

Transforming the End-to-End Sales Process in **Distribution**

with **AI-Powered Insight**



DISRUPTION IN DISTRIBUTION

Distributors are facing a sea of change, with most acknowledging the long and difficult path to digitally transform. **It is vital for distributors to unlock the power of digital technology** and be more proactive in meeting their customer needs, more agile in response to competitors, and more capable in delivering a superior customer experience.

TOP 5 INSIGHTS

1. Increase margins by an average of 200-300 basis points
2. Significantly reduce manual overrides
3. Grow your top line
4. Improve the customer experience
5. Improve the efficiency and effectiveness of your end-to-end selling process



An Attempt to “Catch Up”

The National Association of Wholesaler-Distributors (NAW) reports that “most distributors are attempting to “catch up” by adopting digital tools and attempting a digital transformation, but distributors will soon discover that catching up is not enough, because disruptive players are not standing still. Disruptors are continuing to build game-changing capabilities, offer new customer experiences, and reinvent their business model through innovation. Disruptors are a moving target, always advancing. Distributors must do more than catch up; distributors—and the industry as a whole—must get ahead.”¹

The New Competitive Strategy

To keep up with competition from new-model competitors and the buying expectations of a new generation, distributors need to improve their customer experience by transforming their end-to-end selling process.

PROS Makes It Easy

Rather than building a series of unintegrated tools, PROS created a single AI-powered platform that consists of multiple solutions. From insight and analytics to pricing optimization and management, quoting, and digital selling solutions, distributors are growing their businesses, improving gross margins, maximizing profitability, and achieving top-line growth.

GROW YOUR BUSINESS WITH REAL-TIME ACTIONABLE INSIGHT

Keep your customers from your competition by providing pricing that considers and quickly responds to market insight such as competitive data, tariff data, commodity indexes, supply and demand, and other inputs relevant to your pricing strategy.

Grow your existing portfolio by giving sales reps unprecedented insight into their markets, cross-sell/upsell recommendations, insight into high-priority customer targets, and product opportunities in specific sales territories.

Extend the capabilities of your salesforce, regardless of their pricing and selling experience, through real-time guidance based on all available and relevant data, for ultimate effectiveness and confidence.

IMPROVE GROSS MARGIN AND MAXIMIZE PROFITABILITY

Reduce manual discounting and offer the right price for the right product(s) at the right time, with dynamic price optimization based on your customer’s willingness-to-pay.

Manage, optimize and update non-negotiated/spot/online pricing across millions of different SKUs and hundreds of different product lines, channels and customers, in real time, to ensure consistency and drive profitability.

Generate pricing strategies for items in different areas of a life cycle based on inventory levels to ensure you’ve liquidated all product before it goes stagnant and kills your cash conversion cycle.

IMPROVE PROCESSES AND EFFECTIVENESS

Quickly respond to large agreements or RFPs with up to 100,000 line items through guided workflows, streamlined approvals, pricing guidance for your A&B (priority) items, and optimized prices for your C&D (tail-end) items.

Optimize the customer self-service experience throughout all channels and portals through catalog management, customized configurations, personalized recommendations, and online pricing that is consistent with their negotiated pricing.

Automate processes such as the creation, analysis and management of rebates, sales agreements, product orders and renewals through a harmonized platform so that you never miss a thing.

1. The National Association of Wholesaler-Distributors (NAW)’s Innovate to Dominate: The 12th Edition in the Facing the Forces of Change Series



KEY BENEFITS FOR DISTRIBUTORS

Solve Margin Leakage

PROS Control and Guidance provide pricing-tailored analytics that allow you to evaluate historical pricing strategies, investigate the components of your profitability waterfalls at aggregate and granular levels, identify margin leakage, and model potential future pricing strategies.

Move with the Market

PROS Control and Guidance provide insight and analytics so that you're proactive to fluctuating market conditions, can quickly respond to competitive pressure, and have visibility into pricing and profitability.

Prevent Customer Churn

PROS Opportunity Detection analyzes a company's transaction data to identify sales opportunities with existing customers. It listens to purchase history for that customer and similar customers to identify and surface products which customers would be interested in purchasing.

Reduce Manual Overrides

PROS Guidance predicts winning, revenue optimal prices for every unique negotiation and lets you know how much the customer is willing to pay — helping to avoid unnecessary discounting from your sales teams.

Optimize Pricing

PROS Control ensures your omnichannel list, matrix, and online pricing are optimized and relevant by incorporating real-time information, commodity indices, tariff data, competitive intelligence, inventory counts, and/or conditional data.

Elevate Sales Confidence

The PROS Commerce Platform empowers your sales reps while they're in the field, regardless of their selling or pricing experience, with tribal knowledge that encompasses best practices and is backed by data, for ultimate pricing and selling confidence.

Price Effectively Online

The PROS Commerce Platform enables your customers to self-serve, regardless of channel, with catalog management, customized configurations, personalized recommendations, and online prices designed to win.

Deliver Quotes Faster

PROS Smart CPQ automates the quote-to-cash process, from receiving the request and setting terms and conditions, to approval cycles and generating proposals.

Improve Internal Processes

PROS Smart CPQ and Control provide one platform for sales and pricing teams to manage all rebates, sales agreements, and renewals to make sure you continue to win and to develop better relationships with vendors and customers.

Creating Value Across Teams

After 35 years working with over 30 different industries, PROS continues to pioneer data science strategies to partner with and support distributors' success. AI and machine learning are the foundation of our business model. We understand distributors' pain points and we know how to alleviate them. Whatever your challenge is, we've solved a similar one for someone in your industry.

PROS isn't a black box; it's a transparent and evolving platform that you can set up to support your specific vision and future needs. PROS not only gives you full control, but also simplicity and instant responsiveness to drive both short- and long-term strategy.

PROS partners with distributors like you to ensure you're proactive rather than reactive to the market while empowering your sales teams to make intelligent business decisions. The PROS Commerce Platform resonates with all teams, at all levels of your organization.

LEADERSHIP

Translate business strategy into pricing advice and guidance using PROS AI.

SALES

Empower sales reps with an AI-based platform that identifies high-value opportunities and integrates easily with existing workflows.

PRICING

Give pricing teams the ability to manage complexity and set dynamic, data-driven strategies.

FINANCE

Measure the ROI of digital transformation initiatives and establish performance benchmarks to measure lifetime value.

IT

Integrate smoothly with systems already in place to minimize disruption and get more value from the tools they already use.

SOLUTIONS IN ACTION

INDUSTRIAL EQUIPMENT DISTRIBUTOR

One of the World's Largest Distributors of Industrial Equipment

Identified & closed margin leaks and eliminated excessive discounting
Automated & streamlined price-setting process for over 500K products
Generated nearly \$4 million above target revenue
Projected \$18 million annual gross profit lift

BUILDING PRODUCTS DISTRIBUTOR

A Leading Distributor of Building Materials and Specialty Products

Enabled accurate, highly efficient quoting while ensuring appropriate margins
Cut margin-killing overrides from 55% of transactions to 39% — a 16-point improvement
Decreased overrides which boosted transactions at all price levels and increased average prices
Improved gross margin by 310 basis points — a value realization of \$3.5 million

GLOBAL ELECTRONICS DISTRIBUTOR

A Multi-Billion Dollar Global Electronics Distributor

Reduced incidence of "below-floor" prices by more than 10%
Increased the number of invoices exceeding sales targets by more than 10%
Increased gross profit on commodity products by more than 230 basis points
Increased revenue in individual segments by more than 2%

FOOD SERVICE DISTRIBUTOR

One of the Nation's Largest Broadline Foodservice Distributors

Realized over \$6M in annualized incremental revenue
Unseated the #1 competitor in their space in various cases
Doubled sales in several accounts
Increased adoption of CRM tool

The Cost of the Status Quo

According to Gartner², companies who invest in pricing systems can expect:

1-5% revenue increase

2-10% margin increase

20% lifetime value increase

80% reduction in manual discount approvals

Gut-feel selling and pricing isn't sustainable and it's not hard to predict the detrimental impact overrides can have on margins over time.

How much is the status quo costing you?

2. 15 March, 2018: Gartner Market Guide for B2B Price Optimization and Management Software

Want to Learn More?

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About PROS

PROS Holdings, Inc. (NYSE: PRO) provides AI-powered solutions that optimize selling in the digital economy. PROS solutions make it possible for companies to price, configure and sell their products and services in an omnichannel environment with speed, precision and consistency. Our customers, who are leaders in their markets, benefit from decades of data science expertise infused into our industry solutions.