

---

# Deal Compass

Turning commercial judgement into a governed,  
reusable product capability.

---

Role · Product Design & Strategy   Duration · —   Context · Internal enterprise product

Multi-quarter programme across segmentation, in-flow guidance, and commercial reporting.

Cross-functional with pricing leadership, commercial ops, data, and sales.

---

# The situation.

Large B2B organisations have to balance three things that pull in different directions: commercial growth, pricing consistency, and governance. In practice, neither individual sales judgement nor static rule-based pricing closes the gap between them. Segmentation is inherited and broad. Discounts are set once and rarely revisited.

Decisions fragment across roles with different incentives and no shared reference points. And once decisions are locked in, outcomes aren't tracked — so learning doesn't compound.

The scope: thousands of enterprise customers across multiple regions and pricing models. I led product on both segmentation and Deal Optimisation, working with design, data, and commercial ops as the core team.

---

**The problem wasn't people making bad decisions.**

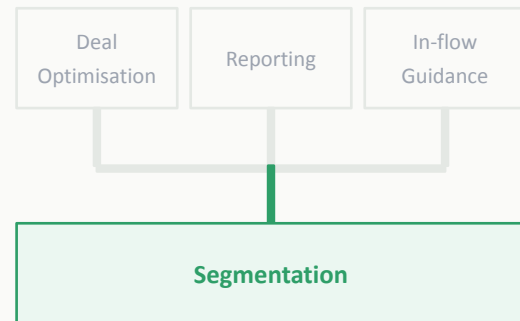
**It was structures forcing trade-offs without shared logic.**

---

# Treat segmentation as a product, not a calculation.

The easy path would have been to build segmentation as an internal analytical output for a single pricing use case. Instead, I argued for designing it as a reusable product asset with its own lifecycle, governance, and contract with downstream consumers. Everything else — recommendations, reporting, in-flow guidance — composes on top of that foundation.

*This wasn't the obvious path. The pull from stakeholders was to ship a calculation for one use case, fast. Reframing it as a product asset meant slower delivery and more upfront governance — but everything that came after depended on that bet.*



*Foundation and consumers*

---

# How segmentation is designed.

Customers are described by a small set of attributes, each answering one question about how they behave or what they're worth.

Every attribute follows the same pattern:



Example: geographic footprint — a single-site customer is a different commercial proposition than a twelve-country one, even at identical volume. Defining the threshold meant arguing about what counts as concentration in a portfolio with both retail and industrial profiles. That argument, once settled, lives in the model permanently.

**Because each layer is independent, thresholds, scores, and mappings can each evolve without redesigning the whole model.**

---

# One calculation, two outputs.

Each with a different audience and a different job.

---

## TRANSPARENCY OUTPUT

### Full detail.

Customer IDs, attributes, categories, scores, segment assignment. Built for analysts and stakeholders reviewing a cycle. It answers why.

## OPERATIONAL OUTPUT

### Minimal, purposeful.

Customer, sub-segment, and recommended pricing constructs. Built for downstream systems. Internal scoring logic is hidden — preventing misuse of intermediate calculations. It answers what.

---

*Engineering wanted one output, simpler to maintain. Commercial wanted the full output exposed everywhere. The split protected each audience from the other's concerns — and made each output safe to evolve independently.*

# Insights

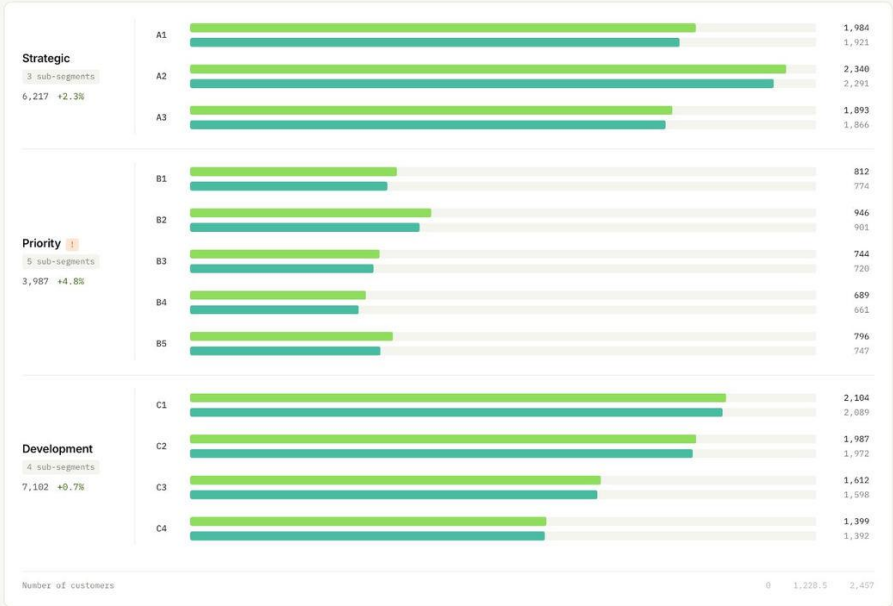
Current review cycle Sep 12, 2025 | Next review cycle Sep 12, 2026 | Cycle #07 - annual | STATUS IN REVIEW

Current cycle Previous cycle | Export | Approve cycle

## Customers by sub-segment

12 sub-segments grouped by segment - current vs previous cycle

Customers Volume Margin Unit margin



Number of customers

# 55,660

▲ 0.6% vs previous cycle

Customers who moved segment in the last review cycle:

# 147

0.26% of base - within band

### Segment matrix

Current cycle - all metrics

	STRATEGIC	PRIORITY	DEVELOP.	TOTAL
Customers	6,217	3,987	7,102	17,306
Volume (Mgal)	48.2	22.6	12.4	83.2
Margin (\$M)	186.4	74.1	28.3	288.8
Unit (\$/gal)	3.87	3.28	2.28	3.47

### Movement between segments

147 customers - previous + current

Priority	→ Strategic	42
Development	→ Priority	38
Strategic	→ Priority	28
Priority	→ Development	21
Development	→ Strategic	12
Strategic	→ Development	6

## SEGMENTATION HEALTH — DEEP DIVE

12 sub-segments across Strategic, Priority and Development — customer count, volume, margin, unit and movement between segments. Reviewed and approved before each cycle is released downstream.

---

# Lifecycle and governance.

Segmentation runs as a cycle-based process, not an on-demand calculation.

Each cycle has a fixed cadence with anchor dates that keep comparisons consistent. Rolling data windows prevent short-term volatility from skewing classifications. Multiple recalculations are allowed within a cycle — but only one becomes the official effective version, released after a formal review gate.

---

## CHANGE TIERS

---

### Structural

New attributes, scoring logic. Applied forward only — no retroactive restatement.

---

### Non-structural

Threshold tweaks, overrides. Cycle-bound — applied to the current cycle only.

---

### Exceptional

Renaming, restructuring. Requires an explicit decision; historical impact understood before proceeding.

*We learned to defend this tiering early. The first attempt to 'just rename a segment' turned out to require the exceptional path — the historical cost of that change was the lesson that hardened the model.*

---

# Deal Optimisation.

For each customer, the system combines sub-segment, customer type, and current pricing model to recommend a pricing model and a rebate. Pricing model recommendations come from a business-maintained mapping table. Rebate recommendations are derived from aggregated historical rebates — reviewed and owned by commercial ops, not generated by a black box.

---

## Guidance, not enforcement.

Recommendations are shown transparently. Sales users can deviate — but must acknowledge and justify. Approval authority and delegation rules are untouched. The system informs; it doesn't decide.

*Sales leadership made it clear: any system that blocked deals would be ignored or routed around. 'Guidance, not enforcement' wasn't a design preference — it was the only path to adoption.*

Deals · EMEA · Northwind Foods Ltd. · Q2 2026 Renewal · DEAL-2026-04-1187 · Draft - v0.7

Validate Export Save draft Submit for approval

Summary Pricing 12 Rebates Profitability Approvals 2 History Attachments 4 Notes

CUSTOMER Northwind Foods Ltd. - #C-04421 SEGMENT Priority - B2 OWNER M. Reyes SALES DIRECTOR A. Whitford TERM 2026-07-01 → 2027-06-30 CURRENCY EUR FX RATE 1.0000 (base) LAST CALC 2026-04-17 14:08:32

PROFITABILITY – PROPOSED TERMS vs current contract (FY25-Q2) · Show assumptions · Recalculate · Export CSV

NET REVENUE <b>€ 4.50<sub>H</sub></b> ▲ +3.1% vs prior	GROSS MARGIN % <b>22.0%</b> ▼ -1.4 pp vs prior	UNIT MARGIN <b>€ 0.082 /kg</b> ▼ floor €0.095	EFFECTIVE REBATE <b>6.20%</b> vs prior 4.88%	TOTAL CONTRACT VALUE <b>€ 4.50<sub>H</sub></b> ▲ +€135k vs prior
--	--	---	--	--

COMPONENT	VOLUME (KG)	€ / UNIT	TOTAL (€)	% REV	Δ PRIOR
List revenue	4,210,000	1.2460	5,245,660	109.6%	+3.4%
- Channel discount (8.00%)	-	-0.0997	-419,653	-8.7%	+0.5pp
- Volume rebate accrual (6.20% effective)	-	-0.0773	-325,231	-6.8%	+1.4pp
<b>Net revenue</b>	<b>4,210,000</b>	<b>1.0690</b>	<b>4,500,776</b>	<b>93.5%</b>	<b>+3.1%</b>
- COGS (unit cost €0.880)	4,210,000	-0.8800	-3,704,800	-76.9%	+1.8%
- Logistics & handling	-	-0.0780	-328,380	-6.8%	-0.2%
- Trade investment / promo	-	-0.0290	-122,090	-2.5%	+0.4%
<b>Gross margin</b>	<b>4,210,000</b>	<b>0.0820</b>	<b>345,506</b>	<b>7.7%</b>	<b>-1.4pp</b>

APPROVAL PATH: Owner Sales Director Commercial VP CFO Delegate CFO +1 LEVEL ADDED UM < segment floor

DEAL TERMS all values in EUR · last edited 14:06 by M. Reyes · Show changes only (5) · Compare to current · Audit log

CUSTOMER & SCOPE read-only · sourced from CRM #C-04421

Customer	Northwind Foods Ltd. Tier 2	Customer type	Distributor – Foodservice
Segment	Priority B2 - High vol / Mid margin	Parent group	Northwind Holdings AG
Region / market	EMEA - DACH - Tier 2 retail	Account manager	M. Reyes

PRICING · Open price list

Pricing model	Model A – Tiered list	Price list	EU-DACH-2026-Q2
List price	€ 1.2460 / kg	Contract floor	€ 1.0900 / kg
Discount %	8.00 %	Net price	€ 1.1463 / kg -€0.018

VOLUME & TERM

Volume commitment	4,210,000 kg	Min. take-or-pay	3,580,000 kg
Term start	2026-07-01	Term end	2027-06-30

Recommendations & alerts · DEAL OPTIMISATION All 3 Critical 1 Suppressed 0

1 critical 1 warning 1 opportunity Potential margin uplift €46,310

**Rebate above segment norm** ALERT · REBATE

Proposed effective rebate **6.20%** sits above the Priority segment average of **4.10%** (P25-P75: 3.4%–4.9%). Deviations > 1.5 pp from segment norm are flagged for the approver – review or attach a justification before submitting.

Adjust to segment range See segment detail Why this threshold?

**Recommended pricing model: Model B – Volume-indexed** RECOMMENDATION

Based on sub-segment B2 and the customer profile (Distributor - high volume - 12-month term). Current proposal uses **Model A**. Switching is projected to lift unit margin by **€ 0.011/kg** at the same volume – total uplift = **€ 46,310/year**.

SCENARIO	NET PRICE	UNIT MARGIN	EFFECTIVE REBATE	ANNUAL GP
Current – Model A	€ 1.0690	€ 0.082	6.20%	€ 345,506
<b>Suggested – Model B</b>	<b>€ 1.0780</b>	<b>€ 0.093</b>	<b>4.50%</b>	<b>€ 391,816</b>

Apply recommendation Keep current & justify... Mapping table v3.2 →

**Projected margin below segment threshold** ALERT · PROFITABILITY

Unit margin at proposed terms is **€ 0.082/kg** vs Priority segment floor **€ 0.095/kg** (-13.7%). This deal will require an **additional approval level** – CFO sign-off in addition to the existing chain.

View approval path What changed since last cycle? Suppress for this deal...

DEAL OPTIMISATION Mapping table v3.2 · segment refresh cycle Apr 2026 last updated 2026-04-17 13:52 Configure

## GUIDANCE IN CONTEXT

The deliberate choice: don't build a new interface. Surface guidance where decisions are already being made — inside the existing deal and rebate profitability tool. Three nudges: pricing model recommendation, rebate drift alert, profitability threshold alert. Nothing blocked; nothing auto-applied.

## Performance

Reporting period: Mar 2026 – Apr 2026 Last refresh: Apr 17, 2026

Export

Review recommendations

Recommendation adoption rate

72 %

+4 pts vs previous period

Deals with deviation

28 %

of which 61% justified

Average margin uplift on adopted recommendations

+2.3 %

12-month rolling, adopted vs control

Rebate alignment

84 %

within segment band

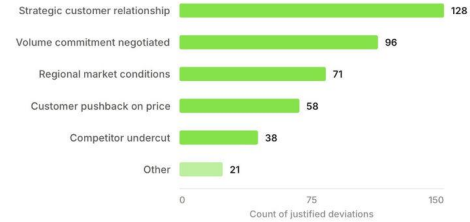
### Adoption rate over time

Weekly, across reporting period



### Deviation reasons

From justifications on non-adopted recommendations - n = 412



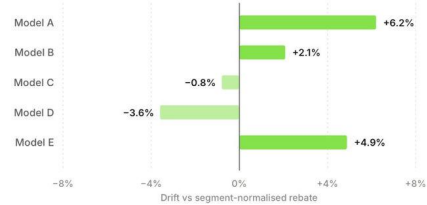
### Margin impact by segment

12-month rolling, adopted vs non-adopted deals



### Rebate drift by pricing model

Percentage drift from segment-normalised rebate level



## DEAL OPTIMISATION PERFORMANCE

Closing the loop: adoption rate over time, deviation reasons, margin impact by segment, and rebate drift by pricing model. Commercial leadership uses this to track whether the guidance is landing — and to evolve the recommendation logic accordingly.

---

# What I'm carrying forward.

---

The instinct to ask 'what's the contract this product offers downstream?' before designing the product itself.

Treating governance not as a control layer but as a feature with its own UX.

The discipline of separating outputs by audience, even when one output would be cheaper.

The willingness to fight for a slower foundation when the fast version would compound debt.

Putting guidance where decisions are already happening — not where it's architecturally tidy.