![FreshGravity™ — Driving Digital Success]

Analytics Driven Pricing Optimization

There are often cultural and systemic hurdles to optimized pricing. A key challenge is that new products are often so innovative that it is difficult to determine an ideal starting price. Any proposed pricing optimization solution must be smarter, more scalable to the entire enterprise, and simpler to use than existing processes.

Other challenges may include:

» Processing a large number of quotes per quarter can be a manual process that demands automation

» Sales organizations sometimes rely on subjective, non-evidence-based pricing information like price ratios and set premiums

» Pricing optimization requires advanced analytics methods and system integration skills that are beyond in-house capabilities or bandwidth

» Too much pricing variation occurs across teams and geographies

» Competitive pricing data may be out of date or poorly-defined

» Customer feedback on pricing is inconsistently collected

There is a better way

The ideal pricing optimization ecosystem leverages one or more of the following components:

» Data aggregation, enhancement, and preparation

» Advanced data discovery and predictive or prescriptive models

» Advanced analytics methods and system integration

» Consistent and comprehensive research into the drivers of wins and losses

» Scaling predictive price optimization models across the enterprise by delivering insights to the end user in a way that's accurate, meaningful, fast, and easy to use

Our experience shows that creating pricing optimization solutions with an iPhone-like experience (awesome and simple to use), requires specialized skills, technologies, and resources, such as those offered by Fresh Gravity.

Phase 1:
Minimize risk and accelerate success

Step 1:
We start with your data
Data is required for success, so that's the best place to start. Our team will work with you to understand your metadata (the information about your data), such as sources, quality, consistency, frequency of update, etc. We can enhance your data by appending D&B: SIC and corporate family tree information for both customers and ideal prospects.

Step 2:
We use advanced analytics to let your data tell the pricing story
Next, we perform a deep analysis on your sales history including product, price, customer firmographics, sales person, market basket analytics and much more, using methods like deviation analytics, correlation, factors analysis, and testing preliminary predictive models. This process often generates valuable insights and ideas for both pricing and prospecting.

Step 3:
We present the findings and help you decide on next steps
With a clear understanding of your data landscape, we recommend data enhancements and also share our initial insights with your team to build consensus on next steps.

Phase 2:
Automate pricing optimization

Step 4:
We build a knowledge-based pricing practice
We will propose a well-defined process to interview sales people and selected customers to help guide price banding. A win/lost sale study is a good place to start.

Step 5:
We automate pricing with predictive models
Our models can help predict the ideal price based on customer tier, industry, purchase history, geography, and even job titles. Example models we apply could include neural network segmentation, multiple regression, and conjoint analysis—a feature decomposition method that aids in pricing novel products by using a nominal amount of customer survey data to calculate how much value customers place on product attributes.

Step 6:
We scale by systematizing the models across the enterprise
Our tools allow inside and field sales reps and channel partners to select from a few drop-down choices on their mobile device to see the ideal pricing inflection point to generate the highest likelihood of a sale at the best profit margin. Our tools can also automate quotation pricing across all channels and devices.