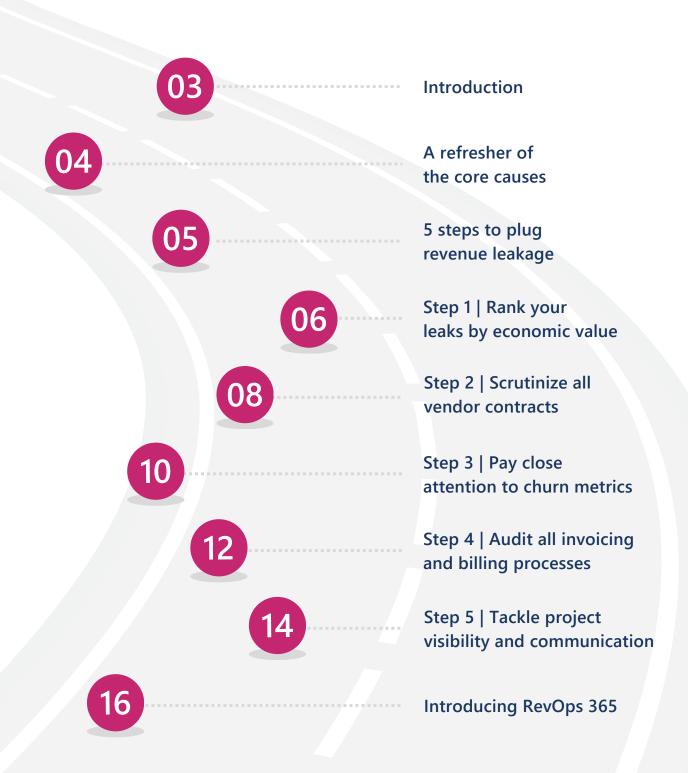


Booklet | 5 simple steps to revenue leakage prevention



Table of contents





Introduction

In a dynamic business environment, protecting your revenue is crucial for long-term success. Revenue leakage, the subtle loss of income, can harm profits and impede growth if not addressed. In our connected world, understanding and preventing revenue leakage is vital. This booklet focuses on actionable steps—helping you to identify specific profit drain issues and find practical solutions to plug them, ensuring a more secure financial position.

"Before we jump to solutions, it's essential to understand where these leaks might arise and prioritize the areas with the most profit drain. Often there are substantial leaks that save companies a lot of money once plugged, and which are easily identified once you know where to look."

Lak Chahal, CEO at Binary Stream





Every business is distinct, meaning there could be specific reasons for revenue loss that apply uniquely to your enterprise. However, in broad terms, some common inefficiencies and shortcomings lead to revenue leakage.



steps you can take to plug your profit drain

- Rank your leaks by economic value
- 2 Scrutinize all vendor contracts
- Pay close attention to churn metrics
- Audit all invoicing and billing processes
- Tackle project visibility and communication



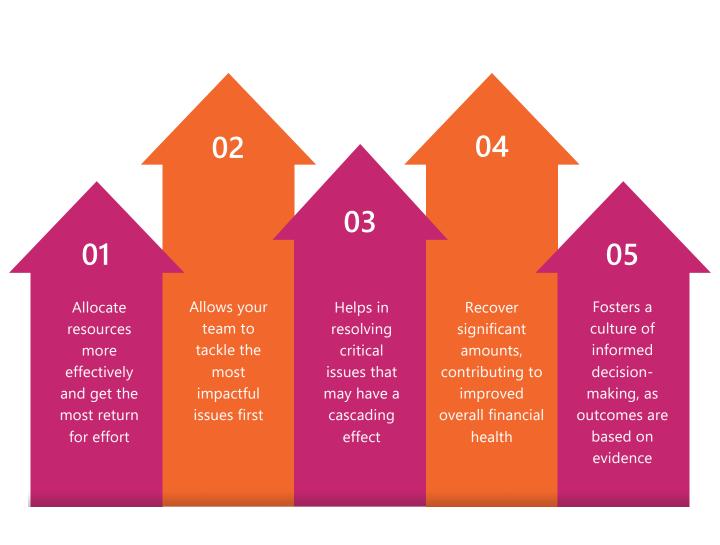


Step 1 | Rank your leaks by economic value and resource drain

When searching for revenue leaks in your company, it's like solving a puzzle — there are leaks in various departments, and it can be overwhelming. To simplify the process, start by estimating areas where the leaks might originate. While it's common to focus on the top accounts, it's crucial to involve those closest to the revenue generation process for a comprehensive understanding.

Once you consolidate your ideas about where the leakage occurs, rank the leaks by economic value (including time and other resources spent). Prioritize those causing the most significant financial impact, directing your attention to the major contributors before tackling smaller issues. For instance, if a substantial leak costs \$4,500 per month, while seven minor leaks only add up to \$1,030, it would be critical to address the big-hitting one first.

Finally, test your theories through a thorough audit, involving the finance team and those responsible for revenue generation. This audit should scrutinize data, processes, and retrace steps related to key revenue moments to ensure accuracy in identifying and addressing the leaks.

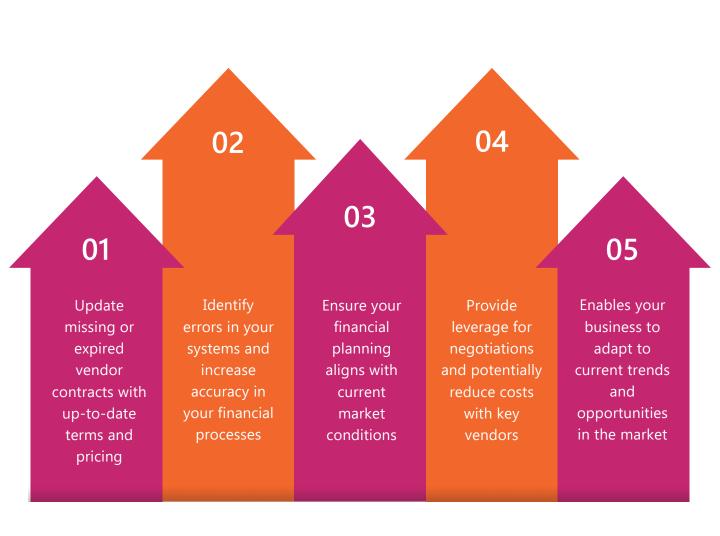


Step 2 | Scrutinize all vendor contracts and identify missing or expired contracts

Simply put, the first step in preventing revenue leakage is carefully checking all your agreements with your suppliers. In the business world, everything runs on contracts — from buying goods to getting services like coffee or office cleaning. Sometimes, these contracts can be a headache. They might be missing, expired, or nobody really knows what's in them. There could be changes discussed in emails that aren't reflected in the official contracts.

To sort this out, we recommend looking at all your contracts with vendors and customers. It's like a checkup for your agreements. Start by focusing on the big suppliers — those who are crucial to your business. Ask your purchasing team to evaluate them based on factors like complexity and past experiences. This helps identify any potential issues and ensures that your contracts are in good shape.



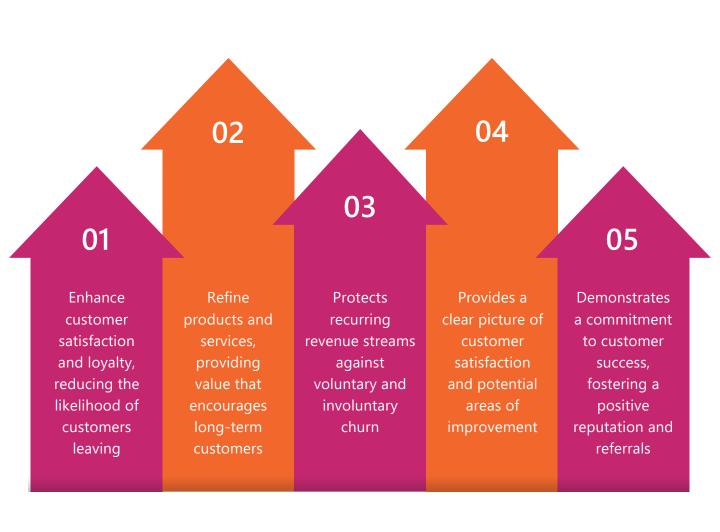


Step 3 | Pay close attention to your churn metrics and be proactive in reducing them

Understanding and identifying churn metrics is crucial for any company looking to grow, as these metrics provide valuable insights into areas that need improvement. In the past, calculating churn rates was challenging, but with today's abundance of data, tracking and using churn metrics for adjustments has become much easier. Knowing your churn rate acts as a litmus test for your business health — satisfied customers will stay, while a high churn rate indicates potential issues with your service that need attention.

It's common for companies to overlook churn metrics until it's too late, leading to a sudden increase in churn rates that causes concern. However, proactively reducing churn rates, even when they are low, is a smart approach. By understanding why customers leave, you can make necessary adjustments to retain them and refine your services before more subscribers decide to depart.







Step 4 | Audit all invoicing and billing processes and automate where possible

Making sure our billing and invoicing processes run smoothly is super important for preventing mistakes and delays. It's like giving our business a health check. By carefully auditing these processes, we can spot areas where things might be slowing down or where mistakes could be happening. The goal is to make everything work better and be more accurate.

One way to achieve this is by using automation tools, such as special software designed for recurring invoices. These tools easily fit into our current ways of doing things and help prevent errors in our billing process. For instance, automation can handle tasks like setting billing periods and creating invoices with all the correct details. Simple changes like incorporating automation can have a big impact on ensuring we receive all the money we're supposed to. So, looking at how we handle billing and invoices and finding ways to make it smoother can truly pay off in the long run.

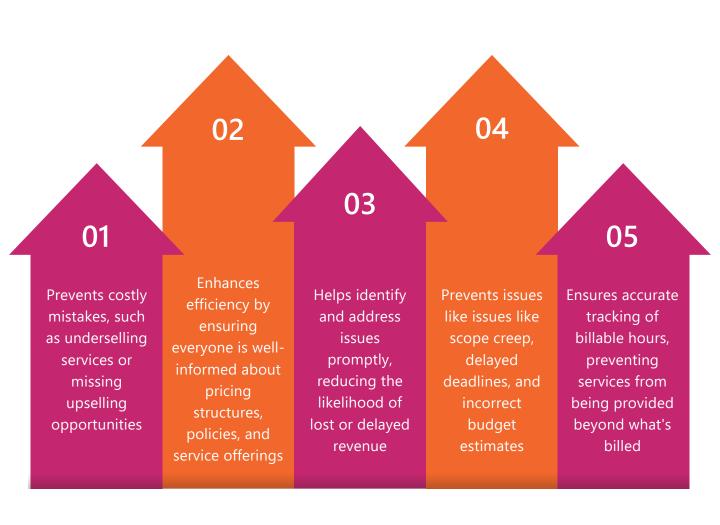


Step 5 | Tackle project visibility and cross-functional communication



Dealing with project visibility and cross-functional communication is crucial in preventing revenue leakage, often arising from seemingly simple issues. A major culprit is insufficient internal communication. For example, if the sales team lacks information on pricing or key policies, they might unintentionally sell services at lower rates or miss opportunities for upselling. Such misalignment can lead to significant revenue leakage over time. Effective communication between teams can prevent these costly mistakes, ensuring everyone is on the same page.

Additionally, inadequate project visibility, especially in invoicing and revenue-generating processes, makes it difficult to proactively manage services and accurately assess performance. This lack of transparency can result in lost or delayed revenue. In project management, issues like scope creep, delayed deadlines, and inaccurate budget estimates can contribute to revenue leakage. Another concern is inaccurate billing due to poor tracking of billable hours, potentially resulting in services provided beyond what's billed. Addressing these communication and visibility challenges is vital for preventing revenue leakage and maintaining financial health.





Introducing RevOps 365

Introducing RevOps 365, the all-in-one solution that takes your revenue operations to new heights. Seamlessly integrating with industry-leading CRMs and ERPs, this suite offers end-to-end revenue and billing management, giving you total control over your revenue streams from one centralized platform. Simplify payments management, streamline billing, and gain invaluable insights to make informed, strategic decisions for your business.

Eliminates barriers between front and back-office operations, enabling unparalleled connectivity across all your business apps, saving you time and resources. You'll experience quicker time to pay, more reliable payments, and the ability to gain clarity at every step of the revenue process. Whether you're selling products or services, RevOps 365 fits your needs, providing the tools to drive your growth.

20+

implementing scalable solution

3000+

customers successfully transformed

30+

countries across the globe





