

HVAC and Plumbing Distributor

North American Distributor
Reports 40x ROI After
Implementing White Cup Pricing



Company Facts

LOCATION

North America

INDUSTRY

Distribution

CHALLENGES

- Pricing methods disorganized
- 211 different customer segments
- Over 100 employees could create and change prices

SOLUTION

White Cup Pricing

In the Driver's Seat With a Granular Approach

Company Background

A North American HVAC and Plumbing Distributor with a rich history of service to the building community. The company recently standardized pricing methods across the organization with [White Cup Pricing](#), which has had a measurable impact on margins and improved overall efficiency and results.

“White Cup Pricing provided us with data that highlighted where we had been charging too much or not enough based on our new matrices and created an accurate global price matrix that we really needed.”



Corporate Pricing Manager
HVAC and Plumbing Distributor

Looking a Few Years Back

When their current Corporate Pricing Manager took over the position for the company, this area needed a lot of attention. Previously, there had not been one specific person in charge of pricing, and the company had grown over many years, expanding to nearly 30 locations. There was an extensive set of matrices and customer and product price types created and used by staff. Yet, no one was responsible for monitoring and managing pricing information and data.

Due to a lack of centralized pricing control and management, the distributor had over 211 different customer price types, many of which had no end date. Determining which price records were active and legitimate proved challenging. They had over 100 people who could create and change records without standard pricing procedures or compliance requirements.

Getting Organized With White Cup Pricing

Company leadership knew that something needed to change to improve their pricing approach and gain more control of their processes and methods, especially with continued growth and expansion.

They turned to White Cup Pricing, powered by epaCUBE, to improve their pricing strategy. White Cup Pricing is a cloud-based software with fast track implementation, expert advisory services, and built-in pricing and profit plays. Overall, White Cup users see 450 or more basis points of gross profit margin improvement through better pricing, easy-to-manage customer and product segmentation, and an industry-leading performance scorecard.

When the distributor brought in White Cup Pricing, the Corporate Pricing Manager immediately assembled a team of key people to review historical price data. Because previous pricing teams had not managed the matrices through the years, a high percentage of the pricing records were no longer valid or competitive.

By implementing White Cup Pricing, they reduced the number of customer price segments from 211 to 10, allowing the organization to focus on a shortlist of accurate and effective matrices and options.

Implementing and establishing a true global matrix that everyone agreed to was only the first step toward new approach to pricing for the company. After so many years of mismanaged matrices, the Corporate Pricing Manager had some work to do in asking the order writers and sales team to trust new pricing guidance produced by White Cup. For the first time, the pricing team utilized actual data to explain and support decisions on what to charge their customers, but it was apparent this would not happen overnight. However, progress was made thanks to the software's effectiveness and partnership with White Cup, and the results were evident almost immediately.

Making the Change to a Data-Driven Pricing Culture

The company did not switch to a software-based pricing methodology with the White Cup system overnight. The process happened incrementally; understandable for a company that had years of making decisions from gut feel, previous price quotes, and customer relationships.

“A key part of my responsibility in this new role was to reach out to all the locations and personnel in our organization to hold conversations around this important culture change,” the Corporate Pricing Manager explained. “Everyone had been making their own price decisions for so long that we had to explain and prove to them that the new data-driven approach could be trusted and relied on to deliver improved results.” The most significant impact occurred when the sales team taking orders began to completely accept and follow the information that the system now provided.

The Corporate Pricing Manager used several different methods for communicating with and training decentralized team members during the rollout of White Cup Pricing. When asked about how they did it, she commented, “We used webinars, demonstrations of the software, and on-site meetings. It was a challenging time for us but well worth the effort, based on the results we have delivered from this change.”



Overrides Were a Major Roadblock

A major issue the distributor addressed as they rolled out White Cup Pricing was to take on the considerable challenge of addressing and improving upon overrides. When they implemented the White Cup solution, they experienced an immediate decrease in the percentage of overrides. After some time using the system, overrides fell by over 50 percent. The software immediately provided a tool for the pricing team to demonstrate how minor price overrides and adjustments can harm the margin and bottom line. The Corporate Pricing Manager noted, “Our employees were stunned to see what can happen to profit margins by following the guidance the White Cup Pricing system would provide, with the optimal price that they should charge for each customer quote.”

The White Cup Performance Scorecard Tracks Actual Results

“The performance scorecard is a key aspect of the software. It has been a great tool to show our CEO and management team the impact of the changes we have made in our pricing matrix.” She explained. “Before this, we had no way to show our leadership what was happening with pricing. The scorecard is a clear, precise, excellent tool that provides a set of data that is an excellent executive overview which summarizes our progress and results.”

The White Cup Pricing scorecard utilizes a robust set of graphs and presents essential data for review in an accessible, easy-to-understand format. Customers are thrilled with crystal clear, upfront filters, so they can view overrides, recent performance, and compare results of different sets of changes.

Historically, measuring ROI related to software purchases can be challenging. That’s not the case with White Cup. The company recorded a significant positive impact on margins in less than a year after implementing White Cup Pricing.

White Cup Customer Support and Expertise Ensured Success

The Corporate Pricing Manager also really appreciated the level of support and industry-specific expertise provided to the company from the support and services teams at epaCUBE, White Cup’s partner. “As we worked through our implementation of the pricing solution, epaCUBE grew right along with us. They have continued to improve and add to their customer support. The knowledge and real-world advice they have provided on how to maximize the solution and drive results has been invaluable.” She added, “We all hear many stories about software solutions being dropped into companies, and then the solution provider disappears. That is absolutely not the case with epaCUBE and our experience. They have been there for us each step of the way.”

Price Optimization Provided Value in Difficult Times

The team also noted how important White Cup Pricing was during a very challenging time for the industry during the pandemic. Since the distributor had implemented the price optimization solution before the pandemic hit, the company was well-positioned to handle pricing seamlessly in a remote workforce environment. Of the many issues that needed attention during COVID, accurate and effective pricing was not a stress point, thanks to White Cup. “We have not missed a beat during this time of uncertainty and challenges due to the COVID-19 pandemic,” the Corporate Pricing Manager commented. “We have continued to work with White Cup seamlessly and continue to improve our margins, which as a result, has had a positive impact on our bottom line.”

Looking Ahead at the Future With White Cup Pricing and Pricing Optimization

Having access to analytical data through White Cup Pricing to support both the company and outside sales team's success is invaluable. Working directly with a sales manager or outside sales team to provide information and guidance in their pricing decisions is very rewarding. The scorecard provides an executive overview that is precise and easy to interpret.

When asked to summarize the current state and to look forward, the Corporate Pricing Manager shared several thoughts: "We recently added Segment Optimizer, and we are currently focusing on our HVAC customer segments. Utilizing White Cup Pricing and segment optimizer provides us with effective tools that will undoubtedly result in continued success in customer relationships, sales growth, and margin performance. We can now take a granular approach to our business model and specialize in all of our markets. Being relative in the market with pricing and having the resources to pull data to support these decisions puts us in the driver's seat. epaCUBE's support and services teams have provided the expertise we need to make profitable decisions. I appreciate that they are always accessible to jump on a call. The attentiveness to our individual business is unmatched. As we come to the end of a very challenging year, I am excited to see the successes for our company with the support of White Cup Pricing."



KEY RESULTS

- Significant GP benefit on software investment
- ROI benefit dollars generated exceed 40X
- Consistent process for managing pricing

Take the
Easy Path

With our industry-specific revenue intelligence tools, making smart decisions from your data has never been easier.