

TOP-5 FOR-HIRE CARRIER FOCUSES ON PRICE STRATEGY TO RETURN TO PROFITABILITY

Executives' focus on improving margins and managing freight mix through the prioritization of price strategy has enabled this for-hire carrier to turn around their business and return to profitability.



This top-five U.S. for-hire carrier has provided less-than-truckload freight services across North America since 1924.

CHALLENGES

In the cut-throat world of LTL trucking, this transportation service provider needed pricing tools to return their business to profitability.

In a business notorious for competitive price pressure and rampant discounting, the absence of a science-based pricing strategy led to inconsistent and reactive pricing practices. This, combined with an inability to understand profitability without time-consuming analysis, rapidly led to a significant set of opportunistic customers contributing to substantial revenue leakage for this service provider. Price pressure and thin operating margins translated into a deteriorated stock performance from 2011 through 2014.

SOLUTIONS

Every engagement is unique and deserving of targeted, data-driven guidance.

Pricing decisions can be nuanced because certain customers have access to more highly discounted pricing because of the volumes that they purchase or the highly competitive market in which they purchase. PROS helped this LTL trucking carrier to sift through these special cases and recognize that, while every case is deserving of targeted segmentation price guidance, it does not necessarily mean deeply discounted prices for every case. With scientifically generated segmentation, this for-hire carrier can now run analysis on comparable customers to identify those that are underperforming and require targeted price improvements. Further utilizing this segmentation, data-driven price guidance based upon customer and transaction attributes is provided at the time of quote for every inquiry.

RESULTS

With tools for monitoring sales effectiveness, measured return is the real reward.

Utilizing PROS tools to monitor their pricing team's adherence to price guidance is providing immediate performance feedback and further incentivizes this trucking company's team members to proactively seek opportunities for price improvement. By identifying and reversing underperforming accounts, this LTL provider is converting revenue leakage to immediate margin uplifts without impact to operational processes. Finally, consistent pricing is generating renewed customer confidence and satisfaction that is accelerating the speed of business.



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 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 cloud solutions to optimize sales, pricing, quoting, rebates and revenue management across more than 40 industries. PROS has completed over 800 implementations of its solutions in more than 55 countries. The PROS team comprises approximately 1,000 professionals around the world.

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