

PriceCypher Solution

GLOBAL | LOGISTICS | SHIPPING

Global shipping company improves quote win probability and increases demand fulfilment, with Deloitte's AI-powered pricing solution

Using the power of AI, a global shipping company achieved real-time dynamic price optimization.

Client issue

In the logistics industry, companies are always looking for ways to reduce idle time and increase fulfilment. However, this is not always easy to achieve. Our client, a global shipping company was facing this challenge, struggling with **margin loss** and **leakage** due to multiple operational issues.

These operational issues included: an inability to forecast demand accurately, high idle vessel time, low fulfilment rates, excessive discounting, and lost deals due to delay in sending quotations. The commercial side of the business was also impacted, as the **lack of information** led to Sales having a hard time providing timely quotes to customers. This resulted in **poor performance** compared to competitors. Optimizing operations quickly became a necessity.

PriceCypher leverages AI-driven customer insights and supports effective pricing management, value recovery and growth opportunities to achieve margin improvements up to **13%**.

Deloitte's solution-based approach

Using data-based insights and Deloitte's expertise

Together with Deloitte, the shipping company developed a multi-faceted pricing transformation program. This program aimed to facilitate a **complete commercial transformation**, structured into multiple workstreams. These workstreams included data and infrastructure; forecasting and optimization; tooling and technology; and change enablement. Each workstream had its own dedicated team working together to deliver minimum viable products on regular intervals for the organization to pilot and launch. All assisted by Deloitte's PriceCypher.

First, the data team broke down data silos and unified data in a data lake. This data was then used by the optimization team to build algorithms that would predict costs, prices, and demand. The algorithms would then make recommendations on how to relocate the vessels and routes to take. All data, insights and recommendations were visualized for Sales in a pricing tool. This pricing tool helped **improve margins and conversion** by capturing willingness to pay for on-the-spot and contract business.

COVID-19 made the process more challenging, but it **offered the opportunity** to apply event modelling on demand models to simulate the **impact of changes in demand** and **create alternative business planning scenarios**.



Impact

The shipping company was able to improve its operations by **reducing idle tank time** and **increasing demand fulfilment**. This was done by leveraging Deloitte's expertise and experience in creating the pricing transformation program and the price quote solution.

The global shipping company also improved its quote win probability. Now, there were able to offer a quotation to customers within **five minutes instead of five days**.

The shipping company is now selling the right service to the right customer in the right place at the right time, at the right price.

Customers now receive a quotation within five minutes instead of five days.

Contact us

Deloitte's solution-based approach delivers high-impact, data-driven insights to clients. By combining Deloitte's professional expertise with proprietary digital assets, we offer future-proof solutions that solve your unique challenges.



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