

# Beanstalk Revenue Management

## Grow | Thrive | Prosper

### Transactional Discipline

Today, it is more critical than ever for businesses to focus on transaction pricing; they can no longer rely on the double-digit annual sales growth and rich margins of the 1990s to overshadow pricing shortfalls. Moreover, at many companies, little remains to be gained from additional cost cutting measures. Pricing is therefore one of the few untapped levers to boost earnings, and companies that start now will be in a good position to profit fully from the next upturn.

Beanstalk Revenue Management leads businesses through a process to identify price leakage and develop action plans that resolve the underlying issues and generate positive operating income impacts. The focus of this framework includes the following key strategic components:

- Business strategy and objectives
- Segmentation of customers and products
- Rationalization of price levels, structures, and discounts
- Merchandising and incentive effectiveness
- Creation of a price waterfall
- Identification of price leakage and assessment of core profit levers
- Governance and action plans for sustainability

Our approach begins with developing an understanding of business performance and an assessment of your price waterfall.

#### Following the pocket price waterfall

Many companies are able to gain 1 percent or more in price by carefully looking at what part of the list price of a product or service is actually pocketed from each transaction. Right pricing is a more subtle game than setting list prices or even tracking invoice prices. Significant amounts of money can leak away from list or base prices as customers receive discounts, incentives, promotions, and other giveaways to seal contracts and maintain volumes.

The waterfall will provide transparency to price variance across similar groups of customers and products. Insight into leakage will allow us to work together to determine where we can recover revenue through eliminating variance, slippage, and assessing non-profitable contracts.

Incentives and customer agreements are crucial to driving the right behaviors in our partners. These agreements encourage collaborative business growth, and structure compensation based on mutual goals. We help develop the most effective program to achieve sustainable results.

With a rich understanding of these components, Beanstalk Revenue Management works alongside our clients to identify profit opportunities and develop the underlying infrastructure and process necessary to sustain for years to come.