

Executive Summary

- Covid-19 has already profound impact. McKinsey focusses *analytics driven-sales, pricing & promotions* as the key short-term, high impact moves business should plan in the recovery phase.
- The R3(Revenue –Recovery –Roadmap) is a business solution offering a sophisticated customer segmentation model leveraging AI and Microsoft cloud to analyse multiple data sources to gain new insight that identifies key recovery-signals
- R3 enables each customer to be scored based on multiple financial and nonfinancial (i.e. price/brand sensitivity) to forecast alternative growth scenarios at the granular level to allow executable next-actions.
- The R3 is offered with a user interface to access all customer information to allow you to prioritise your future response by integrating a feedback loop to support decisions and planning.

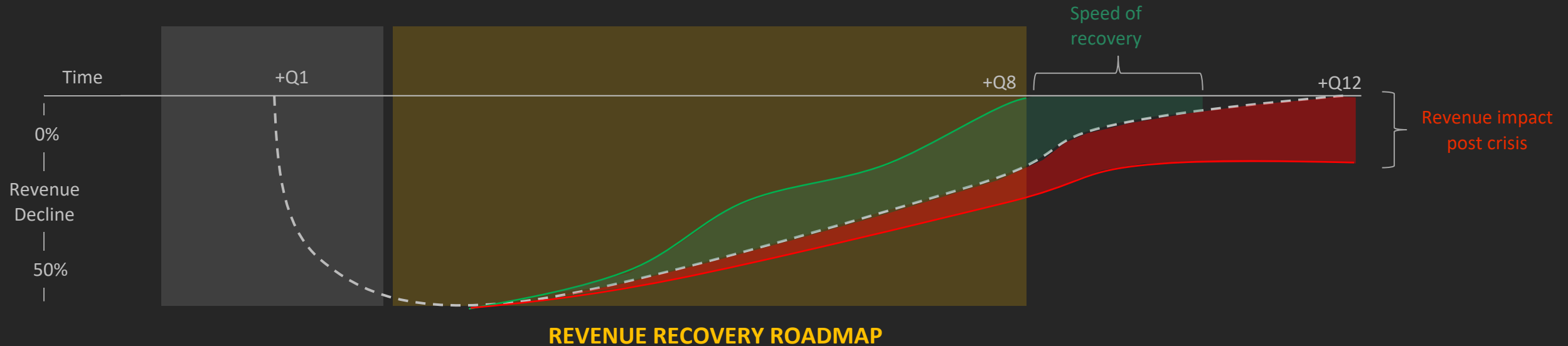


'Need for speed' – Emerging from the crisis by developing a strong recovery plan

First Phase
NAVIGATE NOW

Second Phase
PLAN FOR THE RECOVERY
Shaping out the new-normal

Third Phase
LEAD IN THE NEXT NORMAL



- Accelerate analytical engines and leverage different data sources
- Set KPI systems to measure the changes on both customer and product shift
- Learn and adapt – measure all actions to know what works
- Be ready to capture early demand

———— Base line pre Covid-19
----- Likely recovery scenario based on McKinsey research,

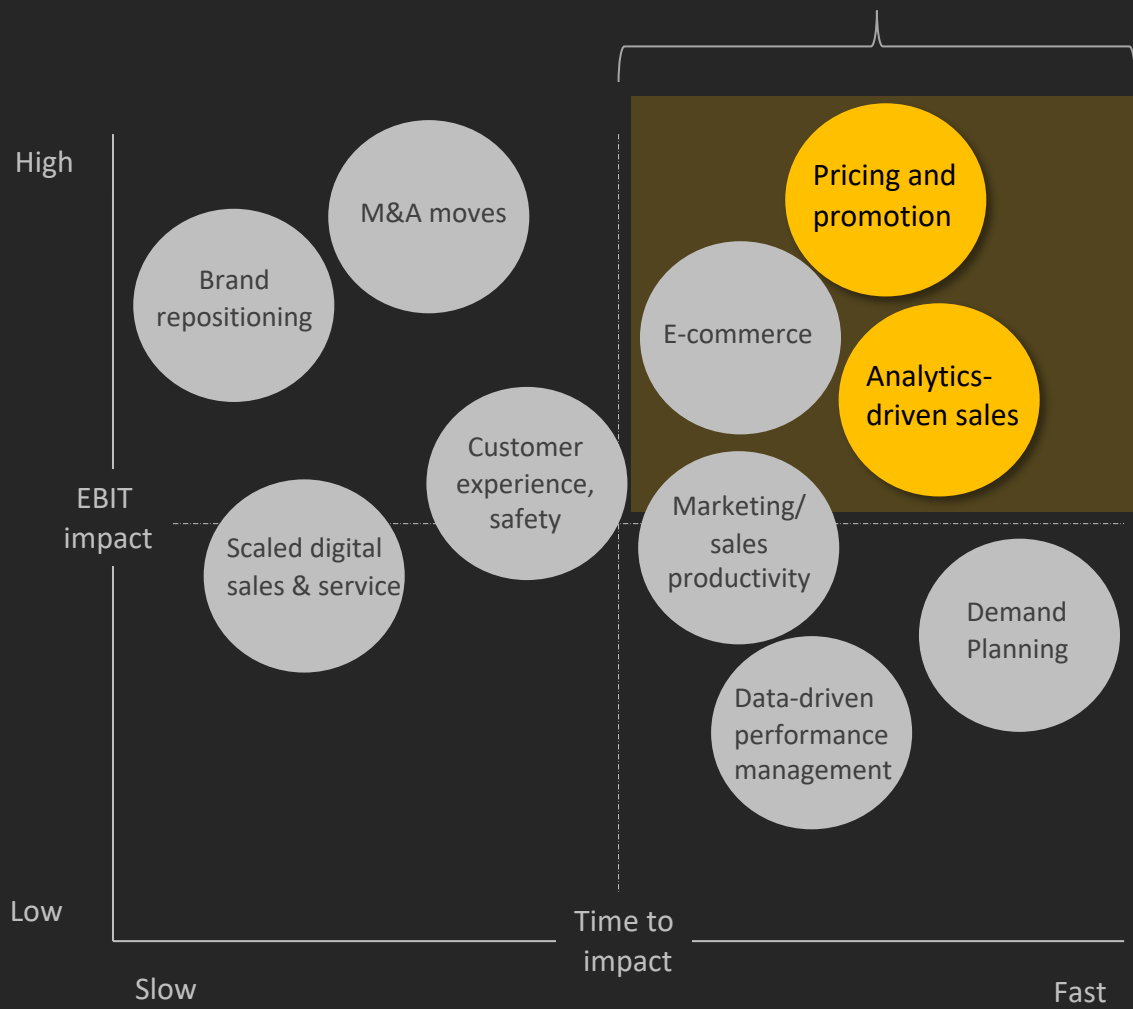


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Prioritizing on the fast and highest impact initiatives to drive revenue recovery

Short term / high-impact moves*

Artificial Intelligence based solution
R3 (REVENUE-RECOVERY-ROADMAP)
aim to deliver



Granular customer insight to plan actions



Recovery signals to act on profit and revenue changes



Intelligent 'Feedback-loop', leverage learn-and-adapt capabilities



* Based on McKinsey 'Rapid Revenue Recovery: A road map for post-COVID-19 growth'
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Advanced customer segmentation model to enable business to shape the ‘new-normal’

CUSTOMER KEY FEATURES

CUSTOMER INSIGHT

KEY ELEMENTS

Customers
Data

Interaction
Data

Financial
Data

Customer Proximity	Customer Propensity	Customer Brand Sensitivity
Recency of Purchase	Frequency of Purchase	Customer Visits
Revenue Index	Pure Price Index	Profitability Index



MICROSOFT
CLOUD ARTIFICIAL
INTELLIGENCE ARCHITECTURE

Behavioral Segmentation,
developing customer profiles

Analysis of customer changes
during the recovery stage

Multidimensional comparison
between customer in similar
profiles to identify common
recovery patterns

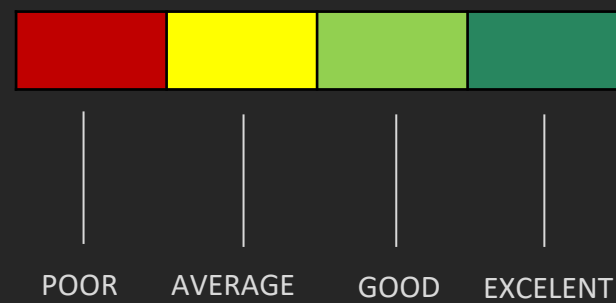
Financial metrics to measure
profit and revenue changes
over the time



Actionable early signals across all segments to spot early signs of customer's recovery

Each customer behavior features are scored and measured to report using a traffic light system

The scale is relative measure to define customer current behavior and changes over the time



Three main components to monitor **Recovery Signals**



CUSTOMER PROFILE

Each customer has developed profile, based on the last 1-2 years of data.

The profile is used to build segmentation and group all customers to similar behavioral groups



CUSTOMER DYNAMIC

Each customer is measured in the new period i.e. month and compared to the customers in the segment

The profile and segment enables to understand the speed of recovery and measure it against individual customer



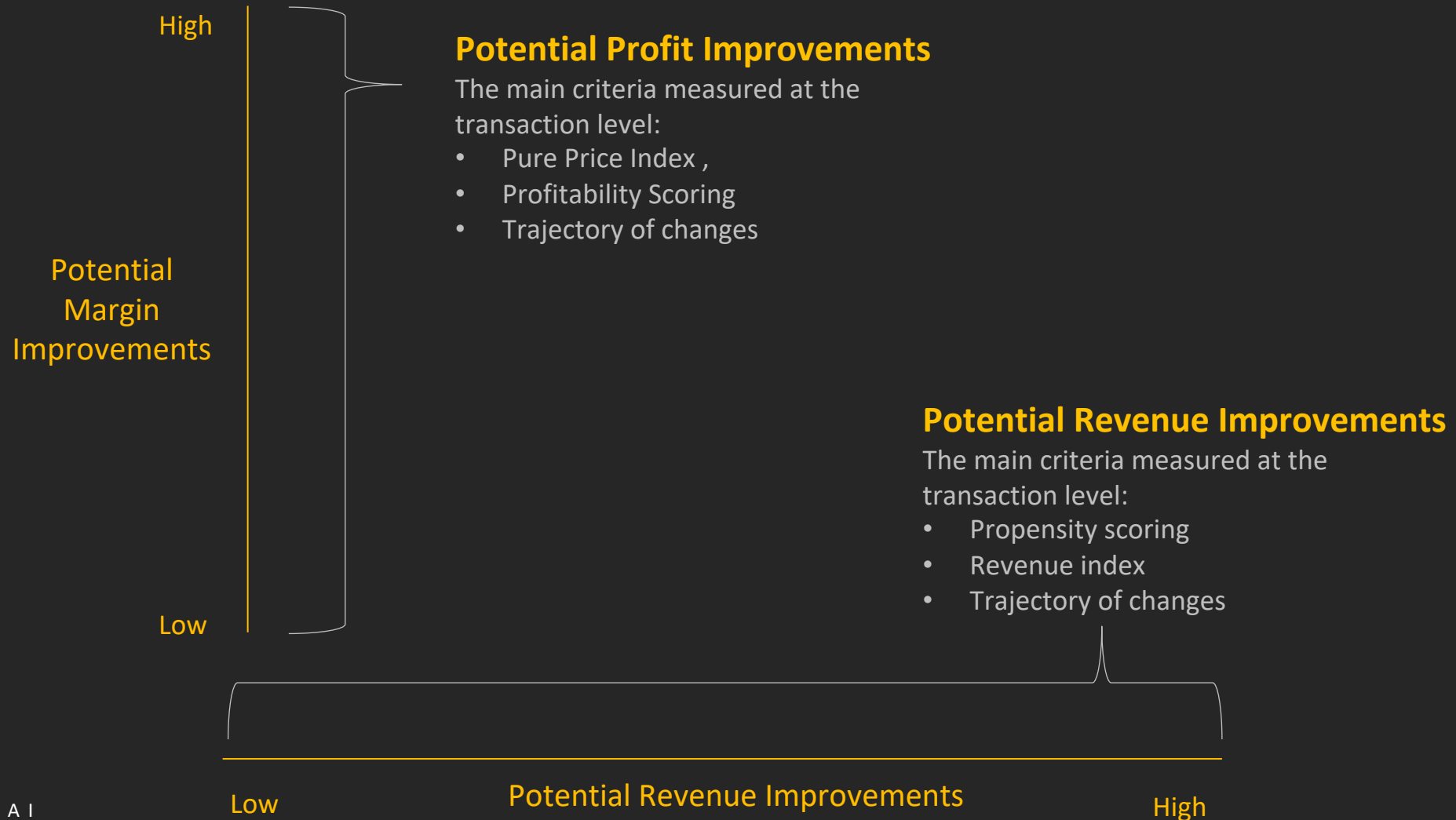
CUSTOMER POTENTIAL

Each customer is tracked over the time to determine the profit and revenue potential based on his profile and recovery pattern

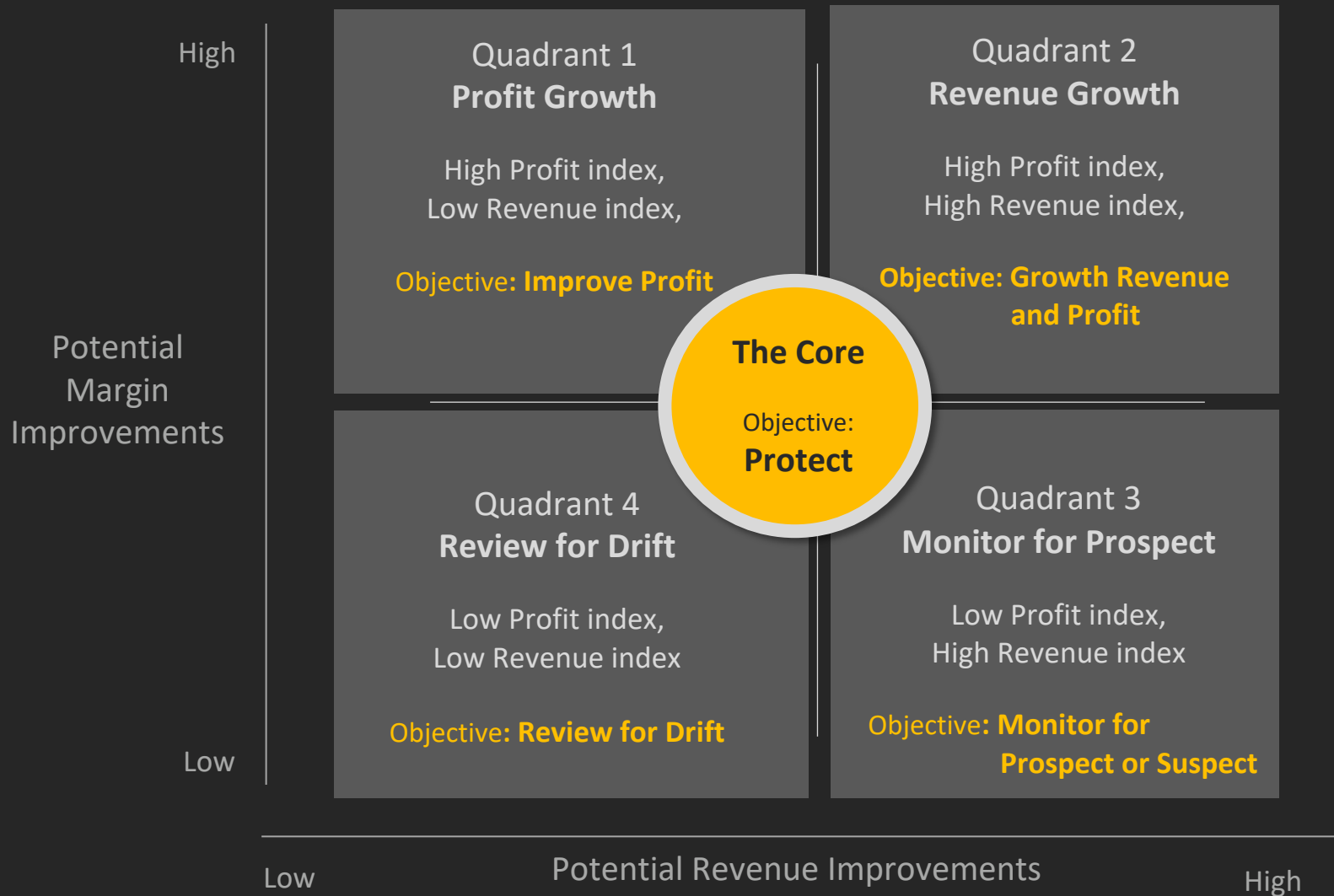
The tracking mechanism enables to identify early 'recovery signals' and use them to model the growth trajectory



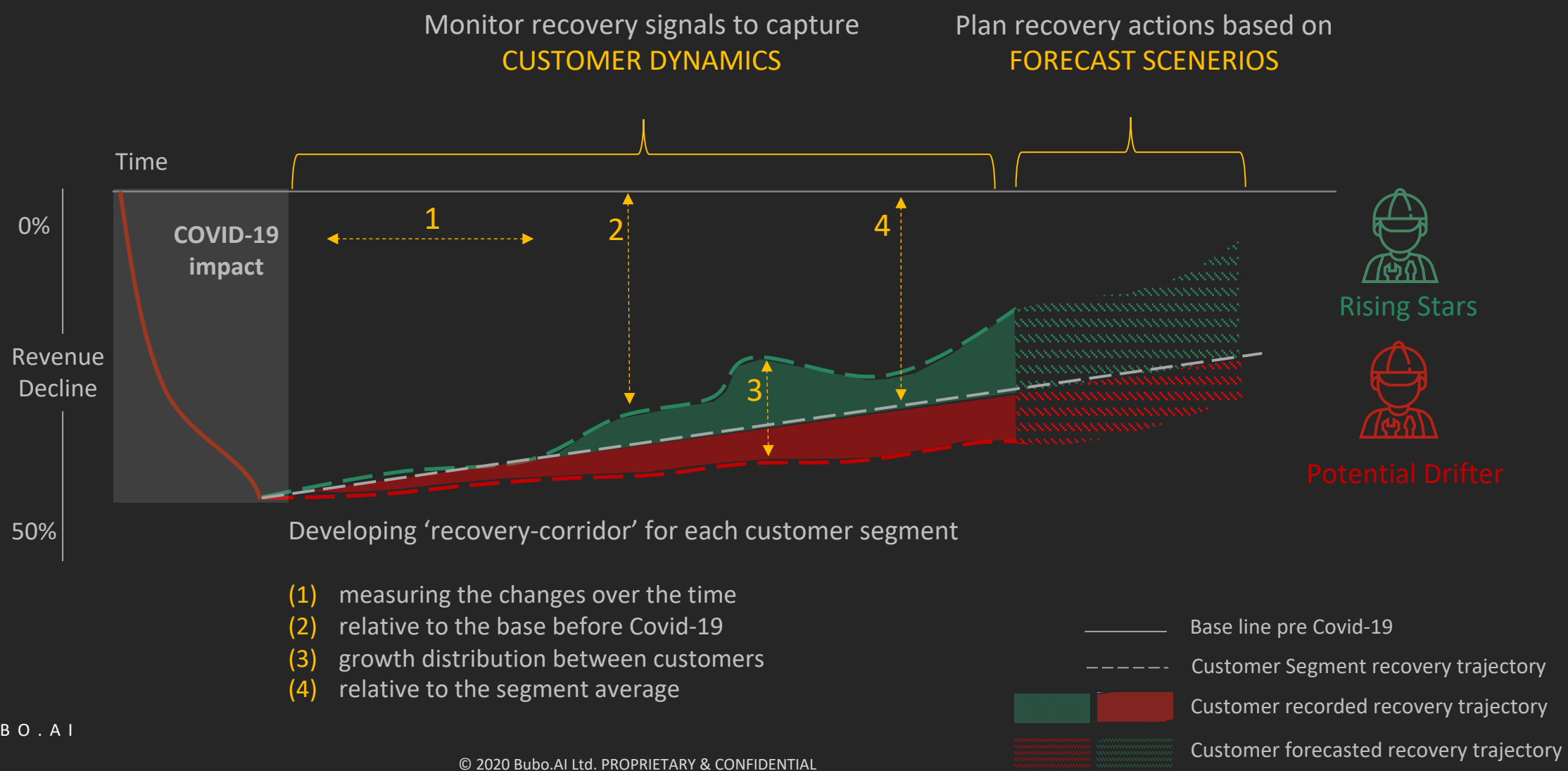
Two scale model to group customers behavior based on main financial measures and mapping the customer direction-of-travel to take appropriate actions



Monitoring individual customer changes over the time, taking key monetary indicators to understand the relative position in four quadrants and monitor the behavior using other nonfinancial metrics

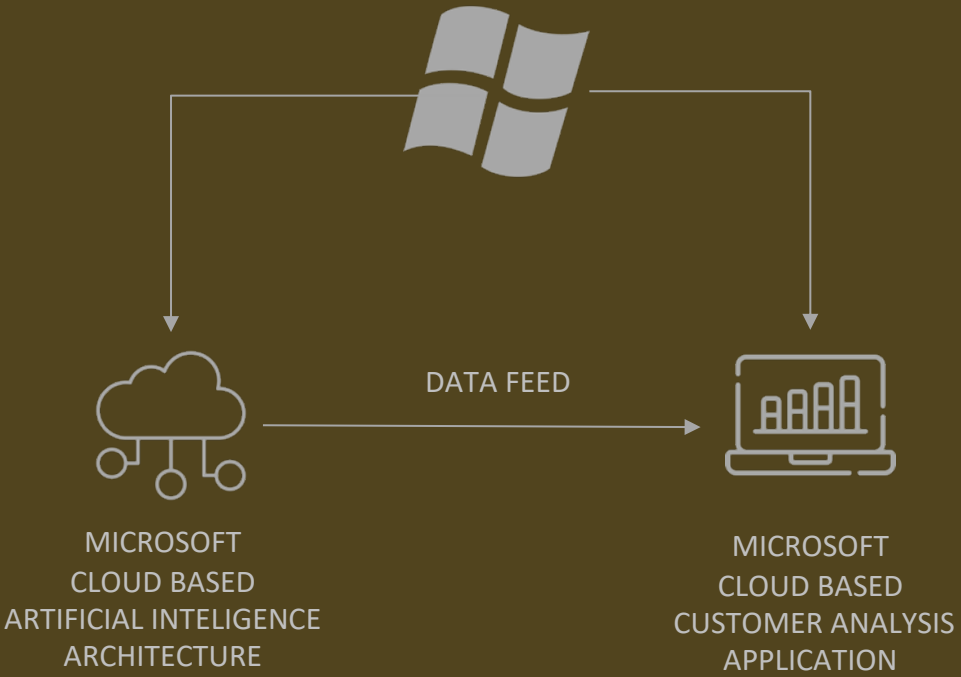


Monitoring recovery corridor for each customer to understand the trajectory of changes; use financials and non-financial indicators to develop forecasting scenarios for each customer to plan actions



Managing the recovery signals through customized application; ability to capture feedback to support ongoing operational activities in number of business areas

REVENUE RECOVERY ROADMAP



INTEGRATED
FEEDBACK
LOOP

Supporting business
key operational
activities



BRAND
STRATEGY

Leverage customer's brand sensitivity and product basket analysis to drive private label strategy



PROMOTION
STRATEGY

Reward loyal and growth potential customer; measure ROI at customer level

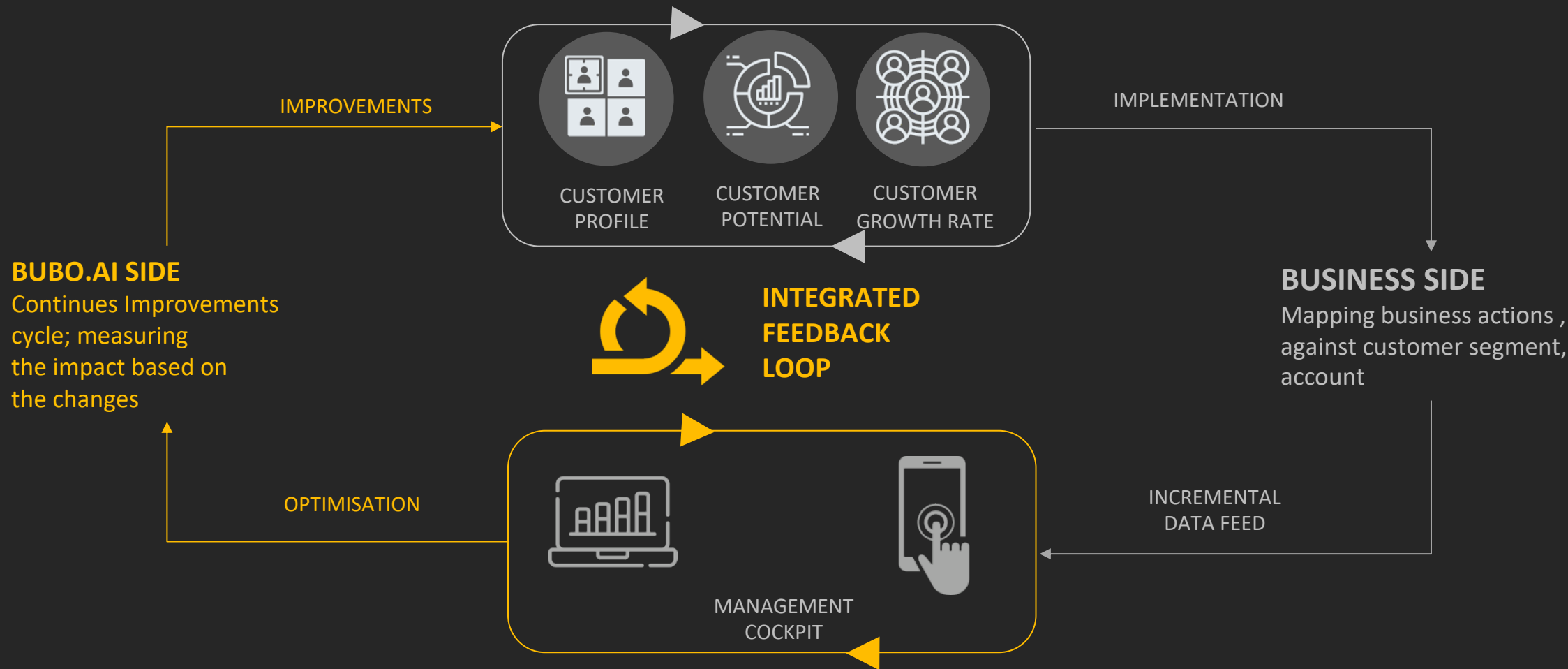


CUSTOMER CONTACT
STRATEGY

Plan effective contact strategy; measure revenue uplift based on optimum customers visit



Realtime feedback loop, Learning from customer dynamics over the time



Reduce inefficiency by focusing on what matters most for the business; using the customer insight to identify and act on the recovery signals.



Which customers are the priority-one now?

Mapping customer change on all features to provide a recommendation based on the customer dynamics



Which customers recovery trajectory is improving?

Measuring customer recovery direction to determine their current and future position in the segment



Which customers are my rising-stars or true 'drifters'?

Identifying the high and low performers to take further actions; mapping changes over the time and against the segment



Which customers brand /profit sensitivity may impact the bottom line?

Defining customer sensitivity based on the product mix, brand and price changes to determine the potential financial impact



What you will get, and what you you'll be able to do with it

PHASE 1



An actionable list of customers about to churn



Revenue growth opportunity relative to the customer bands



Customer product brand vs price sensitivity analysis and changes to support marketing activities

PHASE 2



Monthly forecast customer scenarios to plan recovery action

Optimise field sales team size and activity by proven impact

