Category

Commercial Excellence

Margin Management & Mix Optimization Playbook

Growing revenue in the mix that actually grows margin, not just the mix that's easiest to sell

- Executive
- Intermediate
- Template Included

- Administrator
- 16 March 2021
- 3 minute(s)

Overview

A framework for margin management and product/customer mix optimization — deliberately steering commercial effort toward higher-margin mix, using genuine margin visibility by product and segment, avoiding revenue growth strategies that grow top-line numbers while quietly eroding overall margin through unfavorable mix shift.

Can a business grow revenue significantly while actually eroding

overall margin? Yes — if growth concentrates in lower-margin products, customer segments, or channels, top-line revenue can grow while blended margin erodes, a pattern that pure revenue-focused reporting without margin- by-mix visibility can miss entirely.

What's the most common cause of margin erosion despite strong

revenue growth? Sales incentives and commercial effort weighted toward revenue growth without corresponding margin-by-mix visibility, leading commercial teams to naturally gravitate toward easier-to-sell but lower-margin products or segments.

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