

Strategic Pricing

For years, maybe forever, we have all been perplexed by, and complained about, 2 seemingly immovable forces in the JanSan industry: 1) Pricing for any given item is all over the map from one customer to another, and 2) most of those prices are too low.

We have come up with a strategy and implementation plan to address, and move these forces in a positive direction. We have chosen a medium impact / low risk approach. The following guidelines will focus on small accounts and items that are not normally "shopped" (as opposed to the high impact / high risk strategy of trying to raise paper prices to "A Accounts"). We are also aware that different market segments might command different price ranges, inherently.

So...your mission...should you choose to accept, is to identify customer product prices that fall below the average (for the Market Group they fall in and the size account they are), and adjust them up to the average. The advantage you have is that Dimensions allows you to cross dimensions (Sales Group and Sales Class) to quickly arrive at the strategic average and not rely on the average across all customers.

This may seem tedious, and it is, but the following strategy gives you a reason to succeed and the satisfaction that you did *something* and can avoid another decade of complaining.

Select View: Strategic Pricing

Select Dimension: Market Group = Contractors

Select Dimension: Sales Class = D

Run Report

This View shows Sales, GP and GP% (currently) for D Contractors. Then you see how much GP you could add by raising prices for D Contractors to Market Value (GP Gain) and how many points you would add (GP% Gain)

Click on the Drill Down box, select Sales Reps and click on "D". This shows the Gain opportunity for each Rep.

Click the Drill Down box, select Customers and click on a Rep's name on the left.

Click on the Drill Down box, select Items and click on a Customer on the left.

Now you see Items and Market Price (average price paid for each item by D Contractors) only if the Last Price paid by the Customer is less than Market Price. Raise these prices in Step1 to match Market.

Click the Blue Back Arrow and do it again for another Customer.