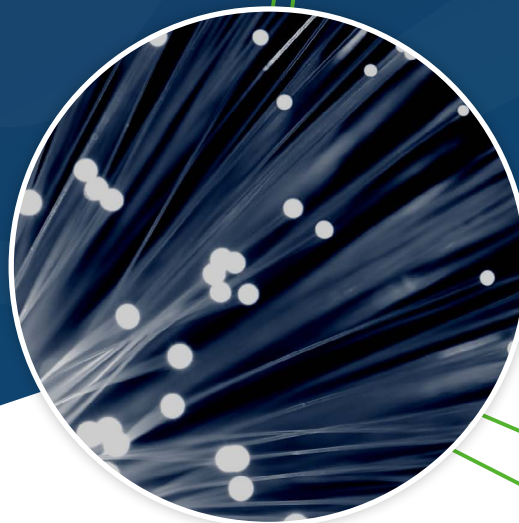# Corning Optical Communications
Smarter Pricing Lights the Way to Improved Margins for Optical Fiber Giant

Corning Optical Communications is the world leader in passive optical fiber, with more than $3.5 billion in annual sales of products and solutions for optical based infrastructure. When older database technology proved lacking and limited, Corning selected Vendavo® Commercial Analytics to identify price, margin and profit opportunities, delivering over $10 million in financial impact in the first year alone.

Ken Foret
Manager, Pricing Enablement Corning

Corning invents, makes, and sells some of the most important innovations in the world. Highly engineered glass, optical fiber and ceramic substrates are core technologies that are found in LCD televisions, telecommunications networks and emissions control systems.

But the 167-year-old engineering and manufacturing leader, with more than $10.5 billion in total annual sales, is hardly resting on its laurels.

The company continues to invest in research, development and engineering that not only sustains existing businesses but also creates new ones that fuel new growth opportunities.

This passion for investing in innovation and continuous improvement extends to its own systems and tools. But it's not just passion – it's practicality.

In Corning's Optical Communications division there are approximately 200,000 SKUs that need to be priced, analyzed and optimized.

Since February 2017, Corning has trusted the storage and maintenance of its Optical Communications product pricing with Vendavo.

Ken Foret is the manager of pricing enablement in the global pricing office for Optical Communications. He oversees data maintenance and reporting as well as pricing processes and training.

"Our internally developed analytics system had limited capability and could only be used by trained specialists that had licenses to the software. Each time a business user wanted to see a different slice of the data, they had to engage with one of our specialists which was time consuming and prone to many iterations. Vendavo's platform can be accessed directly by the user where they can easily manipulate the data to drill down on the attributes and measures that are helpful or them to make quick business decisions."

Action: Transforming Optical Networks for Customers – And Pricing for Shareholder Value

With an aging data warehouse that was difficult to modify and expensive to upgrade, Corning was looking to lighten its IT workload, enhance security and reduce expenses.

Corning decided on Vendavo Cloud Hosting and Professional Services.

"Putting our most sensitive pricing and profitability data in the hands of another company was scary and a big hurdle for us to get over," says Foret. "But Vendavo met all our IT and security requirements, plus the solution is updated and upgraded on a more regular basis than we could do ourselves. Going with the Vendavo-hosted solution is the best decision we could have made."

While lower IT costs and greater reliability were big decision drivers for the hosted solution, the addition of Vendavo Professional Services ensures that value is being realized for all stakeholders.

"The biggest benefit we experienced with Professional Services was in go-live preparation and planning," says Foret. "The Vendavo pricing consultants worked with us to outline metrics for success, set goals, and then measure those goals precisely and consistently. Those resources have made a huge difference in helping us prove value and progress throughout the organization."

Vendavo Professional Services is a menu of services that balance function, speed and the expected return on investment.

In Corning's case, Vendavo consultants supported solution design and configuration, change management, and value measurement. Specific value cases created for Corning included the identification of negative margin and low margin transactions, creating a process to monitor and manage costs-to serve at a granular and actionable basis, and establishing business routines for optimizing pricing in general and creating value-based pricing for key products.

"Vendavo's integrated professional services have helped us climb the learning curve faster, implement more smoothly, and deliver on the value of this investment which we've calculated in the first year at approximately $10 million in positive financial impact," says Foret. "Their professional services have been crucial to our success."

Outcomes: Professional Services Drive Continuous Improvement and ROI

Foret says outsourcing the hosting and upgrades to Vendavo has allowed Corning pricing and sales teams to focus on strategy and execution, rather than technology.

"Our 225 active users on our product line management teams are the primary users and they've seen the biggest gains," says Foret. "Visibility into pricing and margin patterns through Vendavo dashboards gives them better information to make smarter, faster decisions. As marketplace conditions or inputs change, we can adjust more quickly."

And to ensure that value realization remains high, the Corning global pricing office has access to the best practices and broad experience of V endavo pricing consultants and the value realization teams. Vendavo consultants monitor progress and update dashboards that track key performance indicators and value cases.

"We know our industry, but Vendavo brings a broader perspective to the table," says Foret. "That perspective helps us learn, get better and grow."

The Vendavo consultants, support staff and solution have performed as promised.

"With Vendavo analysis and reporting we've been able to consolidate data points – and decisions – and still allow collaboration across the enterprise," says Foret. "And the hosted platform helps

Industry

- Manufacturing

Solution

- Commercial Analytics
- Vendavo Value Consulting

Challenges

- Replace older, on-premise pricing data warehouse.
- Plan, design and implement hosted solution that maximizes value from day one.

Results

- Realized over $10 million in positive financial impact in year one.
- Freed up internal IT resources and lowered IT infrastructure expenses.
- Leveraged Vendavo Professional
- Services to speed deployment and establish framework for continuous improvementand optimization.

Commercial Intelligence Provides a Clear View of Profits

1. **Creating Custom Use Cases**

   Vendavo pricing consultants establish success metrics and use cases that track important variables and calculate measurable results.

2. **Cloud Hosting Lowers Costs**

   Vendavo hosting reduces IT infrastructure expenses and automates application updates.

3. **Dashboards That Deliver Value at-A-Glance**

   Configurable dashboards and reports track best performers, improvement opportunities and enterprise results so everyone's working with the same up-to-date information.

About Vendavo

Vendavo provides leading-edge pricing and sales solutions with embedded AI to empower global manufacturers and distributors to digitally transform their commercial operations in order to unlock value, grow margins and accelerate revenue. These Commercial Excellence solutions, combined with its award-winning value consulting services, enable Vendavo to deliver outcomes that are not only predictable, but unrivaled. That enables the most demanding B2B organizations to develop dynamic customer insights and optimal pricing strategies that maximize margin, boost sales effectiveness and improve customer experience.

Vendavo has offices in Denver, Dallas, Dusseldorf, Prague and Stockholm.
For more information, please visit http://www.vendavo.com