

POINT OF VIEW

# Reigniting revenue: How to optimize sales with digital and data- driven insights

*The changes to consumer behavior driven by the COVID-19 pandemic have heightened many of the pre-existing challenges facing sales and commercial leaders. Digital commerce has accelerated, real-time pricing and trade promotion decisions have become vital to capturing shrinking consumer spend, and the shift from offline to online means business-to-business (B2B) customers increasingly expect a business-to-consumer (B2C) experience.*

*The need for consumer goods, life science, and hi-tech organizations to meet these challenges on the same budgets has heightened emphasis on digital transformation. Recent research from NelsonHall conducted on behalf of Genpact found that more than 90% of organizations now consider digital transformation and data-driven insights as the need of the hour.*

*To maximize sales and commercial revenues, companies need to shift their thinking from process-centric to customer-centric. This means leveraging cutting-edge technologies, workflows, and analytics to support a self-service, omnichannel experience with a continuous feedback loop for better decisions.*

Businesses need to grow revenue, and quickly. But there are major challenges to address in their existing operations.

## 1. Improve sales enablement and sales force effectiveness

The Genpact research found that only 35% of sales leaders are satisfied with the efficiency of their sales functions in today's economic environment. With sales forces spending less than a third of their time actively selling, 95% of executives recognize this is vital to improve.

### Sales force time by activity



Sales forces are spending the biggest percentage of their time on sales administration tasks such as contract management, order management, exceptions handling, and customer service. Sales teams often serve as a substitute for customer service. As one of the study's respondents noted:

*"Customer services drains a lot of time from sales. Poor customer service experience leads customers to place customer service requests through their account manager."*

To keep in step with today's volatility, organizations need an end-to-end target operating model to effectively execute sales and operations. Digital technologies can be applied to existing infrastructure as a single pane of glass to unify data and interfaces and present them in a single view. This reduces the frequency of errors while

simplifying order change processes, contracts, and pricing, freeing sales teams from administrative duties. With online sales projected to double, they can shift their focus to leveraging data and insights for better conversion and reach across customers.

Automation is another way to increase efficiency. By automating sales administration activities, organizations can drastically cut the time the sales force spends running the business so they can focus on growing the business instead, optimizing the sales enablement model.

Some organizations have already started automating tasks, but there are still considerable untapped opportunities across the sales and commercial operations value chain.

## 2. Stop revenue leaks

In a \$10 billion organization, approximately 1-3% of its sales revenue is leaked, so removing sources of revenue leakage is another way to maximize cash and profitability. 45% of sales and commercial executives polled for our research recognize that their firms suffer extensively from revenue leakage due to ineffective pricing, promotion planning, and execution.

Although most executives agree that it's highly important to reduce these leaks, this isn't an easy task. One commented, "There's no strategy to pricing management - often arbitrary decisions on product discounts rather than basing decisions on competitor pricing or insight to why volume changes."

Revenue leaks happen in multiple ways:

- Poor discounting practices and ineffective optimization of pricing and promotions
- Order entry, invoicing, and accounting errors
- Invalid deductions and billing issues
- Supply chain surpluses and shortages because there's no end-to-end visibility of promotion and discounting

An end-to-end workflow enables organizations to identify and plug these leaks. Sales and commercial leaders should optimize their spend in the following places:

- Tightening control of sales force discounting, including reducing maverick discounting, improving documentation, and implementing continual improvement in sales and communications
- Improving promotions management processes using sharper customer insights to better align promotions with market opportunities
- Improving deductions verification processes with automation and analytics, an improved workflow, tailored levels of verification to account behavior, and increased validation
- Leveraging data-to-insights and cognitive analytics in commercial decision-making

### 3. Find better ROI from pricing and promotions

Sales and commercial executives are struggling with the current ROI from their trade promotions. Historical demand and promotional data have become unreliable for forecasting, one of the many trade promotion challenges accelerated by the pandemic.

Pricing and promotion plans have historically been driven by budget discussions, decided at the start of the year with few adjustments. But today, digital technologies and analytics can enable real-time models with daily adjustments. Tightening the feedback loop with an end-to-end system will cut the time it takes to refine and validate promotions and reduce wasted revenue on poor performers.

Analytics insights can dramatically increase ROI from pricing and promotions by using customer analytics to

identify what is and isn't working. Control groups and A/B testing can assess promotion performance, and linking the supply chain with sales demand allows for more accurate management based on data, rather than qualitative decisions.

### 4. Improve the customer and sales experience

Putting customers at the heart of a business is a long-established principle, but post-COVID businesses will need to reassess how their customers make purchasing decisions. Companies must rethink decision journeys to reflect what customers value and design new use cases and customer experiences to match these drivers. This means a more nuanced approach to segmenting customers and providing B2C experiences in the B2B world.

### The way forward

Sales and commercial executives know they need to improve how they manage revenues, sales force effectiveness, and margin leakage, but the current economic climate has now made this urgent.

By integrating operations and business services with end-to-end processes and then leveraging data and technology for quicker, more accurate decisions, organizations can boost sales force effectiveness, plug revenue leaks, and increase ROI from pricing and promotions strategies.

Sales and commercial teams must make the right investments in digital transformation to help them protect and increase revenue and grow market share in this fast-changing world.

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#### About Genpact

Genpact (NYSE: G) is a global professional services firm that makes business transformation real. We drive digital-led innovation and digitally-enabled intelligent operations for our clients, guided by our experience running thousands of processes primarily for Global Fortune 500 companies. From New York to New Delhi and more than 30 countries in between, we connect every dot, reimagine every process, and reinvent companies' ways of working. Transformation happens here.

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