Zero-acquisition stress test. What the established base sustains alone.

+$4.38m to $4.63m

Incremental fee opportunity from eight value-creation levers above the floor.

THE INVESTMENT QUESTION

What headline growth obscured

Three numbers would have shaped how the business read itself going into a raise. All three were misleading.

The blended economics looked acceptable.

Observed churn across the base read at 49.3%. Average revenue per customer, blended, looked reasonable. Applied to a standard acquisition cost, the implied unit economics pointed in the right direction. What the blend concealed was a fundamental split in customer quality: three of five segments destroyed value at that acquisition cost. The business had two segments generating positive returns and three that did not, and the aggregate made that invisible.

Headline growth looked universally positive.

It was not. Fee revenue grew 561%, but 79.5% of that revenue was driven by new customers. The established base, the customers already won, sustained only 53% of current fees without continued acquisition. Growth was real, but the base was more dependent on the acquisition engine than the top-line trajectory suggested. A flat acquisition quarter would not have been a flat revenue quarter. It would have been materially worse.

The dormant pool looked like a major opportunity.

150,072 registered customers who had not transacted appeared to represent untapped upside. In practice, only 7,273 of those customers had ever demonstrated transactional intent by attempting a payment. The remainder were either compliance-gated, unable to transact without further onboarding steps, or had never attempted to transact despite having access. Treating the full dormant number as a reactivation opportunity would have fundamentally misread the size of the commercially actionable pool.

> *Three numbers looked like good news. None of them told the real story.*

PRODUCT 1 · HEALTH CHECK

What the base actually looked like

Rebuilding the customer book from observed behaviour, transaction frequency, spend value and relationship depth measured by the number of beneficiaries each customer sent to, produced a picture very different from the headline metrics.

A narrow spine carrying most of the economics

Network Senders and Power Senders together were 38.6% of the active transacting base. They carried 73.2% of transaction value and 68.8% of fee revenue. The business was not 31,167 customers of broadly similar quality. It was a relatively narrow economic spine, with three further segments, Regular Senders, Sporadic Senders and Light Senders, sitting below it in progressively weaker commercial relationships.

Network Senders

Transacted 27.8 times a year across an average of nine beneficiaries. Their most common sending purposes were Family Support and Tuition Fees, recurring obligations that anchored the relationship and gave it depth. Funded via payment providers, paid out through mobile money. Their breadth of beneficiary relationships meant that losing any single connection was unlikely to end the customer relationship entirely.

Power Senders

Different in almost every respect. Self-employed, funding via banks or paying out to bank accounts. Annual fees of $94,692 per customer, with 23 transactions a year, but to an average of just 2.5 beneficiaries. Their value came from size and frequency, not breadth.

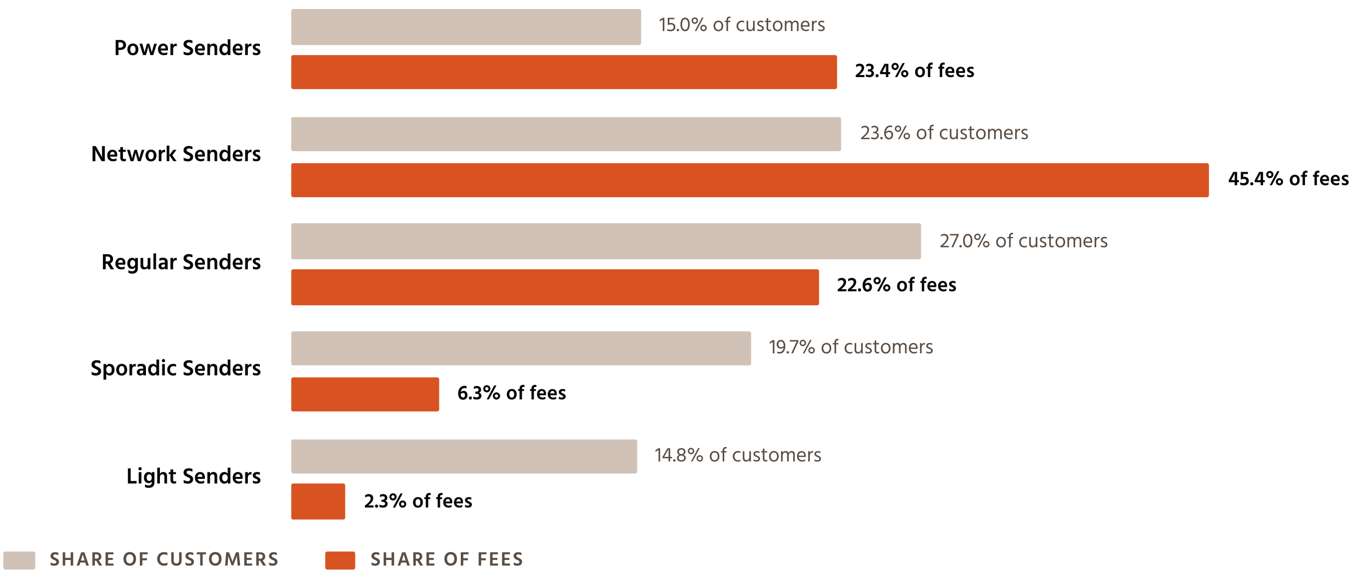
The rest of the analysis was about how durable that concentration was, and what threatened it. The full economics of all five behavioural groups are set out on the pages that follow.

> *The base was not 31,167 customers of similar quality. Two segments carried almost everything.*

HEALTH CHECK · CONCENTRATION

Where the customers are, and where the fees are

Plotting each segment's share of customers against its share of fees shows the asymmetry directly. Two segments hold 38.6% of the base and 68.8% of the revenue.



$477
Annual fees per Power Senders customer

$48
Annual fees per Light Senders customer

10×
The fee gap between the top and bottom of the book, at roughly five times the transaction volume

> *This is the shape of the asset the raise was resting on: a narrow spine, not a uniform book.*

HEALTH CHECK · FIVE BEHAVIOURAL GROUPS

The economics of each customer group

SEGMENT	CUSTOMERS	TRANSACTION ACV	Y2 FEES	FEE / CUST / YR	FREQUENCY	BENEFICIARIES	CUST. RETENTION	REVENUE HELD
Power Senders	4,680	$94,692	$2,232,360	$477	23.0×	2.5	78.7%	64.4%
Network Senders	7,345	$74,435	$4,331,160	$590	27.8×	9.0	71.3%	57.6%
Regular Senders	8,406	$24,893	$2,156,040	$256	9.6×	4.4	49.4%	44.4%
Sporadic Senders	6,134	$11,137	$601,020	$98	4.4×	1.6	30.6%	30.4%
Light Senders	4,602	$1,783	$219,420	$48	1.9×	1.1	26.8%	23.9%
TOTAL / AVG	**31,167**	**$40,930**	**$9,540,000**					

Revenue-held rate: the proportion of prior-year fee value still active in year two, each customer capped at prior value. A stricter measure than customer retention alone. Transaction ACV = annual transaction value per customer.

Network Senders transacted 27.8 times a year across nine beneficiaries, anchored by Family Support and Tuition Fees. Power Senders were different in almost every respect: annual fees of $94,692 per customer across 23 transactions, but to an average of just 2.5 beneficiaries. Their value came from size and frequency, not breadth.

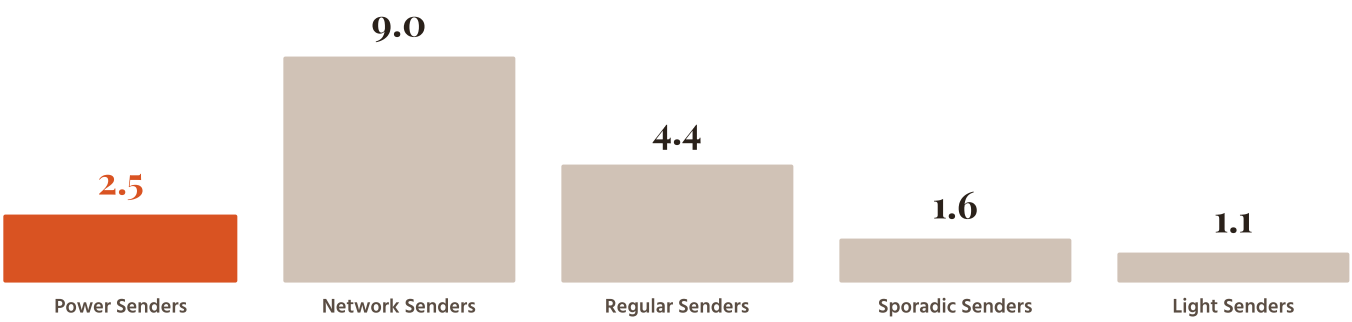
> *Two segments carried almost everything. The rest of the analysis was about how durable that concentration was.*

HEALTH CHECK · THE PARADOX

The Power Senders paradox

Power Senders had the strongest headline numbers: the best customer retention at 78.7%, the highest annual customer value, the most frequent transactions. A surface read would identify it as the most secure part of the book. The structural picture was more complicated.

AVERAGE BENEFICIARIES PER CUSTOMER, THE DEPTH OF THE RELATIONSHIP



2.5 beneficiaries

THE NARROWEST NETWORK IN THE BASE

An average of 2.5 beneficiaries meant each Power Senders relationship rested on very few sending connections. Network Senders, with nine beneficiaries, had nine reasons to keep transacting. Power Senders customers had roughly two.

35% paid rate

ON THE NIGERIA BANK-ACCOUNT RAIL

Power Senders also faced the worst execution environment in the business. Its customers paid out predominantly to bank accounts, and the bank-account rail in Nigeria was failing on a significant majority of attempted transactions. Good retention in the historical period was not the same thing as structural security.

> *The segment that looks safest is the most structurally exposed.*

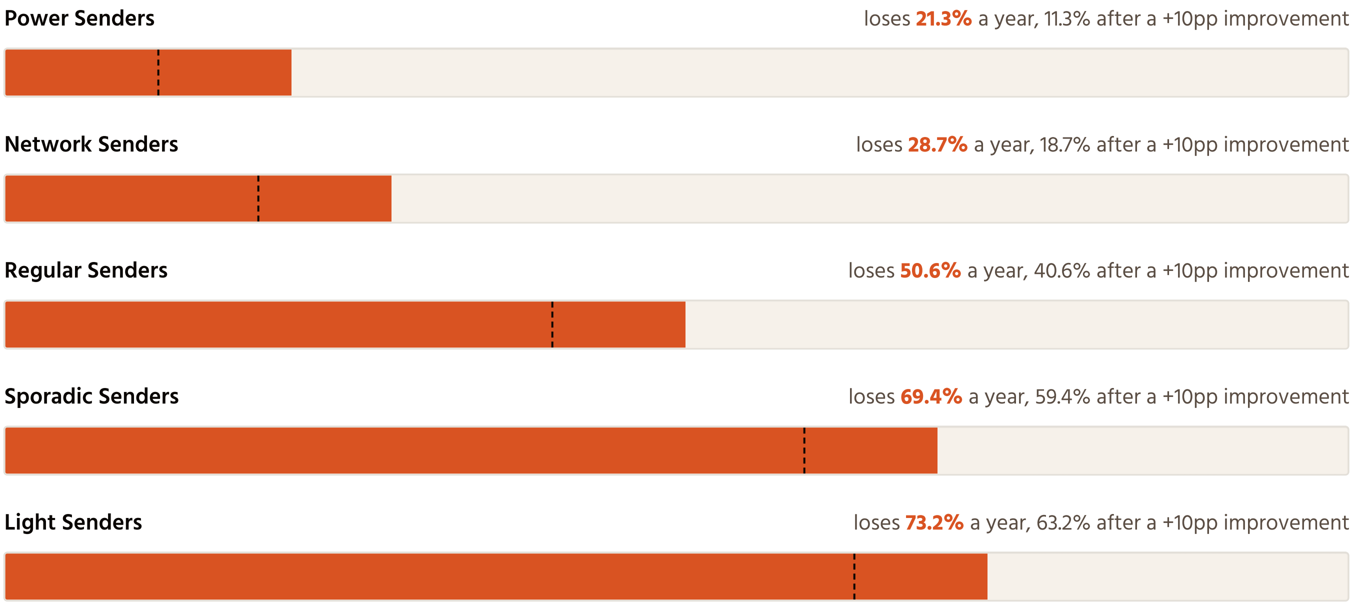
PRODUCT 2 · CUSTOMER BASE DIAGNOSTIC

What the movement layer revealed

The static picture showed concentration. The movement layer showed what the base could actually support, how much revenue had to be generated externally to hold the current line, and where value was leaking.

The real churn picture

Even segments with relatively strong retention were losing material proportions of their customer base every year. Power Senders lost 21.3% of customers annually. Network Senders lost 28.7%. Regular Senders, the largest single segment, lost more than half its customers every year, at 50.6%.



BAR: ANNUAL CUSTOMER LOSS · DASHED LINE: LOSS REMAINING AFTER A +10PP RETENTION IMPROVEMENT

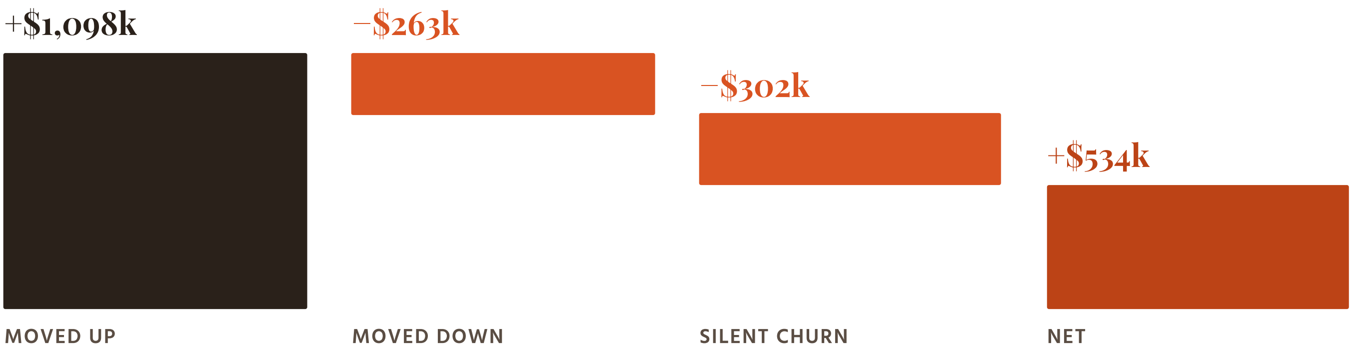
Even a 10-percentage-point retention improvement, a big operational ask, would still leave the business losing more than one in ten Power Senders customers, nearly one in five Network Senders, and two in five Regular Senders every year.

> *The goal of retention work was not to eliminate churn. It was to manage an ongoing leak in the parts of the book that mattered most.*

THE MOVEMENT BENEATH THE SURFACE

A positive net that hid a harder gross

Net movement across the established base was positive: +$534k year-on-year. Customers who stayed didn't just stay, they grew. Retained fee revenue was up 82% year-on-year. That was a genuine result.



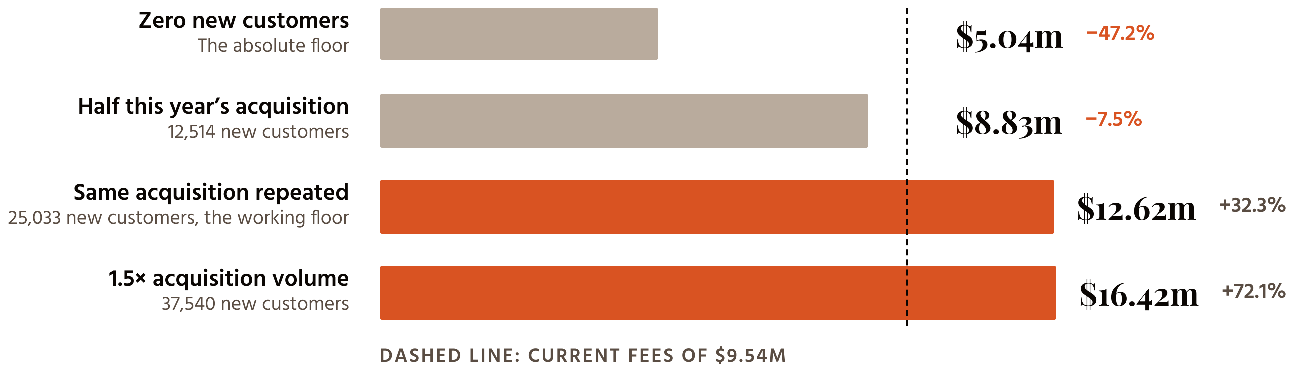
Moved up Y1 customers matured · maintained at value · lateral movement	**+$1,098k**
Moved down New Y1 customers churned · tried but failed	**−$263k**
Silent churn No Y2 transaction attempt, no advance warning signal in the data, the single largest loss line	**−$302k**
NET	**+$534k**

Silent churn was the single largest loss line. By the time it appears in the numbers, the customer is already gone.

REVENUE FLOOR

The floor, and what it depended on

Without any new customers, relying purely on the revenue held from the existing established base, the business could sustain $5.04m. Against current fees of $9.54m, that represented a 47.2% fall. Acquisition was not optional upside. It was load-bearing.



If the business repeated the same acquisition volume and the same quality mix, fees reached $12.62m, growth of 32.3% on current. The critical observation was what that depended on. In the year under analysis, 27.5% of new customers landed in Network Senders and Power Senders. That group carried 58.3% of new-cohort revenue.

> *Acquisition was not optional upside on top of a self-sustaining customer book. It was load-bearing.*

REVENUE FLOOR · THE MIX CONSTRAINT

Quality, not quantity

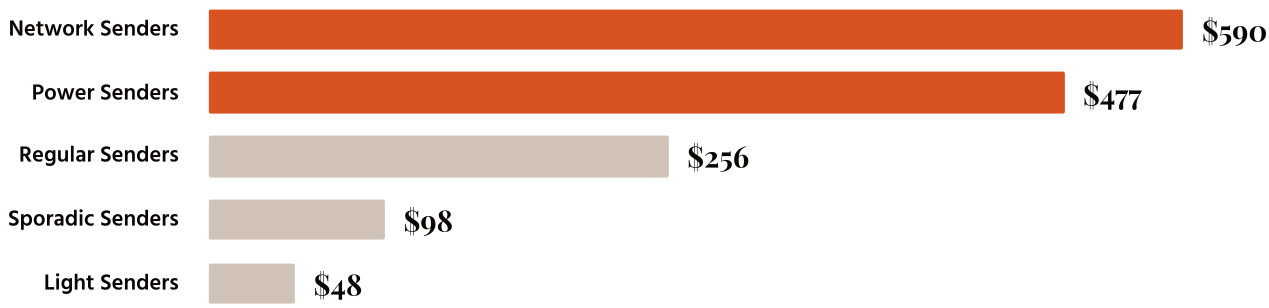
Same acquisition volume, very different floor, depending entirely on where the customers landed. The constraint was not headcount. It was mix.

27.5%
of new customers landed in Network Senders or Power Senders.

58.3%
of new-cohort revenue came from that 27.5%.

1/10th
A Light Sender generates $48 in annual fees against a Power Sender's $477, at roughly one-fifth of the transaction volume.

ANNUAL FEES PER CUSTOMER BY SEGMENT



An acquisition strategy optimised for volume but blind to segment quality would degrade the floor while the new-customer numbers continued to look strong. That distinction was invisible in the headline metrics.

> *Same acquisition volume, very different floor. That distinction was invisible in the headline metrics.*

STRUCTURAL RISK

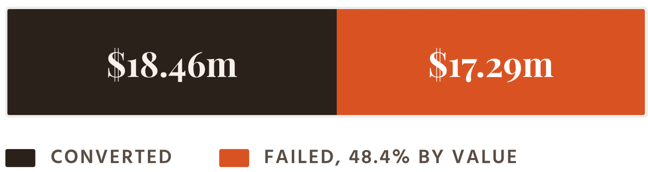
Nigeria: a demand problem that was not a demand problem

Nigeria had the worst execution failure rate of any corridor: 45.7% of attempted transactions failed by volume, against 32 to 34% in Ghana and Kenya. For Power Senders the problem was sharper still. They paid out almost exclusively to bank accounts, the rail Nigeria failed on hardest, and only 35% of their attempted value converted.

ATTEMPT FAILURE RATE BY CORRIDOR

Ghana is the acquisition engine and Kenya carries the best segment mix. Both are benchmark corridors. Nigeria sits 12 to 13 points worse on the same measure.

NIGERIA ATTEMPTED VALUE, CONVERTED AGAINST FAILED



Power Senders carried 65% of Nigeria's total attempted value. Nigeria's established-base revenue still grew 130% year-on-year despite this. Demand was real. Execution was the constraint.

This was not a demand problem. It was an execution and partner problem sitting directly on the most valuable segment in the base, the segment with the narrowest beneficiary depth and therefore the least resilience to losing individual sending relationships through failed experience. The same root cause sits under the tried-but-failed dormant pool.

> *Fix Nigeria and Protect the Spine are not two separate levers. They are the same risk seen from two angles.*

STRUCTURAL RISK · THE DORMANT POOL

Not one actionable group

150,072 dormant registered customers were not one opportunity. They were operationally distinct situations, only one of which was commercially addressable in any near-term sense.

150,072 REGISTERED, NOT TRANSACTING

7,273 ACTIONABLE, 4.8%

POOL	SIZE	WHAT IT ACTUALLY WAS
New, not compliant	8,955	Registered recently, verification incomplete. Prompt with CRM, expect low response.
Ageing, not compliant	58,245	Verification incomplete. An onboarding and compliance problem, not a marketing or reactivation lever.
New, dormant	8,492	Fully registered, no transaction attempt yet. Prompt with CRM, expect low response.
Ageing, dormant	67,107	Fully registered, never transacted. No demonstrated intent. Not commercially addressable now.
Tried but failed	7,273	The only pool with demonstrated intent, blocked by execution friction. Same root cause as Nigeria.
TOTAL DORMANT	150,072	7,273 actionable, 4.8%, the pool with the highest potential.

> *Quoting 150,072 as a reactivation opportunity would misrepresent the business. The actionable dormant pool is 7,273, or 4.8% of the headline.*

PRODUCT 3 · VALUE CREATION MAP

Eight levers. Sequenced. Sized. Grounded in the data.

The diagnostic identified the economics: where value sat, how it was moving, what the floor was, and where the structural risks were. The value creation map took that analysis further, identifying the specific customers and behaviours behind each finding, then sequencing and sizing the levers available to management.

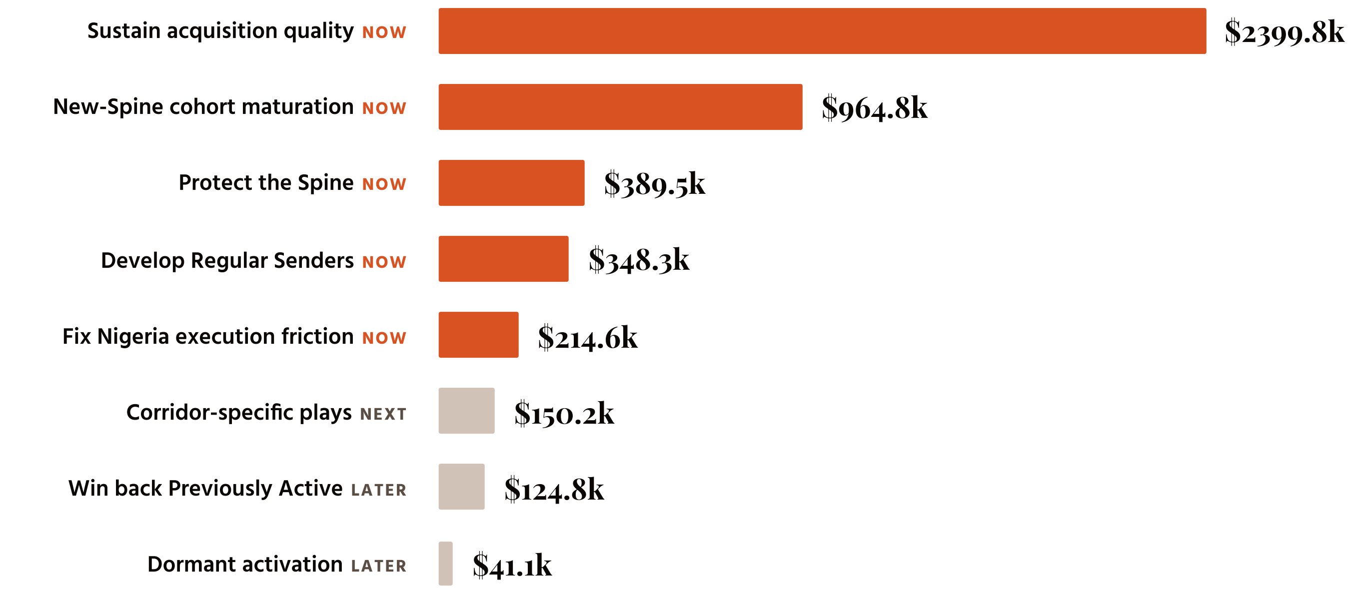
#	LEVER	TARGET	FEE OPPORTUNITY	TIMING
1	**Protect the Spine**	Power Senders and Network Senders showing decline signals	**$353.8k to $389.5k**	NOW
2	**Fix Nigeria execution friction**	Failed attempts, Power Senders hardest hit	**$142.6k to $214.6k**	NOW
3	**Develop Regular Senders into NS/PS**	Self-employed, tuition-fee-paying Regular Senders	**$240.7k to $348.3k**	NOW
4	**Corridor-specific plays**	Ghana depth-building; Kenya continuity	**$150.2k**	NEXT
5	**Win back Previously Active**	Proven payers who lapsed	**$83.0k to $124.8k**	LATER
6	**Dormant activation, tried but failed**	7,273 who showed intent and were blocked	**$41.1k**	LATER
7	**New-Spine cohort maturation**	6,882 new NS/PS arrivals, first 90 days critical	**$964.8k**	NOW
8	**Sustain acquisition quality**	Protect the mix, not just the volume	**$2,399.8k**	NOW
	TOTAL INCREMENTAL FEE OPPORTUNITY		**$4.38m to $4.63m**	

Ranges reflect low and high delivery assumptions per lever. Timing indicates sequencing priority, not exclusivity. NS = Network Senders; PS = Power Senders.

VALUE CREATION MAP · WHERE THE VALUE SITS

Two levers carry three quarters of the opportunity

Sizing the levers against each other changes the order of the conversation. The two largest, together worth $3.36m, require no new capability. They are about not losing what is already happening.



UPPER END OF EACH LEVER RANGE · TOTAL $4.38M TO $4.63M ABOVE THE WORKING FLOOR

$3.36m
Levers 7 and 8 combined, requiring no new capability

+54.2%
Transaction value compounding for new spine customers retained past 90 days

6,882
New Network Senders and Power Senders customers who joined in the year under analysis

> *The lever was not creating something new. It was not losing what was already happening.*

VALUE CREATION MAP · THE NEAR-TERM LEVERS

The levers to move on now

01 Protect the Spine

Power Sender customers send in large, infrequent bursts. On a standard recency dashboard, they do not look at risk. The meaningful signal is deviation from their own pattern: a 30%+ drop in monthly frequency, or a reduction in active beneficiaries, across two consecutive months. The intervention is direct and relationship-led, a call or message from an account contact, not a mass notification. Retention also pays twice: at standard acquisition costs, retaining a Power Senders customer avoids the cost of replacing them externally, approximately doubling the commercial value of the lever.

02 Fix Nigeria

This is a commercial accountability question, not an operations ticket. Nigeria's bank-account failure rate needs to be owned as a number, benchmarked against the 32 to 34% failure rate in Ghana and Kenya, with a named owner, a measurable improvement target, and a timeline. The same intervention that fixes Nigeria fixes the tried-but-failed dormant pool. One fix, two levers.

03 Develop Regular Senders

The core held the highest concentration of tuition-fee senders in the base: 29% of all tuition-fee customers were Regular Senders. A recurring, scheduled financial obligation already existed. 3,615 Regular Senders churned every year instead of progressing into Network Senders or Power Senders. Every customer that progressed rather than churned was one fewer acquisition the business needed to fund externally. The intervention needed was a deliberate development objective, a named quarterly target for Regular Sender-to-Spine conversion, not an aspiration.

07 & 08 Protect what is already working

The two largest levers, together worth $3.36m, required no new capability. New spine customers retained past 90 days compounded at +54.2% transaction value in the subsequent year. 6,882 Network Senders and Power Senders customers joined in the year under analysis. The acquisition mix lever was equally direct: the 27.5% spine landing rate was the assumption the entire floor was built on. If the growth team's primary metric was total customer count, the incentive structure was misaligned with the commercial outcome.

> *Every progression avoids one external replacement cost and strengthens the floor rather than simply maintaining it.*

PRODUCT 4 · VALUE CREATION ADVISORY

The management agenda

The value creation map identified the levers. The management agenda specified what each lever required in terms of ownership, operating change, and measurement. This was not an initiative list. It was a set of specific decisions that management needed to make.

LEVER	THE MANAGEMENT DECISION	TRACKED AGAINST
Protect the Spine	Does Power Senders have a dedicated retention approach calibrated to its own transaction rhythm, or is it caught by a generic inactivity window?	Customer and revenue retention per segment vs validated benchmark, reported monthly
Fix Nigeria	Who owns the bank-rail failure rate as a commercial accountability, with a named benchmark and timeline?	Nigeria paid rate vs Ghana/Kenya benchmark; close the gap within one quarter
Develop Core	Is there a named quarterly objective for Regular Sender-to-Spine conversion, tracked as a cohort metric?	Proportion of Regular Senders cohort migrating to NS/PS per quarter
Acquisition quality	Does the acquisition function have a quality metric alongside the volume metric?	% of new customers landing in spine at the 27.5% benchmark, reported monthly

This was not an initiative list. It was a set of specific decisions management needed to make.

THE OUTCOME

What the diagnostic changed

The work changed four conversations.

"The business is growing"

Became: the business grows if the intake quality holds, and here is exactly what that means for how the acquisition function needs to be managed.

"Protect our best segment"

Became: Power Senders and Fix Nigeria are the same risk seen from two angles. One commercial intervention addresses both.

"Grow acquisition"

Became: convert Regular Senders first. 3,615 customers are churning every year instead of progressing. Every progression avoids one external replacement cost and strengthens the floor rather than simply maintaining it.

"Reactivate the dormant base"

Became: fix the rail. The tried-but-failed pool is 4.8% of the dormant number. Fix the execution infrastructure and the impact runs across Nigeria and the dormant pool simultaneously, from a theoretical $41.1k to a combined lever worth multiples of that.

The diagnostic translated a complex customer base into a coherent commercial picture: what was durable, what was dependent, what was at risk, and what could be recovered.

WHY IT MATTERED

The numbers that shape all three conversations

This kind of analysis is relevant at every stage of the deal lifecycle.

At entry

Shows what is actually being acquired: the concentration, the floor, the acquisition dependency, and the structural exposure in the highest-value segment, before capital is committed.

During hold

Becomes the operating intelligence behind the value-creation agenda: specific, measurable objectives tracked each period against the same data. Not a broad initiative list.

At exit

Builds the equity story on evidence: how the customer base moved, which segments strengthened, whether acquisition quality held, whether the floor improved over the hold period.

For this business, the diagnostic provided the evidence that transformed a growth story into an investment story. Growth was already visible. The analysis showed what it was built on, how resilient it was, and what management needed to do to strengthen it before the next stage of capital.

> *For any business where the customer base is the true engine of value, these are the numbers that shape the real conversation. They rarely appear in standard reporting. They should.*

REVENUE QUALITY ARCHITECTURE™

Commission an Operator Read

Know what the growth is built on before it gets priced into the deal.

The Keystone IQ Revenue Quality Architecture™ rebuilds the revenue picture from transaction-level behaviour: concentration, durability, the floor, and the levers available to management.

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Identity withheld. Data anonymised. Scenario rates are stated assumptions based on observed customer transition data. Keystone IQ Revenue Quality Architecture™.