

Revenue Uplift for food manufacturer with
Predictive Pricing and Value Recovery Campaign

Food ingredient manufacturer recovery € 1 million within 3 weeks powered by Deloitte's PriceCypher

Challenge

A multi-national food ingredient manufacturer was struggling with margin leakage due to lack of commercial control and excessive discounting. With its large portfolio of diverse customers, the manufacturer had difficulties regaining control over its commercial activities. Issues such as excessive discounting and price variance, neglect of

legacy deals and overlooked small customers were abundant. Thus, value recovery was much needed for the manufacturer. However, this was incredibly challenging to accomplish in the short term, because of a lack of a solid foundation for strategic pricing and discount guidance. It was time for a change and clean-up of the pricing estate.

Solution

The food manufacturer found a partner in Deloitte and our PriceCypher solution, the powerful AI-driven Predictive Pricing tool. To work towards a clean pricing estate, first up in the partnership was to take a closer look at outliers. Powered by PriceCypher, AI-based algorithms provided pricing insights to Sales to correct low-price outliers.

These insights and guidance were given at deal level, for each customer-product combination. This way, we created an enabling tool which provided the sales team with insights on pockets of recovery. At the same time, a 3 week long price recovery campaign was initiated. Hereby, poor performing sales accounts were reviewed and addressed in its respective client portfolio as they were low-price outliers and earmarked for recovery.

This overall interventionist approach, driven by AI-based pricing recommendation as well as a campaign-based value recovery approach, was the key to gain quick wins and clean up the pricing estate of the manufacturer in a short period of time.

Impact

By using PriceCypher, our client was able to regain commercial control and manage its customer portfolio. Together the experts of Deloitte and the food manufacturer were able to identify a price leakage of €12 million on account of low price outliers. Using differentiated customer tactics for value recovery, they managed to recover a sum of over €1 million within a period of 3 weeks. Not only was the organization able to gain commercial control, its revenues increased as well.

Client recovery of
€1 million within a
period of 3 weeks



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