



# Business Reimagined: Protecting and Growing Revenue

## How to navigate demand shocks and empower employees to find profit in volatility

The pandemic revealed the link between business agility and preserving revenue as demand cycles became shorter and less predictable, and the slope of the demand curve more extreme. For midsize businesses with smaller capital contingencies, cushioning these shocks is critical to protecting and growing revenue.

41%

of midsize businesses rank **“growing revenue”** among their **top five business priorities**, second only to increasing productivity.

Over  
50%

of midsize businesses globally **lost revenue in 2020** versus 2019.

**Digitally-determined midsize companies** that embraced technology to transform business were **10% less likely to experience revenue losses** of 10% or greater, and **10% more likely to find growth**.

Source: IDC Worldwide Small and Medium Business Survey, October 2020

### Why It Matters

Revenue is the ultimate sign of business success and a key measure of a company's growth because it is a foundational element of profit and cash flow, which can help attract additional investment. Revenue growth also fuels the funds needed to continue scaling the business, but only if a company keeps a keen eye on cash flow and profit. There are two factors that drive revenue growth: customer demand and the customer experience offered by an organization versus its competitors.

As midsize businesses digitize, customer experience must be evaluated throughout the customer journey, from awareness building to service and support to product development, sourcing, purchasing, logistics, and fulfillment, incorporating the voice of the customer as often as possible. The journey to becoming a customer must be easy for both prospects and employees to navigate for a successful conversion to occur. Cumbersome experiences or poor visibility into decision-altering criteria such as pricing and availability can impede the journey and lead to lost opportunities, harming revenue and damaging business reputation.

Growth has been challenging for many midsize companies in recent months due to lockdowns/shutdowns, supply shortages, unplanned shifts to remote work, and contactless transactions. Growing businesses can maximize retained revenue by moving resources to meet changing customer needs and by helping employees to be more effective. The ability to shift gears in a rapid and agile manner in challenging market conditions allows midsize businesses to capture more sales and keep costs in check by redeploying resources to where they are needed, which empowers employees to stay productive and engaged.

## Recommendations

Interconnected systems like intelligent ERP can track and analyze customer and business operations data across the organization. Deploying intelligent ERP allows midsize companies to detect changes in demand, develop customer-centric products, and assign or redeploy resources in real-time, increasing their readiness to seize new opportunities. To do this effectively, businesses must systematize and integrate demand data and use predictive analytics to “sense” supply-and-demand shocks and activate contingencies. Companies can now analyze sales and feedback data from each key customer interaction, prioritizing frequent concerns to retain existing customers while capitalizing on areas of strength to acquire new ones.

Businesses can also leverage interconnected systems to provide a no-surprise experience by using automation to keep customers proactively informed of order or service issues. These systems, which include front- and back-office functionality, also increase employee engagement because they empower workers with the right tools and data to quickly deliver better customer experiences. Empowering employees boosts morale, which in turn helps reduce costs and preserve net revenue by decreasing turnover and lost productivity. An interconnected system also lowers IT support costs by reducing reliance on disparate systems that require multiple skill sets and fragile integrations.

Once the foundation for an interconnected system has been laid, midsize businesses can grow revenue using advanced capabilities such as customer data to personalize marketing and communications messages, an increasingly expected component of a richer customer experience. When coupled with artificial intelligence, personalization utilizes customer data to make marketing and sales investments more relevant and effective, while predicting customer behavior which grows business revenue.



of midsize organizations cite “expanding customer reach” as a key business priority related to growing revenue.

### Message from the Sponsor

Listen to a follow-up conversation on this topic with IDC Analyst, Shari Lava, and SAP Global Innovation Evangelist, Timo Elliott.

[Watch the video](#)

SAP has a track record of helping more than 250,000 midsize companies adapt, accelerate, and innovate. To see how you can benefit, please contact your SAP partner.

© 2021 IDC Research, Inc.

IDC materials are licensed for external use, and in no way does the use or publication of IDC research indicate IDC's endorsement of the sponsor's or licensee's products or strategies.

[Privacy Policy](#) | [CCPA](#)