

Profit Opportunity – Strategic Pricing

A specialty-steel manufacturer's profit was on a consistent negative trend. Analyzing several years of transactions revealed that many items were sold at or below below cost. In addition, manufacturing cost were found to be more variable then previously believed.

As a result of the analysis, the sales team was provided targeted profit levels by order size. Any deviation would need to be reviewed by the sales manager and the process of weekly reviews provided enhanced visibility on profitability.

This company lost focus on its pricing, cost structure and the value of analyzing its own data. It did not take long for the loss of focus to translate to loss of profit.



SCHNEIDER DOWNS

Big Thinking. Personal Focus.

PROFITABILITY AND OPERATIONS MANAGEMENT SERVICES