onetree SOLUTIONS

Challenge:

To offer an easy-to-use, cost-effective, maintenance-free, reliable, scalable and secure means of finding the 'right' price to offer every time.

Solution:

PriceLenz, hosted in IBM SmartCloud Enterprise, based on IBM WebSphere Application Server and IBM DB2 Database

For more information about PriceLenz, please visit www.PriceLenz.com

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Core benefits:

As a service software accessed through any web connection or iPhone app, flexible per user per month pricing, no set up costs, no maintenance fees, sales staff can take the guess work out of optimum pricing, executives can see the impact of discounts immediately, security, scalability and reliability

PriceLenz focuses on maximizing revenue

Most organizations have two overriding sales issues. On the one hand they want to know how to maximize revenue in an easy and cost-effective manner. On the other, they want to ensure they secure a deal but not at too low a price where they fear they may have left "money on the table".

The solution comes through PriceLenz which leverages the low cost and flexibility of the IBM SmartCloud Enterprise platform to increase top line results. It empowers sales executives to improve sales figures easily and without changing the way they work. Central pricing teams can now take informed decisions about optimal price definition and salespeople in the field, at just the touch of a button, can quickly fine-tune offers for each individual sales opportunity. With PriceLenz businesses can unfold their full revenue potential without substantial investments and risk.

PriceLenz adds value to instinct

A salesperson's intuition is an important asset. An experienced salesperson can have a good guess at what a valued client would be willing to pay for a product or service and no company would ever want to detract from that insight. The objective with PriceLenz is to support that intuition by helping the salesperson to avoid selling above or way below the price the customer is willing to pay. This is done by using sophisticated, though invisible, mathematical algorithms hidden inside the PriceLenz optimization engine.

When salespeople are opening negotiations with an existing or potential client, they normally only have their own perspective on how to proceed. And if they are left to rely solely on their instinct, experience and ingenuity, without the backup of a sophisticated tool, it is almost inevitable to avoid misjudgement and either lose the deal or leave money on the table.

Up until now there has been no user-friendly and cost-effective way of empowering salespeople to understand the impact of variable price points on the likelihood of a successful deal and how close each price point is to achieving the maximum revenue possible.

PriceLenz reveals revenue maximizing price points

With the launch of PriceLenz by OneTree Solutions on the IBM SmartCloud Enterprise platform, organizations can now move from the experience-based price setting to a more sophisticated level of science-based decision-making with respect to price definition, both centrally and on the field. They can equip sales management and sales teams with a powerful, yet easy-to-use decision support tool with no setup fees and no hardware or maintenance requirements. Through a browser or an iPhone, PriceLenz empowers salespeople - no matter whether they are at the office or at the customer site - to instantly see the optimum price point, which maximizes revenue for their entire product range.

PriceLenz is powered by an algorithm, which facilitates the software's instant calculations. It analyses sales data for each product or service to establish where the maximum revenue price point lies. It needs data from only a small number of sales events to establish the optimum price. As new data is added, it constantly re-evaluates all figures, keeping the calculations updated with the latest market information available. PriceLenz will also calculate the success probability and the additional revenue at each respective price point, which salespeople would like to test, so that they can eventually decide about the most favorable approach for the particular opportunity.

As a result of using PriceLenz, companies can adjust their sales actions and gain additional revenue using a variety of strategies. This can range from price fine-tuning during the last mile of sales, through to price catalogue optimization.

Instant feedback on the move

According to OneTree Solutions' Business Strategy Director, Panos Konstantinidis, the main advantage of PriceLenz is that its gives instant, easy-to-use and actionable feedback, hiding the mathematical and technological complexity. Salespeople can easily discover how any price impacts the probability of the customer accepting the quote and how this affects the potential for more revenue.

"The optimum price isn't where 100% of the market is willing to pay, it's at the point where the proportion of the market yields the most revenue," explains Konstantinidis. *"This is what our sophisticated algorithm calculates. It goes beyond mere sales analytics and focuses on actionable optimization.*

"PriceLenz takes the guesswork out of the equation but we still want salespeople to have the final word, as they can best assess each individual opportunity. Salespeople can now get instant and useful sales intelligence and be far more confident about the decisions they make. They can now figure out when to push harder or softer and for what return.

"And all that power is available not only through a browser but also on mobile devices*, to help salespeople take quick and reliable decisions at the touch of a button, while on the move or visiting customers."

Shared data leads to better pricing

Salespeople are not normally the first in the office to share details about a deal with others in the sales team and they can often be motivated by monthly or quarterly sales targets they are required to meet.

"Most of the time, salespeople only have their own experience to go from and they can become overly influenced by targets. And quite often they may offer unnecessary, excessive discounts, just in order to quickly close the deal and move to the next opportunity," says Konstantinidis.

"PriceLenz opens up the sales history of different products, services and clients without any particular salesperson having to reveal their sales records to others. It's a way for companies to share information among sales staff, which would not otherwise be possible. By uncovering the probability of successfully closing a deal at a particular price, we help salespeople to align their offers with the customer's willingness to pay and their own sales targets.

"Salespeople may realize that with a particular client the optimum price is impossible because they've never paid that amount and they're too valuable to lose. We'd never want to dampen that intuition and experience, we're simply supplementing their intuition with a figure they should be aiming for that is based purely on sales facts available. "

Cost-effective, maintenance-free cloud solution

There are software packages which can work out optimum prices but these have been inflexibly priced, require substantial upfront investment, and then high ongoing maintenance fees. And in many cases they are too difficult to administer and use.

The launch of IBM SmartCloud Enterprise is enabling OneTree Solutions to change this. Hosted in the cloud, PriceLenz can offer the ultimate flexibility. Companies do not need to invest in any hardware and software, nor employ integrators to set up the system.

Companies can sign up for the service online, input how many people they require to have access to it and the software can be accessed securely from any browser-based device as well as from their smartphone. Once sales information is uploaded to the system, the service can instantly calculate optimum pricing levels for each product and service.

"IBM's SmartCloud Enterprise platform allows us to provide a flexible solution which is provided 'as a service' (SaaS) over a secure internet connection, so there's no need to buy additional hardware and have setup or maintenance fees," says Konstantinidis. *"This allows us to offer PriceLenz very affordably as a subscription and make it accessible to companies which do not have huge budgets and could not even consider price optimization solutions until now.*

"PriceLenz offers a huge ROI. For the first time there is a cost-effective, maintenance-free offering that businesses can get immediate value from.

"We think it's very reassuring for our customers to know that our software is one of the first to be licensed for the platform. It means they will be receiving a service from an IBM managed cloud environment where their data will be stored in a secure, efficient and fast DB2 database and distributed to them via the ever-reliable Websphere Application Server. It's the perfect marriage of our innovative, cost-effective business solution backed up by IBM security, reliability and scalability."

In fact, for the ultimate in flexibility, PriceLenz can also be deployed on a customer's private cloud infrastructure as well the IBM SmartCloud Enterprise environment.

OneTree Solutions would never expect PriceLenz to come between a trusted, experienced salesperson and their insight. Instead, it is a complementary, decision-making support tool that takes the guesswork out of establishing the optimum price, offering dispassionate advice gleaned purely from market data rather than instinct alone.

"By combining the power of analytics and optimization, the accessibility of mobile, the flexibility of the cloud and its low cost, we are certain that businesses will find PriceLenz an invaluable price optimization and revenue maximization solution, that they won't stop using once they've tried it," points out Konstantinidis.

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