

# This global enterprise improved and centralized their pricing strategies



A global leader in innovative technologies and lifecycle solutions for the marine and energy markets. With a team of over 17,000 professionals in more than 200 locations in 68 countries, their innovation in sustainable technology and services helps their customers continuously improve their environmental and economic performance.

## Challenge

Aftermarket pricing, while important, was not the highest priority. Over time, the aftermarket business unit became more central to the organization and pricing needs increased in urgency. Improving pricing quality was a necessity to make the aftermarket business more lucrative.

Originally, their pricing was cost-based, with a limited understanding of the value, marketplace acceptance, or competition. Inconsistency in the structure also plagued the system as customers may be under and overcharged for similar products. This led to many risks including:

- Pricing too high created difficulties for the sales team members and risked customer trust
- Pricing too low meant lost revenue and a potentially damaging shift in market perception

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Very few pricing owners communicated or learned from one another. The company was stuck in a situation with a rudimentary, ad-hoc, and cost-based pricing approach.”

The lack of a central pricing team with pricing responsibilities scattered across the company, no clear methodology, or IT support meant multiple processes done differently by various pricing owners. Change only occurred if pricing owners implemented a new strategy.



They recognized that a central pricing function was necessary in the organization to provide the right methodologies, direction, and tools.

## Solution

The company knew that any approach to pricing would need to start with a baseline strategy and strong project. They first mapped business processes and historical pricing strategies in the globally distributed production sites. They moved away from cost-based pricing, and instead, built a strategy through value-based and market-driven pricing. In their case, spares would now be based on value vs cost. Pricing principles were defined, and more than 200,000 articles were grouped into categories and families.



Vendavo Pricepoint helps us create a sustainable process for value-based and market-driven pricing. This generates great value for the organization."

– Pricing Manager

Through Vendavo's solutions and partnership, the organization set up consistent and well documented pricing principles, which serve as a solid platform for growth and continued business development. A team dedicated to pricing was formed consisting of many roles including a global price manager, divisional pricing managers, and analysts to carry out daily tasks. The centralized pricing is completely compliant with the new methodology and supports their long-term growth.

## Benefits

- Monitor, manage, and maintain pricing logic easily within a centralized solution
- Refreshed pricing with a new global list prices that is in line with perceived customer value and the competitive market
- Enhanced control of pricing and communication within the pricing and full enterprise
- Repeatable and documented pricing principles and processes
- Increased internal and external satisfaction with value-based, consistent, and market-aligned prices





## About Vendavo

Vendavo's AI-embedded Pricing and Sales solutions power the shift to digital commerce for the world's most demanding B2B companies, unlocking value, growing margin and accelerating revenue. With the Vendavo SaaS Commercial Excellence platform and our best-in-class CPQ and price optimization solutions, they develop dynamic customer insights and optimal pricing strategies that maximize margin, boost sales effectiveness and improve customer experience.

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