



Case Study

Delivering a 2% margin uplift for
a global manufacturer

Introduction

Pricing is one of the most potent profit levers companies have at their disposal. However, many companies are still struggling with pricing excellence because of:

- traditional pricing methods
- no digital sales support tools
- no clear and harmonized pricing structure

The result? Less than optimal pricing, and therefore smaller profit margins.

Situation & Objectives

Simon-Kucher's client, a large materials manufacturer with global sales teams, realized that it wasn't making optimal use of its pricing potential.

Less gut feeling, more structure and strategy: That's the goal our client had for his sales team. Their inconsistent and manual pricing and quoting process stopped them from working efficiently and effectively.

We combined Simon-Kucher's pricing knowledge and digital capabilities to develop an easy-to-use app to support their sales reps. In doing so, we focused on two key objectives:

- Creating a better **pricing strategy** by removing traditional, simple cost-plus pricing that didn't consider customers' individual willingness-to-pay levers and eroded margin.
- Implementing a clever **pricing engine** delivering improved pricing logic and support that could be used easily by every sales rep.



Approach & Solution

To develop new, differentiated, and more sophisticated price models for the company's different product segments, we analyzed our client's current business approach and assessed its current system possibilities.

In addition, we included a smart algorithm to account for the key factors influencing pricing. As a next step, we implemented all of this into a digital decision support tool: the Simon-Kucher Peer Pricing engine.

To build a holistic system, we made sure that our tool was seamlessly integrated into the quotation process that was being designed for their new CRM system. The result? An easy and intuitive system that every sales rep could use.

PeerPricing: Offering clear pricing guidance based on realistic benchmarks and guidance from real sales reps.

Guidance

Provides clear pricing guidance based on internal benchmarks, delivered through easy-to-use front-end for sales reps

Transparency

Promotes transparency and enable systematic monitoring by comparing similar deals

Profit improvement

Realizes profit improvement by reducing inconsistencies and promoting price achievements

Impact

+2%

points improvement
of margin level

Combining Simon-Kucher's unique monetization expertise and proven technology solutions enabled our client to have faster, more systematic, and optimized pricing.

The seamless integration into the newly defined quotation process made sure that the sales team was able to leverage discounting guidance.

Our innovative PeerPricing engine increased transparency on achievable target margins through systematic analysis of won and lost orders. Combined, we were able to achieve a profit increase of two percentage points by applying the pricing logic for new business and applying the pricing logic for the annual price adjustment in existing business.

Simon-Kucher Engine combines over thirty-five years of unique monetization expertise with proven digital solutions that fit to you.

What we do

It's simple. We power businesses' growth. Through our digital technology and business-oriented thinking, delivered as a service. Straightforward and built to achieve the results you need – quickly and reliably.

What we deliver

Easy to use products: Cloud-based software as a service products, easy to use and implement.

Tailored solutions: Designed to help our clients grow and adapt to the ever-changing digital landscape, achieving the results they need.

If you want to use digital products to accelerate your company's power, find out what our solutions can do for you. We support your business with intelligent engines, smart toolkits, and intuitive platforms – all quickly and reliably delivered by our team of product managers, developers, and engineers.



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