

# Price Optimization System Selection

## Case Study

**Client** A \$3+ billion multi-national, specialty retailer of outdoor sporting goods

**Vendor Profile**

|   |   |  |
|---|---|--|
| <b>Business Overview</b><br>Large privately held commercial software company. Acquired XYZ pricing solutions in 2020. Continued investments in business intelligence, analytics and science-based software. | <b>Pricing Functionality</b><br>Multi-Channel Price Optimization: <span style="color:red">●</span><br>Promotional Planning and Management: <span style="color:red">●</span><br>Promotional Optimization: <span style="color:green">●</span><br>Markdown Price Optimization: <span style="color:green">●</span><br>Regular Price Optimization: <span style="color:green">●</span><br>Software As A Service Availability: <span style="color:yellow">●</span> | <b>Recent Activity</b><br>• Vendor A Revenue Optimization launch moves to high performance computing platform (January 2024)<br>• Vendor A Customer Support site move, among US East West Support Sites (May 2024) |
| <b>Financials</b><br>Revenue: \$1.725B  | <b>Other solutions offered</b><br>Allocation, Assortment Planning and Optimization, Data Integration, Customer Insight, Integrated Operational Planning, Stock Optimization, Space Planning and Optimization, Supply Chain Intelligence   | <b>Strengths</b><br>• Proven development record<br>• Business Intelligence offerings<br>• Creative client base using Revenue Optimization tools<br>• SaaS or on-site software<br>• New technology                  |
| <b>Key Clients</b><br>• TruZone<br>• Buckle Stores<br>• Family Tree<br>• C-Store<br>• Drive Shop<br>• Mike's<br>• Shoney's<br>• Pate & Co.  |   | <b>Weaknesses</b><br>• Solution complexity<br>• Direct channel functionality   |

● In quantity in production and live on installed base with multiple clients  
● In quantity in production but not yet implemented or in production with a single client  
● In quantity, not yet fully developed

## Challenge

- The client struggled to manage regular and markdown pricing across a large SKU base, localized assortments, and extreme seasonality
- Their multi-channel business model added complexity, requiring better coordination between store, eCommerce, and regional pricing
- Existing processes were manual and fragmented, limiting the ability to optimize margins, improve labor efficiency, and enhance price perception
- The client sought a cutting-edge analytical solution to support future growth and evolving pricing strategies

## Approach

- Assessed current pricing capabilities and benchmarked against industry best practices
- Defined future-state pricing and markdown processes, roles, and responsibilities
- Documented system requirements and vetted potential software providers
- Issued an RFP, evaluated responses, and organized vendor demonstrations with structured test scripts
- Conducted vendor reference calls, assessed business fit, and facilitated stakeholder review sessions
- Counseled the client in vendor negotiations and provided a detailed implementation roadmap

## Impact

- ✓ Selected a pricing optimization solution best suited for their needs
- ✓ Established a structured roadmap to drive pricing efficiency and improve financial performance
- ✓ PRS engaged for system design and implementation, ensuring a smooth transition to the new platform.