

CONSUMER PRODUCTS GIANT LEVERAGES CLOUD ANALYTICS – PRODUCING PROFITS

Case Study

General Description:
Fortune 500 consumer products
company with approximately
42,000 employees

Geography: Worldwide

Year Founded: 1872

Revenue: \$18.25 billion

Key Business Challenge:
Improve pricing by simplifying
price structures and
excessive price variability

As a leading global Consumer Products company, you've established a top seat across most product categories and markets. Your product innovation and brand stature have buoyed profit margins and positioned you well in an increasingly crowded market.

Growth has stagnated in the critical B2B arm of your business. Heavy sales force autonomy, flip-flopping corporate objectives (do we focus on profit or volume?), and an increasingly diverse base of distributors have led to overly complex price structures and excessive price variability. Customer and sales force frustrations are mounting as mechanisms introduced to improve pricing instead led to increased deal complexity, extended cycle times, and burdened back office processes.

Twice before you've tried to straighten out your pricing problem, one time, you even engaged a top-tier strategy consulting firm, but that wasn't successful as they couldn't get to the root of the problem. This time, you call on Revenue Analytics. We model millions of transactions across more than 3,300 products and nearly 50,000 customers. We create a statistically-driven customer segmentation to guide go-to-market pricing. The sales force is given pricing guardrails by segment that still allow deal autonomy but ensure prices are rational and drive profit. Lastly, price exception processes are refined to cut down on time spent customizing deals for small, less profitable customers.

Third time's the charm! You deploy a fresh pricing framework and the results are immediate and significant – profits shoot up 240 basis points, pricing becomes more consistent with fewer exceptions, and the sales force loves the new approach. You've wisely tasked Revenue Analytics to automate this pricing capability in its Cloud Analytics platform – establishing a dynamic platform for continued pricing recommendations under changing market conditions, while freeing your overtaxed IT department.