



12 Ways to Boost Profitability in an Uncertain Economy

Price management programs to help navigate margin and profitability targets through uncertain economic circumstances

01

Differentiated Price Increases



Implement differentiated price increases based on value drivers

02

Real-Time Cost Analysis



Capture real-time cost data to mitigate when index is moving downward, capture when upward

03

Discounting Analysis



Evaluate misuse of standard and manual discounts; implement tracking & accountability

04

Promotion & Rebates Changes



Do you need promotions in this environment; evaluate misuse of rebate program

05

Freight Policy Restructure



Does your freight policy erode or grow margin and how often is freight given away

06

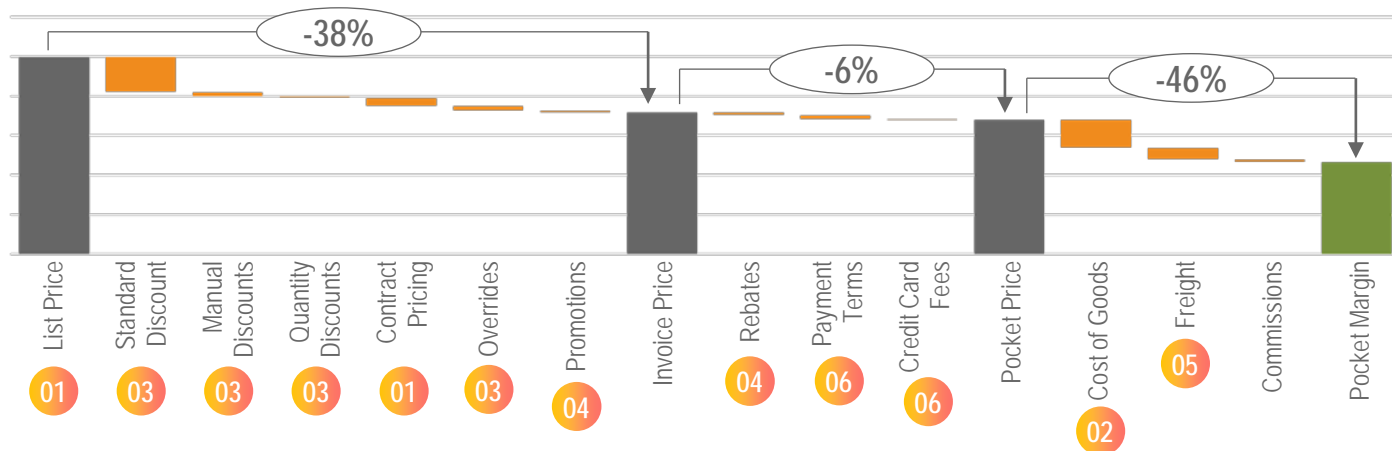
Terms & Fees Adherence



Understand what behaviors you're rewarding with existing terms & fees; stand up compliance structure

Identify Price Leaks Through a Cost to Serve Waterfall

Build by Region, Customer, or Product/Service





07

Contract Re-Pricing

Update pricing using negotiation strategies and add clauses for mid-cycle increases



09

Backlog Management

Build cost to serve profitability to identify pricing actions such as re-pricing or adjusting freight



11

Customer Communications

Empower your team with sales scripts and talking points; have a plan and be up-front



08

Utilization Analysis

Evaluate profitability by machine or truckload to maximize profit per hour



10

Customer Prioritization

Evaluate and segment your customer portfolio into different pricing and program actions



12

Sales Incentives

Make sure your incentives are helping your team achieve the goals; consider kicker programs



Re-Pricing Backlog: Determine Risk Profile

Customer: ABC Co.	Low	Neutral	High
Revenue	Green	Grey	Grey
Potential Spend	Grey	Grey	Red
Wallet Share	Green	Grey	Grey
Tenure of Relationship	Grey	Green	Grey
Relative Profitability	Green	Grey	Grey
Ordering Behavior	Green	Grey	Grey
Competitive Alternatives	Green	Grey	Grey
Cost Impact	Grey	Grey	Green



Negotiation Playbook

For Re-Pricing & Customer Communications

Pricing Action	Customer/Channel
Adjust National Rebates	Regional Dealers
Adjust Standard Discount	Distribution
Buying Group Contract Changes	Buying Groups
Customer-Specific Price Changes	50 Low-Margin Customers

Customer Preparation Card

Focus Area	Strength	Talking Points	Concessions
Performance	Medium	•...	•...
Innovation	High	•...	•...
Customer Service	High	•...	•...
Product Offering	Medium	•...	•...
Delivery	High	•...	•...

Find Out How Your Business Can Boost Profitability