

# New Price Optimization Process and System to Improve Retailer's Margins

## Client Challenge

This \$3 billion multi-national, specialty retailer of outdoor sporting goods struggled with managing their regular and markdown pricing activities given their large SKU base, localized assortments, extreme seasonality, and the complexity of their multi-channel business model.

The company recognized the need for well-defined, coordinated pricing business processes, supported by cutting-edge analytical software to drive increased margins, improve labor efficiencies, and enhance customer perception of their pricing policies. The client also wanted to ensure their pricing solution would accommodate their plans for significant growth.

## Parker Avery Solution

The Parker Avery Group thoroughly assessed the client's existing pricing capabilities and then defined the client's future regular price optimization processes, including regular pricing and markdowns. Parker Avery then led the client through the selection process for a new price optimization system.

As part of this effort, Parker Avery performed the following key activities:

- Evaluated the client's current-state pricing practices and benchmarked them against leading practices
- Defined future-state price optimization processes, organizational structure, and corresponding roles and responsibilities
- Documented business requirements
- Vetted potential software providers based on in-depth knowledge and experience with leading retail pricing solutions
- Issued an RFP and evaluated responses
- Organized on-site software demonstrations and drafted a detailed demonstration script
- Developed a multi-faceted scoring assessment to evaluate systems for business and technical fit and reviewed findings with stakeholders
- Conducted reference calls with software providers' customers
- Counseled the client during vendor negotiations
- Provided a detailed plan for implementation

## RESULTS



PRICE OPTIMIZATION  
PROCESSES  
DEFINED



NEW PRICING  
SYSTEM  
SELECTED



IMPLEMENTATION  
PLAN  
OUTLINED

After completing the evaluation process, the client was able to select the vendor with the best potential to meet their comprehensive price optimization process requirements and support improvements across margins, labor efficiencies, and customer pricing perception. The company was also equipped with a detailed implementation plan for a successful rollout.

Parker Avery was tapped to assist the client with the design and implementation of the selected pricing solution.