

# PriceCypher Solution

GLOBAL | INDUSTRIALS | FOOD & BEVERAGE INGREDIENTS

Food ingredient manufacturer recovers €1 million within 3 weeks, through data-driven decision-making

**By using Deloitte's AI-powered Predictive Pricing tool, a food ingredient manufacturer was able to discover a margin leakage of €12 million.**

## Client issue

A multi-national food ingredient manufacturer was struggling with margin leakage. With its large portfolio of diverse customers, the manufacturer had **difficulties regaining control** over its commercial activities. Issues such as excessive discounting and price variance, neglect of legacy deals and overlooked small customers were abundant.

The manufacturer **needed value recovery**, but this proved challenging. In the short term, the lack of a solid foundation for strategic pricing and discount guidance made it difficult to recover value.

It was time for a change and clean-up of the pricing estate.

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

The food manufacturer turned to Deloitte to solve their challenge. Deloitte's expertise paired with PriceCypher, Deloitte's AI-driven Predictive Pricing tool, turned out to be a **winning combination** for the food manufacturer. To tackle their challenge, the food manufacturer took an interventionist approach, driven by **AI-based pricing recommendation** and a **campaign-based value recovery** approach.

The first step to working towards a clean pricing estate was to take a closer look at outliers - through PriceCypher's AI-based algorithms. The food manufacturer's Sales department then took these insights to help correct low-price outliers. These insights and guidance were given at deal level, for each customer-product combination. This way, PriceCypher enabled sales team with insights on pockets of recovery. At the same time, a 3-week-long price recovery campaign was initiated. Poor performing sales accounts were reviewed and addressed in its respective client portfolio as they were low-price outliers and earmarked for recovery.

This overall **interventionist approach**, driven by AI-based pricing recommendation as well as a campaign-based value recovery approach, was the **key to gain quick wins and clean up the pricing estate** of the manufacturer in a short period of time.



## Impact

By using PriceCypher, the food ingredient manufacturer **regained commercial control** and was able to **better manage its customer portfolio**.

Together with Deloitte's experts, the food manufacturer was able to **identify a price leakage of €12 million** on account of low-price outliers. By using differentiated customer tactics for value recovery, they **recovered over €1 million** within a period of **3 weeks**. Not only was the organization able to gain commercial control, but increase its revenue too.

Client recovery of  
€1 million was achieved within a  
period of 3 weeks.

## 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.



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