



acumen Structured Pricing

At a glance

Client: A UK project for a global brewer that boasts a portfolio of iconic beer brands, as well as a range of other beverages in the cider and seltzer categories.

Objective: To design and implement a structured trade terms framework for their Grocery, Wholesale and Convenience channel customers.

Challenges

1. Operating mainly on a net net pricing structure, which were poorly and inconsistently documented, with limited visibility over agreed counterparts.
2. Reduced influence over retailer behaviours and lack of consistency and compliance to trade terms across accounts
3. CPI modelling was extremely cumbersome & fundamentally cost up vs value driven, as all the focus was on the bottom half of the P&L

Solutions

We approached the project in 4 key workstreams. We incorporated both the framework and the cost price increase into the design and modelling work. Then created a clear structure for how the customer could earn discounts off-invoice and also moved promo rebates to be funded retrospectively. We rolled out the new framework across 3 separate waves, each with their own objectives and scope of customer and brands. To aid implementation we also equipped the teams with a number of tools to assist them in planning for success.

Roadmap

Gathered volume and pricing data from 15 customers

Data collection & validation

Conducted interviews with Key Account Managers to gather trade term insights and stakeholder perspectives

Opportunity Assessment

Used Acumen Radar, a strategic pricing tool, to identify immediate gains and risks among customers.

Pricing vision & structure

Conducted workshops to identify key behaviours to incentivize with customers and determine associated costs, establish fair margins for customers and define trade term criteria

Preparing for implementation

Crafted implementation plans, tailored change models for each customer, and collaborated with TNG to prep teams for customer negotiations

Benefits

Visible

Additional

Tangible Outcomes:

**£1.5M IN YEAR 1
THROUGH
QUICK WINS**

Commercial benefit from leveraging promo execution to deliver incremental growth

**£12M SPEND
REPATRIATION**

Re-gaining control over investment rolled into Net Net agreements

"Light years ahead of a similar project we tried to run last year, professional team showing a real understanding of a technical area"

UK RGM Director

Additional Benefits:

1

Reversal of net net agreements
Successfully implemented with top 5 Grocers, reversing Net Price agreements with Invoice Price rises c.20% (to create new promo retro funding)

2

Net neutrality
Conditioning customers & getting the Invoice Price into the system