



Customer Success Study
PAPER MANUFACTURER

PAPER MANUFACTURER AUTOMATES PRICING PRACTICES TO IMPROVE REVENUE AND MARGINS

PROS pricing solution integrated with SAP generates billions of dollars in projected revenue increases



EXECUTIVE SUMMARY

CUSTOMER

Leading global manufacturer of paper products

CHALLENGE

Manual pricing spreadsheets delayed analysis and price updates
Pricing software from PROS competitor failed to deliver SAP integration

SOLUTION

PROS Pricing Solutions Suite:

- Automated the process of making pricing decisions, integrated with SAP
- Accelerated pricing analysis, identified profitability for thousands of deals
- Empowered sales reps to efficiently enter pricing requests and update price agreements

PROS IMPACT

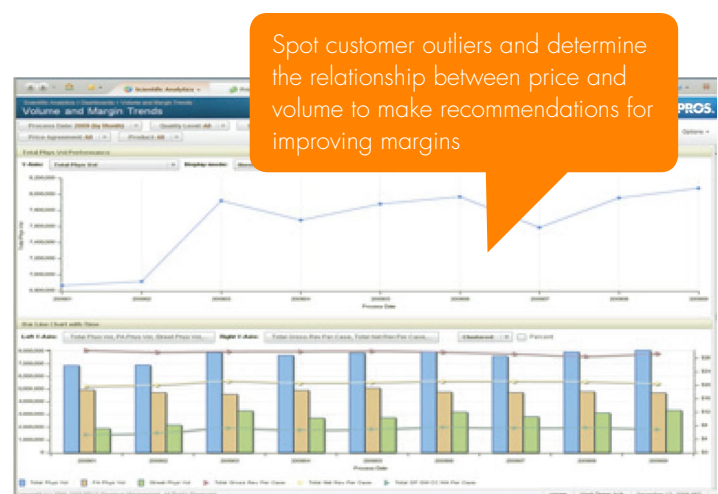
Generated billions of dollars in projected revenue increases

PAPER MANUFACTURER AUTOMATES PRICING PRACTICES TO IMPROVE REVENUE AND MARGINS

Due to a complex distribution network that integrated global, national and regional price levels, this paper manufacturer faced several pricing challenges. Not only did the company negotiate specific SKU prices with their commercial end-users, but they also followed a complex but necessary rebate structure to channel compensation accuracy with their distributors. As a result, the company failed to allot the full attention and analysis needed for their pricing decisions, and would approve price requests that negatively affected margins and profits.

WHY PROS

- A partnership approach where we roll up our sleeves and work with you to get the job done.
- Innovation that reaches beyond the status quo, creating smarter solutions to propel you ahead of the rest.
- Embedded data science that provides guidance and recommendations to help you compete and win.
- Nearly three decades of experience crunching big data to reveal opportunities and guide better business decisions.



The company attempted to implement a pricing solution through a PROS competitor, which was initially chosen due to a perceived SAP integration advantage. However, the company's users found the application cumbersome and time-consuming, and their ultimate inability to adopt the competitor's pricing software tools further exacerbated their pricing challenges.

“Through the PROS Solution, we now have the software tools we need to optimize prices, increase revenue, and improve margins while effectively interfacing with SAP.”

PRICING CHALLENGES

- Manual Pricing Analysis and Review - Setting price agreements required an extensive analysis exhausting countless spreadsheets and access databases. Each of the 12,000 pricing agreements underwent a complex review and approval process involving price analysts, category managers and sales management. Once a price agreement was finally approved, it had to be manually entered into SAP
- Out of Date Information - Data collection was hampered by nearly 100 pricing and volume-tracking spreadsheets, access databases and other resources that were only periodically updated. Even after updates, analysts and category managers spent days extracting and analyzing data and even longer when multiple analyses were needed. In many cases, guidelines used to evaluate price request quality did not accurately reflect what end-users were willing to pay
- Faulty Integration with SAP - Changing prices for distributors or end-users required a frustrating, labor-intensive effort. Data was downloaded from SAP into spreadsheets for analysis and approval, and new prices were uploaded manually back into SAP – a time-consuming and error prone process

PROS PROVIDES COMPLETE SOLUTION FROM AUTOMATING PRICING DATA COLLECTION AND ANALYSIS TO SEAMLESS INTEGRATION WITH SAP

PROS provided historical pricing analysis using recently updated data and the ability to conduct pro-formula analysis, examining the upcoming 12 months using current prices and costs. Scientific Analytics enabled analysts to view more than 100 separate price waterfall structures, allowing them to effectively reutilize their time from data collection to data analysis. As a result, faster analyses lead to reduced costs and more effective pricing decisions lead to higher margins.

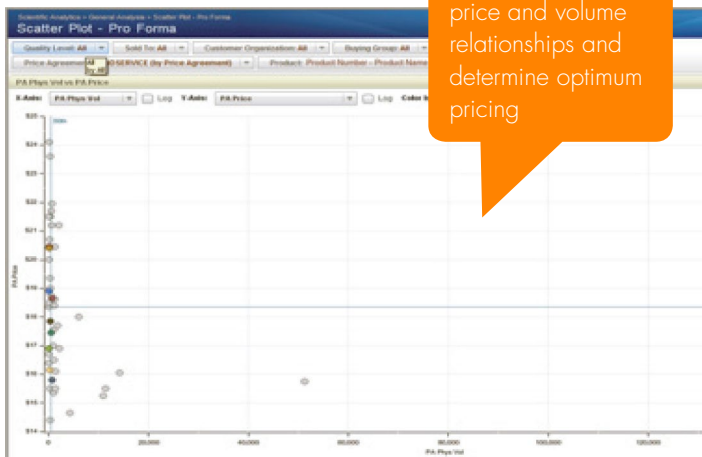
“PROS software has enabled the company’s strategy, category and pricing analysts to effectively reallocate their time from data collection to data analysis. This reduces costs and delivers higher margins due to better pricing decisions that generate more revenue and increase sales volume.”

PROS PRICING SOLUTION SUITE (PPSS) MODULES

- Scientific Analytics – Speeds profitability analyses via a centralized data repository that is updated frequently
- Price Optimizer – Allows users to easily see current pricing and run “what-if” scenarios on price changes before they are enacted to ensure the right changes are implemented
- Deal Optimizer – Enables objective evaluation of price agreements with hard facts based on margin opportunity and scientific price guidance for each price agreement long-term success built on a culture of partnership

Price Optimizer and Deal Optimizer allowed the sales force to efficiently enter price requests and automate the data input process into SAP. Integrated with an opportunity management system, the Deal Optimizer module automated price entries into SAP and offered offline capabilities for sales representatives to use their mobile Blackberrys® to quickly enter price requests and work where there was limited Internet access.

Furthermore, PROS will offer science segmentation to show how to optimally segment distributors and end-users, and deliver price guidance to the sales force, pricing analysts, and category managers to help determine each customer's "Willingness To Pay."



Quickly view price and volume relationships and determine optimum pricing

PROS IMPLEMENTATION STREAMLINES AND ACCELERATES PRICE OPTIMIZATION TO INCREASE REVENUES AND IMPROVE MARGINS

PROS SOLUTION ADVANTAGES

- Automated the process of implementing pricing decisions integrated fully with SAP
- Significantly reduced the time of pricing analysis and identified profitability for thousands of deals
- Empowered sales reps to efficiently enter pricing requests and update price agreements

PROS PRICING SOLUTION SUITE

PROS Pricing Solution Suite™ consists of four modules that work together to get you to Pricing Excellence



SCIENTIFIC ANALYTICS

Identify segment-specific pricing, find opportunities for margin improvement, and forecast and monitor your progress proactively



DEAL OPTIMIZER

Quote the right price for each deal by using guidance, market insights, and integrated approval workflows



PRICE OPTIMIZER

Create the right price for each customer and product by setting science-based optimized pricing strategies and managing price lists automatically

Monitor your performance and adherence to policy



REBATE OPTIMIZER

Centralize and manage your rebate programs, and measure the effectiveness on deal profitability



About PROS

PROS Holdings, Inc. (NYSE: PRO) is a big data software company that helps customers outperform in their markets by using big data to sell more effectively. We apply 27 years of data science experience to unlock buying patterns and preferences within transaction data to reveal which opportunities are most likely to close, which offers are most likely to sell and which prices are most likely to win. PROS offers big data solutions to optimize sales, pricing, quoting, rebates and revenue management across more than 30 industries. PROS has implemented more than 600 solutions in more than 55 countries. The PROS team comprises more than 700 professionals around the world.

To learn more, visit www.pros.com.

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