Price Optimization through analytics in revenue management, profitability enhancement and improved volumes

There has been continuous pressure on making the right pricing decisions because of stiff competition given the market dynamics getting complex year over year. Added to the complexity, increasing volatility of cost factors and complex revenue sharing partnerships make the pricing game more sensitive to the right decisions at the right time. While customized contractual agreements help customers in realizing the real value of their products, it also requires the business to keep track of every transactional level detail in order to capture the right demand and supply levers and get the desired share of wallet.

Key Pricing Challenges

Heavy Equipment:
- Emerging market infrastructure investments and shifting consumer demographics alter demand patterns
- Must improve their ability to sense buying behavior, collaborate internally and externally, and build the right segmentation strategy to address each group
- Accommodating various factors, be it market fluctuations or product characteristics into dynamic pricing
- To drive unbiased discussions on pricing in the regions and to direct pricing discussions from introspective margin targets to customer value based pricing
- Lack of structured process for new product introduction and need for analyzing impact of pricing strategies in new markets
- Identifying margin improvement opportunities by capturing deal lifecycle information and to have a benchmark to compare

Parts Pricing:
- Availability of multiple choices for an apparent single problem makes the right product strategy more challenged
- Develop strategies that support business models in the face of increased uncertainty and complexity
- Conceptualize and develop pricing solutions to track and avoid price leakages and application of statistical tools for price forecast and estimation
- Gain immediate insights into real time data with flexibility to conduct deep dive to evaluate business performance at regional, component and technology level
- Replace unstructured discount mechanism with effective discount management method based on delegation of authority
- Unlocking the real value out of transactional pricing for piece parts
Genpact Limited (NYSE:G), a global leader in business process management and technology services, leverages the power of smarter processes, smarter analytics and smarter technology to help its clients drive intelligence across the enterprise. Genpact's Smart Enterprise Processes (SEPM) framework, its unique science of process combined with deep domain expertise in multiple industry verticals, leads to superior business outcomes. Genpact's Smart Decision Services deliver valuable business insights to its clients through targeted analytics, reengineering expertise, and advanced risk management. Making technology more intelligent by embedding it with process and data insights, Genpact also offers a wide variety of technology solutions for better business outcomes.

Traditional methods and processes can no longer address these challenges and deliver results. For insight into their pricing challenges and ways to improve margins, companies need powerful analytics.

Genpact Pricing Analytics Services

Genpact Pricing Analytics offers analytical insights to enable decision making and strategy creation to address the complex market dynamics in today's business environment. The solution provides services to enable CXOs to achieve price optimization through:

- Market Analysis
- Customer Analysis
- Pricing Strategy
- Price Execution and Performance

Pricing Solutions:

<table>
<thead>
<tr>
<th>Price Setting</th>
<th>Deal Pricing</th>
<th>Price Measurement</th>
<th>Competitive Intelligence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Based Pricing</td>
<td>Deal Pricing Analysis</td>
<td>Price Index</td>
<td>Competitive Price Tracking</td>
</tr>
<tr>
<td>Guideline Price Setting</td>
<td>Market based pricing</td>
<td>Discount Measurement Analysis</td>
<td>Share Of Wallet Tracking</td>
</tr>
<tr>
<td>Risk based Pricing</td>
<td>Long term contract pricing</td>
<td>Price waterfall analysis</td>
<td>Develop competitive Pricing</td>
</tr>
<tr>
<td>Sensitivity analysis</td>
<td>Win-Loss analysis</td>
<td>Delegation of Authority: CM Analysis</td>
<td>Models</td>
</tr>
<tr>
<td>Dynamic Pricing</td>
<td></td>
<td></td>
<td>Pricing action based on competition</td>
</tr>
<tr>
<td>Conjoint analysis</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Our Pricing Analytics Services Have Helped Achieve

- Annual Incremental revenues of $15-20 MM for a $6 Billion P&L of parts business through effective part sales tracking and price optimization
- A 5% increase in win rate over couple of financial years for a $8 Billion P&L through post mortem data analysis
- 1%+ improvement in price point through discrete segmentation based target prices for multi-million dollar deals
- A $10 MM increase in operating income through transactional pricing for a globally diversified company specializing in water and fluids management
- A 15% price increase year on year for a leading power generation equipment manufacturer through value based pricing
- A 20% reduction in time and effort required for devising new product pricing strategy for a leading heavy equipment manufacturer
- A $5.5 MM impact through Value based pricing for used equipments for a leading logistics provider

Genpact operates a cost-effective, scalable global offshore delivery model, ensures a targeted approach and utilizes customized methodologies. We have the flexibility to leverage our own Pricing Tools as well as augment client's existing resources and tools.