Dynamic Deal Scoring: Combine advanced analytics, incentives and governance to create impact

Dynamic Deal Scoring assesses deal quality in real time using advanced analytics. The unique combination of advanced analytics, incentives and governance helps companies inject datadriven insights into their pricing execution processes and create a 3–6% increase in ROS.

Significant unexplained variability in discounting is a common pricing issue. Anchoring decision-making in a data-driven approach to specific deal situations, Dynamic Deal Scoring (DDS) is a powerful way to address this variability and improve deal quality.

Dynamic Deal Scoring empowers frontline sales people by guiding them toward the best customer opportunities and providing visibility into peer performance in comparable deals.

Using rich, fact-based guidance on deal-level pricing and insights that reflect the specific characteristics of the deal, companies can achieve a typical impact of 3−6% improvement on ROS.

How does Dynamic Deal Scoring work?
DDS scores deals in real time using 4 key steps:

— Identifying key variables such as deal size, customer, product mix and channel

— Segmenting deals into peer groups using e.g., a CHAID tree, K-means and machine learning

— Scoring deals and providing a color code that define the quality of the proposed price

— Embedding scores into core sales processes e.g., adapting incentives based on the quality of the deal and directing the deal to the right level in the deal approval processes

To create true impact, DDS combines these data-driven insights with incentives and governance by:

— Aligning sales incentives with deal quality

— Focusing approval processes on the most crucial deals, while autoapproving others

— Ensuring deal quality is as an essential part of performance management discussions

Why is Dynamic Deal Scoring unique?
Our approach is inherently dynamic and employs contextual insights:

— Leverages data to provide sales reps or bid desk managers with real-time scoring of a proposed deal, based on a peer set of comparable deals

— Identifies and accounts for the explainable portion of observed discounting variability so that recommendations reflect the reality of the micro-market

— Is embedded into core sales, pricing, deal escalation, coaching and incentive processes to ensure long-term adoption

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Dynamic Deal Scoring in numbers:

3-6%
Increase in ROS

300
Applied in more than 300 situations globally

50
Deployed and in active use at more than 50 of our clients

Get started
To learn more about Dynamic Deal Scoring, contact us at contact@periscope-solutions.com or visit www.mckinsey.com/periscope