

\$2 Billion Precision Instrument Maker: Service Pricing Improvement

Schedule	Q1 Y1	Q2 Y1	Q3 Y1	Q4 Y1	Q1 Y2	Q2 Y2	Q3 Y2	Q4 Y2	...
Transaction Analytics	Price performance analytics (T12M), perceived value, price floors and transaction and industry data analytics								
	Establish 3 level price management: industry, market and transaction								
Gap Analysis	Establish Overall Pricing Strategy								
Overview Training	Training and certification						Pricing systems Implentation		
	Acquire CPO			Modify Comp & Incentives					
	Designate BU Champions			Establish stretch goals for price performance					

Value Statement

Improve price management culture through training and fact based analytics to increase prices and bottom line by \$1MM going forward

Drivers

- Procurement, as a function, has been the focal point of intense improvement efforts, driven by advances in supply chain and operations placing downward pressure on pricing and a shift in marketplace power
- Analytical tools and processes exist to counter this shift
- It requires a 15% reduction in costs to create the equivalent of a 1% increase in price.

Actions

People

- Train employees effecting price in analytics and other price performance drivers to shift to a price management culture
- Shift incentive systems to reward strong price performance management
- Acquire price performance management leader as a full time price analytics and leadership resource for BU's

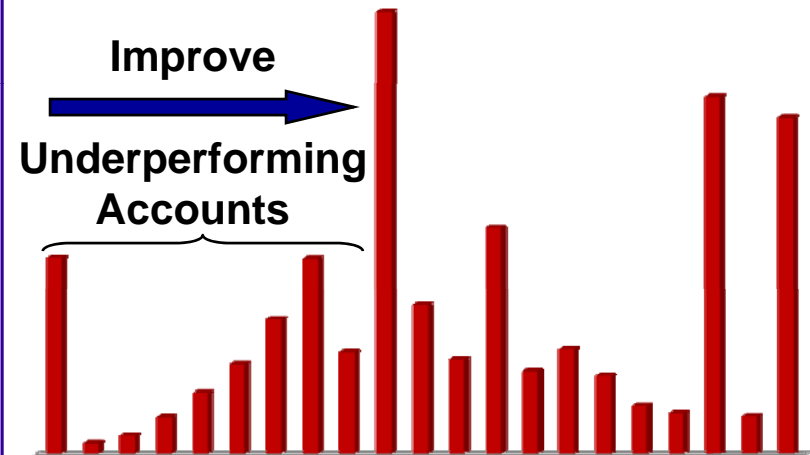
Process

- Extend depth of pricing analytics to transaction level to highlight bands of price performance and opportunities for improvement
- Transition from ad-hoc to continuous pricing analytics to maintain focus on best opportunity using price ceiling, floor, waterfall and band analysis

Information and Technology

- Provide ready access to competitive, customer and cost information to employees effecting price decisions at the transaction level at deal speed

Benefits



Value

Investment	\$400,000
Return	\$900,000
1 st Year ROI	125%
Payback period in years	.44