



PriceCypher Solution

EUROPE | ER&I | CHEMICALS

Chemical companies gain higher deal-win probability & improved margins for raw-material cost forecasting

Chemical companies can preempt the high volatility in raw material costs and improve conversion on commodity business with AI-driven forecasting.

Industry issue

The chemical industry is grappling with high volatility in raw materials costs. This volatility impacts the margins and competitiveness of chemical companies. The success of these companies often relies on their ability to measure volatilities in a **quick and timely way**.

Chemical companies require **a good understanding of the direction** base-commodities and end-markets are headed. The main challenges these companies face involve Sourcing, Sales and Pricing departments operating in silos. Limited data, insights, information or forecasts on future commodity costs and lack of agility swiftly pass unnecessary upticks and declines to customers.

Left unaddressed, these challenges can severely hamper the ability of chemical companies to compete effectively, further decreasing already razor-thin margins.

PriceCypher leverages AI-driven customer insights and supports effective pricing management, value recovery and growth opportunities to achieve margin improvements up to **13%**.

Deloitte's solution-based approach

Using data-based insights and Deloitte's expertise to tackle industry issues

AI- and Machine Learning forecasting and predictive models can be the key to chemical companies gaining more visibility into base-commodities and end-markets. Our AI-based price optimization and management solution, PriceCypher, can help develop these models.

PriceCypher makes it possible to improve conversion, competitiveness and margins. This is done by combining data with advanced analytics, ensuring the flow of information between different departments. With PriceCypher, chemical companies can build one-, three-, or six-month forecasts, focusing on where the base-commodities are headed and how to price them accordingly. These forecasts draw on market data from sources like IHS and ICIS and use advanced machine learning methods, time-series analysis, and forecasting techniques.

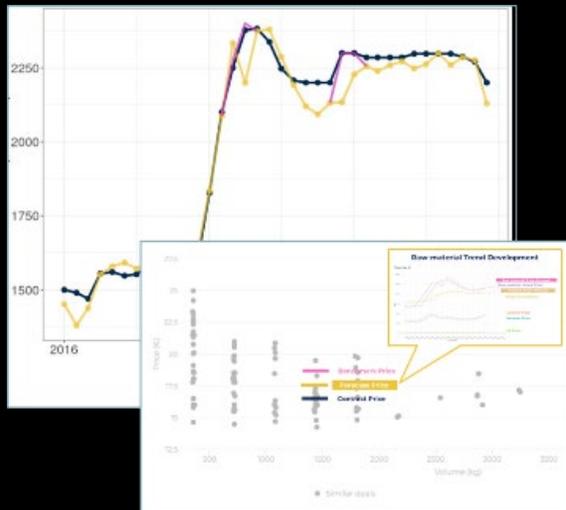
By combining these commodity forecasts with information on end-market demand and customer willingness-to-pay, PriceCypher helps Sales negotiate smarter deals and Purchasing departments negotiate better deals with suppliers.



Deloitte's impact

Deloitte's PriceCypher solution provides transparency on future commodity prices. Sales can make proposals with **sharper, competitive and market-adjusted pricing**, by combining the power of AI with Deloitte's expertise and information on end-use market demand. These proposals have a **higher deal-win probability and conversion likelihood**.

Organizations operating in the chemical industry can confidently face the challenge of low margins head-on, both now and in the future.



Contact us

Deloitte's solution-based approach delivers high-impact, data-driven insights to clients. By combining Deloitte's professional expertise with proprietary digital assets, we offer future-proof solutions that solve your unique challenges.



Ruud Schmeink

Partner

rschmeink@deloitte.nl



Joey Dokter

Manager

jdokter@deloitte.nl

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