



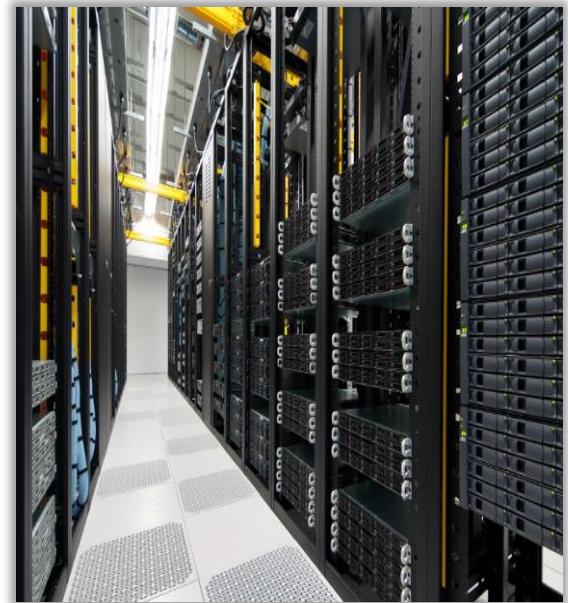
# Do you have a reliable and profitable discounting strategy in place?

## The Challenge:

A manufacturer of electrical equipment had decentralized pricing authority, multiple ERP systems, and limited visibility to what customer discounts were given. This resulted in significant discounting autonomy for salespeople to price outside recommendations with no guardrails to manage existing policies.

## The Solution:

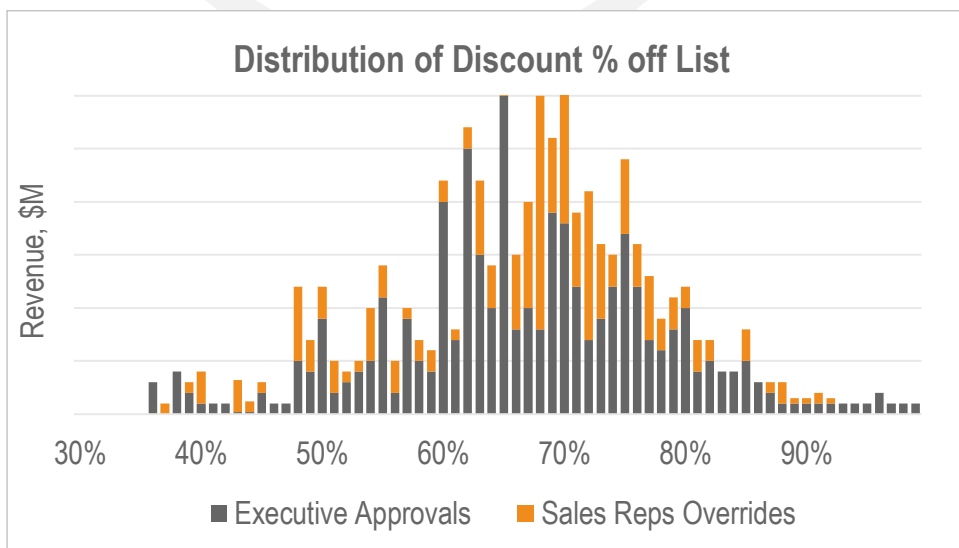
After aggregating, segmenting, and analyzing significant points of data, INSIGHT2PROFIT found substantial price variation of discount levels across customers, products, and individual salespeople. INSIGHT developed a differentiated, dynamic model to re-set customer discounts toward profitable and market-valued levels. We also built and integrated a custom discounting application that recommends modeled discount targets, tracks and measures activity, and allows salespeople to track expected commission per transaction.



## The Results:

**\$25M (2.5%) of impact across 2 years; expecting continued results for year 3**

**We Developed** a margin-growth discounting strategy that ensured price wasn't offset by customer discounts while incentivizing desired sales behavior.



*Decentralized pricing authority was the primary driver of high margin variability and a result of individual salespeople's habitual discount levels.*

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