

## MANAGEMENT ADVISORY SUCCESS STORY

### BETTER BUSINESS POLICIES FOR IMPROVED PERFORMANCE

#### GLOBAL MANUFACTURING COMPANY

A company was struggling with profitability, with their current P&L in the red. The general manager was under pressure to turn around performance as quickly as possible.

After a review of current pricing policies and procedures, we found that the sales team owned product pricing in the field and was paid commissions on sales, incentivizing units over profit.

When we evaluated profitability performance over the prior few years, we discovered that 4% of all sales were sold below standard cost.

### The Impact of Management Advisory

To improve profitability, Schneider Downs consultants worked with the company's leadership to restructure pricing processes:

- » Moved pricing ownership and approval structure to commercial operations team for better visibility on each order, improving below-cost sales from 4% to 0.4%
- » Developed a new quoting process, created a standardized pricing model and implemented pricing minimums and price optimization to quickly respond to quote requests from the field while ensuring profitability on each item sold
- » Worked with the company's leadership to change commission structure based on gross margin

After implementation of the recommended pricing process best practices, the company realized an **annual profit improvement** of \$2MM.



### About Schneider Downs Management Advisory Services

The Schneider Downs Management Advisory team has a wealth of senior-level experience with all types of organizations, from large corporations to middle-market companies. Our team provides independent opinions without bias, backed by decades of experience across industries and a focus on value-driven results. We offer creative approaches to complex issues, with an emphasis on data-driven solutions and process efficiency.

For more information on how the Management Advisory team can assist your organization, contact Michael P. Hart at [mhart@schneiderdowns.com](mailto:mhart@schneiderdowns.com) or 216-543-0821.