

How to use: Go through each section and check every box that applies. Tally your score at the end. Any unchecked box is a documented operational gap.

Margin Model and ROAS Floors

- 1 Do you have a minimum ROAS target calculated per SKU from current COGS and variable costs?
- 2 Have you updated your campaign bid targets within the last 30 days to reflect current product costs?
- 3 Does your ROAS floor account for fulfillment cost, platform fees, return rate, and payment processing?
- 4 Can you calculate your breakeven ROAS without opening the ad platform?
- 5 Is there a documented process for updating margin targets when COGS changes?

Contribution Margin Tracking

- 1 Do you track contribution margin per order at least weekly (not only monthly)?
- 2 Does your margin calculation subtract ad spend, fulfillment, platform fees, and return allowances from actual collected revenue?
- 3 Do you reconcile your ad platform's reported ROAS against actual backend net revenue every week?
- 4 Is there a defined threshold below which your weekly contribution margin triggers a cost audit?
- 5 Are you tracking blended MER (total revenue divided by total marketing spend) alongside platform ROAS?

Creative Rotation and Fatigue Management

- 1 Do you have automated rules that pause creatives when frequency exceeds 3.0?
- 2 Do you have automated rules that pause creatives when CTR drops below 0.9%?
- 3 Do you maintain at least 4 active creatives per ad set at all times to allow rotation without production delays?
- 4 Is your creative refresh schedule driven by performance data rather than a fixed calendar?
- 5 Have you calculated your monthly Creative Fatigue Cost (actual CPA above target multiplied by orders acquired during that period)?

Scaling Protocol and Budget Discipline

- 1 Do you have a written SOP that defines the exact conditions required before increasing any campaign budget?
- 2 Are your budget increases capped at a maximum of 20% per week?
- 3 Do you enforce a minimum 14-day performance hold at stable CPA before scaling any campaign?
- 4 Are you accounting for learning phase CPA inflation when calculating whether a campaign has room to scale?
- 5 Have you modeled the pre-scale buffer required - the gap between current CPA and the maximum profitable CPA - before any budget increase?

LTV Modeling and CAC Sustainability

- 1 Is your maximum sustainable CAC based on actual 12-month cohort LTV data rather than projected repeat purchase rates?
- 2 Does your current CAC remain below one-third of your measured 12-month customer LTV?
- 3 Have you updated your LTV model within the last 90 days using real purchase data?
- 4 Does your operation have email or organic revenue covering at least 20% of fixed costs independent of paid acquisition?
- 5 Do you have a defined trigger - based on blended CAC or CPM thresholds - that initiates an evaluation of alternative acquisition channels?

SCORING GUIDE

Score	Level	What it means
0-11	CRITICAL	your operation has structural failures that are actively destroying margin
12-19	MODERATE	gaps exist in 2 to 3 areas that need immediate attention
20-25	STRONG	your systems are solid, focus on optimization

Book a free data audit at modonix.com/services - we identify your top 3 margin leaks in one session. Written by Ahmed Abuswa, Modonix.com