

# Are price overrides causing your business to give away more price than you should, holding back profitability?



## The Challenge

A multi-division food and beverage distributor had manual pricing processes with limited centralized and purposeful guidance on how to set price. Additionally, price was managed and executed at the division level leading to a lot of price deviations and variation, ultimately contributing to profit loss. The business was lacking clear guidelines and processes for how to manage price exceptions which resulted in the sales team's ability to determine one-off customer pricing and offer point of sale overrides. Last, the distributor had limited data visibility due to multiple ERP systems making it difficult to understand current state profitability and make data-driven pricing decisions.

## The Solution

INSIGHT developed and implemented a dynamic pricing model to provide targeted price recommendations that the team could rely on, optimized by market dynamics, pricing performance, and inventory position. We operationalized a consistent discount structure across all divisions, incorporating quantity breaks and customer profiles, to better manage margins and sales discounting decisions. Then, we implemented a tailored price management system so the organization could manage weekly pricing updates so that prices were consistently accurate, reducing the need for sales to make point of sale overrides. Last, we established clear pricing guidelines and controls alongside a reporting cadence to hold the sales organization accountable.

## THE RESULTS

**\$13M**

OF MARGIN IMPACT ACROSS 3 YEARS IN A LOW-MARGIN ENVIRONMENT



DYNAMIC PRICING MODEL ALLOWED FOR WEEKLY PRICE UPDATES



INCREASED SALES TEAM ADOPTION OF PRICING GUIDELINES & CONTROLS

*This distributor's commitment to improving their pricing strategy and establishing better price governance helped build trust and accountability across the commercial organization, leading to pricing consistency, a reduction in price overrides, and profit growth.*

**INSIGHT2PROFIT™**  
INSIGHT2PROFIT.COM

LEARN MORE