

How One Company Created a Competitive Advantage with Price Optimization Software

A case study based on a presentation by a leading food manufacturer.



A Challenging Marketplace



Competition



Industry Regulation



Market Demand

After the merger of competitors to form a new industry-leading food manufacturer, the company needed to quickly harmonize all aspects of their business to deliver value to their customers and their shareholders.

Despite being a multi-billion dollar company immediately upon establishment, they had to establish a new set of operating principles. This included common core values and company culture, and a common set of data and a comprehensive technology strategy.

They also faced many external challenges that other B2B companies face including strong competition, challenging industry regulations and safety standards, and flat to stagnant market growth in some of their strongest categories.

Price Optimization: Strong Benefits



Pricing Optimization Realized Benefits:

- Absolute increase in margin
- Right segmentation, right guidance, and right margin



Primary Goals:

- Align pricing to market conditions
- Instill confidence in the sales rep at the point of sale
- Maximize capacity utilization

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The company moved quickly to begin establishing new baselines. After operating for a year to stand up their new technology platform and collect a year's worth of business data, the Board of Directors implored them to identify a price optimization solution.

Before the merger, the individual companies both successfully used price optimization to provide intelligent pricing guidance. In both cases, they realized absolute increases in margin and made it easier for their sales teams to win business.

Under the new corporate umbrella, they moved to select a new pricing partner that could help them deliver strategic goals of increased margin and strong sales confidence.

Partnering with Zilliant



Diagnostic Findings

- Solid business case built from diagnostics



Solution and Implementation

- Flexibility and capability to align to our needs



A Trusted Partner

- Shared core values
- Interest, willingness, and time to understand our business

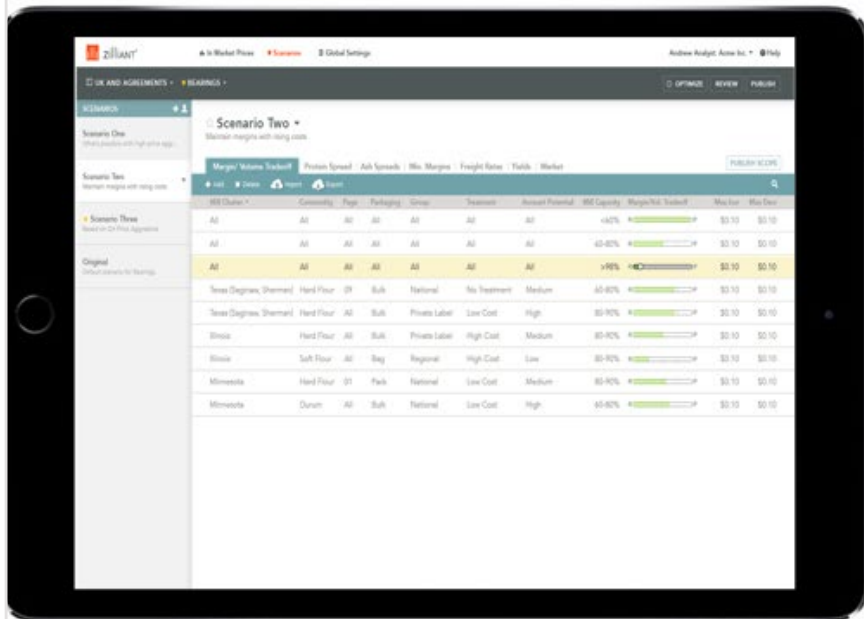
The food producer selected Zilliant to be their partner for three primary reasons.

During the initial engagement, Zilliant led the company's leadership through a business diagnostic that uncovered significant opportunity to use AI for pricing, sales intelligence, and capacity utilization.

Zilliant was the only vendor who had an AI-based SaaS platform that could offer price optimization and the flexibility to produce other actionable intelligence that met their needs.

Finally, Zilliant demonstrated their commitment as a trust partner through a common set of shared values and willingness to truly understand the company's business.

Optimizing the Business and Pricing



Scenario	Product	Unit	Price	Volume	Margin	Revenue	Profit	Loss
Scenario One	Hard Flour	50	\$0.10	100	10%	\$10	\$1	\$9
Scenario Two	Hard Flour	50	\$0.10	100	10%	\$10	\$1	\$9
Scenario Three	Hard Flour	50	\$0.10	100	10%	\$10	\$1	\$9
Original	Hard Flour	50	\$0.10	100	10%	\$10	\$1	\$9

Initial Implementation: Zilliant Price IQ

- Optimize prices to local market conditions and harmonize prices across mill cluster groups
- Easily integrate third-party data to produce market-aligned pricing

The two companies set out to deploy AI-generated pricing guidance using the Zilliant Price IQ™ price optimization solution. In addition to providing consistent pricing guidance that removes sales guesswork for quotes and agreements, business leadership was keen to use the Strategy Interface.

The Strategy Interface provided a rapid strategy response solution that they needed be a price leader in their industry. As they observed or forecasted market changes, they could model, simulate and deploy strategic price changes ahead of competition. Their sales reps would have real-time, updated pricing guidance within a few clicks.

Delivering on an Aggressive Timeline

Pricing Strategy and Change Management Milestones

	Month	1				2				3				4				5				6			
	Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Project Start																									
Recommendation Iterations	Initial Prices																								
	Improved Prices																								
	Final Prices																								
	Review Period																								
Application Configuration	Visual Analytics																								
	Strategy Interface																								
IT Configuration	Data Exchange																								
	Quote App Config																								
Go Live																									
Change Management																									
Ongoing Support																									

The companies created an aggressive timeline to deliver on new prices, change management, and the Strategy Interface in 16 weeks.

With dedicated resources from both Zilliant and the food manufacturer, they followed an agile implementation methodology with rapid cycles of iteration. Over 16 weeks, they iterated on the pricing strategy, model and delivery 15 times to ensure that prices were the absolute best, accurate and easily understood by sales and customers.

Key Account Managers Feedback

"I have already used the pricing optimization guidance to increase prices of multiple flat-priced contracts where as before, I just used the margins!"

"The tool is great. I've been using the suggested margins. I really like having the information right there for me to use."

A change management process tracked in parallel to the solution design to ensure sales was engaged early and often in preparation for go live.

The pricing guidance and analytics were directly integrated into the sales reps quoting and agreement tools. This ensured they could quickly, consistently and profitably respond to deals without delay.

Sales adoption was strong and positive feedback followed.

Goals Realized with Initial Results

6
points
Most significant product line has shown increased adoption and profitability since inception


Strategy interface instrumental in capturing value in changing market conditions


Streamline onboarding new team members


Increase market share in volume

Within the first few months of being live, leadership had complete confidence they were on a path to immediate return on investment with the solution.

They measured absolute increases in margin across multiple product categories. With their new ability to rapidly adjust pricing strategies thanks to the Price IQ Strategy Interface, they were able to increase sales confidence and capture new business to grow market share.

Advice to Others



When asked what recommendations they would have for others experiencing similar challenges or common goals:

Set clear business strategies and have a means to align and deploy those strategies to guide daily employee decisions.

Align with business partners that can demonstrate a common set of shared values and expertise to deliver.

Ensure efficient execution by dedicating personnel to solution implementation, change management, and pricing strategy.

Regularly track results and continuously improve.

About Zilliant

Zilliant helps B2B enterprises turn data into actionable intelligence that accelerates profitable growth. The Zilliant IQ Platform uses AI to deliver actionable, real-time sales and pricing intelligence for traditional and digital channels, so you can maximize the immediate value of every transaction – and the lifetime value of every customer. Because when customer lifetime value is maximized, profits are accelerated, competitive advantage is created, sales performance is improved, and sustaining organizational success is achieved.



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