



HOW GLOBAL COMPANIES CAN BEAT INFLATION

EBOOK

A series of thin, orange, wavy lines that flow from the bottom left towards the top right, passing behind the man's head and the laptop.

 **QUICKSTART**



“74% of CFOs cite lower profitability as the biggest risk organizations face as a result of input price inflation. In response to input price inflation, most executive leaders are taking **near-term** actions. Few firms are instituting **long-term** changes that could create a competitive edge.”

3 Ways to Mitigate Margin Pressure From Input Price Inflation – Gartner

THE REALITY OF INFLATION

There is no escaping the reality of inflation because it permeates our lives as everyday consumers. Peeling back a layer of the supply chain, it is clear to see that input price (i.e. cost) inflation is ravaging manufacturers and distributors in the B2B space.

Gartner notes in the report *3 Ways to Mitigate Margin Pressure From Input Price Inflation* that “74% of CFOs cite lower profitability as the biggest risk organizations face as a result of input price inflation. In response to input price inflation, most executive leaders are taking near-term actions. Few firms are instituting long-term changes that could create a competitive edge.”

This is understandable. It's a natural response to act in the immediate interest when crises are bearing down upon you. Any long-term strategic pricing planning often feels out of reach when costs are going up faster than your ability to effectively process and cascade them to your buyers. An across-the-board price increase is a quick salve to inflationary pricing pressure, but as those prices trickle down through internal teams, channels, and ultimately to customers – how much margin will be ultimately recouped?

HOW INFLATIONARY COST INCREASES ARE DEALT WITH

The typical B2B company is using legacy systems of management and systems of record for pricing. **As we've covered extensively**, modern business has evolved beyond the effective utility of these systems, given the proliferation of omnichannel commerce and demand for real-time dynamic pricing. Throw inflation on top of the pile, and you've got a perfect storm that overwhelms the people, processes and technology that impact (or erode) strategic pricing strategies.

Our two decades of helping B2B companies with pricing has revealed one universal truth: Manual tools and legacy processes often take 90 days at minimum to push out a price update in response to cost changes. It's not uncommon for the process to take up to four months.

Consider a mid-size metals distributor, operating solely in the U.S., receiving a cost increase on scrap steel from its upstream suppliers. The cost increase triggers a pricing response, albeit a lengthy and arduous one.

- First the new cost data has to be manually aggregated
- Then price lists are updated meticulously inside a massive spreadsheet
- New prices have to be loaded into the system of record, usually an inflexible ERP which doesn't interface in real-time with other commercial execution systems
- The new price lists are finally communicated via email to each of the branches
- Each branch manager needs to apply their own region-specific pricing factors before ultimately pushing them to sales reps and customers

By the time this process is complete, 90 to 120 days later, **their costs have likely gone up again**, rendering the newly published prices obsolete and reigniting the entire process again.

And this is just for a company operating in a single country.





GLOBAL COMPANIES HAVE IT EVEN TOUGHER

For global companies that operate with a multinational footprint, take that entire process described above and add several **painful layers** to the mix.

- First the new cost data has to be manually aggregated
- The global price list is updated meticulously inside an even more massive spreadsheet
- New prices are emailed out to each country manager separately
- Additional updates are made at the country level:
 - Manual currency exchange calculations
 - Manual accounting of country-specific factors
- New prices have to be loaded into the system of record, usually an inflexible ERP which doesn't interface in real-time with other commercial execution systems.

It's no wonder that **inefficient pricing processes** cause the average B2B company to lose as much as 2.4% margin annually. That number is likely to increase as costs continue to rise. Most companies are painfully aware of the problems caused by inflationary pressures. However, they are seemingly stuck between the reality of insufficient manual tools on the one hand, and the specter of a strenuous professional services engagement / technology overhaul on the other. Thankfully, the notion that your choices are binary is false. There is a third option – one that flips this paradigm and leverages leading price management software for immediate price updates when costs change and can be live in your business in a matter of weeks.

DOOR NUMBER THREE: ENTER ZILLIANT QUICK START FOR GLOBAL AND COUNTRY PRICE LISTS

There is a better way for global companies to get a handle on inflationary cost increases. The just-announced **Zilliant Quick Start for Global and Country Price Lists** closes the gap by speeding time-to-value with intuitive tools backed by the leading price management platform on the market. It is speed meets power, with deployment of **Zilliant Price Manager™** in as few as four weeks.

The Quick Start comes with a pre-defined global and country price list waterfall, plus out-of-the-box extensions to match the way a company manages its prices. Users get access to standardized scenarios and templates that make it easy to:

- Update global list prices as costs change using pre-defined cost pass-through strategies
- Perform currency conversions to calculate country list prices
- Make additional country factor adjustments to list prices
- Provide access to centralized and decentralized pricing teams within the same system of price management



QUICKSTART

The Quick Start for Global and Country Price Lists allows you to halt and reverse margin leakage while helping your pricing teams refocus on long-term, strategic responses to this chaotic climate ... and any future margin-disrupting events.

Now more than ever, time is money. The most common theme in our conversations with B2B companies in the past year is that outdated processes and tools are leading to lost margin as input prices rise. That's why we have ensured that companies can optimize their global and country price setting and management processes to respond quickly to inflation and disruption faster than any other solution on the market.

The Quick Start for Global and Country Price Lists allows you to halt and reverse margin leakage while helping your pricing teams refocus on long-term, strategic responses to this chaotic climate ... and any future margin-disrupting events.

WHAT IS THE ZILLIANT QUICK START PROGRAM?

Quick Start is a revolutionary approach to solving targeted pricing and sales challenges that will disrupt how companies address a wide array of use cases. Stay tuned for more purpose-built, out-of-the-box solutions that get you up and running with Zilliant software in three to eight weeks.

Get a head start on your competition. [Contact us about a Quick Start demo today.](#)





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