

# High-Tech Industry Leader explores Pricing Practices and boosts profits

## Overview

Given enough time in any market most companies have experienced price pressures & heightened competition resulting in an increase in sales volume but a decrease in revenues and/or drastically reduced margins.

To avoid this situation, the companies' decision makers, business analysts, and sales managers from the server and storage division needed a thorough understanding of pricing, margin, orders and sales practices in order to analyze the impact of short- and long-term financial and business implications.

The solution was a new customized reporting environment created to deliver a clear understanding of trends, pricing and discounting business processes, utilizing up-to-date, data from various source systems with the ability to view the data in different dimensions (i.e., geographical, product specific, etc.) and in various levels of detail.

## First Steps: Deliver fast answers to critical questions

First, the existing business situation was analyzed and a series of essential questions were compiled that served as the basis for building the new reporting environment:

- What is the profile of each approved deal?
- What is the global view of approved deals for the coming months? (i.e. expected margins, sales, fulfillments, etc.)
- Which deals return the lowest margins?



Deal Profile



Deal Trend



Low Margin Deals

## Solution Overview

### The Company

Worldwide supplier of market-leading technology solutions specifically designed to meet the needs of individual consumers, from small and mid-sized businesses to enterprises and public sector, in more than 170 countries. Revenue 2004: 80B\$

### Industry

High technology

### Challenge

The customers' server and storage division was tasked with increasing profitability through an improved understanding of critical pricing practices and their short- and long-term financial and business implications

### Solution

Development of a focused and detailed reporting environment with html dashboards and ad-hoc reporting environment, built to offer different levels of detail and viewing options

### Benefits

- Increased profits
- Improved management of the deal pipeline
- End-to-end view of the sales process



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With a clear analysis and goals for the project set, data from various sources was combined in a central data warehouse. Using the market leading BI Tool Business Objects a set of html dashboards was soon developed and put into place to cover the questions posed by the companies' analysts. Shortly thereafter an ad-hoc environment was developed to complement and expand upon the html dashboards providing the customer the muscle necessary to answer targeted questions regarding the pricing practices of its product division.

### Next Steps: Fine-tune data to gain a competitive edge

The ability to compare actual vs. predicted sales and cost data to stay ahead of the competition meant enriching the reporting environment and fine-tuning the data used to create this reporting capability. By combining yet another layer of sales-out data with the existing environment the customer was quickly able to further increase business insight and improve pricing performance.

### Success

The customer gained comprehensive knowledge of their pricing practices and the ability to generate a solid forecast of the division's projected contribution to bottom-line profitability. The result is an even more insightful and strategic look into the original set of questions posed by the project team—with answers that translate into increased profit margins for the server and storage division.



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