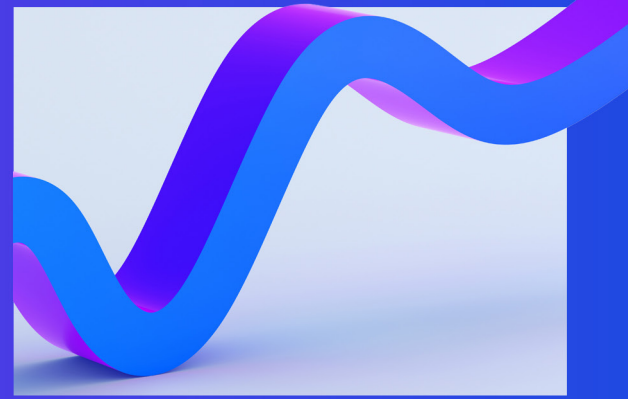




Commercial excellence and pricing

A rapid diagnostic opportunity for portfolio companies



KPMG offers a diagnostic process to quickly evaluate the state of a portfolio company's pricing strategy and identify potential value creation opportunities.

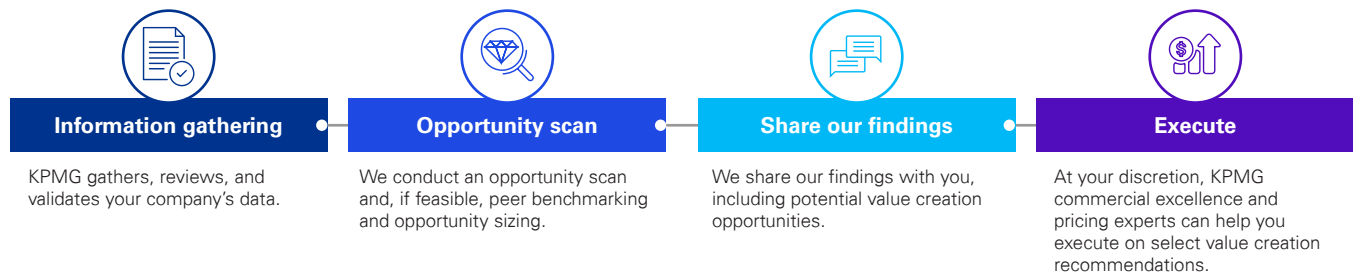
Pricing as a profitability lever

A sound pricing strategy is a very effective profit lever in business and can propel your organization to the next level of performance. We typically find a 3-to-8 percent incremental return on sales driven by type of Industry and level of starting pricing maturity.

Our deep industry knowledge, cutting-edge methodologies, and industry-leading data and analytics capabilities can help you choose the right pricing solution to help deliver value for your business and customers.

Our approach

Through an initial diagnostic exercise, which is a light-touch process on your part, we quickly identify potential opportunities to improve your organization's pricing strategy. Then, at your discretion, KPMG experts can further guide you through the execution of select value creation opportunities that have been identified.



Deliverables from the commercial excellence and pricing diagnostic include:

- Key observations and challenges identified during the rapid assessment
- Perspective on current state maturity versus leading practices
- High-level quantification of potential value creation opportunities
- Prioritized list of initiatives and preliminary roadmap
- Considerations and next steps

How KPMG can help

By working shoulder-to-shoulder with our clients, we help drive performance in the short term—in all types of market conditions—while also building long-term capabilities.

Once you identify improvement areas, we will work closely with you to design and execute solutions, including:



Pricing strategies



Sales trainings



Customer segmentations



Dynamic response models

Case study: Helping an automotive supplier overcome a sales and margin decline



The challenge

Our client is a key supplier of metal components for automotive companies, focusing on blanking, stamping, and casting. The company grew by acquisition of facilities with little integration and, consequently, cost base and efficiency of each plant varied significantly. The client was looking at pricing to solve their sales and margin decline position.



What KPMG did

- The team focused on driving value in three key areas: production and service parts, change requests, and past value leakage recovery
- Client was provided with a clear list of accounts, parts, and price targets by part to be achieved
- Extensive value negotiation training was executed with all sales team, including inside sales representatives
- KPMG defined and executed several enablers, including governance, incentive systems, processes, tracking, monitoring, and reporting
- KPMG revamped the existing quote model and developed a predictive win-loss algorithm to predict quote outcome with increased accuracy



Results

- 1.5 percentage point EBITDA improvement in a hypercompetitive and low-margin automotive supply market
- Reduced manual quoting inputs by 50%, reducing variability and driving functional decision-making around inputs

Contact us

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