CANIDIUM

INTEGRATED REVENUE OPTIMIZATION

The Executive Guide to Building the Business Case for Integrated Revenue Optimization

EXECUTIVE METRICS • BUSINESS CASE OPPORTUNITIES • RESEARCH BENCHMARKS

Your Revenue Engine Is Already Costing You Money. The Question Is Where.

Most organizations face multiple intertwined revenue challenges. Pricing teams strive to protect margins. Sales teams work to expedite opportunities through the pipeline. Finance teams aim to enhance forecast precision and manage costs effectively. Sales operations focus on creating fair territories and quotas. Compensation teams endeavor to ensure timely and accurate payments to sellers.

Pricing	Sales	Finance	Sales Operations	Compensation
Protect margins	Move the pipeline	Forecast & cost	Territories & quotas	Accurate payments

Each function typically employs distinct technologies, processes, data, and priorities, which may seem effective on an individual level. The real issue emerges when considering the revenue engine as a cohesive unit.

Over time, organizations amass specialized platforms, custom-built applications, spreadsheets, manual processes, approval hierarchies, and point solutions tailored to address specific issues.

As businesses venture into new markets, launch products, acquire companies, or increase transaction volumes, managing this environment becomes increasingly complex and costly. This often results in performance degradation in key metrics: margins shrink, deal closures are delayed, sellers miss targets, and administrative costs rise. As a result, revenue is lost through inaccuracies in payments or pricing, making growth more costly.

> **Integrated Revenue Optimization (IRO) offers a framework for examining these interconnected issues as components of a unified revenue engine.**

The business case begins with a fundamental question: Where can your organization increase revenue, reduce costs, or secure existing revenue streams more effectively? This guide outlines executive-level metrics that answer this question and identify areas where deeper analysis may yield tangible financial benefits.

1 Protect Margin Through Better Pricing

Revenue growth doesn't necessarily translate into profitable growth.

As product portfolios expand, markets shift, costs change, and pricing scenarios become more complex, organizations need to make increasingly sophisticated pricing decisions at greater speed. Yet the processes supporting those decisions don't always evolve at the same pace.

Pricing teams may still depend on spreadsheets, disconnected data, manual analysis, or legacy technology that was designed for a much simpler business. At an executive level, that creates three important questions.

How much margin are we unnecessarily giving away?

Small pricing inconsistencies become significant when multiplied across thousands or millions of transactions.

A lack of pricing visibility can lead to excessive discounting, inconsistent pricing decisions, missed opportunities to capture willingness to pay, and an inability to respond quickly when costs or market conditions change.

Even a relatively small improvement in realized margin can create substantial financial impact at scale.

EXECUTIVE METRIC TO EXAMINE

Gross margin percentage and margin leakage.

BUSINESS CASE OPPORTUNITY

Estimate the financial impact of recovering even a fraction of current margin leakage across annual revenue.

RESEARCH

On average, a **1% price increase** translates into an **8.7% increase in operating profits** (assuming no loss of volume). Yet estimates suggest that up to **30%** of the thousands of pricing decisions companies make every year fail to deliver the best price.

- Walter Baker, Dieter Kiewell, and Georg Winkler

How quickly can we respond when the market changes?

Pricing isn't only about choosing the right number. It's also about how quickly the organization can put that number into the market.

When changing prices requires extensive spreadsheet analysis, manual approvals, system updates, or coordination between disconnected teams, the organization can remain exposed to outdated pricing long after market conditions have changed.

For executives, the financial question is straightforward: What does every additional day of delayed pricing cost the business?

EXECUTIVE METRIC TO EXAMINE

Time required to analyze, approve, and deploy pricing changes.

BUSINESS CASE OPPORTUNITY

Quantify revenue or margin exposed during the period between identifying the need for a pricing change and successfully implementing it.

RESEARCH

In a recent study, a $15 billion B2B distributor used advanced pricing capabilities to compress value realization from years to weeks. In just ten weeks, a pricing copilot identified approximately **50 additional basis points of margin opportunity**, generating real-time recommendations across hundreds of thousands of weekly price changes.

- McKinsey & Company

Can our pricing infrastructure handle the business we're becoming?

Homegrown systems and manual processes can work surprisingly well, until the business outgrows them.

New products, acquisitions, geographic expansion, customer-specific agreements, new channels, and increasingly complex pricing scenarios can all increase the burden placed on the pricing environment.

> **The question isn't simply whether today's process works.It's whether it will continue to work as the organization scales.**

2 Accelerate Revenue by Removing Friction From the Quote-to-Close Process

There is a period in almost every sales process when buyer intent is at its highest. The prospect has identified a need. They've engaged with your organization. They're interested enough to ask what it will cost. Then they wait.

When quoting depends on manual configuration, disconnected data, spreadsheets, or lengthy approval workflows, that waiting period can stretch from hours into days; or days into weeks. And as we have all experienced, time can kill deals.

The longer buyers wait, the more opportunity they have to reconsider the purchase, evaluate a competitor, find another solution, or simply lose urgency.

> **That makes quote turnaround more than an operational efficiency metric. It can become a revenue metric.**

How long does it take us to turn buyer interest into an actionable quote?

Consider an organization where generating and approving a complex quote takes five days. Now imagine reducing that process from five days to one day, or potentially from days to hours.

The administrative efficiency matters. But the larger opportunity is what happens to sales velocity. Faster quotes can shorten the period between buyer interest and commitment, allowing sellers to keep momentum while purchase intent remains high.

EXECUTIVE METRIC TO EXAMINE

Average quote turnaround time.

BUSINESS CASE OPPORTUNITY

Connect reduced quote turnaround time with sales-cycle duration, conversion rates, and annual opportunity volume.

RESEARCH

According to data from the Forrester Sales Activity Study, quoting is consistently one of the biggest opportunities to improve sales rep productivity.

- Seth Marrs, Forrester VP, Principal Analyst

How much revenue is exposed to inaccurate quoting?

Speed alone isn't enough. A fast quote containing incorrect products, pricing, discounts, terms, or configurations creates a different type of financial risk.

Errors can require rework, introduce margin leakage, delay approvals, frustrate customers, and potentially create downstream fulfillment or billing problems.

EXECUTIVE METRIC TO EXAMINE

Quote error and rework rates.

BUSINESS CASE OPPORTUNITY

Calculate the administrative and financial cost associated with correcting inaccurate quotes and the revenue potentially affected by those errors.

RESEARCH

A 2026 study of machine-learning-enabled CPQ found that quote generation time dropped by **51.7%**, configuration error rate declined from **8.0% to 2.89%**, approval cycle time shortened by **61.9%**, and average revenue per closed-won deal increased by **4.6%**.

3 Improve Revenue Potential Through Better Sales Planning

A company can employ talented sellers, offer competitive products, and establish ambitious growth targets, and still undermine performance before the selling period begins.

The reason is simple: opportunity isn't always distributed evenly.

One seller may inherit a territory containing more accounts than they can realistically service. Another may receive a territory without enough opportunity to achieve their target. Quotas may reflect historical assumptions rather than current market potential.

When territories and quotas aren't aligned with actual opportunity, the organization isn't simply creating a fairness problem.

It's potentially leaving revenue uncovered

Are we putting sales capacity where the opportunity actually exists?

Territory optimization should help ensure valuable accounts receive appropriate seller attention while available sales capacity isn't sitting underutilized elsewhere. For executives, this becomes a question of revenue coverage.

EXECUTIVE METRIC TO EXAMINE

Revenue potential and account coverage by territory.

BUSINESS CASE OPPORTUNITY

Identify the revenue associated with under covered accounts, overloaded territories, or unused seller capacity.

RESEARCH

Alexander Group reports that organizations that thoughtfuly design and optimize their sales territories can achieve **10–20% increases in sales productivity** by better aligning sales resources with customer and market opportunity.

Are our quotas helping us achieve the growth plan, or working against it?

Quota attainment is often treated as a measure of individual seller performance. At an organizational level, however, persistent problems with quota attainment can also indicate problems with planning.

If targets aren't appropriately aligned with territory potential, market conditions, seller capacity, and organizational objectives, even a strong sales team can struggle to deliver the intended growth plan.

EXECUTIVE METRIC TO EXAMINE

Percentage of sellers achieving quota and distribution of attainment.

BUSINESS CASE OPPORTUNITY

Evaluate whether territory and quota design is supporting the organization's overall revenue target.

RESEARCH

Forrester found that only **47% of sellers** in the average B2B sales organization achieve quota, even while median seler attainment reaches **101%**—highlighting why leaders need to evaluate the distribution of quota attainment and its alignment with company growth targets, rather than viewing individual attainment in isolation.

4 Stop Revenue Leakage Through Incentive Compensation

Sales compensation represents one of the most direct opportunities to connect operational improvement with measurable financial return. Large organizations can distribute tens or hundreds of millions of dollars in incentive compensation every year. It's often the largest expense for sales and one of the top expenses throughout the business.

When those calculations depend on spreadsheets, manual processes, disconnected data, or homegrown systems, even a small error rate can translate into substantial overpayments.

> **A 1% overpayment on $100 million of annual incentive compensation isn't a minor administrative issue. It's a $1 million problem.**

How much are compensation errors costing us?

Manual incentive compensation introduces multiple opportunities for error. Formulas can be incorrect. Data can be outdated or incomplete. Adjustments can be entered incorrectly. Different versions of spreadsheets can create conflicting calculations.

Automation can't eliminate every compensation challenge, but reducing manual calculation and data handling can significantly reduce the opportunity for preventable errors.

EXECUTIVE METRIC TO EXAMINE

Annual incentive compensation spend and estimated overpayment/error rate.

BUSINESS CASE OPPORTUNITY

Apply a conservative potential error reduction against annual incentive compensation spend to estimate hard-dollar savings.

RESEARCH

Gartner research has estimated that companies using spreadsheet-based systems to manage sales compensation experience error rates of **3–8% of total incentive payouts**, creating potentially significant overpayment exposure as compensation spend scales.

How much does compensation administration cost?

Overpayments aren't the only cost. In highly manual environments, organizations may dedicate entire teams to calculating commissions, reconciling spreadsheets, investigating discrepancies, processing adjustments, and preparing payments. That creates an ongoing administrative expense that grows alongside the business.

EXECUTIVE METRIC TO EXAMINE

Compensation administration hours and annual labor cost.

BUSINESS CASE OPPORTUNITY

Calculate the annual cost of manual administration and determine how much capacity could be redirected toward higher value work.

RESEARCH

Research on sales incentive compensation found that organizations incur an average of **$1,319 per payee annually** in indirect administration costs associated with activities such as reviewing and correcting incentive payments. For organizations with complex compensation programs, those costs can reach up to six times the average.

Is compensation accuracy contributing to seller turnover?

Few things damage seller trust faster than uncertainty about whether they're being paid correctly. Frequent disputes, delayed payments, and unclear calculations create friction between sellers and the organization. When those problems contribute to turnover, the financial impact expands well beyond the compensation department.

An open territory means lost selling capacity. Replacing the seller requires recruiting, onboarding, training, and ramp time. Accounts may receive less attention while the position remains vacant.

EXECUTIVE METRIC TO EXAMINE

Compensation dispute rates, seller turnover, and time to productivity for replacement sellers.

BUSINESS CASE OPPORTUNITY

Estimate the cost of preventable turnover and the revenue exposure associated with vacant territories.

RESEARCH

According to The 2025 State of Incentive Compensation Management Report, companies spend an average of 89 hours per month on compensation-related administration, including payouts, reviews, and troubleshooting, more than 1,000 hours of administrative work per year. Moreover,

- **66%** of companies have overpaid and/or underpaid commissions in the past year
- Only **27%** have fully automated their end-to-end commissions process
- **30%** of companies aren't using ICM software

The Bigger Question: Where Are These Problems Connected?

Each of these opportunities can create value independently. But optimizing them independently can also create another problem.

Pricing influences the offer a seller takes to market. Sales planning determines which seller pursues which opportunities. CPQ determines how efficiently that opportunity becomes an accurate proposal. Incentive compensation influences the behaviors the organization rewards. Changes in one area inevitably affect another.

Yet many organizations have built technology environments where those functions operate through different platforms, different data, different processes, and different definitions of success. That fragmentation makes it possible to improve one metric while unintentionally creating friction somewhere else.

Integrated Revenue Optimization takes a broader view.

Instead of asking whether your pricing platform works, whether your CPQ system works, or whether your compensation process works, IRO asks whether the entire revenue engine is working together to produce the business outcomes leadership expects.

Sometimes the answer requires new technology. Other times, it requires improving existing technology.

Sometimes it requires eliminating redundant tools, simplifying processes, improving data, or redesigning the way revenue functions interact. The goal isn't to add another solution. It's to determine which changes create enough measurable business value to justify making them.

Where Is the Greatest Opportunity in Your Revenue Engine?

An executive doesn't need to diagnose every process failure occurring across pricing, sales, operations, and compensation.

But leadership should be able to identify where the organization expects improvement.

Consider the following questions:

- [ ] Do we need to protect or increase margins?
- [ ] Do we need to respond to market or cost changes faster?
- [ ] Do we need to accelerate our sales cycle?
- [ ] Do we need to improve quote accuracy?
- [ ] Do we need better coverage of revenue opportunities across territories?
- [ ] Do we need to improve quota attainment?
- [ ] Do we need to reduce incentive compensation overpayments?
- [ ] Do we need to lower the administrative cost of managing compensation?
- [ ] Do we need to reduce seller turnover or compensation disputes?
- [ ] Do we need revenue systems that can scale more effectively as the business grows?

> **Checking a box doesn't automatically mean the organization needs a new platform. It identifies where further investigation may uncover measurable value. And that is where the real business case begins.**

Turn Strategic Priorities Into a Measurable Business Case

A generic ROI calculator can tell you what another company theoretically saved. But it can't tell you what your organization stands to gain.

The real calculation depends on your revenue, margins, compensation spend, sales cycle, quote volume, current technology, administrative costs, growth strategy, and the specific problems constraining performance today.

That's why the next step isn't plugging a few numbers into a generic calculator.

It's identifying the areas where your revenue engine has the greatest opportunity for improvement, and then quantifying what those improvements could mean for your business.

Take the Integrated Revenue Optimization Quiz

Identify the areas of your revenue engine with the greatest potential for revenue growth, cost reduction, margin protection, and improved scalability. You'll receive research-backed benchmarks related to your priorities and identify where a deeper business-case analysis may be warranted.

Assess Your Revenue Optimization Opportunities

This analysis is the starting point. From there, Canidium can work with your team to evaluate your current state, establish relevant benchmarks, and build a business case grounded in your organization's actual numbers.

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