



Focus: Sales & Marketing

The account team calls in with a potential deal

They're confident they can land the customer if the price is right. They need to know the lowest price they can quote.

You want to react immediately, and that means you need accurate, up-to-date data on product costs and margins. But costs change constantly, sometimes several times a day, and you're not even sure if they're captured – or where. Can you confidently give your account team a price that maintains corporate margin targets *and* wins the deal?

The Opportunity Created by True Cost-to-Serve Data

In complex business environments with operational silos, multiple business systems, and varied product lines, it is tremendously challenging to move beyond standard costs and get actual cost data that reflects the true cost to serve. With access to real-time data, you could quickly make the moves needed to:

- be more competitive
- acquire new customers
- grow market share
- win more high-margin deals

“ pVelocity is a critical part of our everyday decision making and profit optimization activities. Its value is not only measured by its use in almost all areas of the business, but also in our bottom line.”

Mark Doig
Director Strategic
Sales & Marketing,
Sapa Extrusions

This pVelocity screen displays the P&L of one product for two customers in a unique side-by-side comparison. Use this comparison – or any comparison between customers, products, assets or activities – for price decisions or to highlight cost-to-serve irregularities.

Customer Market Desc	Product Description	Customer Name	Sales Qty Lb	Net Sales \$	Net Price \$/Lb	CM \$	CM \$/Lb	CM %
PERSONAL CARE	LAVESTAR-R OIL	LANGSTAFF CO CANADA LT	3,024,002	1,512,001	0.5000	846.721	0.2800	24
PERSONAL CARE	LAVESTAR-R OIL	LAURELS USA	6,736,980	1,656,797	0.2459	171.249	0.0254	24

Measure Name	Selected Values	Compare Values	Variance	Variance (%)
Sales Qty Lb	6,736,980	4,609,289	2,127,691	46.16
Sales \$	1,990,419	2,209,818	-219,399	-9.93
Discount \$	29,415	10,589	18,826	177.78
Freight Cost \$	304,207	46,807	257,400	549.92
Net Sales \$	1,656,797	2,152,422	-495,625	-23.03
Material Cost \$	1,351,467	955,270	396,197	41.47
Var OH Cost \$	134,080	86,016	48,064	55.88
Packaging Cost \$	0	2,143	-2,143	-100.00
Contribution Margin \$	171,249	1,108,993	-937,743	-84.56
CM \$/Hr	22.25	260.04	-237.80	-91.45
Direct Labor Cost \$	62,802	53,300	9,502	17.83
Depreciation Cost \$	90,824	57,005	33,819	59.33
Fixed OH Cost \$	327,246	230,964	96,282	41.69
Total Fixed Cost \$	480,872	341,269	139,603	40.91
Gross Margin \$	-309,623	767,724	-1,077,346	-140.33
Sales Cost \$	37,818	41,987	-4,169	-9.93
Service Cost \$	7,962	8,839	-878	-9.93
R&D Cost \$	47,770	53,036	-5,266	-9.93
Marketing Cost \$	5,971	6,629	-658	-9.93
Admin Cost \$	77,626	86,183	-8,557	-9.93
Total SG&A Costs \$	177,147	196,674	-19,527	-9.93
EBIT \$	-486,770	571,050	-1,057,820	-185.24

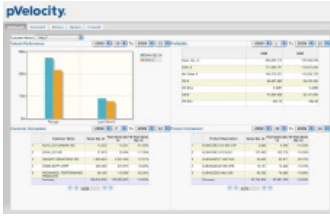
How Could Price Changes Impact Customer & Product Portfolios?

pVelocity's Profit & Cost Simulation software is the only solution that answers that question through the detailed, comprehensive consolidation of actual cost data from across enterprise silos, systems, and sources.

pVelocity uses this data to provide an accurate and up-to-date basis for the setting of prices and margins, enabling confident account planning, new business development, and market expansion.

Use pVelocity's Profitability & Cost Simulator to:

- First conduct in-depth segmentation of your product and customer portfolio
- Then analyze the causes for underperformers and attributes of overperformers
- Follow with simulations of margin scenarios if changes to price, volume, payment terms, purchasing patterns or discounts are applied



A pVelocity Sales & Marketing Dashboard

Analyze & Improve Sales Performance

pVelocity's powerful drill down capability also rapidly identifies reps, territories, or markets with highest or lowest revenues, volumes, or contribution margin. With this segmented information, you can

- quickly determine the profitability of the product mix by customer
- run simulations of improvement options
- act on the conclusions

Boost Credibility & Value of Tactics, Projections and Plans

Every day, actual cost data is used to support and validate sales and marketing decisions on price and margin to drive improved deal velocity and achievement of margin objectives. pVelocity delivers market-leading value to strategic plans and projections, as you analyze and simulate alternative sales tactics, product introductions, and market opportunities.

Take Action across a Range of Responsibilities

	TACTICAL	STRATEGIC
PRICING	<ul style="list-style-type: none"> • Immediately identify customers impacted by price changes and focus sales attention on account retention or growth 	<ul style="list-style-type: none"> • Simulate prices and discount structures that increase volume on high margin products
SALES PERFORMANCE	<ul style="list-style-type: none"> • Identify and quantify potential shortfalls, on-targets and over-achievers before the end of your forecasting period 	<ul style="list-style-type: none"> • Realign account teams, territory structures, or incentive plans to focus on optimal mix of high volume/margin products, customers, or geographies
ACCOUNT PLANNING	<ul style="list-style-type: none"> • Segment customers based on profitability and, for underperforming accounts, choose to sell via distributors or leave to competitors to serve 	<ul style="list-style-type: none"> • Import sales forecast data along with projected cost information, such as raw materials, packaging or energy, to create forward-looking scenarios on an account-by-account basis
MARKET PLANNING	<ul style="list-style-type: none"> • Explore seasonal purchasing patterns within a market and shift marketing promotion to products improve margins 	<ul style="list-style-type: none"> • Assess new market or product viability by modeling volume projections and expected contribution margin

To learn more about how other companies have benefited from immediate, detailed insight into projected product and customer profitability, visit www.pVelocity.com for case studies and sample simulations.