



DISTRIBUTION INDUSTRY

CASE STUDY

Automotive Distributor's Transformation
Led to Over 6% Revenue Improvement



About the Customer

From
United States

Industry
Distribution

This large US-based distributor has been a staple in the automotive industry since the beginning of the 20th century. Specializing in supplying automotive products, it has built a reputation for reliability and efficiency in the service market.



Inefficiency from Managing 5,000 Products Manually

The Challenge

5000

Products managing manually

Error Prone

Pricing processes

Frustration

with the pricing team

As the company grew and expanded, pricing processes became increasingly complex and manually intensive. Manual pricing workflows involved gathering, cleansing, and analyzing data from various sources, resulting in slow response times and costly errors.

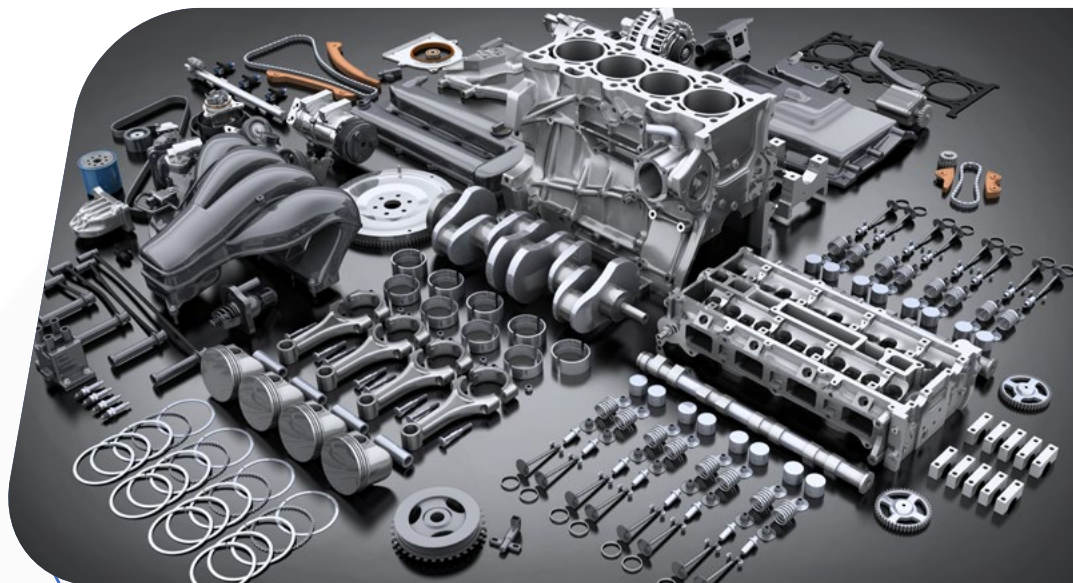
The pricing team faced growing difficulty in managing the supply chain for 5,000 products across numerous customers' programs, leading to delays, inefficiencies, and missed opportunities. The pricing team's frustrations were evident:



"Our current manual processes are getting more complex as our business evolves,"

Pricing Director
Automotive Distributor

To stay competitive and respond swiftly to market demands, they recognized the need for a technological solution to streamline operations, improve accuracy, and drive better business outcomes.



Automating Processes to Focus on Value-Driven Pricing

The Pricefx Solution

Analytics

Price Setting

Price Optimization

To address these challenges, the company partnered with Pricefx. The goal was to implement a solution that could automate key pricing processes. Automation was crucial for a business involved in large-scale product supply to further improve strategic decision-making, and allow the pricing team to focus on more value-driven activities rather than manual data management.

Primary Objectives:

- > **Reduce** manual effort in data gathering, cleansing, and analysis.
- > **Enhance** analytics and reporting capabilities for improved decision-making.
- > **Manage** prices for 5,000 products across multiple programs, including SKU-level management.
- > **Leverage** pricing strategies to optimize inventory and drive volume.

Primary Capabilities:

- > **Analytics** provides pricing insights into their customer and product performance, offering a true waterfall and allowing them to see the impact of pricing.
- > **Price Setting** enables sophisticated pricing strategies, large-scale price adjustments, and approval workflows for exceptions.
- > **AI Optimization** allows for impact modeling of price changes, cost adjustments, and inventory positions, giving the team more control over pricing decisions.

Significant Gains in Key Business Metrics Three Months Post-Implementation

Results

+6.44%
Revenue

+13.1%
Gross Margin

+144 b.p.
Margin Percentage

Just three months after implementing Pricefx, the company saw dramatic improvements in key business metrics:

- **Revenue Growth:** The core program, which adopted Pricefx, experienced a 6.44% improvement in revenue compared to customers' programs still using legacy pricing processes.
- **Gross Margin Improvement:** The core program also saw a 13.1% increase in gross margin, highlighting the impact of optimized pricing strategies.
- **Margin Percentage:** The company's margin percentage improved by 144 basis points for the customers' programs utilizing Pricefx compared to legacy pricing process.





“User adoption has been great, and we are seeing huge benefits from the tool already. The efficiency from December to January was a huge jump, and the filtering capabilities are making our lives so much easier. The team is impressed with how easy and fast the tool is and is excited to use the new software.”

Pricing Director

Automotive Distributor

