WHITE CUP

Game-Changing Competitive Pricing Strategy

**Profit Playbook: 3 Plays
to Increase Revenue**

Distributors have a lot on their minds these days, but winning more deals remains the most important goal.

To do this, you must have a plan, or more specifically, a competitive pricing strategy to enable you to win more deals at better profit margins.

Just as a football team must formulate strategies or plays to advance their position on the field —ultimately to score a touchdown or field goal—or alternatively, to prevent the other team from scoring, distributors need a strategic pricing playbook with a host of "profit plays."
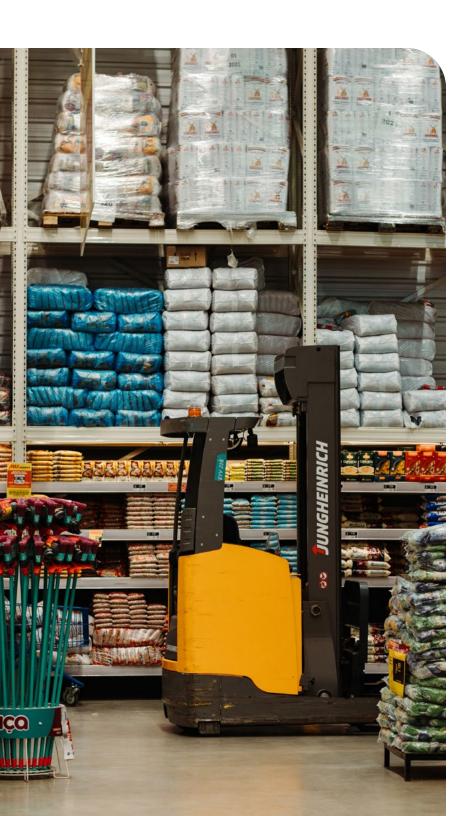
Read on to learn how you can develop a strategic profit playbook for game-changing sales efforts that will increase revenue.

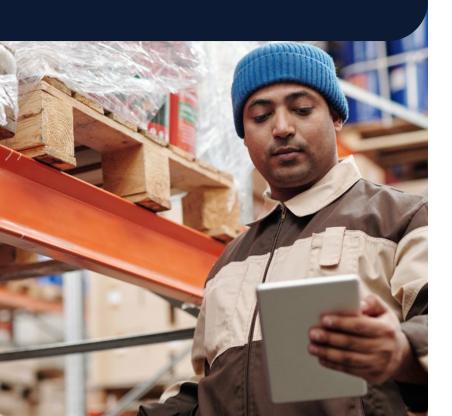# Having a Competitive Pricing Strategy is a Game-Changer

Pricing influences your market share, your share of wallet with individual customers, and the profit of each unique product sold. Leading distribution organizations know precisely the right price for every customer buying a particular product at any point in time.

» Price drives **3X to 4X more profit** than sales volume.

» A 1% improvement in price translates into an **11.1% improvement in operating profit**.

» **60% of wholesale distributors** are looking at adding price optimization over the next few years.

Leading distributors are outperforming laggards by having a Strategic Profit Playbook.

Customer and Product Segmentation with Precision for the Win

A lack of customer and product segmentation can handicap your business.

Product segments often follow basic line cards without regard to profit or volume. However, the actual behaviors and attributes as to why and how your customers buy from you are vital to guide your competitive pricing.

For example...

CUSTOMER A

May be price sensitive or looking to buy large quantities for a price break.

CUSTOMER B

May care about other attributes such as product availability, brand recognition, niche requirements, their own client preferences, and more.

Savvy distributors use customer and product segmentation to reveal the best and worst customers to offer discounts, putting an end to indiscriminate discounting once and for all.

Executing End Runs Around Run-Away Pricing Overrides

Some distributors have a culture of run-away pricing overrides, where sales reps override pricing on nearly every sale. This is a race to the bottom.

Statistical analysis of price discounting shows that a 1% price discount kills so much profit that sales volume must increase by 20% just to break even.

The real reason reps override pricing is that they don't trust the pricing matrix in the first place because it's probably out of date and wasn't based on real data from the start.

When your pricing matrix is right, and items are priced accurately based on customer segmentation and current manufacturer prices, it drives profitability and increases revenue in alignment with your overarching corporate, competitive pricing strategy. That is a far cry from a pricing strategy based on thousands of individual ad hoc pricing decisions. And as your team sees success with systematic data-driven pricing, they become more confident and less apt to go rogue.

Profit Play No. 3

Be Aggressive in Understanding Pricing Dynamics and Your Competition

Your customers expect more than ever and are up-to-speed on the competition and their prices.

By default, if your customers know more about the product and pricing than your sales reps, they have the upper hand in negotiations.

Progressive distributors identify profit opportunities at the customer and product levels based on historical data combined with built-in best practices. Imagine the power of being able to view profit increases week over week instantly, pricing overrides week over week, actual dollars added per week, and the expected benefit of deeper price analysis on your total sales.

Savvy distributors that manage their competitive pricing strategy this way are confident they have a solid basis for pricing so that they can be on even footing with even the most knowledgeable of customers.

Don't Get Out-Maneuvered: Level Up Your Pricing Game with White Cup Pricing

Gut-feel pricing is out; sophisticated data-driven pricing analysis and optimization are in.

Price optimization is not about selling less at a higher price; it's about eliminating revenue leakages and putting in place best practices that enable you to capture improvement systematically.

Data-driven pricing analysis is the fastest way to drive new profits and increase revenue. Intelligent pricing practices require an optimal, competitive pricing strategy, the effective implementation of pricing processes, and the ability to monitor and measure results for continued optimization. It needs to be led by your team, guided by the knowledge of your customers, products, and markets.

White Cup Pricing makes it easy with industry-leading price optimization software and a team of distribution pricing professionals you can rely on to speed up your ROI, increase revenue for your business, and provide guidance when necessary.

Our automated toolset provides in-depth data analysis to streamline customer and product segmentation to surface pricing opportunities and sales trends and optimize quoting to establish the right price for every customer. With this dynamic price modeling, distributors gain improved visibility into pricing and profitability performance of sales reps, branches, product lines, customers, and more. And sales reps can provide accurate quotes quickly and confidently with rich customer and product segmentation and market pricing benchmarking.

ABOUT WHITE CUP

White Cup turns a distributor's sales pains into profit gains. Our CRM, Business Intelligence (BI), and Pricing software make it easier for you to sell more, keep more profit, and beat the competition. With over 20 years of experience, White Cup is trusted by more than 1,000 customers globally.

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