



Customer Success Study
OIL COMPANY

GLOBAL OIL COMPANY USES KEY PRICING INFORMATION TO IMPROVE MARGINS

PROS provides pricing insight
and agility to move
at the speed of business



EXECUTIVE SUMMARY

CUSTOMER

Large international oil company

CHALLENGE

Pricing billions of gallons of petroleum products over hundreds of terminals

Fast paced, volatile markets, time-consuming manual pricing processes

Needed reporting to determine profitability of channels, plants and products

SOLUTION

PROS Scientific Analytics and PROS Price Optimizer

Helped determine relationship between competitor and company prices, and how changes in each affect demand

Reporting provided consolidated views of business portfolio and executive analysis

PROS IMPACT

Generated \$3 million in margin improvement in six months, climbing to \$8 million in the first year

VOLATILE MARKET FLUCTUATIONS CHALLENGE

PRICING ANALYSTS

Every day, the pricing analysts in the refining and marketing division of this major oil company faced the challenge of pricing billions of gallons of petroleum products in several hundred terminals. It was a daunting task given the size and dynamic nature of information that had to be considered in making pricing decisions.

Relying on multiple, non-integrated legacy IT systems, the company's pricing analysts often had to manually compile disparate information, such as volatile commodities market fluctuations, competition, product inventories, wholesale and street margins—as well as factoring in freight and other costs. Because critical information was not readily available in consolidated form or accessible during extremely short pricing windows, pricing analysts lacked the resources to perform detailed analysis essential to maximizing margins and profitability.



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.

“With PROS we can now analyze the relationship between our prices and competitor prices and how the changes in each will affect demand throughout the day.”

PROS PHASED IMPLEMENTATION DELIVERS IMMEDIATE ACTIONABLE PRICING INSIGHTS

To capitalize on rapidly-shifting margin opportunities, PROS automated the collection and processing of key information. This enabled pricing analysts to take advantage of changing market conditions, rather than having to use data from multiple systems to conduct time-consuming analyses. Given the competitive commodity market for petroleum products, PROS technology incorporated both competitive positioning and impact on demand into pricing decisions. In addition, PROS provided executives with comprehensive reporting tools that showed the profitability of different channels, plants and products.

PROS SOLUTION ADVANTAGES

- Automated the collection of key information so that pricing analysts can react quickly to changing market conditions
- Incorporated both competitive positioning and impact on demand into pricing decisions
- Provided reporting insight into the profitability of different channels, plants and products
- Supplied alerts to notify analysts of low inventory, potential containment issues, degrading margins, price changes by competitors, and changing product differentials

Given the competitive commodity market for petroleum products, PROS technology incorporated both competitive positioning and impact on demand into pricing decisions.

To provide the greatest ROI in the shortest time, PROS implemented a phased approach. In the initial phase, PROS delivered critical pricing information to pricing analysts when they needed it most – at the time they made pricing decisions. The PROS solution also sent analysts alerts throughout the day to notify them of conditions that could require a rapid pricing response such as low inventory, potential containment issues, degrading margins, significant price changes by competitors, and changing product differentials.

PROS enabled pricing analysts to analyze the relationship between the company's prices and competitor prices and how changes in each affected demand throughout the day, a beneficial process due to competitor and volume lift information changing many times throughout the day. Powerful reporting capabilities with PROS, such as a comprehensive price waterfall, supported consolidated views of the entire business portfolio and facilitated executive analysis.

“PROS has automated access to key information so that our pricing analysts can be proactive and take advantage of changing market conditions instead of spending a lot of time performing ad hoc analyses on reams of data from multiple, disconnected systems.”



\$3 MILLION MARGIN IMPROVEMENT IN THE FIRST SIX MONTHS

PROS pricing solutions nearly tripled the margin improvements projected by the executive management team at the oil company – generating more than \$3 million in the first six months and over \$8 million in the first year.

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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