

CUSTOMER SUCCESS STUDY

AUTO PARTS MANUFACTURER

OPTIMIZES MARKET PRICING TO GENERATE
\$5 MILLION IN 28 DAYS



Realize Your Potential

PROS®

SUMMARY

This multi-billion dollar aftermarket auto parts manufacturer and distributor relied on a cost-plus pricing model that gave them little visibility into the market effect of pricing decisions.

Working with PROS Revenue and Profit Realization solutions, they were able to establish a market-based pricing system, integrated with their Microsoft environment, and analyze and adjust prices to be in line with competitive prices. They also had new visibility into the “Willingness To Pay” of each customer and were able to drive incremental revenues.

As a result, they generated \$5 million in pricing improvements in just the first 28 days.



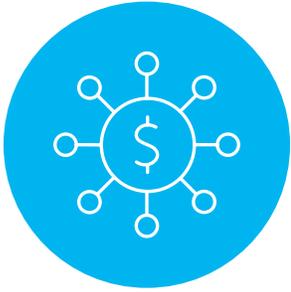
CHALLENGE

Like many organizations, this automotive manufacturer and distributor relied on a cost-plus pricing model focused on a corporate-mandated target margin for pricing its automotive aftermarket parts. In many cases, however, parts pricing was reduced when customers complained that prices were too high. When price reductions were made, the prices of other parts were never adjusted to help offset the margin loss.

At the same time, the manufacturer had no visibility into competitor pricing and how the market would react to specific pricing decisions. This lack of visibility into competitor pricing data led to delayed changes due to market conditions and missed opportunities. By not pricing correctly and reacting quickly to the competition, the manufacturer was losing tens of millions of dollars in revenue and margin.



Rapid time to implementation delivers millions in pricing improvements in less than 30 days.



SOLUTION

This automotive parts industry leader selected PROS Revenue and Profit Realization solutions to optimize pricing through the perfect blend of simplicity and data science. PROS was the only vendor who could meet their implementation timeline. This ability to deliver in a timely manner, combined with the lowest total cost of ownership, made PROS best suited to fulfill the manufacturer's requirements for a clearly defined payback period and overall ROI.

"PROS was the only vendor that could meet our implementation timeline combined with the lowest total cost-of-ownership requirements, while also meeting a defined payback period and our overall ROI objective."

PROS worked with the manufacturer's IT team to leverage existing transaction data and then added new competitive data.

These combined data sets enabled pricing managers to immediately analyze prices relative to those of their competition and rank margin opportunities by part number. By identifying targets for margin opportunity, the pricing team could quickly adjust prices for individual parts and bring them in line with both optimal pricing strategies and competitive prices.

In addition, the PROS solution enabled this industry leader to gain a better understanding of the details behind pricing for each part number, so that product line managers could develop strategies for market-leading pricing. Prices that were incorrectly set below those of the competition were found and corrected. The company also took advantage of PROS/Microsoft® out-of-the-box integration capabilities to export pricing files using Excel®.



RESULTS

The PROS solution identified five to six million dollars in pricing improvements in the first 28 days of implementation. Today, product line managers, who are responsible for pricing tens of thousands of parts, can effectively use PROS to capture time-sensitive profit opportunities and successfully implement competitive pricing for each and every part.

Working with PROS, the manufacturer saw real results quickly:

- Realized fast time to value and lower total cost of ownership with complete integrated pricing solution.
- Ensured maximum margin and profit improvement with the perfect blend of simplicity and data science.
- Delivered demonstrable ROI within 30 days.
- Established a strong partnership leveraging PROS industry-leading experience and expertise to drive long-term success.



“By identifying targets for margin opportunity with PROS, the pricing team can quickly adjust prices for individual parts and bring them in line with both optimized and competitive prices.”



About PROS

PROS Holdings, Inc. (NYSE: PRO) is a revenue and profit realization company that helps B2B and B2C customers realize their potential through the blend of simplicity and data science. PROS offers cloud solutions to help accelerate sales, formulate winning pricing strategies and align product, demand and availability. PROS revenue and profit realization solutions are designed to allow customers to experience meaningful revenue growth, sustained profitability and modernized business processes.

To learn more, visit pros.com.

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