Metal Service Center: Pricing

Established best practices, developed tools and trained sales force to be reactive to local market conditions, while ensuring every price quoted was consistent with underlying sound pricing principles

Project Overview

Client Context

- Client is a metal service center whose business consisted of basic distribution and value-added processing services
- Sales Force lacked consistency in pricing resulting in vast differences in profitability and significant margin being left on the table
- Client asked for TRC support to:
  - ➢ Define common pricing process and standards
  - ➢ Establish stronger performance monitoring platform (e.g., win-loss tracking, pricing variances vs. target, customer profitability, etc.) and drive increased usage
  - ➢ Train sales team to use all developed tools

Approach

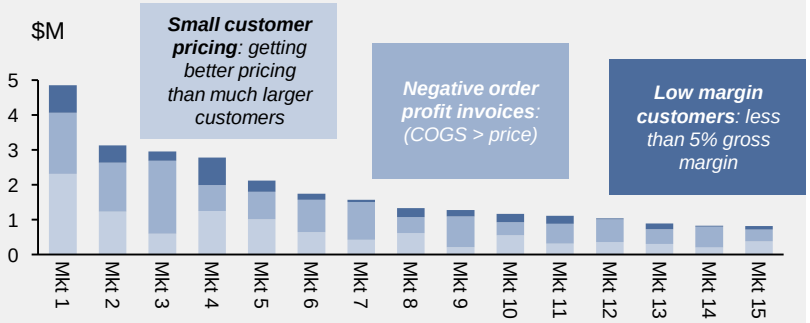
- Identified and sized the largest pricing opportunities across the organization to drive focus
- Established local price sheets for transactional business to ensure pricing consistency and minimum profit levels
- Developed flexible contract model that accounted for all cost to serve and leverage for larger bids
- Built performance management tools which merged disparate data from branches into existing reporting system
- Conducted wide range of training sessions across sales teams and branches and left behind instruction manuals and training videos for future reference

Outcome

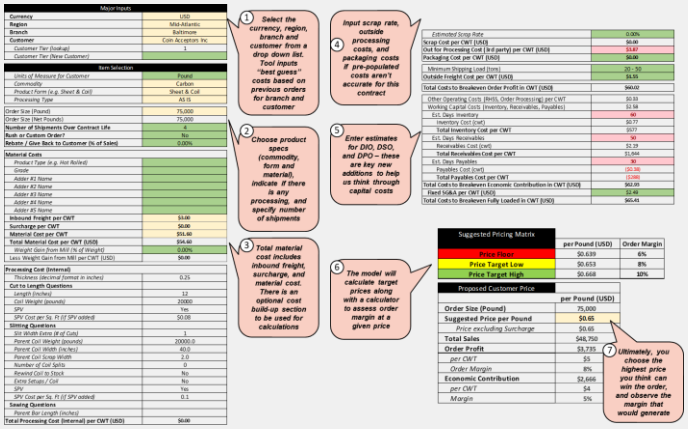
- Results of project currently being rolled-out

Deliverable Examples

Opportunity Assessment By Market



Developing a Flexible, Fully-Loaded Pricing Tool



Note: Full case studies available upon request
Names & Numbers Modified to Maintain Confidentiality

TRC ADVISORY