



MANUFACTURING INDUSTRY

CASE STUDY

Optimized Pricing Delivers \$15 Million
Margin Improvement in North American
Lubricants Division in First Year



About the Customer

From
United Kingdom

Industry
Multi-National Oil & Gas - Lubricants

One of the largest investor-owned oil and gas companies in the world, this company has expertise in exploration, production, refining, and marketing of oil, gas, and chemicals products.

The company is one of the world's largest suppliers of lubricants for industrial, automotive, aviation, and marine applications, delivering market-leading solutions to consumers in over 100 countries.



Limited Ability to Identify Opportunities and Execute Segment-Level Peer Pricing

The Challenge

In House

Legacy Pricing Tools

Integration

Disconnected Data

Quoting & Visibility

Lack of intelligent guidance

Before implementing Pricefx, the company used in-house developed tools for price and margin management, however pricing, sales, and commercial teams faced many challenges. One major limitation identified was the inability to identify deal-level margin improvement opportunities.

Additionally, disconnected data across deal-making processes lead to misaligned business workflows.

Most importantly, core pricing processes (including quoting), lacked intelligent sales team guidance which directly contributed to margin compression.

Legacy manual data entry and analysis workflows caused significant pricing and process inefficiencies. This fragmented process impacted customer centricity, resulting in slow and inconsistent quoting, deal set-up, and contracting. Manual errors in formula price management further impacted the margin.

Strategically, the existing tools were determined to be inadequate for systematically deploying the necessary value-driven price guidance needed to stay competitive and deliver improved business outcomes.



Identify Opportunities and Challenge Deal with Data-Driven Pricing

The Pricefx Solution

Analytics

Quoting

AI Optimization

To address these challenges, the company partnered with Pricefx to implement a solution that automates key pricing and margin processes while integrating peer pricing into quotes.

The primary objectives for the Pricefx implementation were to:

- > **Provide** sellers with improved guidance by taking a more data-driven approach to pricing and quoting.
- > **Streamline** deal-making processes and align sales quoting and related business workflows.
- > **Enhance** analytics and insights capabilities for improved decision-making.

This customer successfully deployed Pricefx capabilities including:

- > **AI Optimization**, including a customer and product segmentation model and price guardrails, providing optimized target prices to sellers. Developed in collaboration with a strategic consulting partner, the solution was delivered via the Pricefx Optimization Platform. The solution involved comparing current prices with manual proposals from the user and target prices from Pricefx Optimization.
- > **Quoting** provides the sales team with visibility into target pricing within a standard process. Teams gained additional visibility into deal scoring, as well as customer and product segment analysis, to support the evaluation of overall deal-level margin.
- > **Analytics** provides pricing insights including the ability to identify opportunities and act in a repeatable and data-driven manner.

Optimized Pricing Guidance and Peer Pricing as Value Enabler

Results

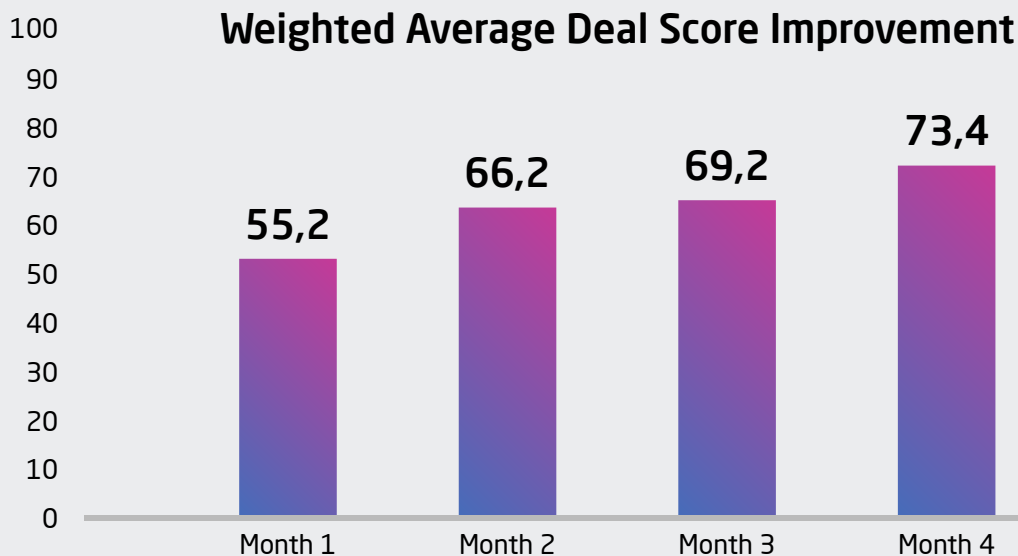
+33%
Deal Score

+15 Million
1st Year Margin
Improvement

**Operational
Efficiency**
Significant
Improvement

Within one year after implementing Pricefx, the company realized significant improvement in key business metrics:

- > **Deal Score:** The sales team recorded a 33% initial upward trend in deal scores in the first four months, reflecting improved commercial decision-making.
- > **Margin Improvement:** Implementation of AI Optimization in combination with sales execution and insights resulted in a gain of \$15 million over one year for the North American Lubricants division.
- > **Operational Efficiency:** Improvements in price execution and operational efficiency were observed as well as improved customer experience.





“Pricing Segmentation was the differentiator and value enabler. The peer pricing capabilities gives us the ability to identify opportunities and challenge deals in a much more data-driven manner than previously.”

Integrated Deal Making Leader

Multi-National Oil & Gas Major - Lubricants Division

