

Safeguarding and Sustaining Key Revenue Streams

First and foremost, the spread of Coronavirus is a public health emergency. It is inevitable that all businesses, regardless of industry, will be impacted, but to what extent is still unknown.

The Coronavirus has triggered the need for organisations across all industries to re-evaluate the strength and durability of its traditional supply chains as well as potential operational and financial performance.

In light of the challenging disruptions, be it environmental, technological or economic - on either a local or global scale - now more than ever, organisations need to build the capacity for disruption into 'business-as-usual' operations.

At Vendigital, we are actively supporting businesses, providing immediate advice and insights to help manage their key priorities.

Revenue Safeguarding

In any crisis revenue will be impacted putting significant financial stress on businesses. Below are the steps that businesses can explore to reduce the risk across the three key stages – Crisis Response, Crisis Management and Crisis Recovery:

Crisis Response

Immediate actions taken to safeguard revenues and remove avoidable cost

1 Immediate revenue impact

Crisis team set up to review revenue stream performance in combination with the latest sector, customer and government insight to forecast impact to the business. This needs to be fed into a cash profiling model to enable scenario planning.

2 Portfolio strategy

A review of revenue streams is required to understand trading performance and impact to margin. Revenue streams should be grouped into categories and a strategy developed for each. This allows businesses to refocus their efforts and strengthen key revenue streams.

Crisis Management

Maintaining steady state, maximising revenue and optimising operational efficiency

3 Alternative routes to market

As businesses settle into a new state, it presents the opportunity to explore alternative routes to market. These should be weighed against implementation speed and financial risk. Partnerships with other businesses are a way to utilise established mechanisms.

4 Direct communication with customers

It is essential to maintain communication with customers, to assure them of the businesses health and understand their changing demands. This is the time to provide reassurance and strengthen relationships, building credibility for the future.

Crisis Recovery

Enablement of proactive recovery to boost revenue and re-base cost, optimising profit

5 Business prioritisation

During recovery, businesses need to ensure they give clear priorities to the supply chain, operations and customers. Focus needs to be on high revenue/margin areas where businesses have strong relationships or where there is an opportunity to capitalise on.

6 Market share

While businesses struggle to ramp up, those with a strong recovery plan and strategy can strengthen market share. Significant upfront planning is required to develop the right approach, whether that's speed to market, pricing or new product offerings.



Revenue Growth

Managing a variety of revenue streams can be challenging for many businesses. Factors including demand fluctuations, acquisitions, legacy products and changing consumer behaviour can further impact this. As businesses move forward, having a clear understanding of their brands' performance, how this impacts revenue and which brands to invest in will be critical.

Brands can be segmented into four key areas:

Key Brands

Produce high % of group profit and have strong revenue performance. These are the flagships of the business and must have unique strategy by brand to maintain their position.

High Focus Brands

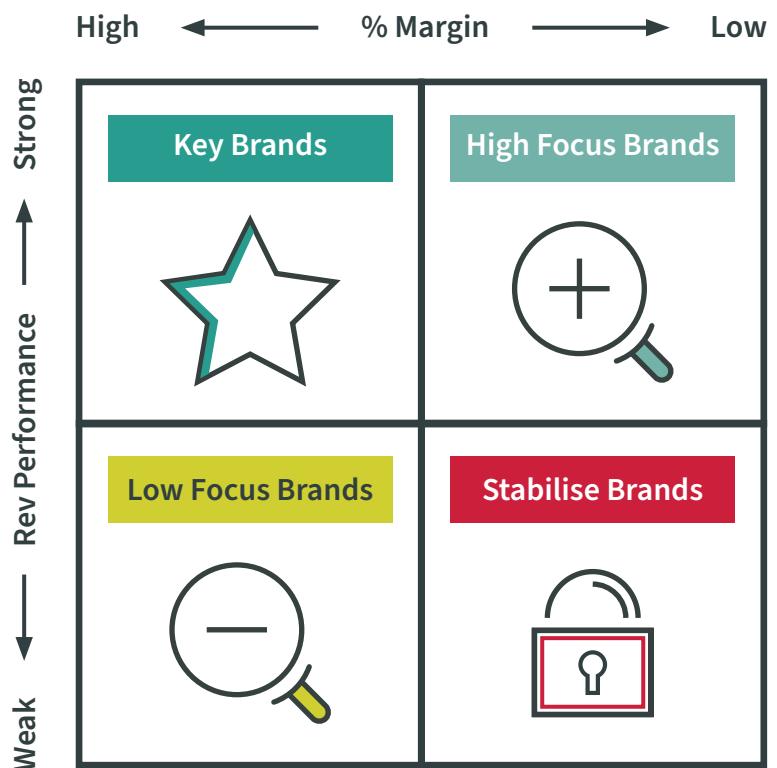
Produce high % of group profit and have weak revenue performance. These brands present the greatest opportunity to make a material impact on group revenue.

Low Focus Brands

Produce low % of group profit and have strong revenue performance. Whilst these brands should not be the focus of investment there is often positive learnings to be taken.

Stabilise Brands

Produce low % of group profit and have weak revenue performance. Often these are responsible for contributing negatively and inevitably drain management time.



Want to learn more?

Find out how Vendigital can help.

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