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STAR Awards

2025

2025 TSIA STAR Awards
Featured Application

2025 AI Innovation in Revenue Generation

Introduction

The **APOS Intelligent Discount Optimizer (AIDO)** is an **AI/ML-driven data science solution** designed to optimize discounting strategies. By leveraging advanced machine learning and real-time analytics, AIDO intelligently analyses customer purchase history, product and service offering details, and service and support interactions to generate **personalized, optimized discount recommendations**. Fully integrated into Dell's sales ecosystem, AIDO streamlines the sales process with intelligent pricing, faster negotiations, and higher conversion rates—

enabling the sales team to focus on high-value engagement, boost sales velocity, and maximize revenue.

With its ability to **scale rapidly and continuously refine its intelligence**, AIDO adapts to evolving market demands, ensuring that Dell's renewal business maintains competitive, data-driven pricing strategies. By streamlining **both online and offline sales channels**, AIDO strengthens customer relationships while enabling organizations to optimize profitability with greater precision.

Our Opportunity

Companies often struggle with delivering personalized customer experiences while safeguarding profitability. Prolonged negotiations and excessive discounting by sales teams can erode margins and stall revenue growth.

AIDO addresses this challenge by leveraging AI/ML to ensure discounts are tailored, effective, and revenue-maximizing. AIDO powers intelligent pricing outcomes for over 80K customers, supporting 500 sales professionals, 1000+ products globally and influencing over 96% of the direct renewal business.

Continuously evolving to meet diverse business needs, AIDO leverages advanced AI and real-time analysis to transform customer engagement through relevant, profitable discounts that drive loyalty and long-term success.

Key Objectives

- 1. **Optimize Discounting Strategies:** AIDO ensures discounts are personalized and optimized, balancing customer satisfaction with profitability.
- 2. **Enhance Sales Efficiency:** Real-time recommendations reduce negotiation time, enabling faster deal closures.
- 3. **Improve Customer Experience:** Discounts align with customer profiles, purchase patterns, and preferences, increasing satisfaction.
- 4. **Increase Revenue & Profitability:** AI-driven discount optimization maximizes revenue while maintaining customer engagement.
- 5. **Seamless Integration:** AIDO integrates effortlessly with existing platforms, supporting scalability and adaptation.



"Last FY, we saw significant growth in our renewal business, and I'm proud to say that a big part of that success can be attributed to the AIDO implementation."

VP, Services Pricing, Dell Technologies

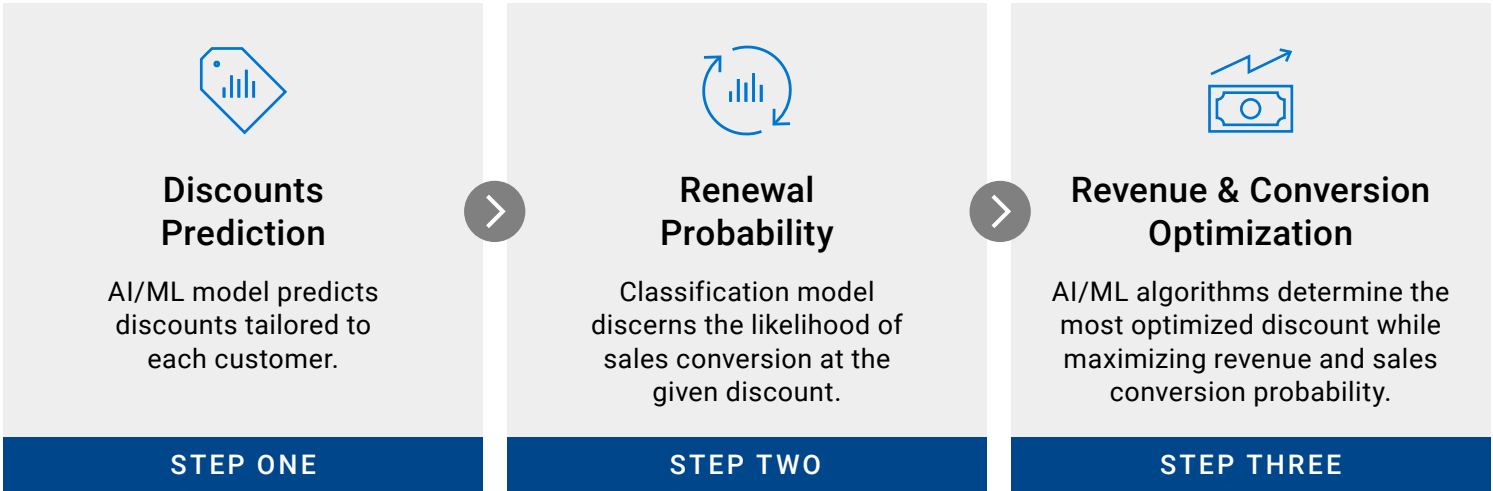
"Great results... Congrats team!!!! Love seeing this and the great partnership."

SVP, Inside Sales, Dell Technologies

"Excellent work across our AI and Portfolio teams."

VP, Engineering Technology, Dell Technologies

Strategies : Demystifying AIDO - The Brains Behind Personalized APOS Discounts



To optimize APOS warranty sales, the AIDO machine learning solution is comprised of three steps:

STEP 1 Predicting the Perfect Discounts

AIDO employs sophisticated AI/ML modelling techniques to predict the ideal discount for each customer. By going beyond basic demographics, AIDO creates a comprehensive customer profile to deliver highly personalized discount recommendations. It factors in various aspects that influence buying decisions, such as:

- **Product Category:** The type of product (laptop, server, etc.) can influence a customer's perceived value of a warranty extension.
- **Location:** Customer's location to account for variations in regional pricing strategies.
- **Contract Duration:** Longer contracts may warrant different discounts compared to shorter contracts.
- **Customer History:** Customer's past purchases, discounts received, and support interactions to predict their preferences and assess buying potential.

STEP 2 Assessing Renewal Probability

For each customer interested in an extended warranty, AIDO generates a range of possible discounts along with the corresponding likelihood of purchase. Classification algorithms, trained on that customer's historical sales data, assess the conversion probability for each discount point within the range to identify the most effective pricing strategy.

STEP 3 Optimizing Revenue and Sales Conversion

Finally, AIDO optimizes the discount presented to sales representatives by analysing the predicted discount range and its associated conversion probabilities. It identifies and presents the discount that maximizes revenue and margin while maintaining a healthy sales conversion rate (percentage of quotes converted to sales). This ensures sustainable growth by striking a balance between achieving sales targets and maximizing profit.

In essence, AIDO takes the guesswork out of APOS warranty pricing. By using historical customer sales data, it recommends personalized discounts that increase the likelihood of conversion, leading to increased revenue and margin, a more efficient sales process and a better customer experience.



Business Impact

- **13% increase in revenue sales productivity** via personalized discounting - enabling higher revenue with fewer quote revisions. By delivering precisely tailored discounts, AIDO minimized negotiations and streamlined deal closures.
- **12% boost in margin productivity** via enhanced profitability through optimized pricing. By refining discount precision, the renewal business achieved higher profit margins with fewer quote revisions and improved order conversions, ensuring sustainable revenue growth.
- **Reduced negotiation time** via streamlined sales operations through real-time recommendations and improved efficiency - enabling sales reps to shift focus toward strategic, value-added customer engagement.
- **In 1 year**, AIDO achieved **global scalability**, expanding rapidly from pilot to global deployment across **96%** of direct renewal business, proving effectiveness across markets.



Customer Impact

- **35% reduction in pricing friction** through optimized and tailored discounts, ensures customers receive optimized and tailored discounts upfront, minimizing the need for prolonged negotiations. This leads to a smoother and better purchasing experience and faster deal closures for the customers.
- **24% higher purchase rate** reflects improved customer satisfaction, driven by a streamlined and optimized pricing process. By replacing generic pricing strategies with data-driven personalization, businesses enhance engagement, ensuring customers receive tailored prices that align with their preferences for a smoother buying experience.
- **Self-service discounting solution** extends personalized pricing to online purchases, enabling customers to renew contracts independently. This empowers customers with greater flexibility, allowing them to make informed pricing decisions at their convenience while benefiting from tailored offers designed to meet their specific needs enhances accessibility and convenience for customers.



Next Steps

AIDO as a Central Pricing Hub: Scale AIDO to be the unified discounting strategy across all sales channels, beyond direct renewals, ensuring consistency and scalability in revenue generation and elevated customer experience, while continuously refining its intelligence to adapt to evolving business needs.

AIDO's success highlights its transformative role in AI-driven revenue generation workflows, particularly in Expansion and Renewals. By leveraging automation and real-time insights, Dell Technologies has deployed a clear, prescriptive AI strategy that enhances scale, quality, and velocity in APOS pricing, driving sustainable business growth and positioning itself as an industry leader.



"This work is a showcase for what we want to achieve. Great project with clearly defined outcomes and business benefits. Already embedded in the business process with seamless adoption."

President, Services, Dell Technologies



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