



Pricing for Performance Overview

For a business to achieve and maintain success, pricing strategies and configurations must be regularly evaluated. As a result of working closely with many Karmak customers to improve their pricing structures, we have found that as their businesses evolve, their pricing strategies and processes often need to be updated. Symptoms of outdated pricing structures may include declining margins and an excessive amount of time spent on managing pricing. To help customers address this common business problem, we have developed a unique, broad-based program which will guide you through price reconfiguration and restructuring.

Our approach is unique and personal; we don't tell you what you should do, but instead we help you evaluate your company's approach to pricing. After the initial evaluation, we help you develop a strategy that maximizes both your business system investment and your bottom line. Our evaluations and recommendations are extensive, and cover topics ranging from supplier file configurations, to pricing maintenance, to custom price quotations. We also consider the most critical part of the process, the staff.

Our results are measurable. In addition to streamlining how an organization deals with pricing, our customers have experienced sustainable increases in profit margin levels. One customer has referred to this program as "Extreme Pricing Makeover" by Karmak.

Why consider a pricing restructure?

If you have noticed any of the following within your organization, it may be time to examine your current pricing, review the existing policies, and look for better ways to structure and manage pricing.

- Low or declining margins on parts sales
- Excessive amounts of contract pricing
- Excessive number of price overrides at the point-of-sale
- Lack of attention to pricing file
- Growth through location expansion
- Changes in management or ownership
- Changes in parts sales strategy
- Addition of new product lines that differ from existing business
- Any customer who feels they spend too much time managing their company's pricing function can benefit.

Karmak's approach is comprehensive and thorough

Our proven method for effectively evaluating and restructuring pricing covers seven key areas.

1. With you, we will explore the current pricing structure and conduct in-depth analysis and benchmarking of key business metrics, such as:
 - a. Sales and margin trends
 - b. Current system configuration
 - c. Core profitability
 - d. Inventory classification effectiveness

2. We will hold an on-site pricing training seminar for the entire management team. This step is critical to developing a corporate pricing strategy for any organization.
3. A test environment in which we will apply all suggested changes is created. This will be used to evaluate the effects of proposed pricing strategy prior to implementation in the production environment.
4. All pricing related files needed to implement the new pricing strategy in the test environment are updated.
5. Changes in the test environment based on prior sales detail are analyzed. We take actual historical transactions and process them through the test environment for the most accurate prediction of success in the live production environment.
6. Preparation begins for final conversion of new pricing files in the production environment.
7. After all test environment processes are evaluated and approved, final implementation of the new pricing structure is established.

Follow-up

After our recommendations are made, we will help you monitor and evaluate the results. This feedback and review continues for several months following the program implementation because we want to ensure that you are completely satisfied with the results of your new pricing strategy.

Call to speak with our experts today at 800-252-7625 in the United States or 800-527-6252 in Canada.