

## INCREASING PORTFOLIO VALUE WITH PRICING TRANSFORMATION

# Analyzing Transaction Data to Uncover Significant ROI for PE



Portfolio companies improved positioning on Pricing Maturity Levels

25x ROI

The project ROI per business unit was 8X, 14X, 25X.

15%  
Growth

The value of the portfolio companies grew by 7.5%, 10% and 15%.

### Challenge

Our client was a **Private Equity firm** with a diverse portfolio of **small to mid-size manufacturing companies**; with channel mix of OEM, regional distributors, or independent reps. The portfolio companies' key products were plumbing parts, construction materials, data services. The PE and the portfolio companies did not have in-house pricing expertise and needed to address **several challenges, including:**

- Growing # of SKUs and options increased complexity of pricing environment.
- Municipal project bids process drove prices down.
- List and discount price mgmt. and performance analysis was manual and last minute.
- Lacked tools and skills to analyze high volume of transactions and report net margin accurately.

### Solution

#### 1. Diagnostic & Assessment

- Rapid diagnostic of each portfolio company's pricing infrastructure.
- Scored client's pricing processes against World Class Pricing benchmarks.

#### 2. Analysis & Planning

- Implemented transaction analysis common to all companies (80/20 Pricing, discount dispersion analysis, pricing waterfall).
- Workshop coaching of small teams on pricing analytics and building dashboards in Tableau.
- Identified primary data fields for pricing decisions going forward.

#### 3. Strategic Recommendations

Developed pricing strategies, tailored to each portfolio company, on:

- Micro-segmentation of customers/products.
- Municipal bid segmentation and bid tool.
- Subscription playbook.
- Provided the client with actionable roadmap and tools as well as conducted training to give the client confidence