

Revenue Leakage Analysis in a Service-Based Company

1. Business Context:

Service-based companies often experience revenue leakage due to missed invoicing, excessive discounts, and delayed customer payments.

The objective of this project is to quantify revenue leakage, identify its key drivers, and highlight areas where corrective actions can reduce financial loss.

2. Key Business Questions:

- How much revenue is generated from completed services?
 - How much revenue is leaking, and what percentage of total revenue does it represent?
 - type of leakage contributes the most to total loss?
 - Which regions and service types are driving revenue leakage?
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3. Approach & Methodology:

- Defined completed service revenue as the baseline for analysis
 - Categorized revenue leakage into three types:
 - Unbilled leakage (lost revenue)
 - Excess discount leakage beyond policy limits (avoidable)
 - Payment leakage from delayed or failed collections (at risk)
 - Used SQL to analyze service order data and validate leakage logic
 - Recreated the same business logic in Power BI using DAX measures for reporting and visualization
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4. Key Insights:

- Approximately 15% of completed revenue is impacted by leakage
 - Payment leakage is the largest contributor, indicating collection delays
 - The South region contributes the highest overall leakage
 - Customization services show the highest leakage among service types
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5. Business Recommendations:

- Strengthen payment follow-up processes for pending and failed invoices
 - Enforce stricter approval controls for discounts beyond defined limits
 - Ensure timely invoicing immediately after service completion
 - Prioritize corrective actions in the South region and for Customization services
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6. Tools Used:

SQL (PostgreSQL), Excel, Power BI

7. Limitations:

- Dataset is simulated to reflect real-world service operations
- Time-based trend analysis was excluded to focus on identifying leakage drivers