

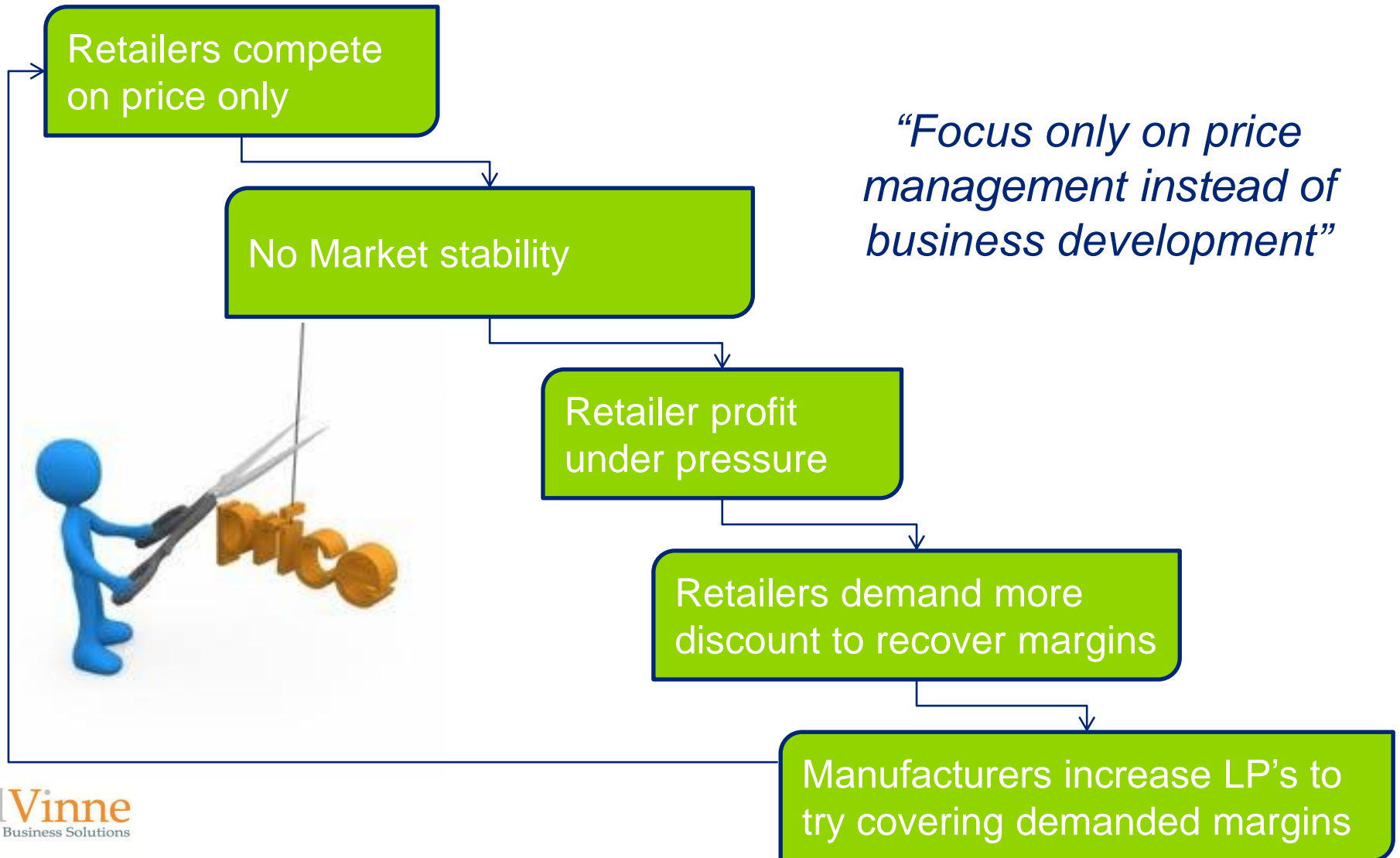
Value based selling
Pricing is one thing, selling is another



Is your brand being treated with respect?



Basically all companies want to prevent or break the vicious Lose-Lose margin cycle



It makes companies question their strategy and makes them wonder whether or how they should act

“We can’t create an instant view of prices across products divisions, countries and customer groups.”

“But we know we have different pricing in different countries for the same product.”

“We often see our products being re-sold across borders due to different prices and discounts. We don’t know how big the issue is but we shouldn’t have to make one harmonized price for everybody, should we?”

“We suspect that we give too much margin away. We really can’t analyze it, and wish we had more transparency and thereby find all the places in the PPWF where leakage happens.”

“We work with discounts and rebates, but do we really optimize the return on our investment?”



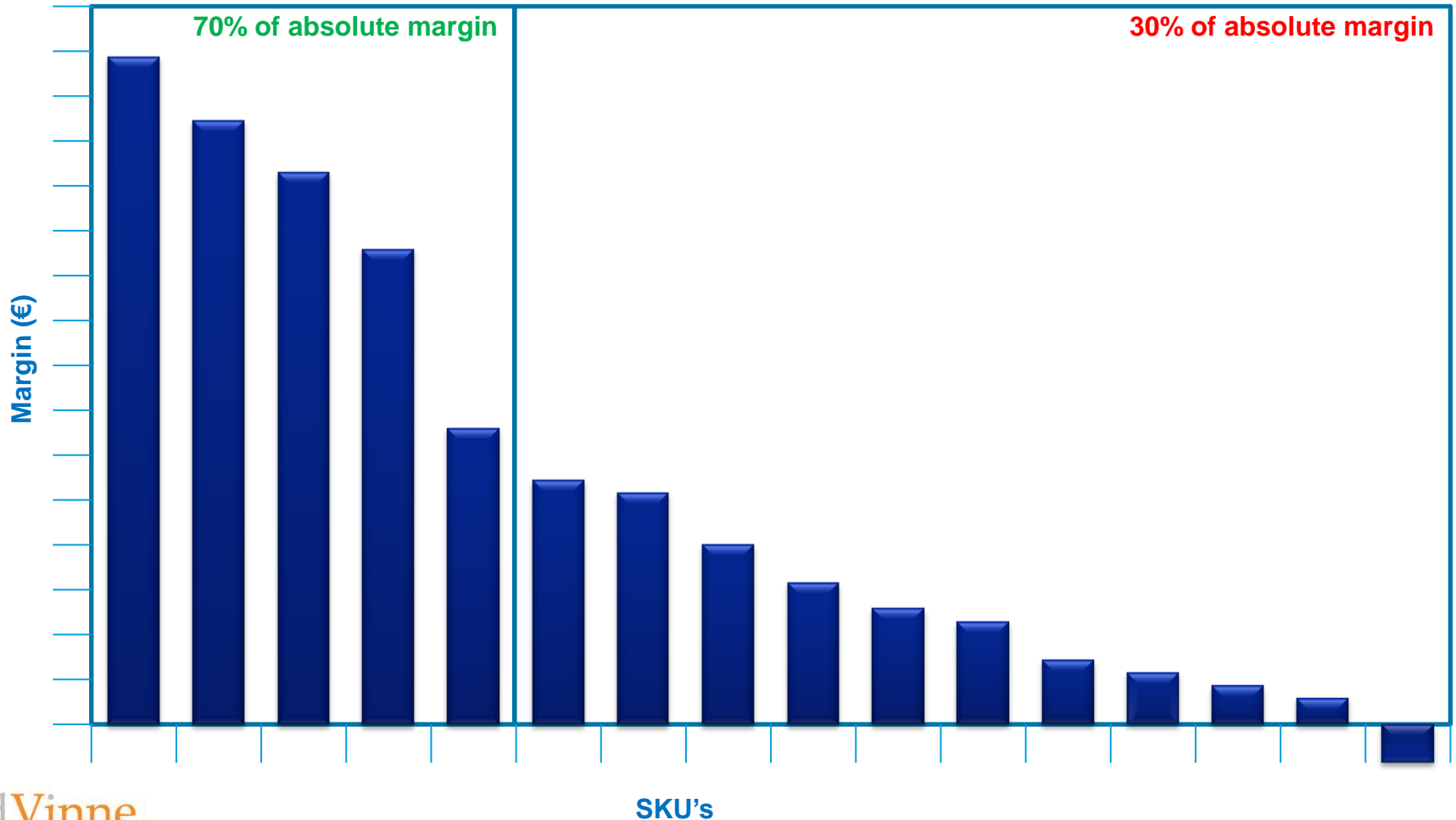
And if it is time to change; first try to answer what success looks like for your business



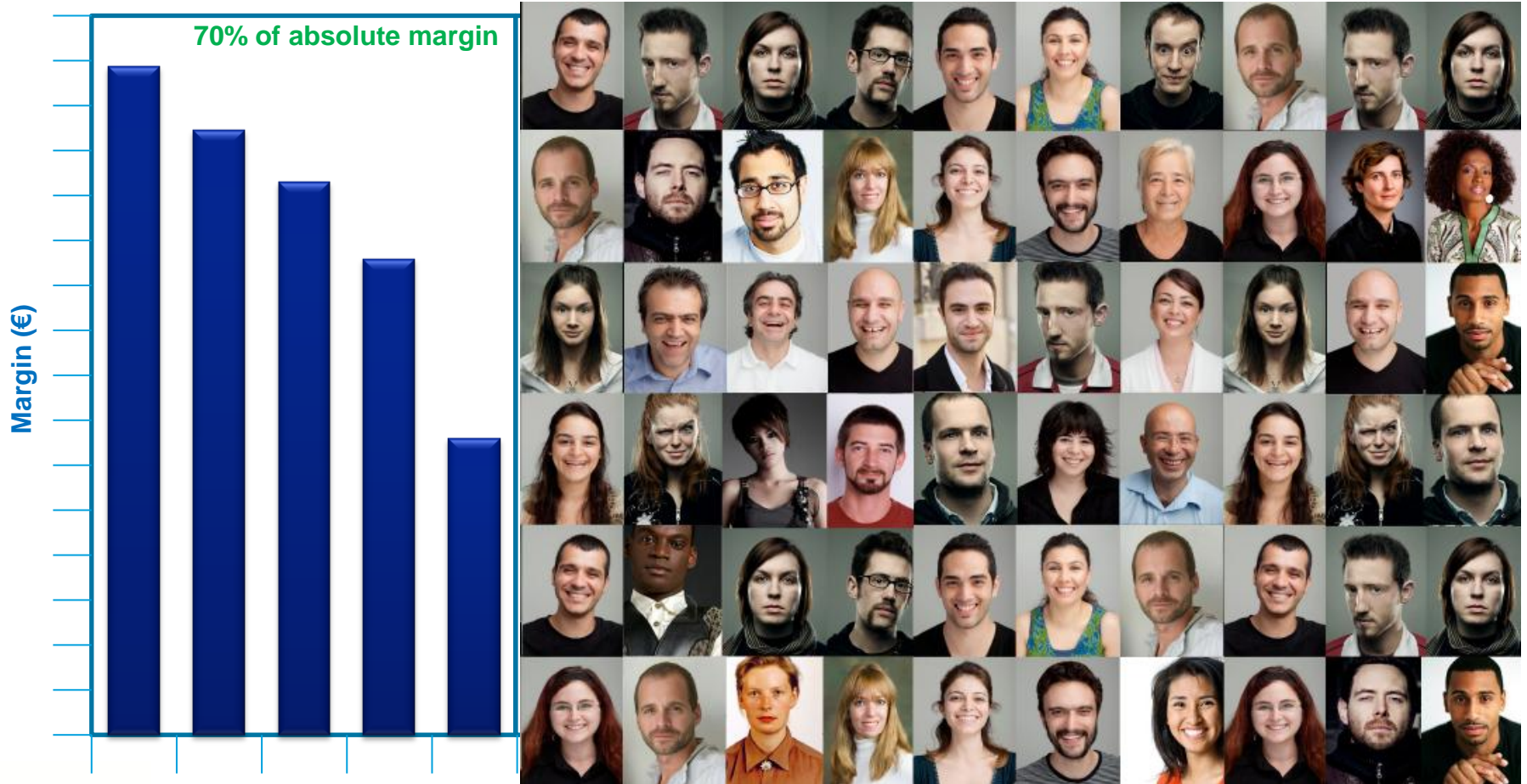
We recommend a logical, pragmatic & simple process to grow profitably with preferred customers



Step 1: Map the product portfolio and decide on which core products you want to base your policy on

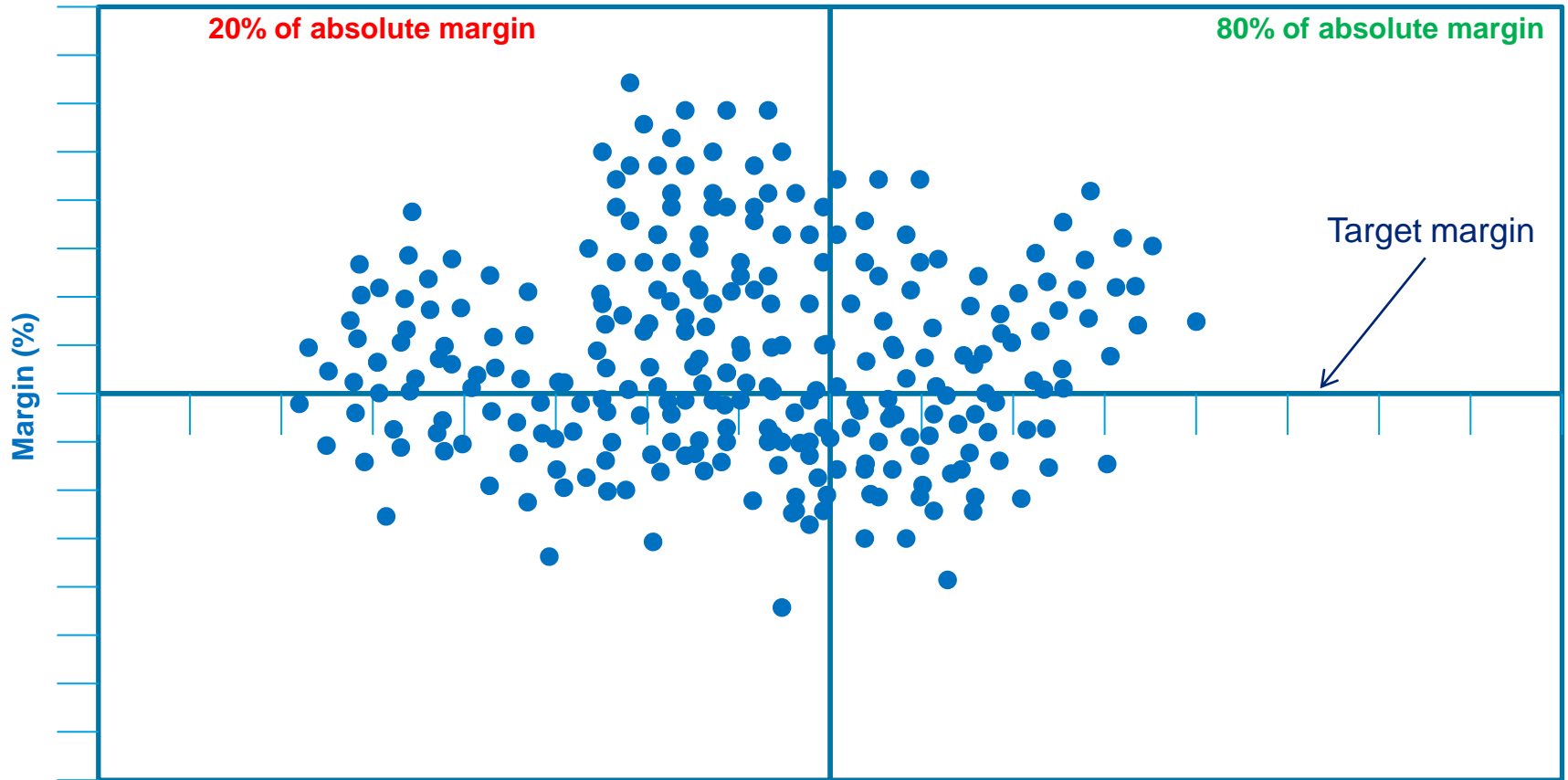


Step 2: Segment your targeted consumers/shoppers and map their shopping requirements



SKU's

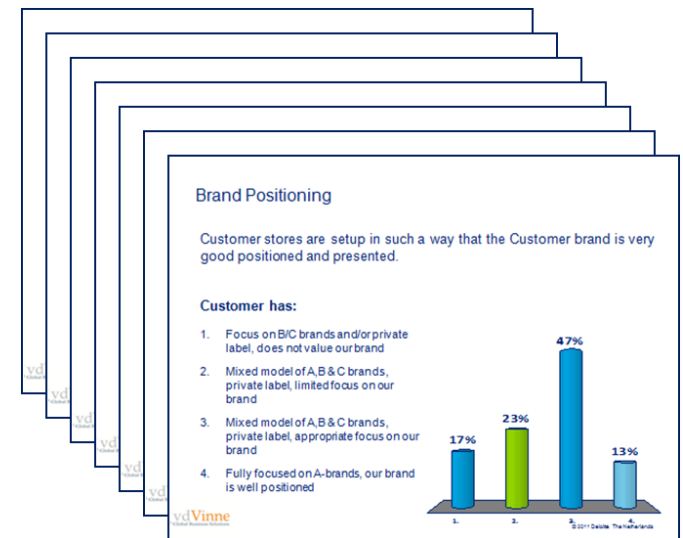
Step 3: Evaluate the customer base against quantitative criteria



Step 4: Evaluate the strategic fit of your customer base with your strategy and targeted shoppers

Ask your sales force:

- How many shoppers do they reach?
- What is their ordering behavior?
- How are our products presented?
- What service is offered to shoppers?
- Are your strategies aligned?



Step 5: Develop a performance based pricing model: One pricing system, but not one-size-fits-all

Pricing model should be based on:

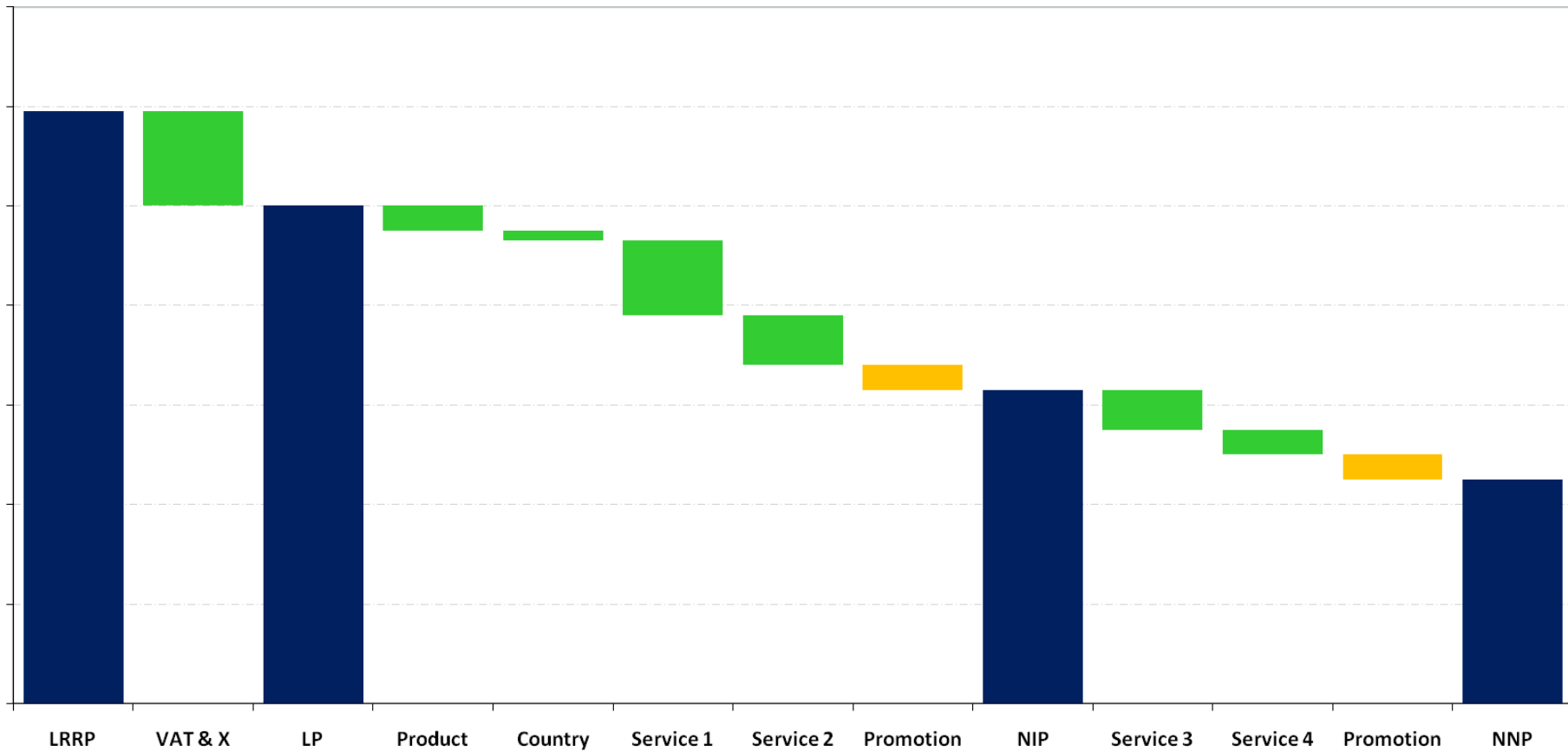
- Realistic country, customer & product requirements
- Consistent customer evaluation criteria
- Transparent reporting across countries & customers

But it should also take into account specific needs:

- Different customer types/Channels
- Local market conditions



Your pricing model should stimulate shopper service, sell-out activities, results & cooperation



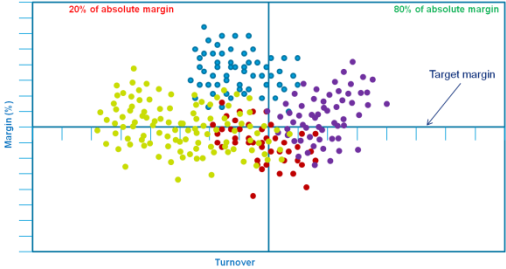
Step 6: Implement across relevant countries

1. Map Account Profitability, Performance & Strategic Value

2. Commercial competence, reporting & simple tools

3. Implement account planning

Profitability vs revenue



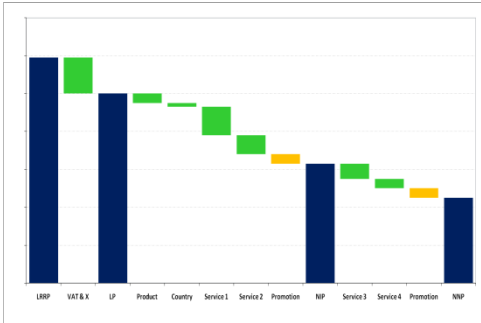
Performance & strategic value

Brand Positioning

Customer stores are setup in such a way that the Customer brand is good positioned and presented.

Customer has:

1. Focus on B/C brands and/or private label, does not value our brand
2. Mixed model of A, B & C brands, private label, limited focus on our brand
3. Mixed model of A, B & C brands, private label, appropriate focus on our brand
4. Fully focused on A-brands, our brand is well positioned



Planned actions

Sell – out reports

Business reviews

Step 7: Implement with customers: increased stability & profit through mutual efforts



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