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# Elevating Performance: The Case for Revenue Management

Revenue Management Team



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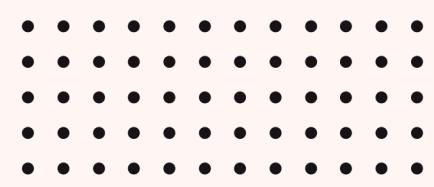


# Introduction

- Explore potential benefits of RM
- Proposal to integrate RM practices
- Highlight benefits and challenges



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# Business Environment

Customers

Demand

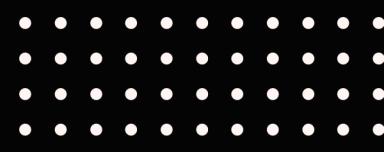
Data Availability

Inventory

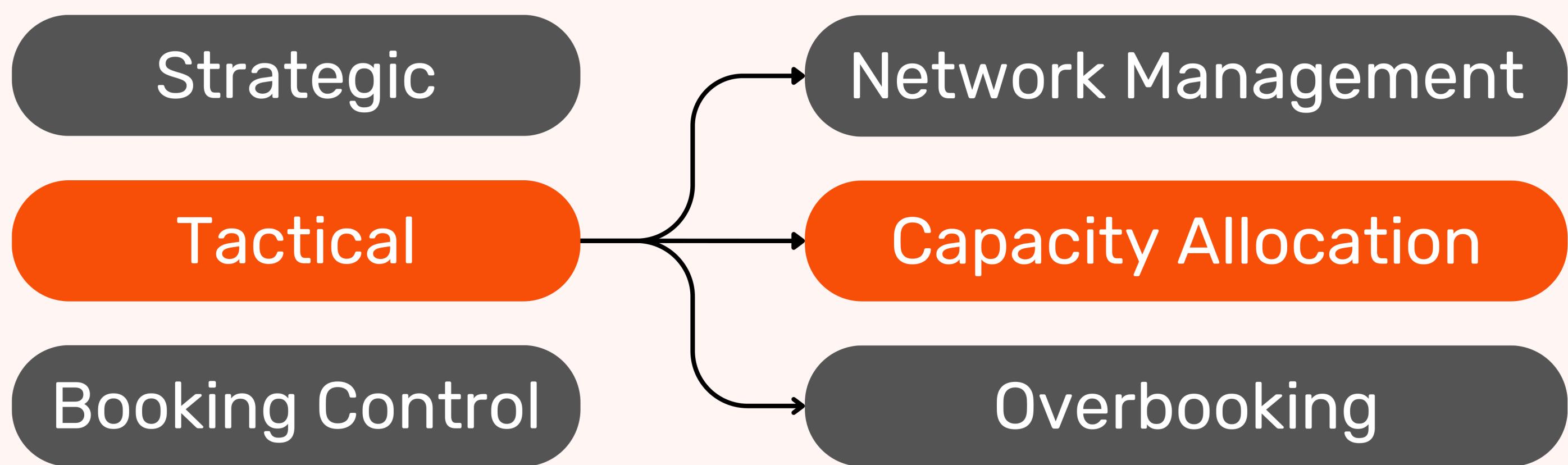
Network



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# Revenue Management



# Our Approach



## Data

- Weekly leasing amounts
- 1, 4, 8, 16 weeks lease
- Year 2018
- 1 UK branch
- 300 container fleet



## Method

- Maximise revenue by optimising capacity allocation
- Linear Programming model

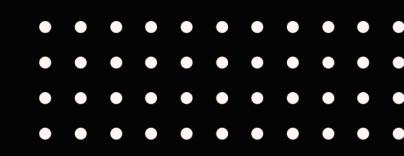
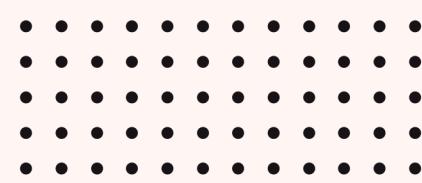


## Assumptions

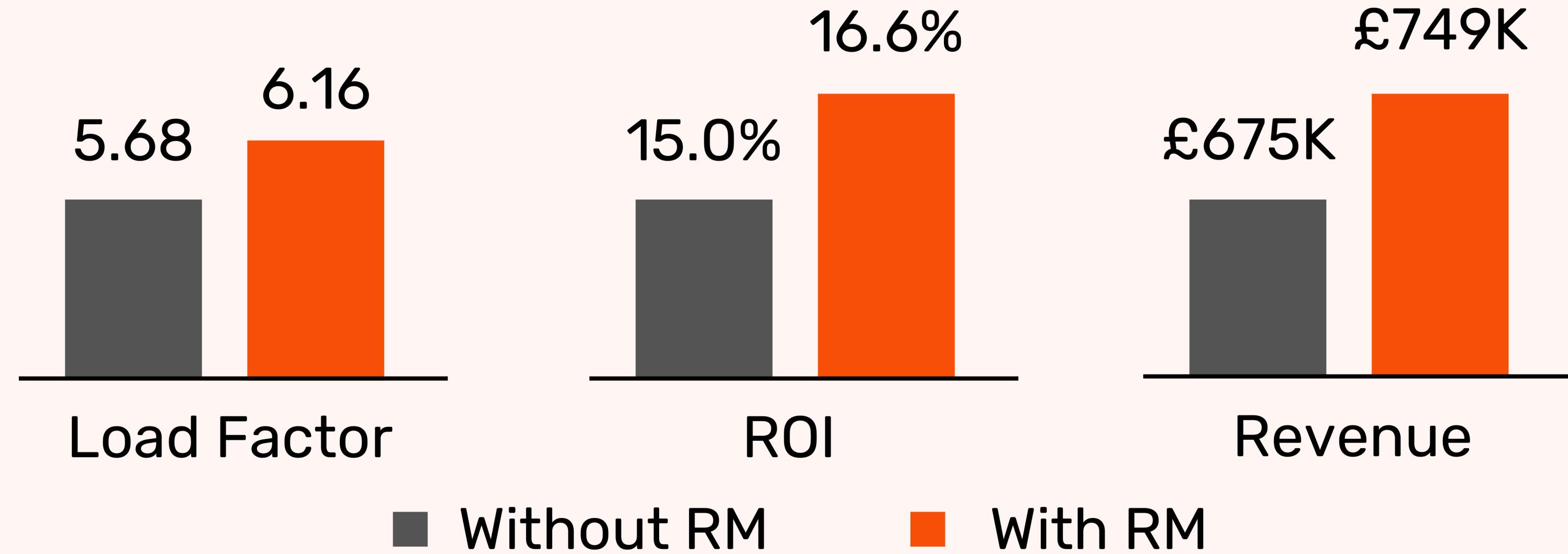
- Known demand
- Fixed prices
- 1 branch
- Round-trip booking only
- Model run frequency is weekly



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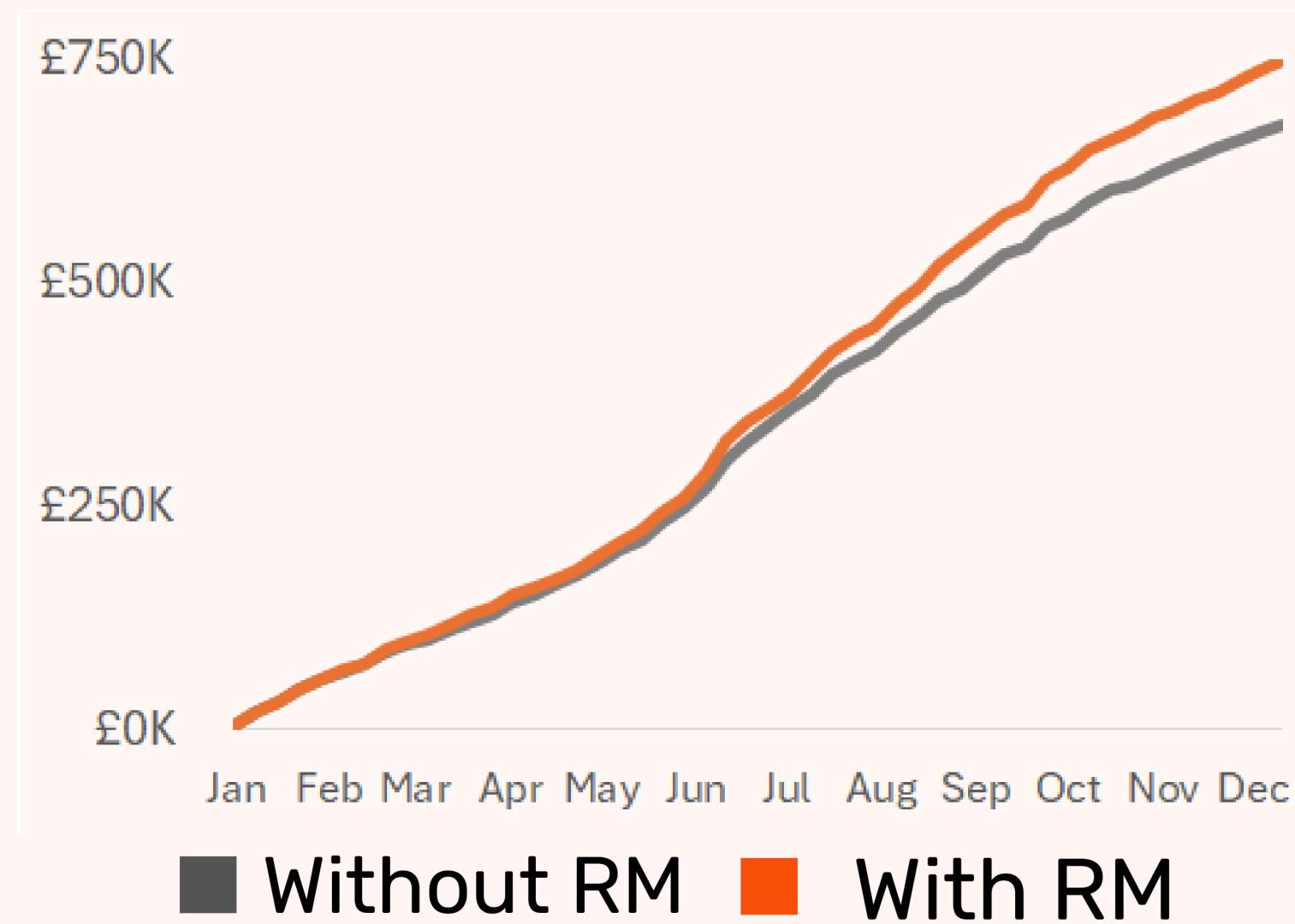
# Results



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# Results continued

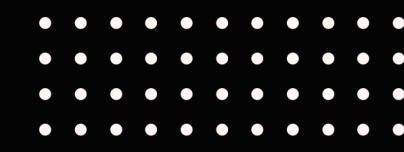
## Accumulated Revenue



## Lease Difference



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# Drawbacks and limitations

- Results depend on demand forecasting accuracy
- Potential clashes with pricing strategy
- Current model has no network management
- Not considering goodwill loss because of rejections



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# Recommendations

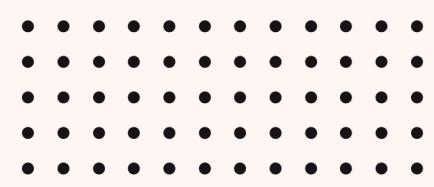
**Implement tactical revenue management through capacity allocation at WCG**

Develop accurate demand forecasting models leveraging historical data

Consider introducing network management to further increase revenue



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# Questions?



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