



“pVelocity has become 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



WHAT TO STOP



WHAT TO CHANGE



WHAT TO GROW

Fast Facts

What is pVelocity?

- Provides a “sandbox” to perform rapid what-if simulations and predictive analytics on profits and costs
- Based on actual cost data drawn from business systems already in use across the enterprise
- The only solution that links products, customers, materials, suppliers and assets and determines the true cost-to-serve
- Helps all operational roles make informed decisions on immediate, corrective, and strategic actions

How Profitability & Cost Simulation can Help

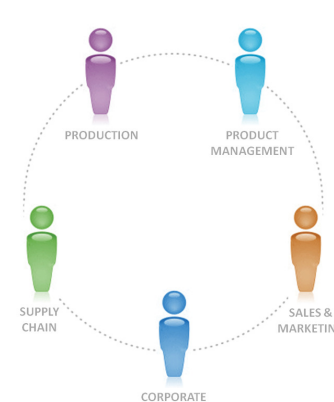
- Enables both historical analysis and detailed modeling of cost fluctuations in the future, with advanced simulations, all the way down to the bill of materials.
- These simulations satisfy the different analytical needs of each operational role, forming the basis for fast, smart, predictive decisions.
- With this deep insight, all operational roles can take action on improving current and future contribution margin, capitalizing on market opportunities, and maximizing profit.

What Kinds of Predictive Analyses are Performed by the pVelocity Profit Analyzer?

- Material Cost Analysis – works with actual or predicted costs for all materials or components to model the impact of future cost changes
- Customer & Product Profitability – segments products and customers by profitability to quantify the effect of price changes
- Margin Mix Improvements – provides insight to adapt and change portfolios to optimize margin performance

Who Uses pVelocity?

- Product & Pricing Management – for portfolio mix planning and predicting impacts of price changes
- Sales & Marketing – for deal management, customer portfolio planning, and identifying market opportunities
- Supply Chain – for monitoring material cost trends and optimizing upstream and downstream channels
- Production & Engineering – for asset utilization and prioritization; new product costing
- Corporate – for supporting and modeling tactical and strategic enterprise decisions



What Systems are Leveraged by pVelocity?

- ERP, BI, SCM, CPM
- Other common business applications, including one-off spreadsheets

When does pVelocity pay off?

- Profit realization begins to occur within 90 days from implementation
- Averages 3-5% margin improvement within 1 year of implementation
- Typical implementations take from 60 to 90 days in complex manufacturing environments

-  Product Management
-  Supply Chain
-  Production
-  Sales & Marketing
-  Corporate

Typical Role-Based Questions

- How should I rebalance the product portfolio to drive higher margins?
- What should I do about the anticipated changes in raw material costs?
- How should we allocate production assets to drive higher margins?
- What price can I offer in order to achieve margin targets?
- What strategic and tactical actions should we take to improve profitability – by product and customer?

Customer Value Examples

- Managed price increases in advance of raw material cost increases + \$8.8M in increased margin
- Renegotiated customer contracts based on cost to serve +\$2.9M
- Allocated production resources based on profit velocity +\$10.2M
- Identified EBIT leakage due to scrap / inefficient machinery / freight costs +\$3.0M
- Rationalized poorly performing product lines +€5.3M

pVelocity Software	Business Efficiencies
<ul style="list-style-type: none"> • Profit Visibility Gather information from production and financial systems to provide profit visibility, filtered according to your operational responsibilities 	<ul style="list-style-type: none"> • Customer & Product Profitability Gain immediate, detailed insight into customer, product and asset performance
<ul style="list-style-type: none"> • Predictive Analysis Apply rigorous profitability analysis to enable informed decision making about product and customer mix 	<ul style="list-style-type: none"> • Raw Materials Cost Analysis Discover the links between raw materials, products, customers and equipment, and assess the impact of change on profitability
<ul style="list-style-type: none"> • Cost Simulation Get instant access to simulation capabilities to model your processing costs and quantify the resulting effect on margins and profits 	<ul style="list-style-type: none"> • Margin Mix Improvements Uncover actionable opportunities to improve the profit characteristics of poor performers and increase the number of high margin contributors
<ul style="list-style-type: none"> • Closed-Loop Workflows Instantly identify critical workflows for rapid implementation of the changes needed to improve customer and product profitability 	<ul style="list-style-type: none"> • Collaborative Actions Capture and communicate action items to indicate responsibility for adjustments to price, volume, costs, suppliers as necessary

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