



The revenue growth analytics partner to executives driving pricing, sales, and marketing excellence

# 2025 Revenue Growth Analytics Maturity Report

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A Whitepaper on the State of Pricing & RGM and a Practical Roadmap to Profit





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## About this paper

This whitepaper distills findings from Revology Analytics' 2025 Revenue Growth Analytics (RGA) Maturity Scorecard, compares them with findings from the inaugural 2023 benchmark, combines them with our 2025 Global Price Impact Research, and translates these insights into a pragmatic blueprint for executives who want to drive measurable, profitable growth. The report is organized into the following sections:

1. **Why Pricing & RGM maturity matters**
2. **Executive summary / key learnings**
3. **Evolution of RGA Maturity: 2023 vs. 2025**
4. **What is the RGA Maturity Scorecard?**
5. **Deep dives into the four areas**
6. **Cross-Cutting Insights**
7. **Practical Playbooks and Conclusion**

## 1) Why Pricing & RGM Maturity Matter—Now More Than Ever

For decades, leaders quoted the classic benchmark that *a 1% price gain yields an 11.1% operating profit improvement* (HBR, 1992). We revisited the question with contemporary data from ~2,000 public companies and found that pricing remains the most reliable profit lever—but the **median** impact across all industries is now **6.4%**.

### 1992 HBR Study Benchmark

"Managing Price, Gaining Profit" by Marn and Rosiello established that a **1% improvement in price** realization could, on average, boost operating profits by:

**11.1%**

### Updated Analysis (Global)

A new analysis of nearly 2,000 publicly traded companies shows a **1% price realization gain** now yields a median operating profit improvement of:

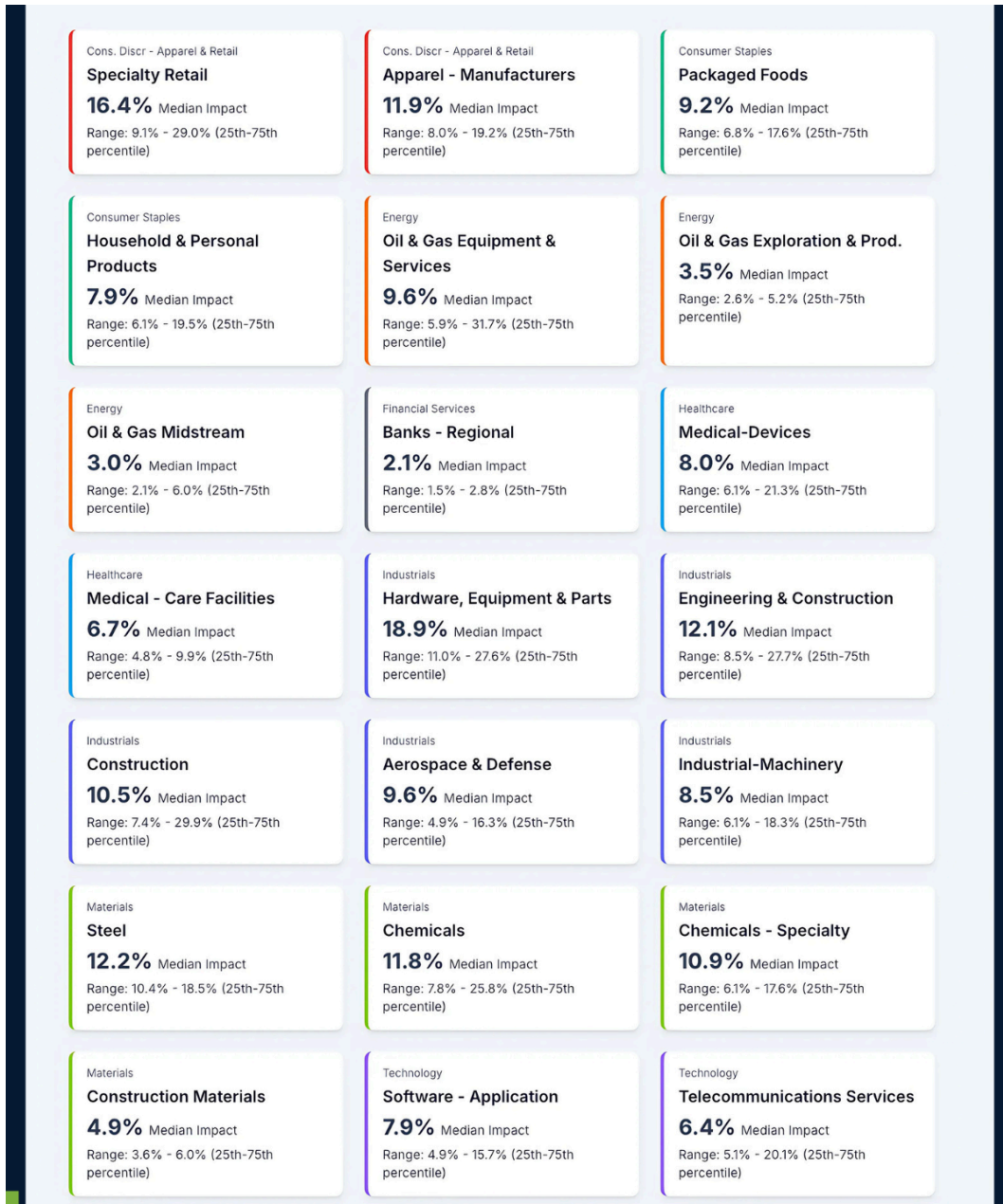
**6.4%**

(Range for overall median: 3.3% - 14.3%)

*Revology revisited the iconic HBR price impact study.*



The punch is still there; it's simply more uneven, with leverage shaped by each industry's economics. Automotive shows ~17.4% median profit lift from a 1% net price realization, Industrials ~9.4%, and Consumer Staples ~9.2%; Utilities paces lower (~4.4%), Real Estate (~3.1%), and Financial Services (~2.2%)—reflecting different demand elasticities, regulatory constraints, and switching frictions.



**Sub-industry deep dive of a +1% Net Price Realization on Operating Profit \$.**



Even **within** sectors, leverage varies widely. In technology sub-industries, Software—Application displays a ~7.9% median impact, whereas Hardware, Equipment & Parts can approach ~18.9% median. **Averages are misleading**; executives must anchor strategy to *their* sub-industry and *their* position within that distribution.

**Critical leadership question: “How much will our operating profit improve if we drive a 1% net price realization next year?”**

Pricing, however, does not operate in isolation. Revenue Growth Management (RGM)—the combined disciplines of **Pricing & Profitability Strategy, Pricing Analytics & Optimization, Promotion Effectiveness & Optimization, and Sales & Marketing Enablement**—determines whether your organization can **consistently** capture that price potential.

When RGM maturity is low or fragmented:

- **Margins erode** (manual discounting and ad-hoc approvals leak value).
- **Promotional spend gets wasted** (weak ROI measurement makes it hard to learn and redeploy).
- **Growth becomes expensive** (limited CLV usage and poor CRM hygiene drive acquisition costs up).

Conversely, when RGM is strong and integrated:

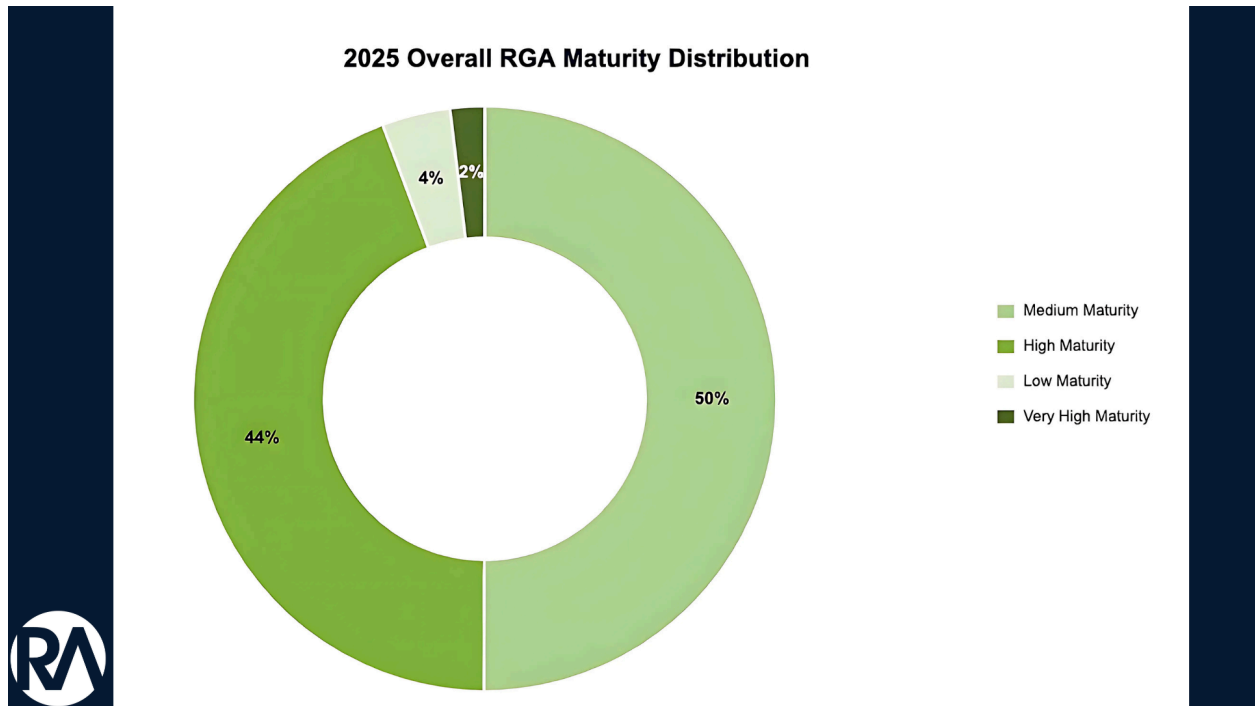
- Leadership sets **clear price governance and incentives**; sales, product, finance, and marketing pull in the same direction.
- **Price realization and PCVM (Price-Cost-Volume-Mix)** are monitored at useful cadences; actions happen while the window is open.
- Investments in **self-serve analytics and fit-for-purpose tooling** accelerate adoption and insight-to-action.

In short: **pricing still packs a punch**—and **RGM maturity** determines whether you land that punch where it counts.

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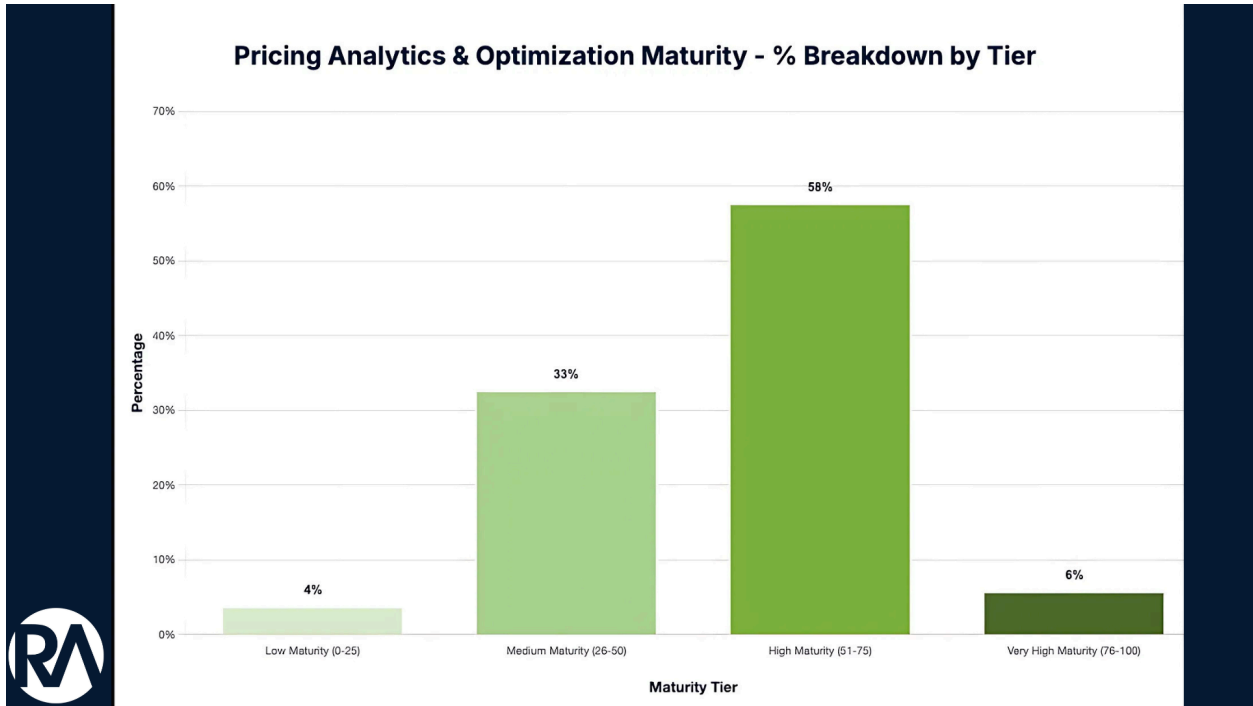
## 2) Executive Summary / Key Learnings

**The state of maturity.** Half of organizations in our 2025 benchmark sit at **Medium** overall RGA maturity, **44.2%** are **High**, **1.9%** are **Very High**, and **3.8%** remain **Low**. That distribution signals meaningful progress since our inaugural benchmark, yet underscores **substantial headroom** to systematize price capture, promotion ROI, and customer-level growth engines.



*Half of the organizations benchmarked remain at Medium RGA maturity, indicating significant headroom for improvement.*

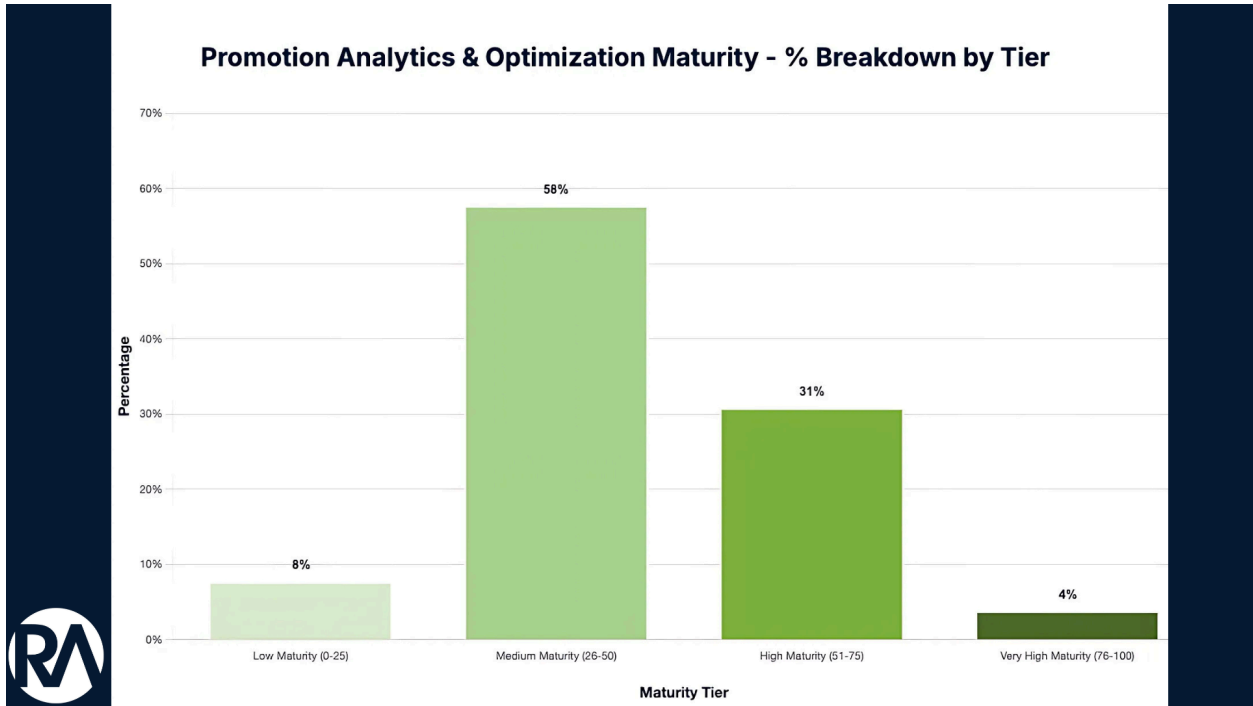
**Where capabilities are strongest.** Among the four areas, **Pricing Analytics & Optimization (PA&O)** shows relative strength—**57.7% High** and **5.8% Very High**. Execution, however, is uneven: manual revision cycles, cost-plus norms, limited elasticity measurement cadence, and under-adopted price waterfalls remain friction points.



***Pricing Analytics & Optimization shows the highest relative maturity among the four RGA areas, with over 63% of firms at High or Very High maturity.***

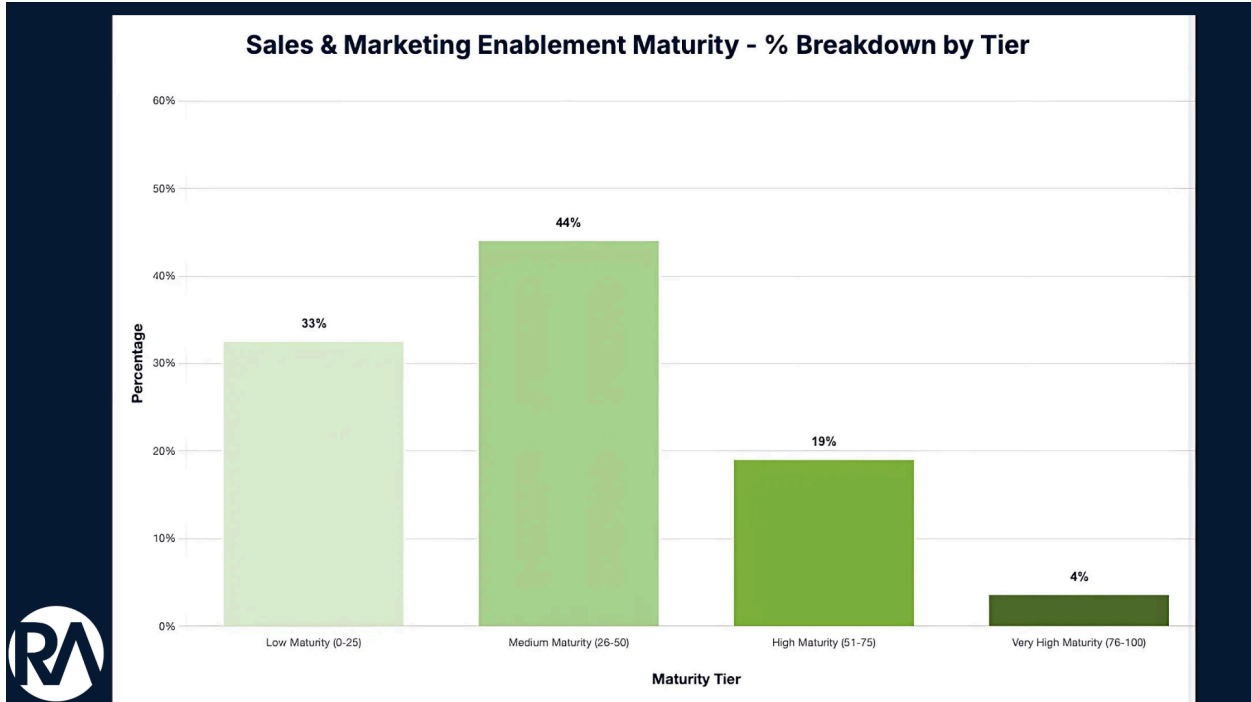
**Where gaps hurt most. Promotion Effectiveness & Optimization clusters at Medium for 57.7% of companies, with only 3.8% Very High; many cannot yet quantify incremental ROI.**

**Sales & Marketing Enablement is the biggest opportunity: 32.7% Low, 44.2% Medium, and only 23% High/Very High combined—dragged by weak CRM data, low CLV use, and scarce churn prediction.**



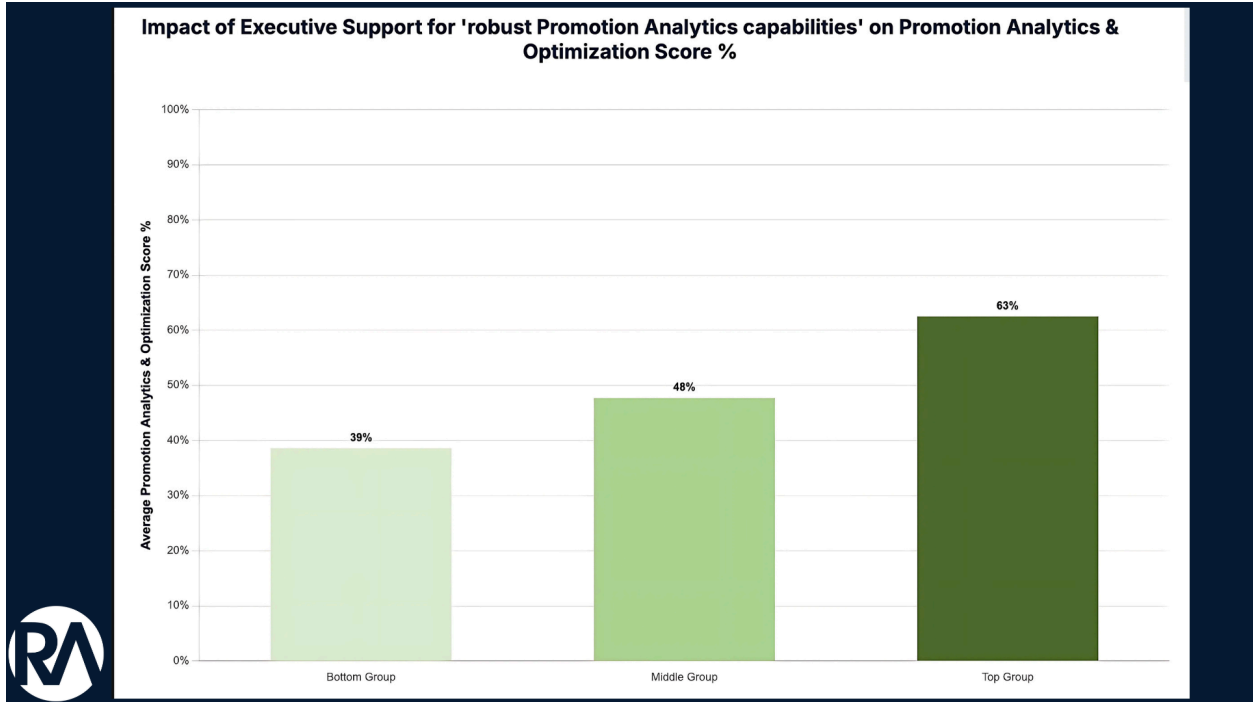
***A majority of companies (58%) cluster at Medium maturity for Promotion Effectiveness, struggling to advance to higher levels of optimization.***

**Leadership matters, measurably.** Where executives *strongly* champion pricing and promotion analytics, functional maturity scores jump **16–24 points** on average versus organizations with weak support—empirical evidence that **C-suite conviction** is a non-negotiable precursor to capability building.

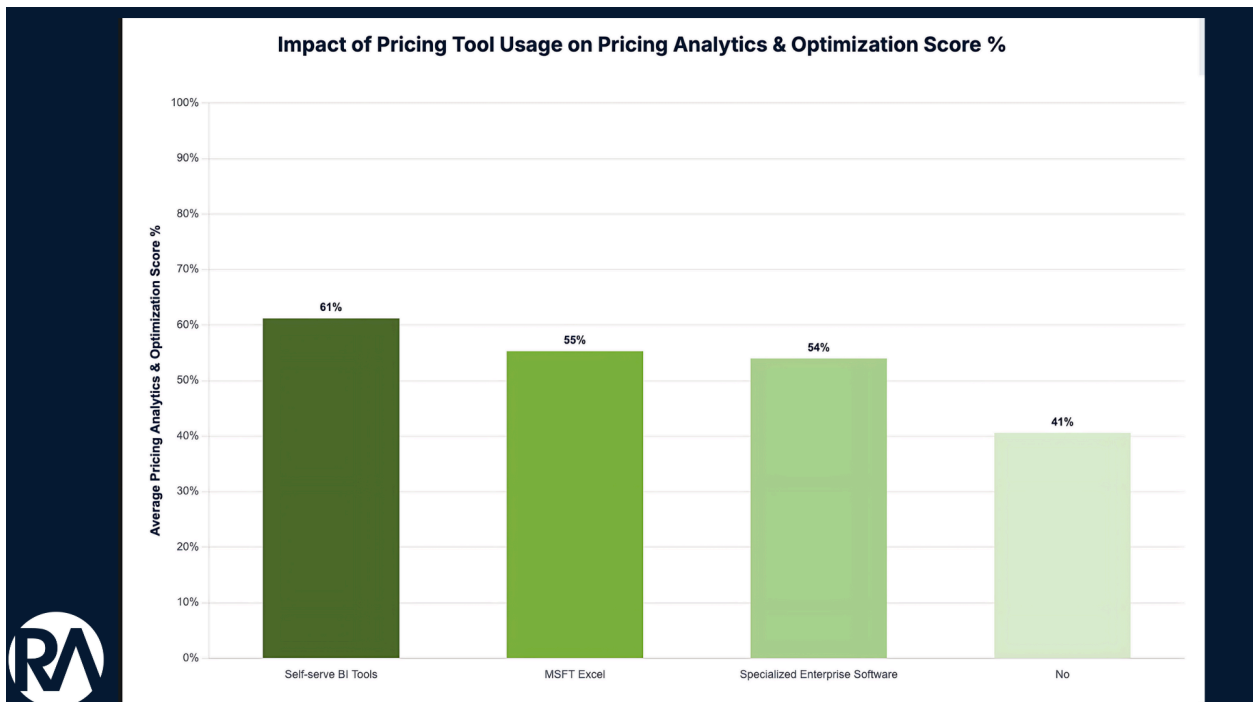


***Sales & Marketing Enablement remains the least mature area, with 77% of organizations scoring below High maturity.***

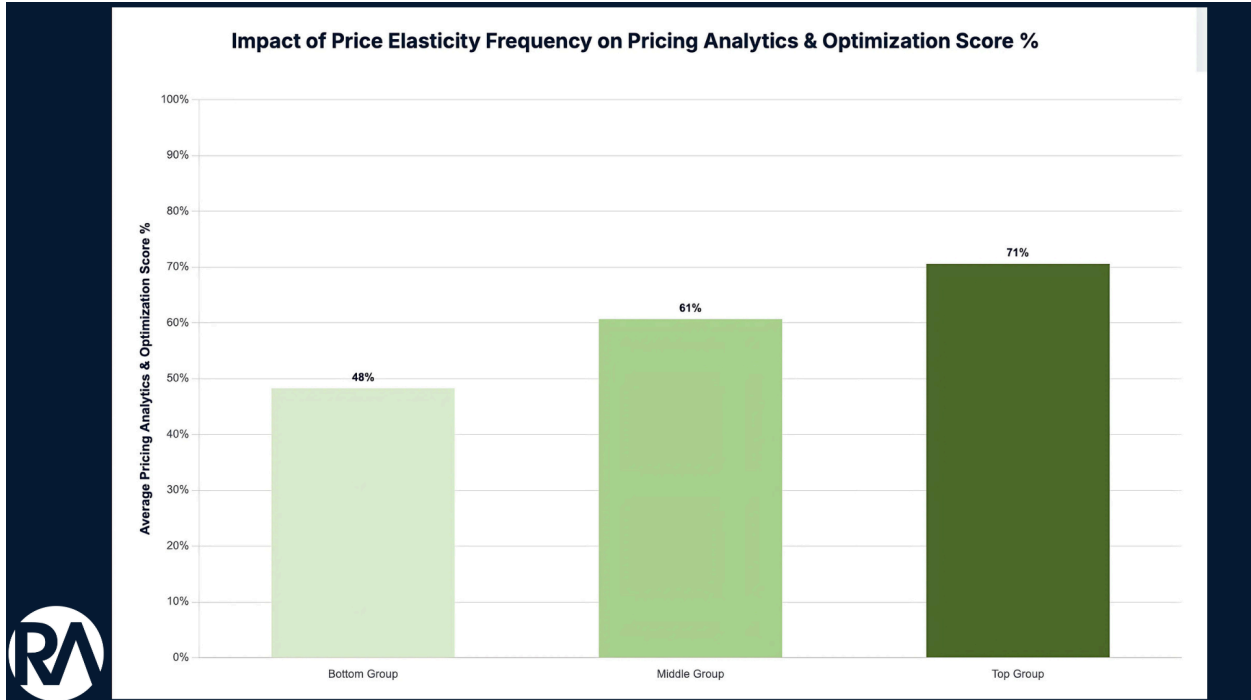
**Tooling and cadence beat hype.** Self-serve BI use correlates with higher PA&O maturity than “no tool” or sporadic Excel usage, and **more frequent** monitoring of price realization and elasticity **materially** raises maturity scores. The lesson: consistent operational **cadence** and **adoption** trump one-off models or “AI-first” declarations.



**Strong executive championship for promotion analytics correlates with a significant 24-point jump in average maturity scores.**



**Organizations utilizing self-serve BI tools report the highest Pricing Analytics & Optimization maturity scores.**



***More frequent measurement and updating of price elasticities directly correlate with higher Pricing Analytics & Optimization maturity.***

**Strategy ≠ execution.** Many firms report **High** maturity in Pricing & Profitability *Strategy*—yet still operate with manual workflows, ad-hoc competitive tracking, and incentive misalignment. Without governance, sales adoption, and instrumentation (e.g., price waterfalls, PCVM decomposition), strategy under-delivers.

#### **What to do next.**

1. **Secure a mandate**—naming accountable owners for each RGM domain.
2. **Fix foundations** (data quality, requirements gathering for price realization, PCVM, CLV, promo ROI).
3. **In-source, then scale**—build capabilities in your BI stack; automate workflows that control leakage.
4. **Align incentives** across sales, product, and finance.
5. **Raise the cadence**—monthly becomes weekly where economics warrant.

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### **3) Evolution of RGA Maturity: 2023 vs. 2025**

The RGA Maturity data from 2023 and 2025 provides a two-year snapshot of how organizations are progressing in their commercial analytics journey.

#### **Overall Maturity – Incremental Progress, Elusive Excellence**



The overall RGA maturity distribution has remained stubbornly similar. In 2023, about 50% of companies were in the Low or Medium maturity tiers overall. In 2025, we see effectively the same picture with ~53.8% in Low/Medium combined.

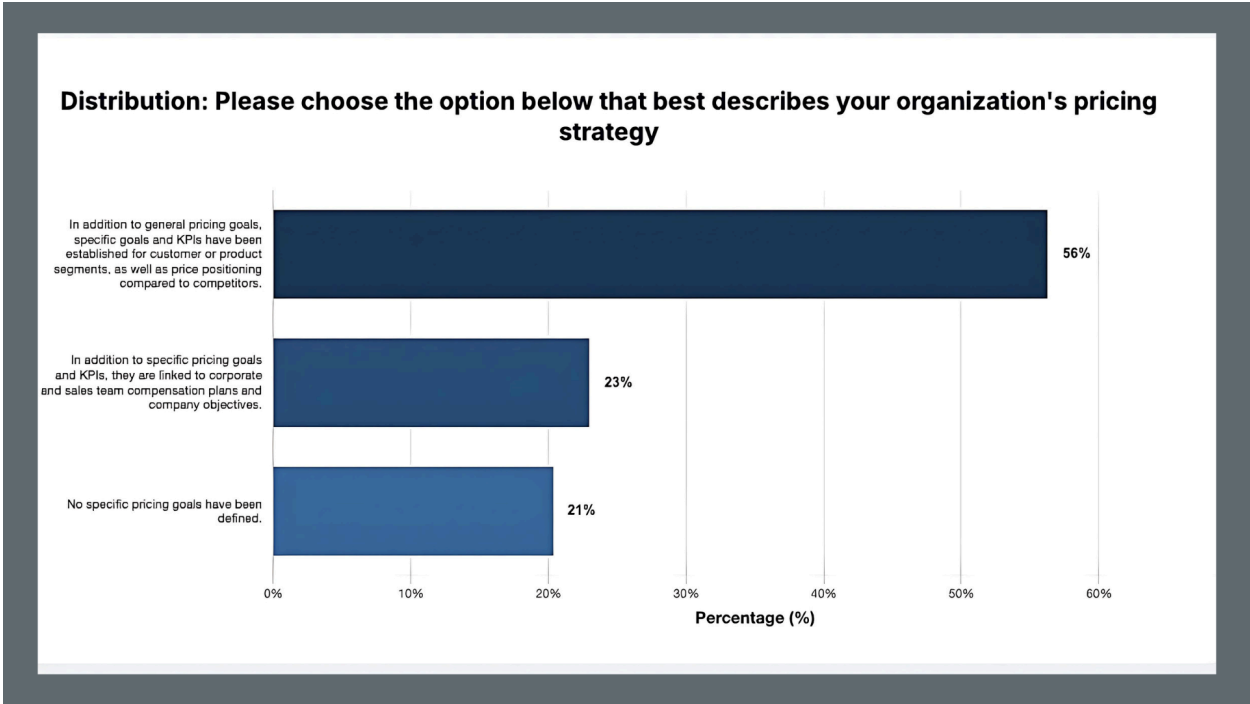
However, the top tier remains very thin. In 2023, 7% of firms achieved “Very High” overall maturity. By 2025, that elite group proportionally shrank to under 2%. High maturity organizations were 43% of respondents in 2023 and remain about 44% in 2025.

The takeaway: industry as a whole has not moved the needle dramatically. This implies that simply buying new tools doesn’t automatically translate to higher maturity; foundational issues of strategy, talent, and process remain critical.

### Category-by-Category – Strengths and Stalls

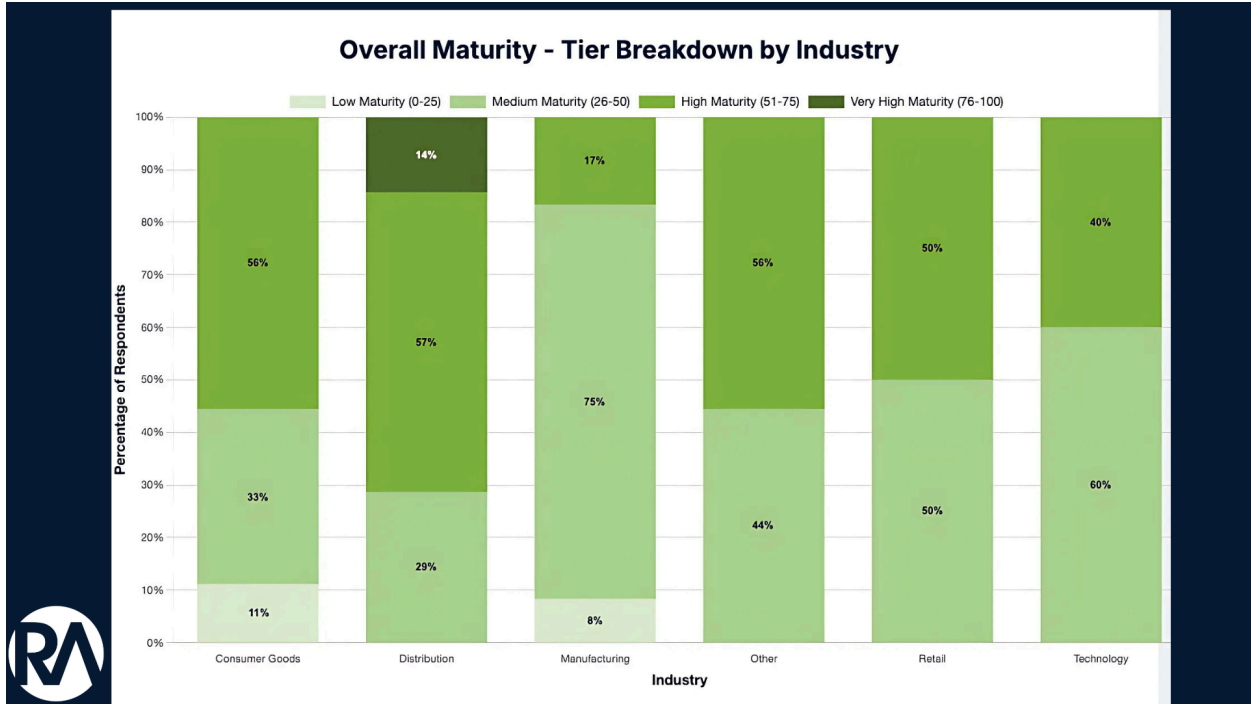
- **Pricing Analytics & Optimization:** This was a bright spot in both years (65% High/Very High in 2023; 63.5% in 2025). The Low maturity group remains very small. However, the leap to “Very High” hasn’t improved; the hoped-for broad adoption of AI-driven pricing or real-time optimization hasn’t yet materialized across the mid-market.
- **Promotion Effectiveness & Optimization:** This domain appears to have stalled. In 2023, half of companies described their promotion analytics as below average. By 2025, the distribution still skews toward the middle (57.7% at medium). While the proportion of Low maturity companies dropped slightly, the top tier didn’t move much.
- **Sales & Marketing Enablement:** This remains the widest gap. In 2023, nearly 48% rated themselves “weak” or “very weak.” In 2025, about 77% are still below high maturity. 69% of firms still cannot adequately quantify marketing impact—a number that barely moved since 2023.
- **Pricing & Profitability Strategy:** Consistently, roughly one-third of organizations lack top-level conviction in pricing as a strategic lever. A positive trend is formalization: by 2025, 56% have defined segment-level pricing goals. However, integration into execution lags (only 23% link to comp plans), and reliance on cost-plus methodology remains dominant (~75%).

# Shifts in Industry Dynamics



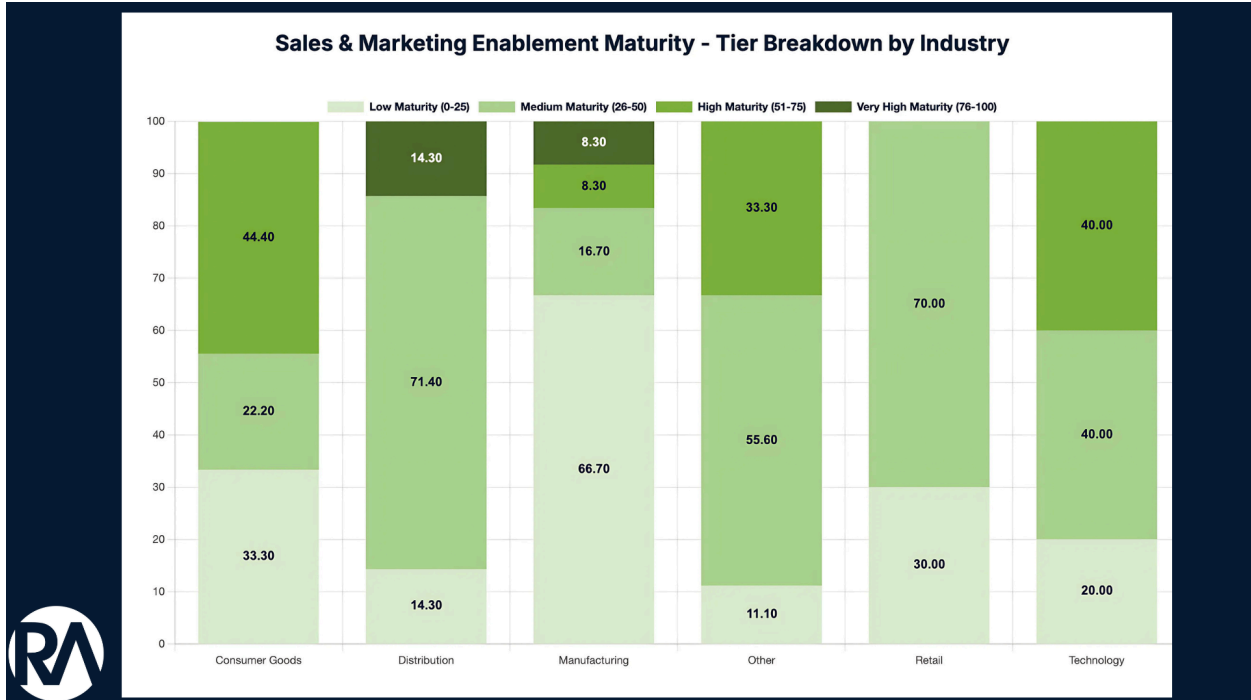
**While 56% of firms have defined segment-level pricing goals, only 23% link these KPIs to compensation plans.**

- Technology and CPG Lead, Manufacturing Lags:** This trend continues. Tech and CPG firms consistently rank higher. Manufacturing and some Distribution businesses remain behind. Manufacturing had the highest proportion of Low maturity companies in Sales & Marketing Enablement (66.7%) in 2025.



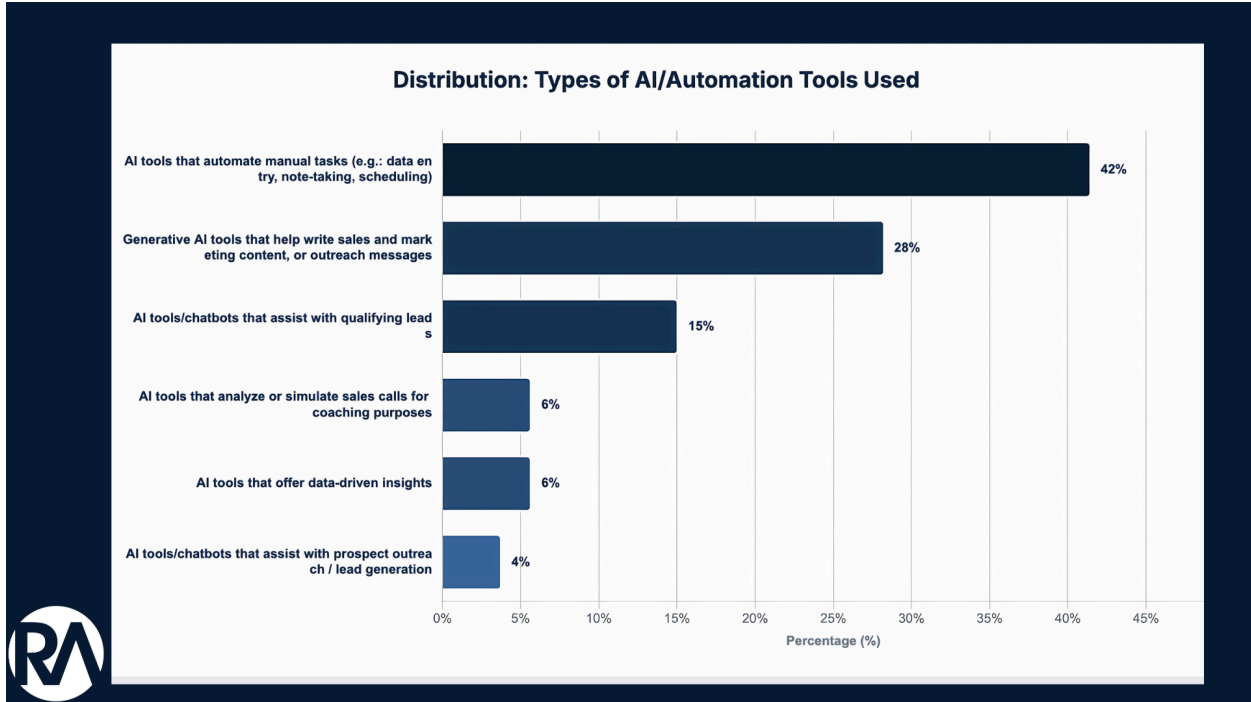
***Technology and Consumer Goods industries demonstrate higher overall RGA maturity compared to Manufacturing and Distribution.***

- Mid-Market vs Large Enterprises:** Larger organizations generally report higher maturity due to resources. However, size is not a guarantee; some mid-sized challengers have leap-frogged by being cloud-native and agile.



**Manufacturing shows the lowest maturity in Sales & Marketing Enablement, with 66.7% of respondents in the Low maturity tier.**

- External Factors – AI Hype vs Reality:** By 2025, many firms voiced interest in AI/ML, but the data shows a reality check: AI usage was primarily for basic automation (over 40%), and only ~6% were using it for advanced insights generation. The hype didn't translate into broad maturity jumps.



*Current AI adoption focuses primarily on automating manual tasks (42%), with only 6% using AI for advanced data-driven insights.*

### What This Means for Your Analytics Transformation

The comparative insights reinforce several themes:

- **Progress is Possible, But Intentionality Matters:** Stagnant maturity stats show that time alone doesn't improve capabilities. Firms that advanced had clear action plans and treated RGA transformation as a strategic initiative.
- **Mind the Last-Mile Gap:** A recurring pattern is the gap between having data/tech and driving business change. Adoption is the critical bridge. Transformation leaders must place as much emphasis on change management, training, and aligning incentives as on the technology itself.
- **Leadership and Culture Trump Tech Over Time:** Strong executive sponsorship and a data-driven culture remain the clear differentiators of higher maturity firms.
- **Focus on Fundamentals Before Frontier Tech:** Many firms are still struggling with fundamental analytics (clean data, basic ROI measurement). The wise path is to nail the basics first.
- **Sector Tailoring and Competitive Pressure:** One-size-fits-all approaches won't work. Organizations should benchmark against their industry peers and stay attuned to competitive shifts in analytics capabilities.



## 4) What Is the RGA Maturity Scorecard? Methodology & Sample

### 4.1 Overview & pillars

The 2025 RGA Maturity Scorecard assesses an organization's maturity across **four** areas:

1. **Pricing Analytics & Optimization (PA&O)**
2. **Effectiveness & Optimization**
3. **Sales & Marketing Enablement** (sales & customer growth analytics)
4. **Pricing & Profitability Strategy**

Maturity is categorized into four tiers: **Low (0–25%)**, **Medium (26–50%)**, **High (51–75%)**, **Very High (76–100%)**. The “overall” maturity reflects an aggregate across areas.

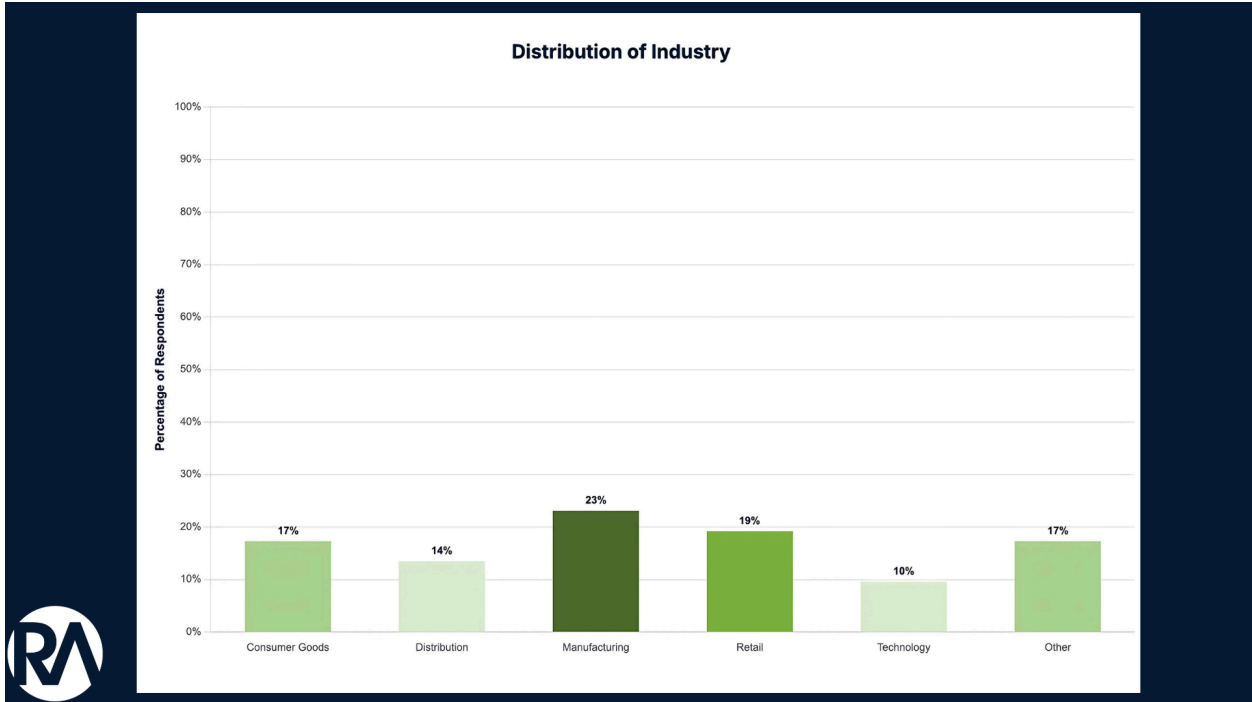
### 4.2 Instrument & scoring

The Scorecard is a survey-based, self-assessment instrument completed by commercial leaders. Questions span strategy, process, tooling, cadence, adoption, governance, and outcomes.

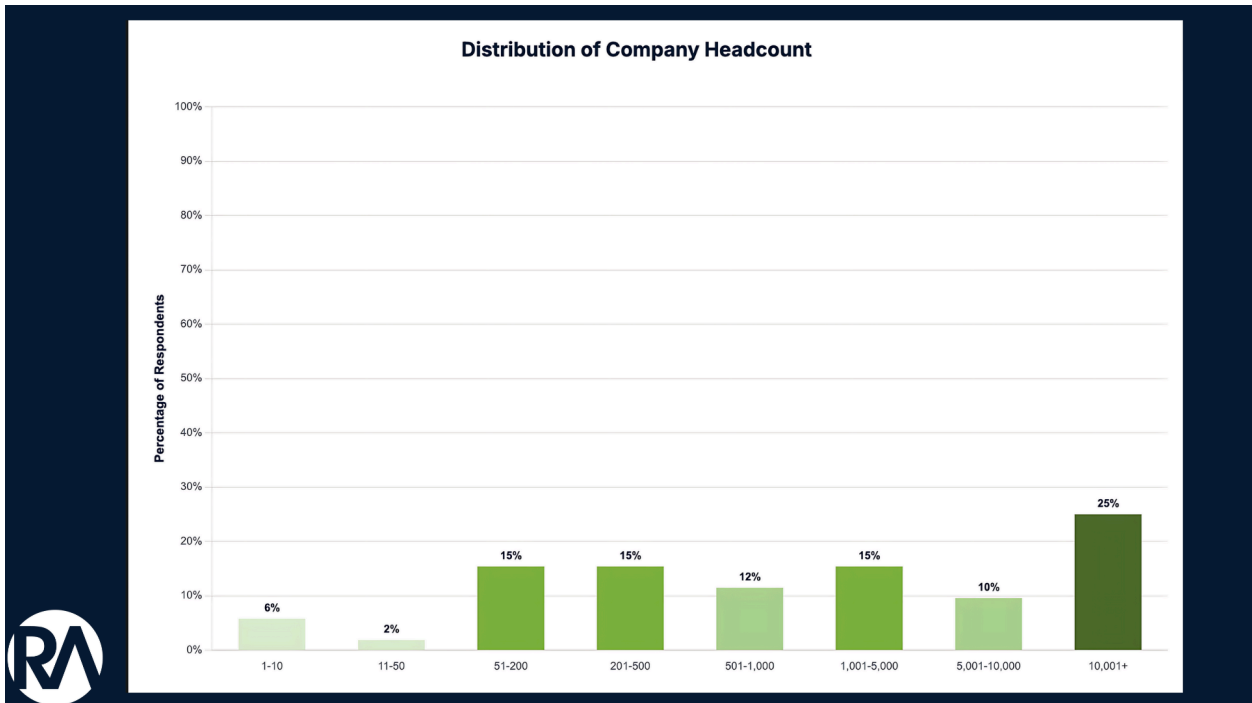
**Interpretation note:** Self-reported maturity often runs a bit “optimistic” in organizations early in their analytics journey; however, the **pattern** of gaps and the **correlations** to leadership support and cadence are robust and action-relevant.

### 4.3 Respondent demographics & firmographics

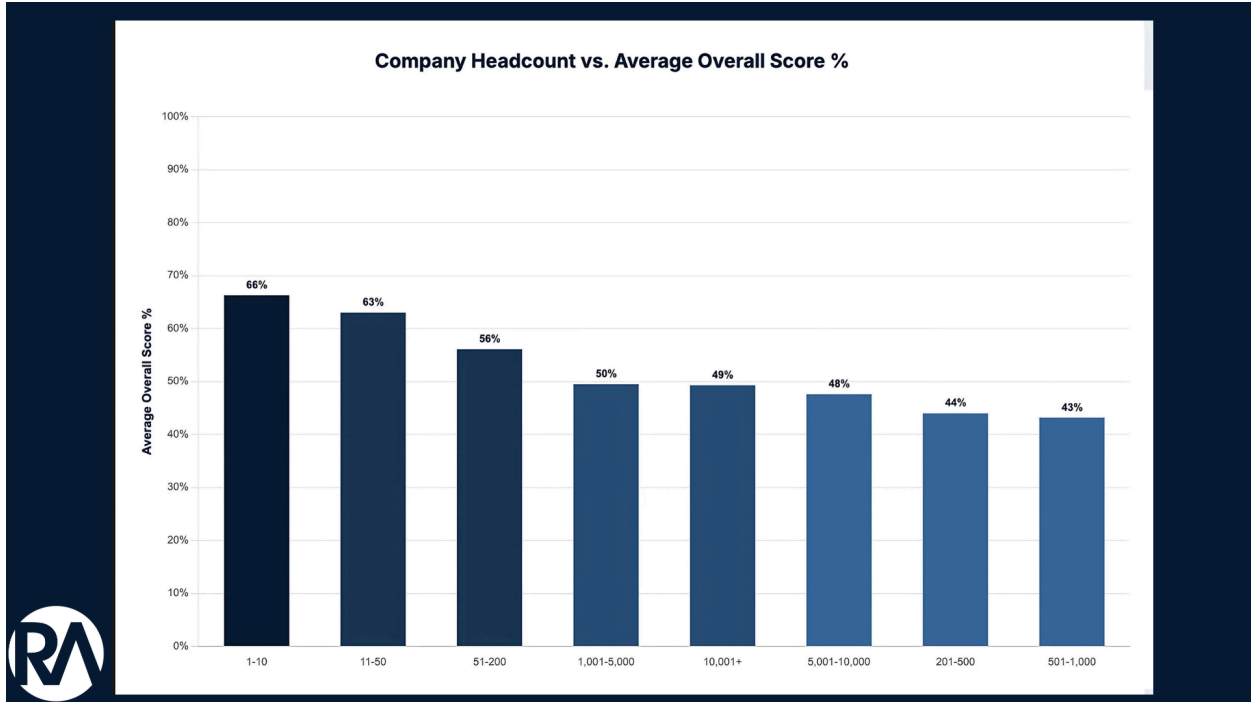
- **N = 158** commercial leaders participated in 2025.
- **Industry mix:** Manufacturing (23.1%), Retail (19.2%), Consumer Goods (17.3%), Distribution (13.5%), Technology (9.6%), and Other (17.3%).
- **Company size:** Broad spread; largest cohort is 10,001+ employees (25%). Notably, smaller companies often score surprisingly high—agility and fewer silos help.
- **Geography** (IP-based): U.S. (26%), India (13%), Canada (8%), U.K. (6%); others include Brazil, South Africa, Australia, Finland, and Germany.



*The 2025 RGA Maturity study includes a diverse mix of industries, led by Manufacturing (23.1%), Retail (19.2%), and Consumer Goods (17.3%).*



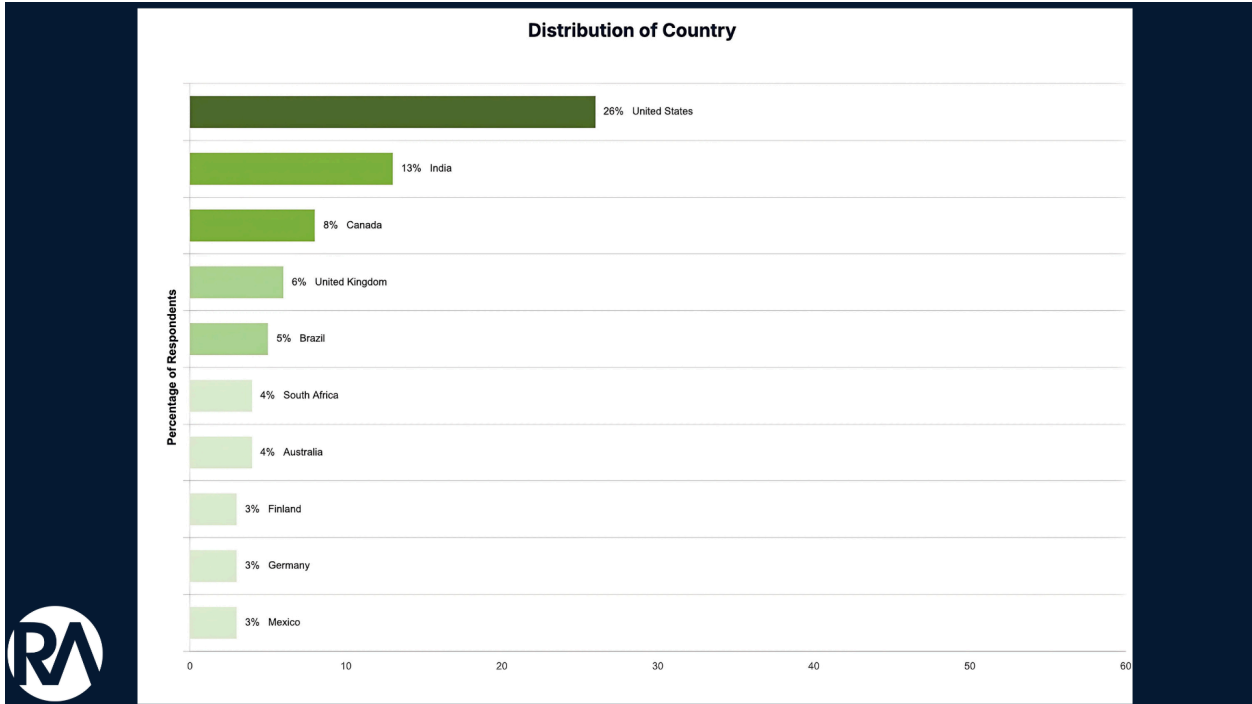
*The respondent base spans various company sizes, with the largest cohort (25%) having 10,001+ employees.*



***Smaller organizations (1-50 employees) demonstrate higher average overall RGA maturity, suggesting agility can outweigh scale.***

#### 4.4 Overall maturity landscape

- **Overall tiers:** Low 3.8% | Medium 50.0% | High 44.2% | Very High 1.9%. Technology and Consumer Goods skew higher; Manufacturing clusters in Medium.



***The study participants represent a global distribution, with the largest concentrations in the U.S. (26%) and India (13%).***

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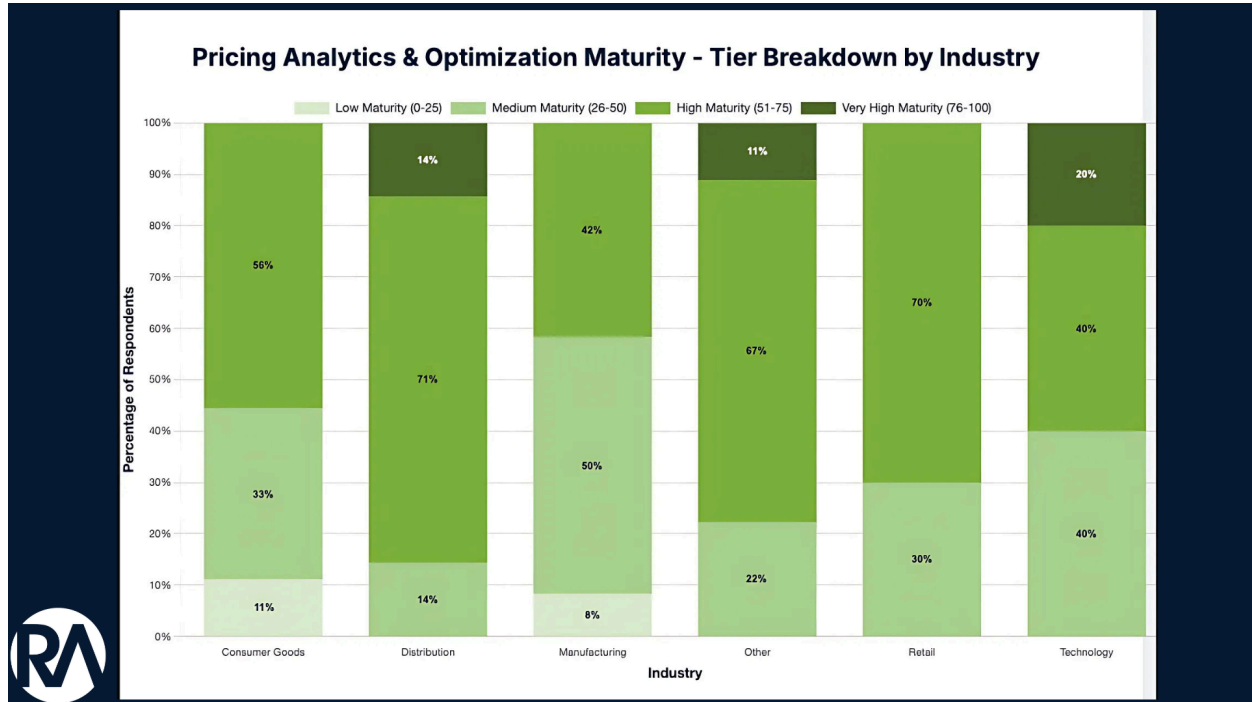
## 5) Deep Dives into the Four Areas

### 5.1 Pricing Analytics & Optimization (PA&O)

#### The State of PA&O and Strategic Implications

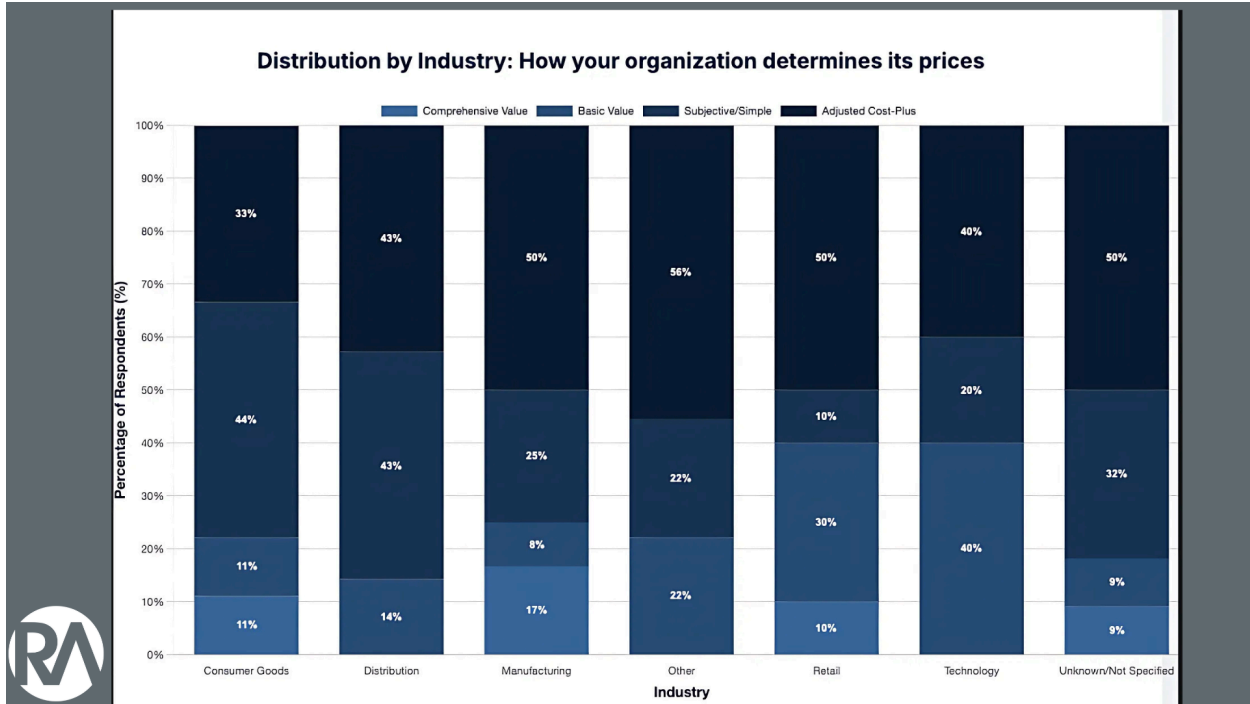
PA&O is the linchpin of margin protection and growth. It shows the best relative profile among the four areas: **57.7% High**, **5.8% Very High**, **32.7% Medium**, and **3.8% Low**.

However, the execution details reveal significant gaps:



**While PA&O maturity is relatively strong across industries, the leap to Very High maturity remains elusive for most.**

- **How prices are set:** ~75%+ rely on cost-plus and/or competitive benchmarks; ~24% use value-based approaches in some form. Only ~8% demonstrate advanced value-based pricing at scale.
- **Cadence:** 36.1% revise regularly *manually*; 29.2% revise **annually or less**; just ~15% do dynamic pricing.

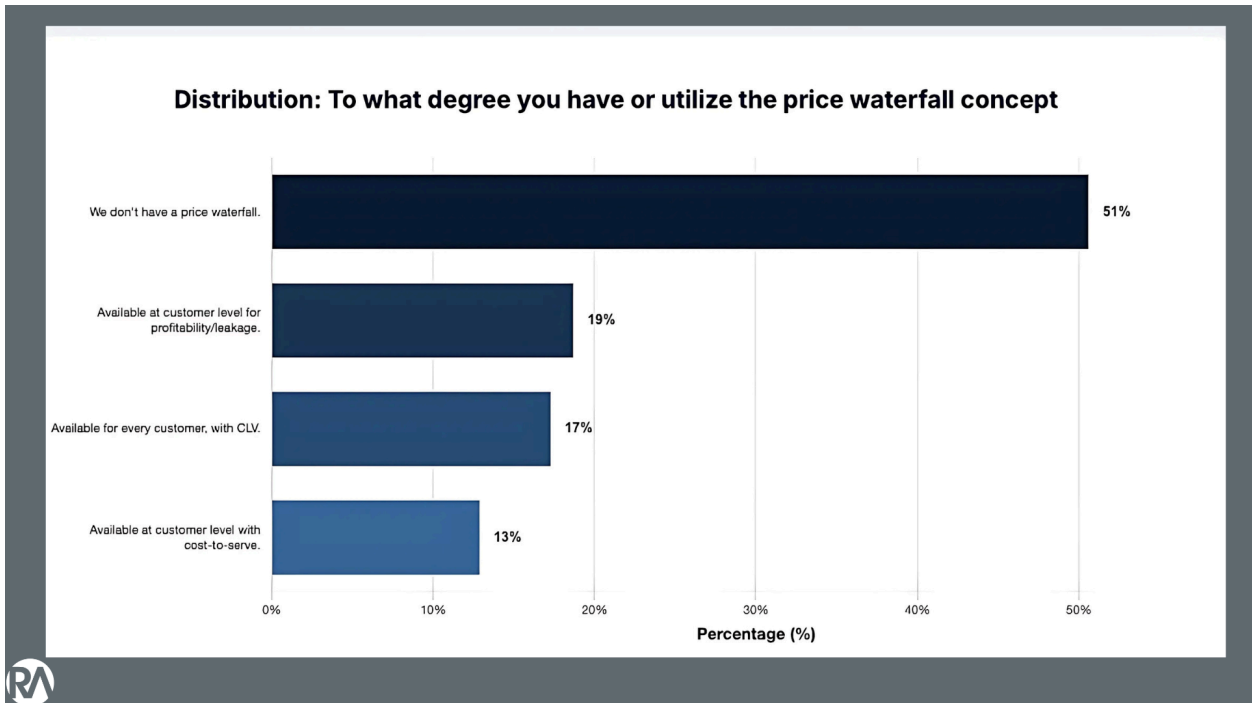


***Adjusted Cost-Plus remains the dominant pricing methodology across most industries, with limited adoption of comprehensive value-based approaches.***

- **Discounting execution:** 61.4% manage deal pricing manually; only 15.7% use automated workflows.
- **Price waterfall adoption:** 50.7% do **not** have a price waterfall.
- **Competitive intel:** 71% operate with ad-hoc or scattered competitive price data.

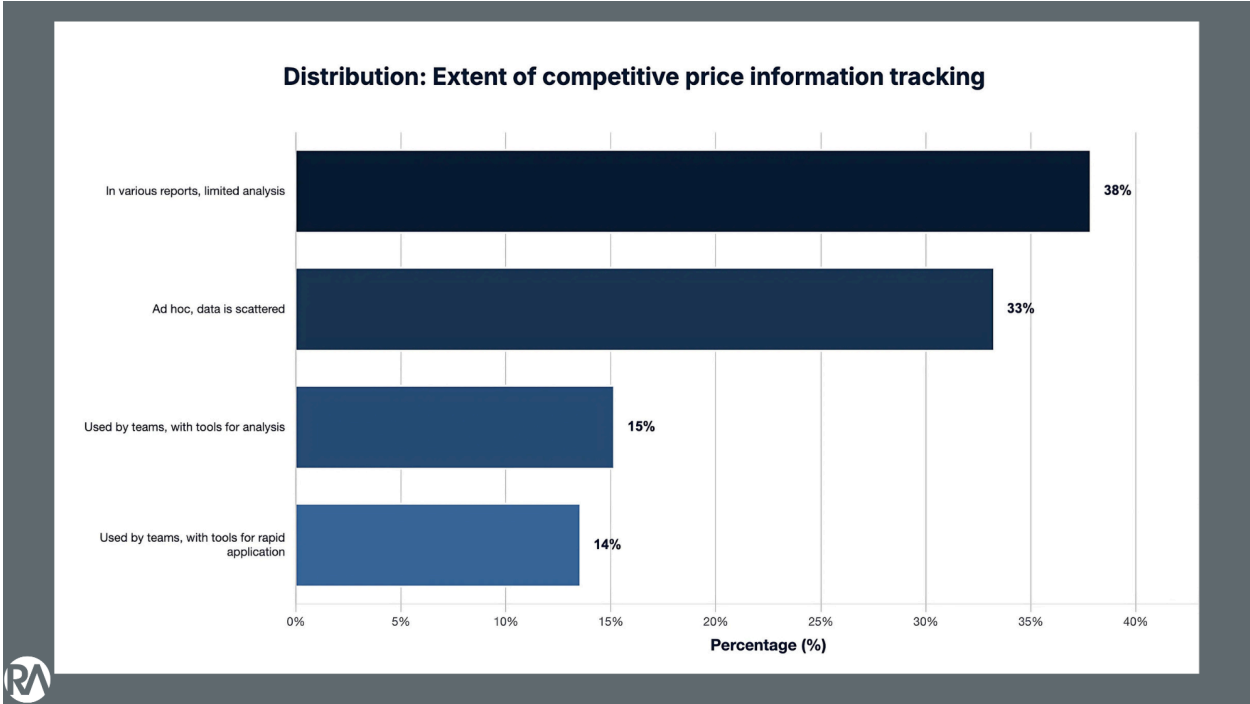


***A significant 61% of organizations still manage discounting and price negotiations manually, indicating substantial leakage risk.***



***Over half of the respondents (51%) do not utilize a price waterfall to track profitability and leakage.***

Organizations weak in this area risk serious profit leakage. Companies stuck at Medium maturity often struggle with dynamic pricing and robust elasticity modeling, meaning they cannot react nimbly to market changes. The implication is clear: without advanced pricing analytics, firms face slower pricing decisions, blunt strategies, and vulnerability to more data-savvy competitors.

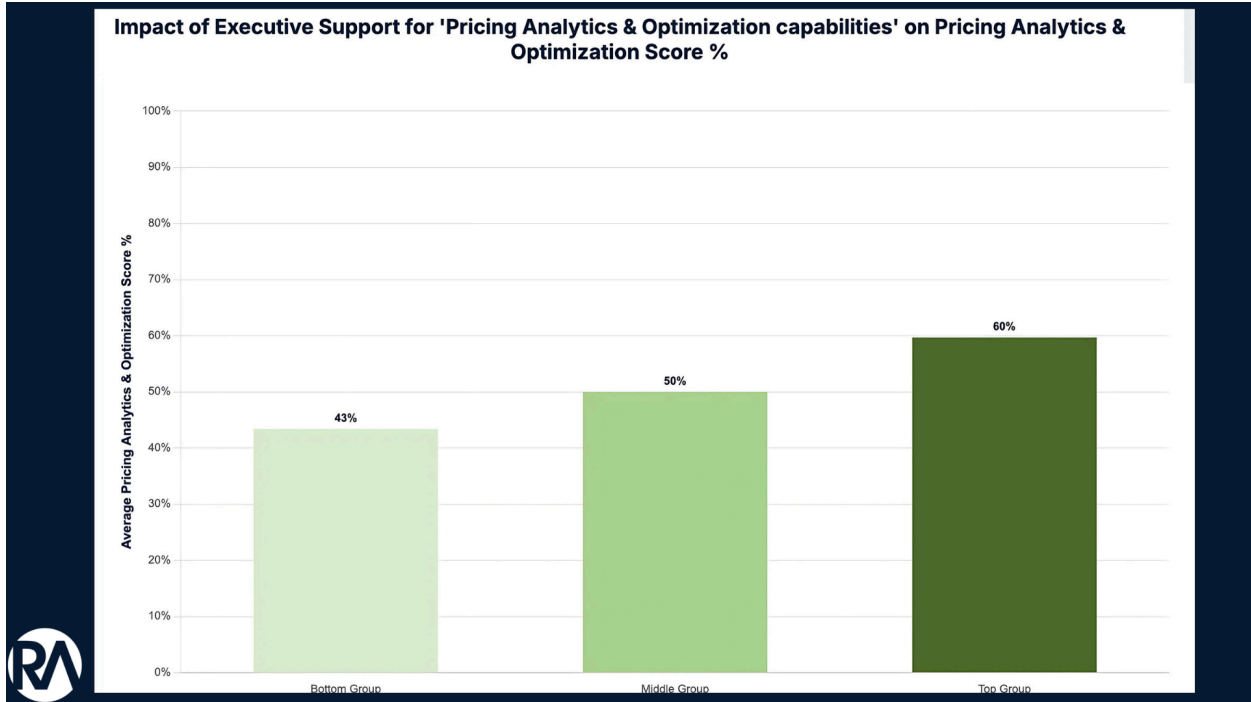


**71% of organizations rely on limited analysis or scattered, ad-hoc data for competitive price tracking.**

If automotive businesses can realize ~17.4% profit lift from a 1% price improvement while financial services might see ~2.2%, then **knowing your industry leverage** is critical. But *capturing* that leverage requires **operational instrumentation**.

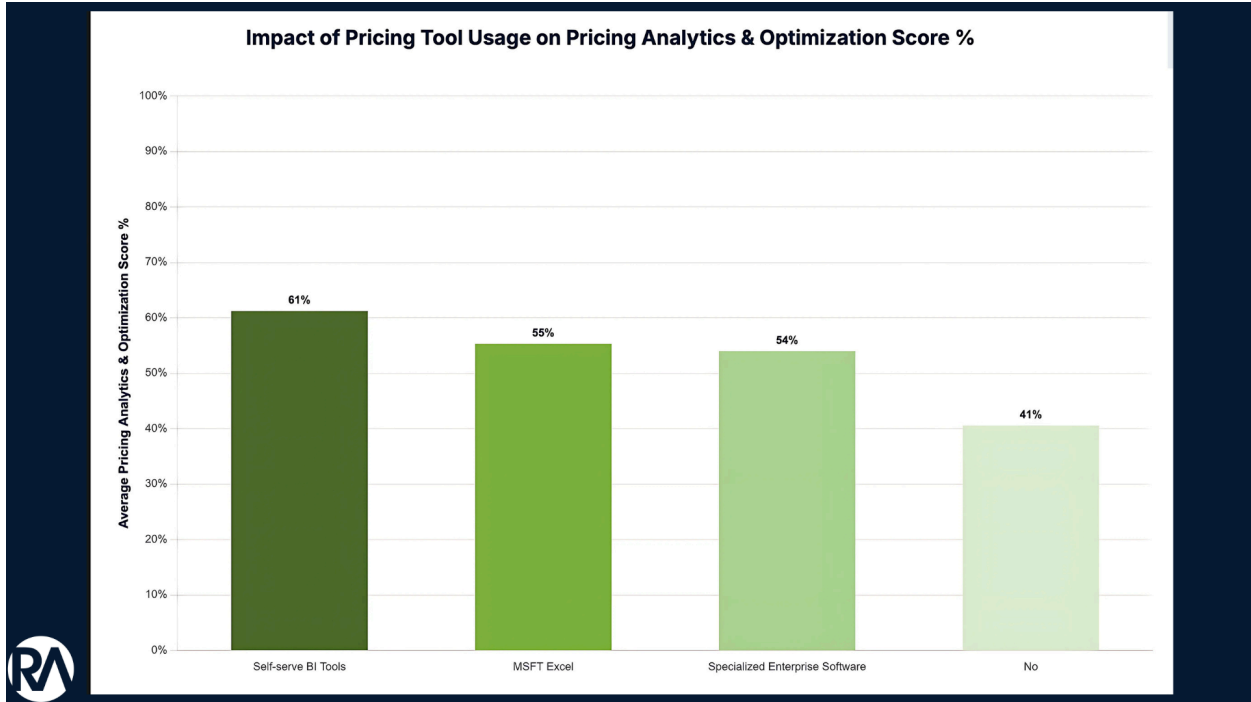
**Evidence-Based Levers that Raise PA&O Maturity**

- **Executive sponsorship** for PA&O raises average maturity by **~16 points** vs. weak support.
- **Self-serve BI** for pricing/margin analytics correlates with the **highest** PA&O scores.



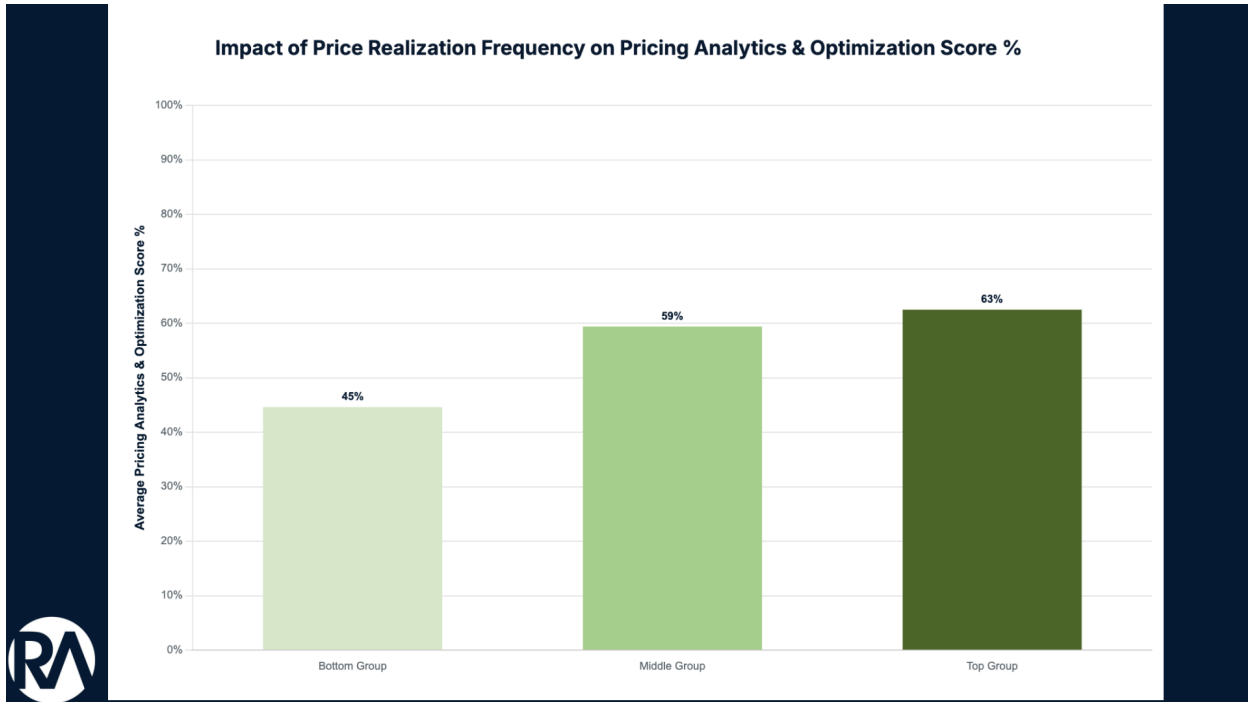
**Strong executive support for PA&O capabilities boosts average maturity scores by approximately 17 points.**

- **Monitoring cadence:** measuring net price realization **more than monthly/weekly** lifts maturity significantly compared to rare or quarterly/annual measurement.



*The use of self-serve BI tools for pricing and margin analytics is strongly correlated with higher PA&O maturity.*

- **Elasticity updates:** semi-annual/quarterly refreshes correspond to significantly higher PA&O maturity.



**Organizations that frequently monitor net price realization achieve significantly higher PA&O maturity scores.**

### Roadmap to High Maturity

Advancing PA&O maturity requires a structured approach. Recognizing that implementing core pricing analytics tools (like a price waterfall or price realization dashboard) typically takes around 90 days, the initial focus must be on alignment, data readiness, and manual quick wins.

- **Foundations (Data and Alignment):** Establish the requirements and begin building a unified pricing data foundation (transactions, discounts, rebates, costs, competitors) as a single source of truth. Elevate pricing to a C-suite agenda and establish a cross-functional pricing council.
- **Capabilities (Tools and Process):** Implement the price waterfall and pocket-margin visibility (targeting completion by Day 90). As data matures, develop elasticity models and what-if simulators (start simple; scale to ML later). Embed deal guardrails in quoting/CRM and automate exceptions.
- **Organization (Skills and Cadence):** Upskill teams (pricing analytics, value selling). Once tools are live, bake price realization reviews into monthly/weekly business rhythms.

### 90-Day Action Plan (PA&O)

- **Days 0–30: Assess, Align, and Quick Wins (Manual):** Define requirements and finalize the data model for the price waterfall and price realization tools; begin data consolidation. Manually analyze the top 20% of discounts/leakage drivers. Institute



immediate **deal guardrails** and freeze the deepest discretionary discounts pending economic justification.

- **Days 31–60: Design, Data Prep, and Governance:** Begin active development/configuration of the pricing analytics tools (in BI or specialized software). Validate data inputs for accuracy. Structure **competitive price capture** process. Draft charters for the Pricing Council.
- **Days 61–90: Tool Launch, Training, and Cadence:** Launch the **Price Waterfall** and **Weekly Price Realization** scorecard. Train sales and pricing teams on utilizing the new tools and interpreting exception analytics. Pilot rule-based dynamic pricing in one channel. Begin planning for advanced capabilities (e.g., elasticity refresh for top SKUs).

### What "Good" Looks Like

At Very High maturity, PA&O is a well-oiled strategic function characterized by:

- **Data-Driven, Dynamic Pricing:** Pricing is updated proactively. Best-in-class firms conduct price realization analysis at least monthly or weekly. They employ ML-enabled elasticity simulators embedded in BI dashboards to test “what-if” pricing moves before execution.
- **Value-Based & Segmented Strategies:** Top performers tailor prices to customer segments and value perceptions. They use price segmentation frameworks (e.g., good-better-best offerings, segment-specific price waterfalls integrated with cost-to-serve and pocket-margin visibility).
- **Tight Governance and Alignment:** Strong governance includes clear policies, an empowered pricing team, and deal guidance/guardrails embedded in workflows (quoting/CRM). Companies at this level often tie a portion of sales compensation to price quality or margin attainment.
- **Continuous Improvement Culture:** World-class pricing functions monitor performance metrics in near-real-time, hold post-mortems on pricing moves, and iterate on models frequently.

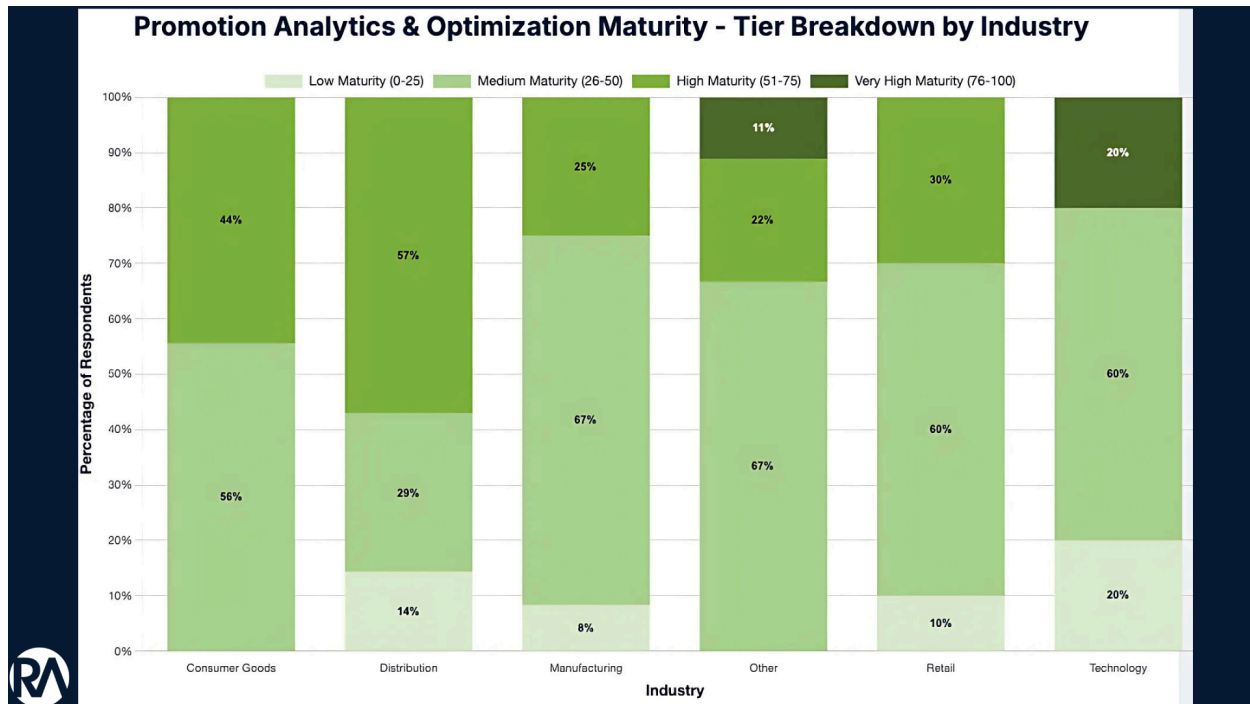
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## 5.2 Promotion Effectiveness & Optimization

### The State of Promo E&O and Strategic Implications

Trade promotions and marketing campaigns often consume significant budget (for CPG manufacturers, 15–30% of gross revenue). The 2025 findings show a plurality of firms stuck at Medium maturity: **57.7% Medium**, **30.8% High**, **3.8% Very High**, and **7.7% Low**.

The execution gaps are significant:



**Promotion Effectiveness maturity remains stalled across most industries, with very few organizations reaching the Very High tier.**

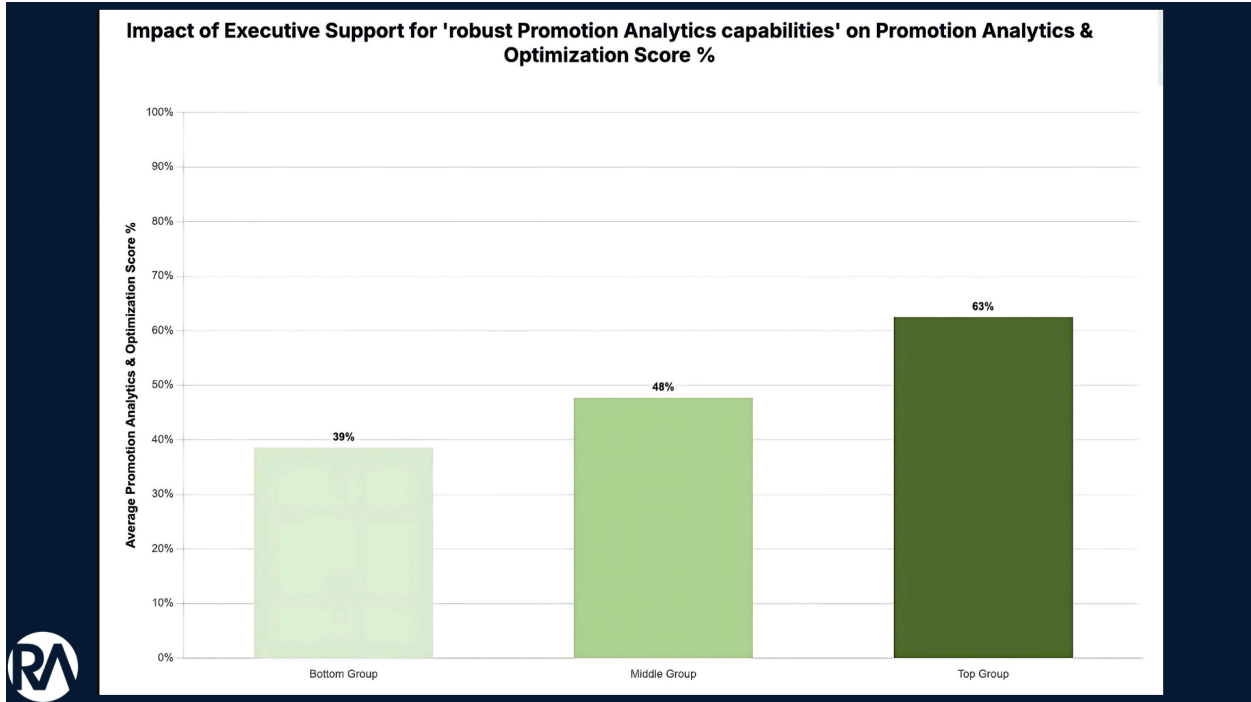
- **Planning:** 86.8% set promo calendars manually; only 13.2% use optimization tools.
- **ROI quantification:** 63% cannot quantify incremental ROI (gross profit per \$ of price investment).
- **Leadership:** Executive recognition for promotion analytics is tepid.

The implication is stark: many organizations are flying half-blind. A lack of rigorous promotion analytics means inability to quantify lift or ROI, leading to misallocation of trade spend, margin dilution, and missed opportunities. Organizations continue to fund deals without understanding the true incremental return.

The strategic imperative is to transform promotions from a blunt instrument into a precision growth tool.

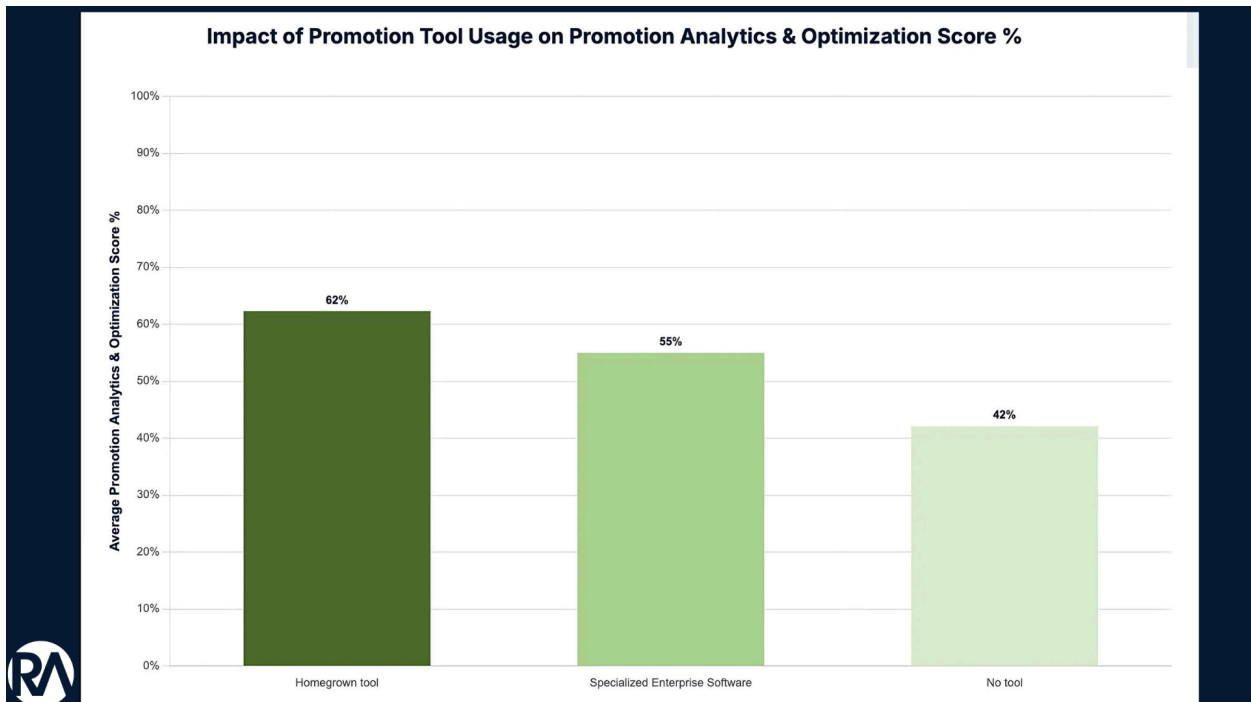
### Evidence-Based Levers that Raise Promo E&O Maturity

- **Executive endorsement** for robust promo analytics lifts average maturity by ~24 points (Top vs. Bottom).
- **In-sourced BI** approaches, combined with structured data hygiene, often beat turnkey tools on adoption and cost in mid-market contexts.



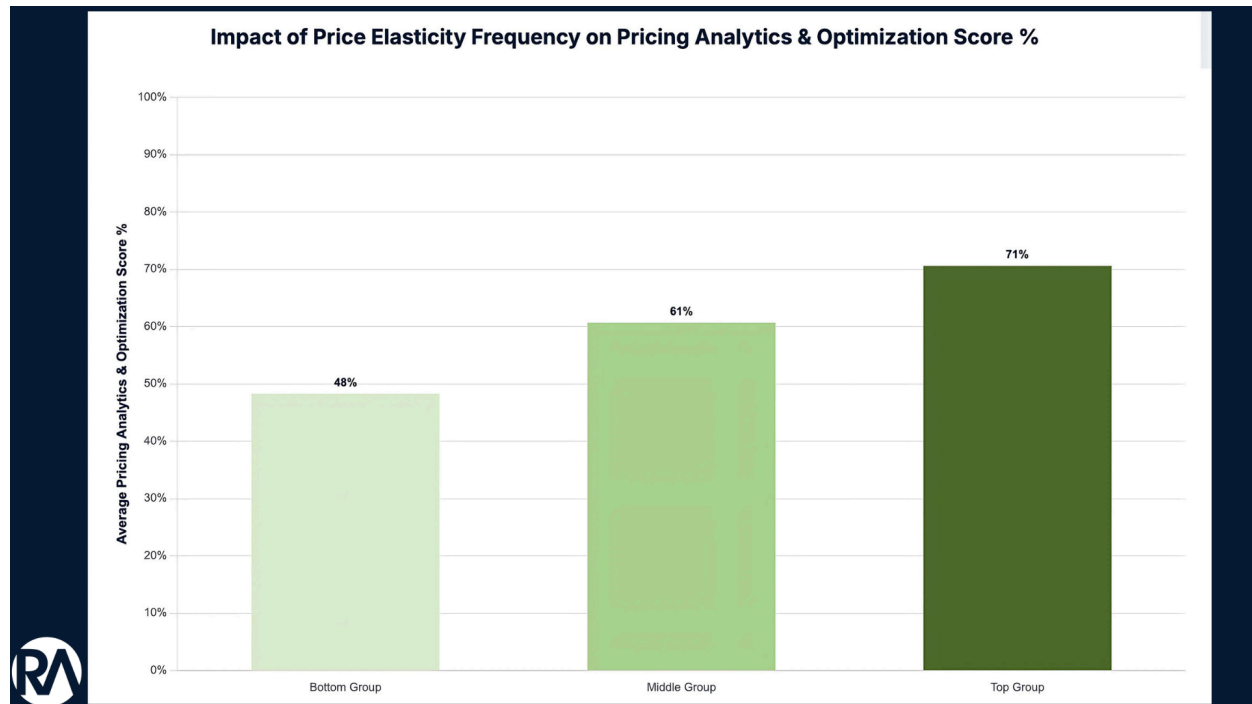
**Executive endorsement is crucial for promotion analytics maturity, lifting scores by 24 points compared to groups with weak support.**

### Roadmap to High Maturity



**Homegrown promotion tools correlate with the highest maturity scores, often outperforming specialized enterprise software in adoption.**

Improving Promotion Effectiveness requires building analytical capability and cross-functional process. As with pricing tools, developing robust promotion ROI analytics typically requires a 90-day implementation cycle.



*Regular (semi-annual/quarterly) updates to price elasticity models are a key differentiator for high-maturity PA&O functions.*

- **Foundations (Data and KPIs):** Begin consolidating promo, spend, POS/syndicated, and financial data into a promotions data mart. Define key metrics: incremental volume, ROI, and post-event profit uplift.
- **Capabilities (Tools and Models):** Implement tools to track baseline vs. actual and lift charts (targeting Day 90 completion). Progress later to uplift/elasticity models and promotion-mix optimization. Deliver simple, user-friendly scenario tools to sales/trade teams.
- **Organization (Governance and Integration):** Form a promotions council (Sales, Marketing, Finance, Supply Chain) with ROI gates for major deals. Train account teams to use insights in buyer conversations; align finance on accruals/forecasting.

### 90-Day Action Plan (Promo E&O)

- **Days 0–30: Assess, Align, and Quick Wins (Manual):** Define requirements for the Promo ROI tool and begin data consolidation. Manually build a **promo ledger** (what ran, where, cost, baseline, observed lift) for the last quarter. Manually calculate and publish a **top/bottom 10** ROI list by tactic/channel using available data.



- **Days 31–60: Design, Data Prep, and Governance:** Begin development/configuration of the Promo ROI analytics tool. Establish a promotional effectiveness task force. Use manual analysis to adopt basic **scenario comparison** (reallocate 10–20% of spend towards higher-ROI tactics identified in Phase 1).
- **Days 61–90: Tool Launch, Training, and Cadence:** Launch the **Incremental ROI** tool in BI. Train teams on the new capabilities. Institute **quarterly optimization gates** utilizing the new data. Begin planning for advanced capabilities (e.g., promo elasticity for priority SKUs).

### What "Good" Looks Like

A Very High maturity Promotion Effectiveness & Optimization capability is characterized by:

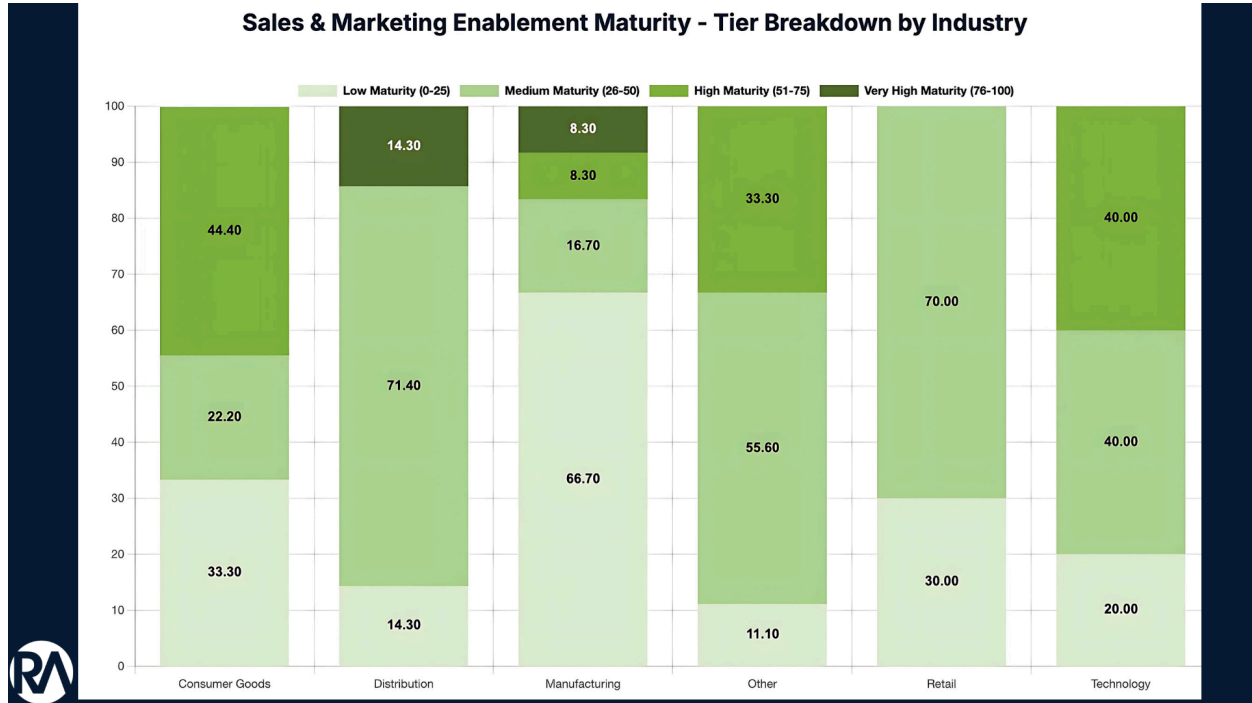
- **Full ROI Transparency:** Best-in-class firms know the ROI of every promotion. They can definitively answer, “Which promotions truly drive incremental profit and which just subsidize existing sales?”
  - **Optimized Promotion Portfolio:** High-maturity organizations treat their promotion budget like an investment portfolio. They use advanced analytics (like promotion mix modeling) and routine scenario planning to allocate spend for maximum profitability.
  - **Cross-Functional Execution & Learning:** Promotion analytics is embedded in operations. Sales teams use data-backed insights in line reviews. There is a tight loop with finance, and leadership (CFO and CMO) regularly review effectiveness reports.
  - **Technology-Enabled Agility:** Mature companies have technology that gives them a near-real-time read on promotion performance, sometimes using AI to flag anomalies or opportunities mid-flight.
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### 5.3 Sales & Marketing Enablement (Sales & Customer Growth Analytics)

#### The State of S&M Enablement and Strategic Implications

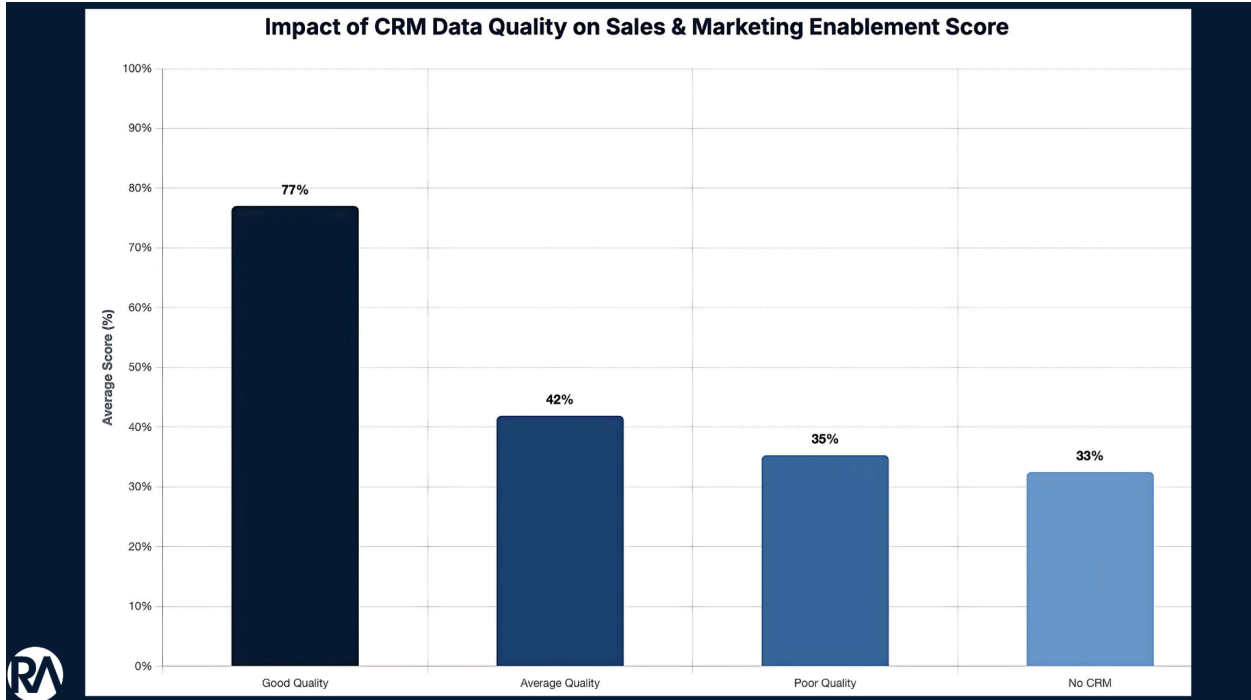
Sales & Marketing Enablement represents the greatest opportunity gap. In 2025, over three-quarters of companies are below high maturity: **32.7% Low**, **44.2% Medium**, **19.2% High**, **3.8% Very High**.

The foundational gaps are severe:



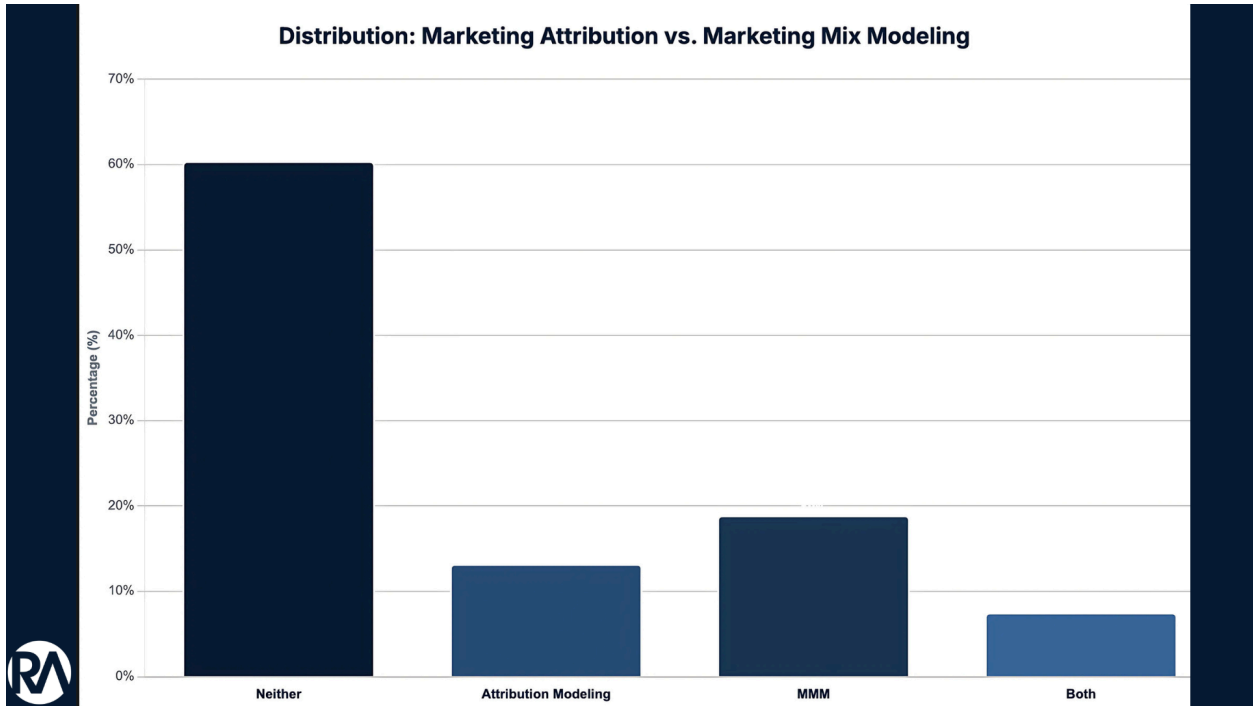
**Sales & Marketing Enablement shows the widest maturity gaps across all industries, particularly in Manufacturing.**

- **Churn prediction:** 58.5% do not predict churn.
- **CLV:** 64.2% do not measure CLV for resource allocation.
- **Foundational analytics (RFM):** 64.2% do not use segmentation like RFM.
- **CRM data quality:** 34% say Poor; 28.3% report no CRM.
- **Marketing ROI:** Awareness of marketing ROI by channel/campaign is absent in ~70% of organizations.



***High-quality CRM data is fundamental to Sales & Marketing Enablement, showing a dramatic impact on maturity scores.***

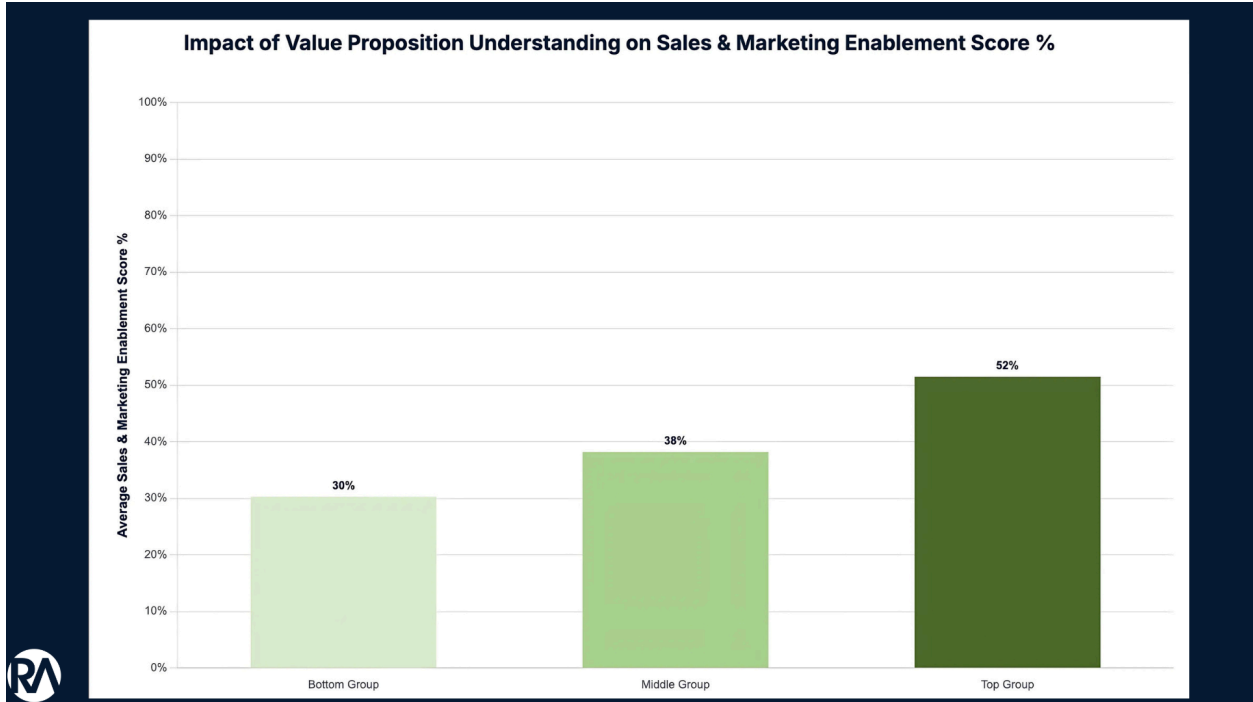
The implication is profound: organizations are not fully leveraging their customer data. Weak maturity means sales teams operate with limited insight into churn risk or cross-sell potential. Marketing teams may be “shooting in the dark” on spend allocation. This leads to lower customer lifetime value, higher churn, and inefficient spend.



**60% of organizations use neither Marketing Mix Modeling nor Attribution Modeling, indicating weak marketing ROI measurement capabilities.**

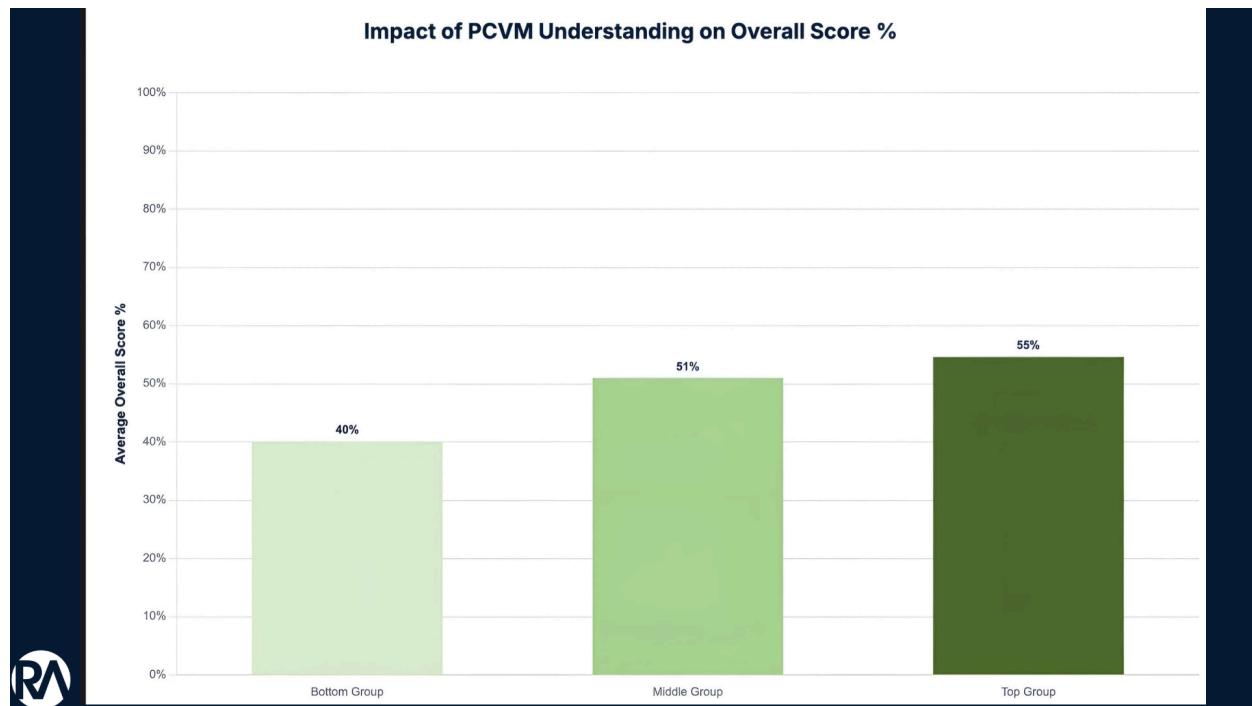
#### **Evidence-Based Levers that Raise S&M Enablement Maturity**

- A **strong grasp of the firm's value proposition** relative to competitors correlates with **~21-point** higher S&M maturity.
- **PCVM understanding** at the leadership level correlates with higher **overall** maturity, as organizations allocate sales/marketing effort more rationally.



***A strong, research-backed understanding of the firm's value proposition correlates with significantly higher Sales & Marketing Enablement maturity.***

## Roadmap to High Maturity



***Leadership understanding of Price-Cost-Volume-Mix (PCVM) drivers correlates strongly with higher overall RGA maturity.***

Elevating Sales & Marketing Enablement analytics requires a blend of technology, process rethinking, and skill-building. While advanced tools like CLV modeling take time, foundational segmentation and data hygiene can start immediately.

- **Foundations (Data and Infrastructure):** Modernize CRM analytics; begin building a customer data mart that unifies sales, marketing, web, and support signals. Implement priority dashboards: RFM segmentation, pipeline health, and basic campaign ROI.
- **Capabilities (Models and Tools):** Deploy predictive scoring (churn, lead, next-best-product). Introduce Marketing Mix Modeling (MMM) for budget allocation and Multi-Touch Attribution (MTA) for in-channel optimization where applicable.
- **Organization (Adoption and Culture):** Design for frontline adoption (mobile views, push alerts, plain-language playbooks). Upskill sales/marketing managers in data literacy; celebrate analytics-led wins to build pull and foster an insights-driven culture.

### 90-Day Action Plan (S&M Enablement)

- **Days 0–30: Assess, Align, and Quick Wins (Manual):** Clean the top **10 CRM fields** (ID, industry, size, contact, region, last order date, product family, revenue, gross margin,



channel). Using this cleaned data, stand up basic **RFM** cohorts and **at-risk** flags in existing CRM or BI tools.

- **Days 31–60: Design, Data Prep, and Governance:** Define requirements and begin data modeling for Churn Prediction and CLV tools. Publish a manual **churn-risk list** weekly to sales based on RFM flags. Introduce basic **CLV tiers** (even if qualitative) and align outreach SLAs. Start **campaign-level** ROI tracking for two priority channels.
- **Days 61–90: Tool Launch, Training, and Cadence:** Launch the initial Churn Prediction model. Integrate **next-best-action** playbooks into CRM based on RFM segments. Roll out a **save-offer** playbook for at-risk cohorts. Reallocate **10–15%** of budget into top-ROI channels identified in Phase 2.

### What "Good" Looks Like

When Sales & Marketing Enablement analytics reaches Very High maturity, the organization operates with a truly data-driven commercial engine:

- **360° Customer Insight:** Best-in-class companies have a unified view of each customer. They use CLV and propensity modeling to prioritize high-value customers and have automated alerts and playbooks for churn risks.
- **Data-Driven Decision Making in Marketing:** High-maturity marketing teams utilize both MMM for broad budget allocation and MTA for tactical optimization, quantitatively justifying spend on each channel.
- **Empowered and Efficient Sales Teams:** Sales reps have powerful enablement tools integrated into the CRM (ranked priority lists, predictive scoring, product recommendations). Sales managers use analytics for coaching.
- **Closed-Loop Alignment:** Tight alignment exists between Sales, Marketing, and Finance through unified metrics and dashboards, ensuring continuous improvement and accurate forecasting.

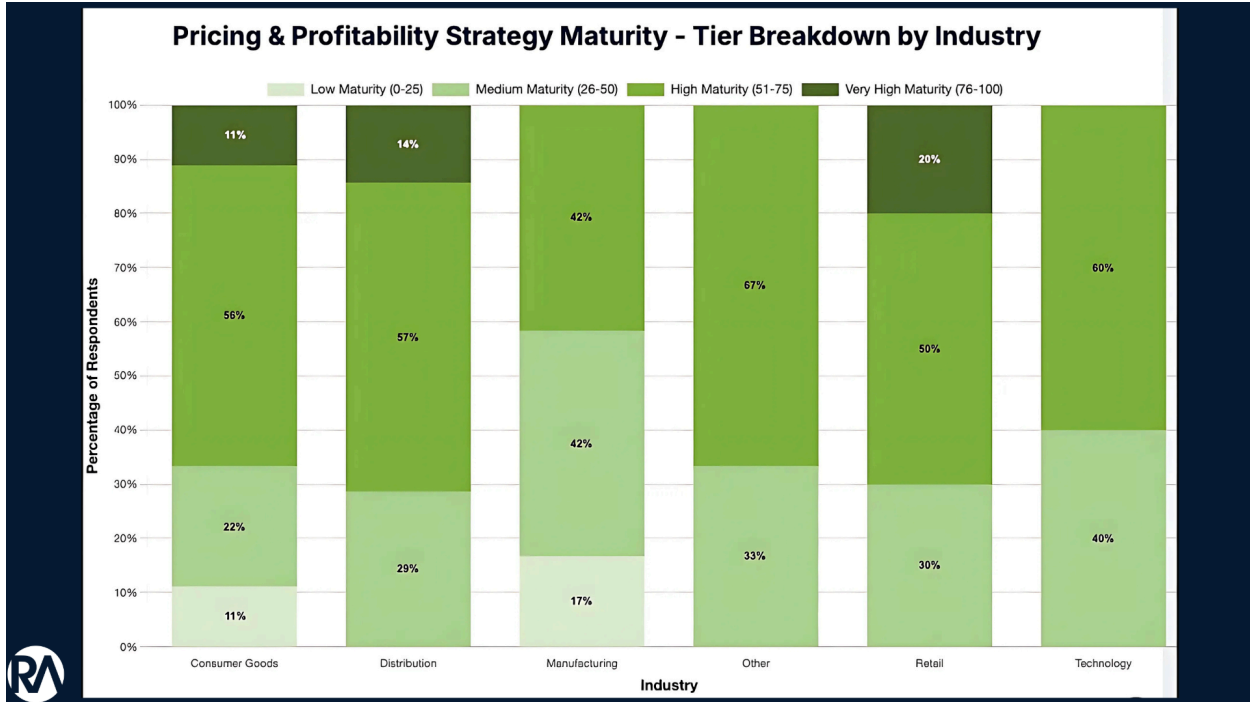
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## 5.4 Pricing & Profitability Strategy

### The State of Strategy and Strategic Implications

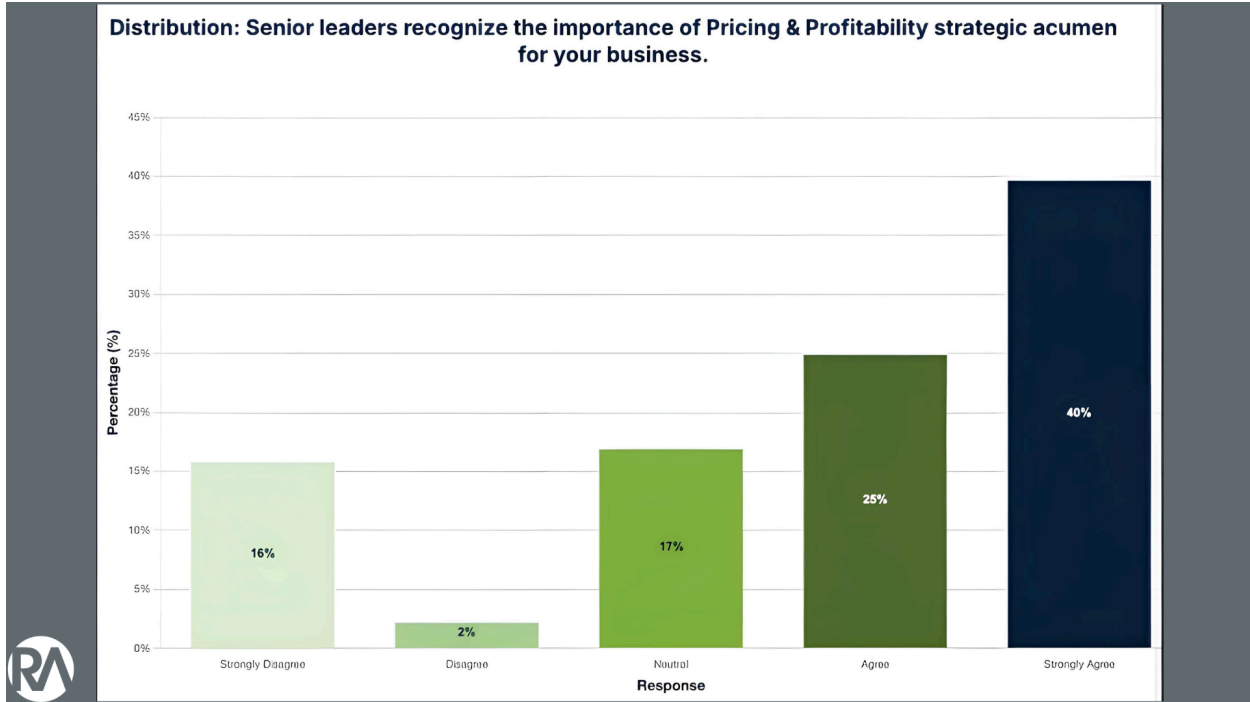
Pricing & Profitability Strategy means pricing is approached as a strategic discipline. Many firms report high maturity in this area: **53.8% High, 7.7% Very High, 32.7% Medium, 5.8% Low.**

However, the data reveals a disconnect between strategic intent and execution:



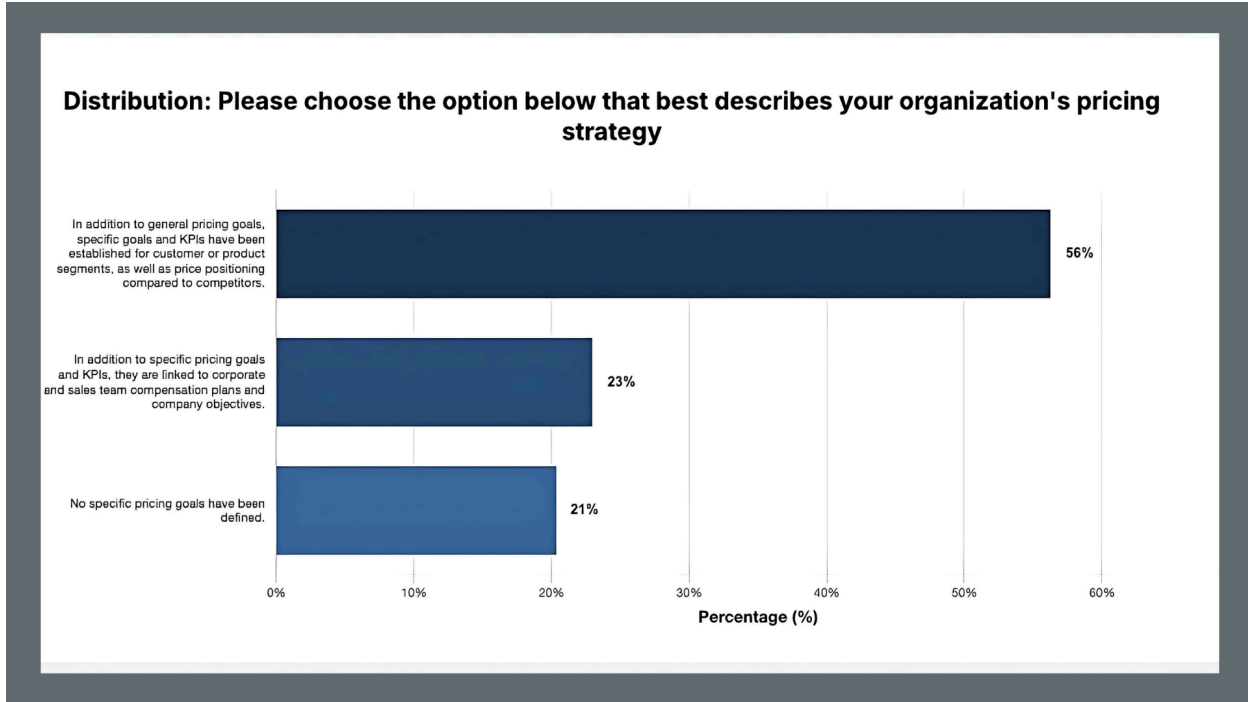
*Many organizations report high maturity in Pricing & Profitability Strategy, though this often contrasts with execution gaps.*

- **Executive recognition:** ~65% of leaders agree P&P strategic acumen is important; the 35% minority can still block resources.
- **KPIs & integration:** 56.4% set segment-specific pricing goals; only 23.1% link these KPIs to compensation and corporate goals.



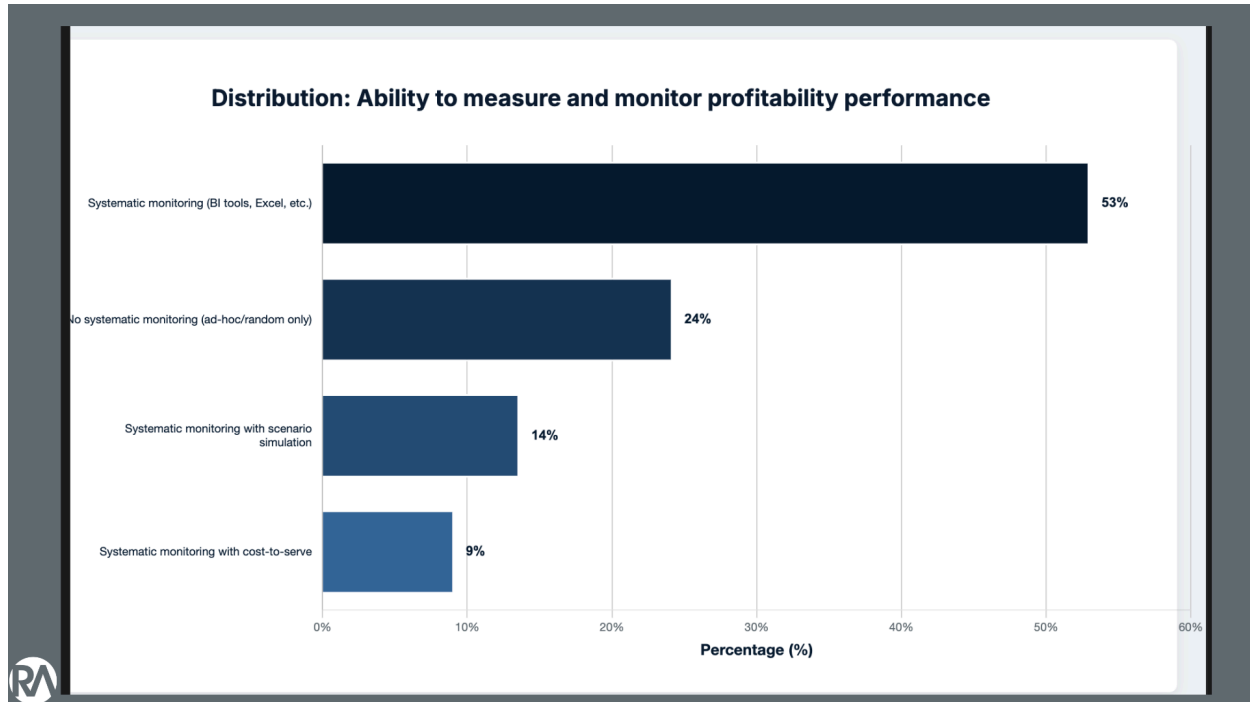
***While 65% of leaders recognize the importance of strategic pricing acumen, a significant minority remains unconvinced.***

- **Alignment:** ~29% say sales and product/pricing incentives are **not** aligned.



***A major execution gap exists as only 23% of companies link their specific pricing goals to compensation and corporate objectives.***

- **Profitability monitoring:** Only ~23% integrate cost-to-serve and scenario analysis; 24.2% have no systematic monitoring.
- **Methodology:** Only ~8% are employing truly value-based pricing methods over cost-plus conventions.



**Nearly a quarter of organizations (24%) have no systematic monitoring of profitability performance.**

The implication is a risk of value leakage: Strategy without **governance** (KPIs → comp), **instrumentation** (PCVM), and **alignment** (sales/product/finance) is aspiration. Declaring a strategy while operating with ad-hoc discounts and manual analytics guarantees value leakage.

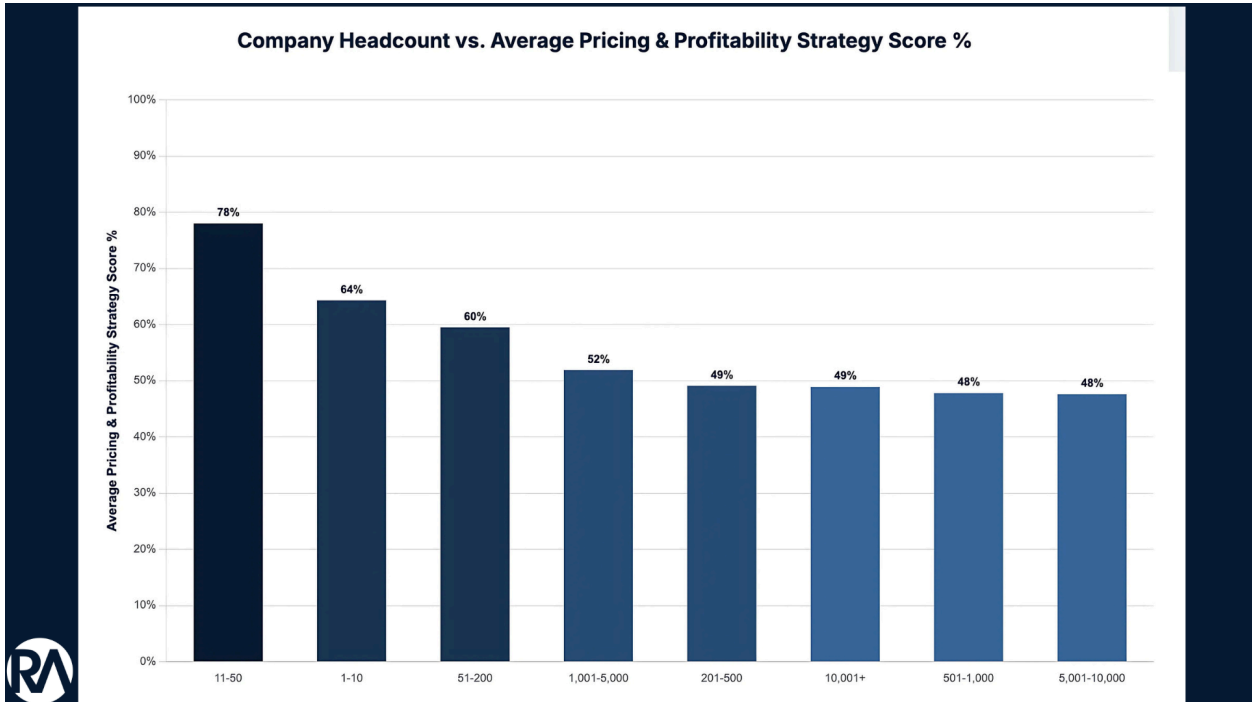
#### **Evidence-Based Levers that Raise Strategy Maturity**

- **Executive support** measurably boosts P&P Strategy maturity (~17-point differential).
- **Headcount is not destiny**: Smaller firms sometimes score **higher overall** due to agility; large firms must counter complexity with stronger governance.



*Executive support significantly boosts Pricing & Profitability Strategy maturity, creating a 17-point differential between top and bottom groups.*

### Roadmap to High Maturity





***Smaller firms often achieve higher Pricing & Profitability Strategy scores, highlighting the importance of agility over sheer size.***

Enhancing Pricing & Profitability Strategy involves reinforcing both the formulation of strategy and the mechanisms to enforce it. Implementing instrumentation like PCVM requires time for data modeling and validation.

- **Foundations (Governance and Objectives):** Codify pricing principles and 5 core KPIs (price realization, discount spend %, waterfall leakage, promo ROI, pocket margin). Establish a Pricing Council.
- **Capabilities (Methods and Instrumentation):** Adopt value-based approaches beyond cost-plus; pilot on one line with a value map vs. competitors. Implement PCVM reporting (targeting Day 90 completion) and simulate price/mix scenarios.
- **Organization (Alignment and Accountability):** Link 1–2 KPIs to compensation and QBRs. Publish role charters (who owns list price, exceptions, promo funding). Run pre-mortems for major moves and post-event ROI reviews.

### **90-Day Action Plan (Strategy)**

- **Days 0–30: Assess, Align, and Quick Wins:** Codify **pricing principles** (value positioning, competitive posture, guardrails). Choose **5 KPIs**. Draft plan to tie 1–2 KPIs into **comp** and QBRs. Define requirements and data model for PCVM reporting.
- **Days 31–60: Design, Data Prep, and Governance:** Begin development/configuration of **PCVM** reporting. Publish **role charters**. Launch the **pricing council** (Sales, Product, Finance, Marketing). Finalize and communicate compensation alignment changes.
- **Days 61–90: Tool Launch, Training, and Cadence:** Launch **PCVM** reporting (starting quarterly, moving to monthly). Implement **pre-mortems** for major price moves and **post-event** ROI reviews for promotions, utilizing data from newly launched PA&O and Promo E&O tools.

### **What "Good" Looks Like**

At Very High maturity, Pricing & Profitability Strategy yields tangible competitive advantage:

- **Strategic Pricing is C-Suite Owned:** Pricing strategy is core to business strategy, with dedicated leadership (e.g., Chief Pricing Officer) and involvement in major decisions from the outset.
- **Fully Articulated and Communicated Strategy:** The strategy is clearly articulated and translated into practical guidelines (playbooks, pricing corridors, authority levels). It is a living doctrine, swiftly adjusted when conditions change.
- **Advanced Pricing Methods & Tools in Use:** Mature functions regularly conduct elasticity studies and willingness-to-pay research. They embrace value-based pricing fully and may use AI/ML to identify micro-segments or optimize deal-level pricing.

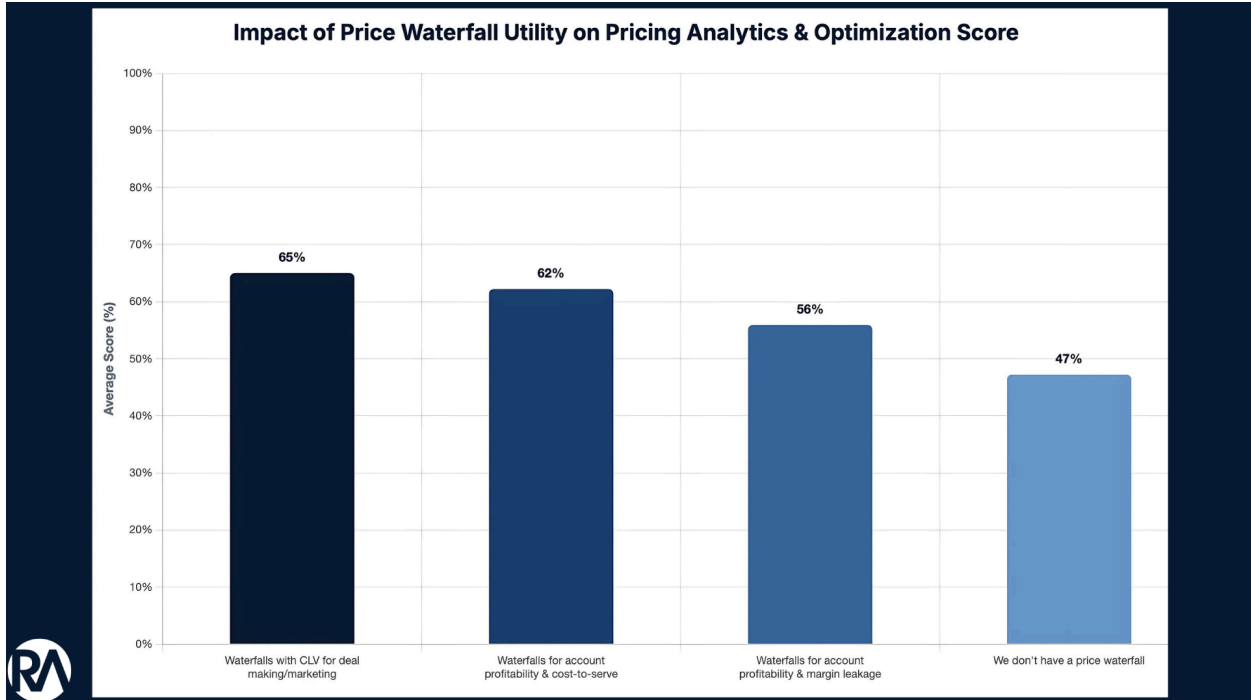


- **Tight Strategy-Execution Loop (No “Rogue” Pricing):** Realized prices closely reflect intent. Minimal “rogue discounting” occurs because controls (approval workflows) and aligned comp discourage it.
- **Continuous Improvement and Innovation in Strategy:** World-class organizations constantly experiment with new pricing models (e.g., subscription or performance-based pricing) and evaluate external innovations.

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## 6) Cross-Cutting Insights from the 2025 Scorecard

1. **Leadership conviction is a multiplier.**
  - Top-quartile executive support correlates with significantly higher **Strategy**, **PA&O**, and **Promotion** maturity (+17 to +24 points). Mandates move mountains.
2. **Cadence converts theory into cash.**
  - Frequent **price realization** reporting and regular **elasticity** updates correspond to the highest PA&O scores—because action happens while the data is warm.
3. **Tooling that teams actually use beats “best-in-class” shelfware.**
  - **Self-serve BI** consistently correlates with higher maturity. Mid-market realities often favor **in-sourced BI** for fit, speed, and cost.
4. **Foundations first; sophistication follows.**
  - Without **price waterfalls**, **PCVM**, **CLV**, **churn**, and **promo ROI**, advanced methods (e.g., ML, automated pricing) underperform. Start where the P&L bleeds.
5. **Size ≠ maturity.**
  - Smaller firms can out-execute via tight loops; bigger firms must invest more in **alignment** and **change management** to unlock scale advantages.



**Organizations utilizing advanced price waterfalls (e.g., with CLV or cost-to-serve) achieve significantly higher Pricing Analytics maturity.**

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## 7) Practical Playbooks and Conclusion

### 7.1 Practical Playbooks (Putting It All Together)

Below is an integrated path, adjusted to reflect the reality that core RGM analytics tools typically require a 90-day implementation cycle.

#### Phase A (First 30 days): Assess, Align, and Quick Wins (Manual)

- Define requirements and begin data modeling for **Price Waterfall** and **PCVM**.
- Manually analyze top leakage drivers (discounts, freight, rebates). **Name owners** for top 5 leaks.
- Freeze or review **deep discretionary discounts** above threshold; require economic justification.
- Manually create a **promo ledger** for the past quarter; publish **top/bottom ROI** using available data.
- Clean **core CRM fields** and define **RFM cohorts**.

#### Phase B (Days 31–60): Design, Data Prep, and Governance

- Begin active development/configuration of RGM analytics tools.
- Embed **deal guardrails** and approvals in quotes/CRM.
- Use manual analysis to reallocate 10–20% of promo spend toward highest incremental ROI.
- Publish manual **churn-risk lists** based on RFM; introduce **save offers**.
- Launch a **pricing council**; align 1–2 KPIs with **compensation**.

#### Phase C (Days 61–90): Tool Launch, Training, and Cadence

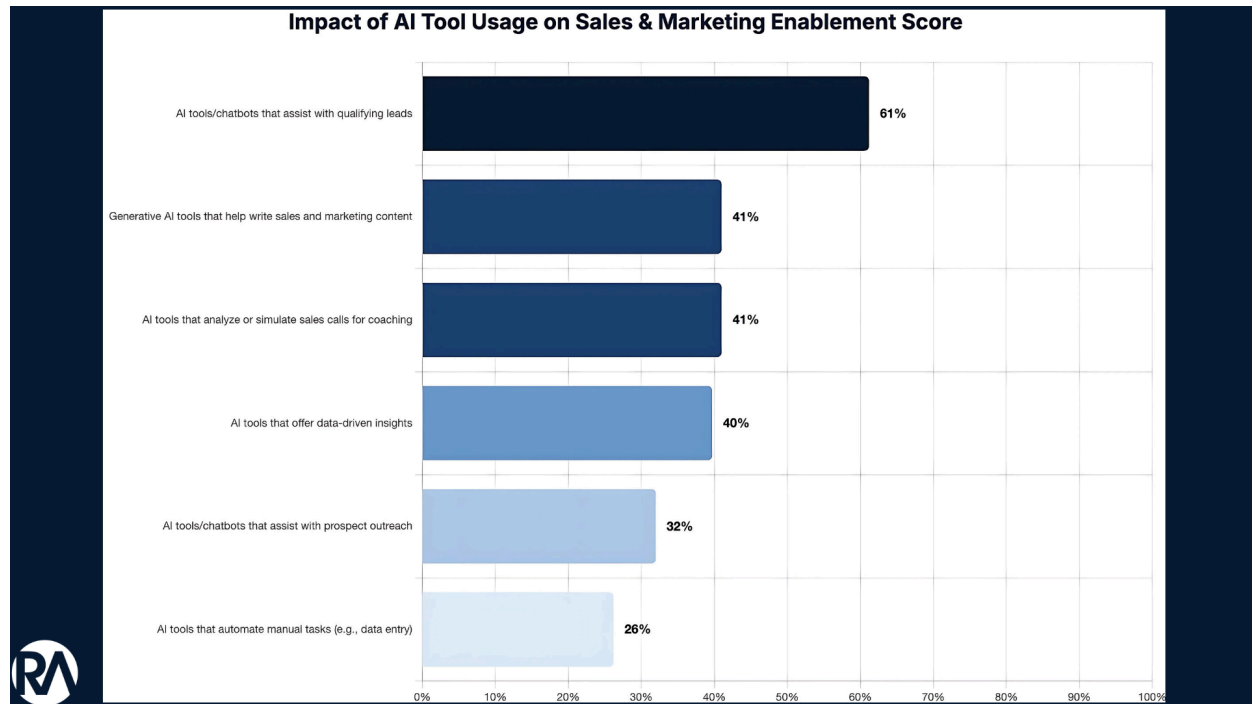
- Launch **Price Waterfall**, **Weekly Price Realization**, **PCVM**, and **Promo ROI** tools.
- Train teams and integrate tools into weekly/monthly business rhythms.
- Institutionalize **quarterly promo optimization gates**.
- Launch initial Churn Prediction model and expand **next-best-action** in CRM.
- Begin planning for advanced capabilities (elasticity refresh, cost-to-serve integration, dynamic pricing pilots).

### 7.2 Governance & Operating Model

- **C-Suite sponsor**: A named executive (CFO/CRO) who owns the RGM P&L thesis.
- **Pricing council**: Sales, Product, Finance, Marketing—meets biweekly; reviews waterfalls, competitive moves, exception analytics, and promo ROI shifts.
- **Analytics pod**: Small, cross-functional team that builds/maintains BI assets and ensures they serve decisions.
- **Cadences**: Weekly (price realization exceptions, at-risk accounts); Monthly (PCVM, promo reallocation); Quarterly (strategy pivots, elasticity refresh scope).

### 7.3 Risks & Anti-Patterns (What to Avoid)

- **“AI-first” without foundations:** Modeling before measurement leads to clever outputs that nobody uses. Get the data and basic tools right first.
- **Tooling without adoption:** Favor **in-sourced BI** to start; add specialized tools when workflows and governance are ready.



*AI tools focused on lead qualification and insights generation drive higher S&M maturity, whereas basic automation tools show the least impact.*

- **Siloed incentives:** Tie a portion of comp to **price realization/pocket margin**, not just bookings.
- **Annual price cycles** in dynamic markets: Raise the cadence; automate where possible.

### 7.4 Industry & Sub-Industry Context

To convert a **1% price improvement** into **profit** credibly, calibrate your ambition to your industry’s leverage:

- **High-leverage** sectors (e.g., **Automotive, Hardware/Equipment**) can justify **faster cadence** and **tighter discount guardrails**.
- **Moderate-leverage** sectors (e.g., **Industrials, Consumer Staples**) win with **segment-specific** value communication and waterfall discipline.
- **Lower-leverage** sectors (e.g., **Financial Services, Utilities**) benefit from **leakage control** and **mix management**, which often outperform pure price hikes.



## 7.5 Conclusion—The Path to RGA Excellence

**The punch is still there.** Pricing remains the most dependable value lever—its magnitude governed by your industry’s economics and your **organizational maturity**. The 2025 Scorecard proves that while the needle hasn’t moved dramatically since 2023, execution gaps persist: manual discounting, weak waterfalls, limited promo ROI, and underpowered sales enablement.

**Leadership is destiny.** Where senior leaders visibly back RGM and require **cadence, KPIs, and alignment**, maturity jumps by double digits. Tooling that teams will use (often within your existing BI stack) and governance that clarifies incentives convert analytics **into profit**.

**Start where the P&L bleeds.** In the next 90 days, secure the mandate, align the organization, prepare the data, and launch the foundational tools—**waterfalls, price realization, promo ROI, RFM/CLV, and churn**. Link 1–2 metrics to **comp**. Raise the cadence. The objective is not more analytics; it’s **more profitable growth** with less friction.

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## Acknowledgments & Source Notes

This paper draws on the 2025 RGA Maturity Scorecard dataset and analysis prepared by Revology Analytics, including cross-tabulations linking leadership support, tooling, and cadences to category maturity, as well as comparative analysis with the 2023 RGA Maturity dataset. It also leverages Revology’s “Pricing Still Packs a Punch” (June 24, 2025) analysis.

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