

CUSTOMER SUCCESS STORY

Logistics Management Platform: From Cost Based to Value Based Pricing

Challenge

A leading software company faced a critical challenge. Despite having a market-leading logistics and transportation management platform, the company was locked into a cost-plus pricing model, leading to intense price competition and declining profit margins.

Solution

The company adopted a value-based pricing approach, including:

- Value Model Development: Understanding and quantifying benefits delivered to customers.
- New Packaging Approach: Restructuring the platform to offer tailored solutions.
- Hybrid Pricing Model: Adjusting margins based on value delivered and competitive situations.

Outcome

By integrating cost-plus and value-based pricing, the company ensured it could meet internal financial requirements while capturing value delivered to customers. The new pricing strategy is set to roll out, positioning the company for improved profit margins and sustainable growth.