

Stabilizing Sales Performance in the Distribution Network



Company and Industry:

The client is a large life insurance carrier. They offer a wide range of insurance products and sell through independent distributors.

Impact:

With a deeper, data driven understanding of which distributors are likely to experience a drop, the client is now focusing incentives on those most likely to experience a drop, and scaling back on those with a lower risk. The client expects to save about \$1.2M savings per year in sales incentives while reducing the number of distributors who experience large sales drops. The client also coordinates incentives with price changes scientifically, leading overall positive impact on sales.

Problem:

The client's overall revenues are trending downward, and distributors' performance varies widely. It is not sure of the impact of price changes on sales. The client would also like to target sales incentives at distributors likely to experience a significant drop, but it is not able to identify them beforehand. As a result, it may be missing opportunities to offer incentives when they would help, and to cut back when unnecessary.

Solution:

Using Prophecy, Deep Blue analyzed sales performance using various potential indicators such as incentives, price changes, competitive landscape and product mix. The resulting predictive models identified distributors and agents with a high likelihood of having significant sales drop in the next quarter. The analysis quantified the effects of various business levers on sales.

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Deep Blue using Prophecy performed the analysis and delivered the models extremely quickly, setting a high standard for future analytics initiatives. Their team helped us interpret the results as they applied to our business situation, allowing us to rapidly implement the changes we needed to make.

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- VP, Sales Administration and Brokerage