PROS
PRODUCT GUIDE

PROS Smart Price Optimization & Management

Impactful Price Strategies for All Your Go-to-Market Channels Using The Power of Optimized Dynamic Pricing

>52%
of B2B buyers would pay a premium for an instant price[1]

2 out of 3
B2B buyers would switch for a vendor that dynamically personalizes prices[2]

+90%
of B2B buyers desire personalized pricing and recommendations[3]

MARKET SITUATION

When facing a dynamic market environment, inconsistent and lagging pricing combined with reactive discounting often drive significant revenue leakage, frustrate the sales team, and accelerate price erosion. Companies that lack visibility, agility, and centralized control of their pricing practices are often forced to make decisions with limited information. This absence of price governance inevitably leads to pricing weakness and lost margins.

Furthermore, to address digital transformation and the shift toward self-serve, B2B companies are transforming their go-to-market strategies and implementing eCommerce sites. The challenges are that most of these online platforms are not able to provide personalized and competitive prices that are also aligned with other sales channels or address the unique conditions of every purchase scenario in real time. As modern buyers now interact with businesses across more touchpoints than ever before, it's critical that customers are empowered with personalized, market-relevant prices every time, no matter where they choose to engage.

BUSINESS CHALLENGES

Pricing specific problems:

- Inability to effectively incorporate external data in price strategies
- Slow and manual price list management
- Pricing inconsistencies and errors
- Long price change approvals
- Lack of capabilities to tailor prices based on customers' behavior and demand shifts
- Inability to coordinate pricing across many different sales channels

- Inability to provide market-relevant prices on time due to long and complex price (re)calculations
- Difficulty handling increasing number of price requests
- Lack of visibility on key business aspects like sales and pricing performance, profitability, etc. leading to margin and revenue leakage
- Siloed pricing tools and lack of access to a centralized system of record for prices

1, 2, 3: Source: 2019 Hanover Research study of 1053 Purchasing Leaders, commissioned by PROS

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THE SOLUTION

PROS Smart Price Optimization and Management centralizes all your pricing information into a single source of truth. The solution empowers businesses of all sizes and industries to gain control and understanding of their dynamic price strategies and deliver market-relevant prices in real time to enable a seamless and consistent B2B commerce experience to buyers. Pricing leaders leveraging PROS Smart Price Optimization and Management can drive higher efficiency and transparency into their pricing and selling processes by providing dynamically optimized prices to sales teams, partners, distributors, and digital platforms to increase deal wins and customer retention.

By using a comprehensive suite of advanced price algorithms, flexible analytics, robust AI capabilities, and automated workflows, companies can maximize the revenue and profit potential of every deal, successfully responding to different buying and selling scenarios, ultimately delivering more value to customers.

Leveraging PROS Smart Price Optimization and Management's omnichannel harmonization capabilities, pricing teams can easily coordinate prices across all their sales channels, eliminating channel conflict and discrepancies. With insight into the various drivers of willingness-to-pay, PROS also successfully delivers customer-specific price guidance for negotiated selling.

PROS Smart Price Optimization and Management's real-time price calculations and optimization capabilities will power your eCommerce and digital self-service portals, to handle an extremely high number of price requests without impacting response time and system availability. By processing data using advanced modeling capabilities, the solution helps your business to maximize the potential of digital channels by optimizing prices for expected demand response. The result is a seamless buying experience through personalized, competitive prices for your online customers.

BENEFITS OF PROS SMART PRICE OPTIMIZATION AND MANAGEMENT

Centralized pricing platform that provides a single source of pricing truth
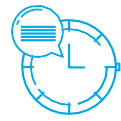
Streamlined price approval workflows that enable efficiency and governance

Smart analytics for visibility into pricing and profitability to identify areas for improvement

Harmonized pricing across all channels, regions, products, and customers through formula-based rationality

Real-time price calculations with sub-second response time and no interruption to the business

Potential uplift analysis of segmentation-based price strategies

eCommerce pricing that accounts for demand-elasticity, seasonal shifts, and changing competitive situations

Dynamic price recommendations that balance maximized profitability with customers' willingness-to-pay
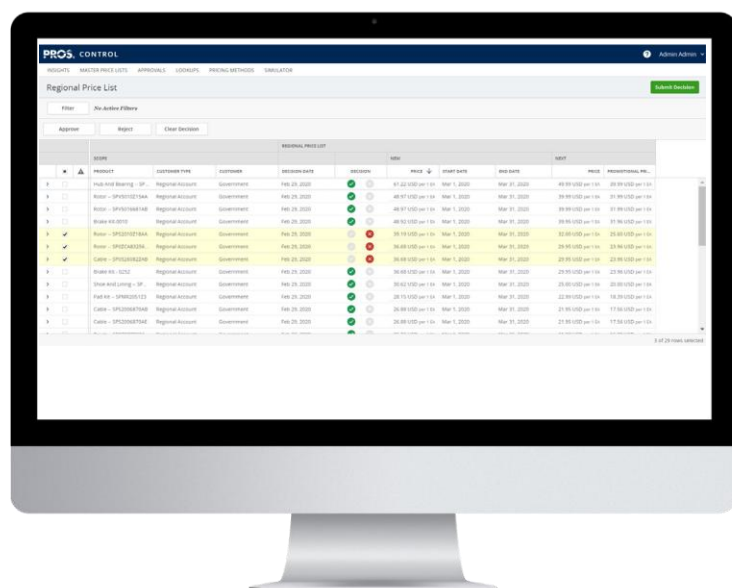
Transparency into the data by showing price change impact, attribute depth analysis, and peer-specific information

Integration with quoting and commerce platforms to deliver personalized, market-relevant prices directly to partners, sales, and buyers
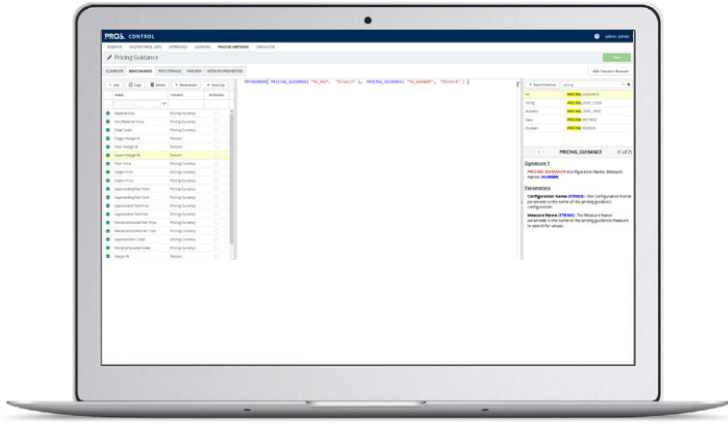
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Key Capabilities of PROS Smart Price Optimization and Management: Maximize Profitability, Accuracy, and Customer Value

Enforce Price Governance and Compliance

As the centralized source for pricing truth, PROS Smart Price Optimization and Management provides comprehensive capabilities for price governance and compliance management. The solution empowers pricing leaders to be more strategic in their organizations by giving them the ability to price for new products, customers, touchpoints, regions, and businesses with the speed and consistency to win the race to market and disrupt their competition. To enable transparency in pricing and improved collaboration with other stakeholders, users have easy access to pricing information, automated price approval workflows, visibility into price history, and simplified reporting capabilities.

Get Visibility into Business Performance and Pricing

To help you understand what is driving revenue for the business and uncover when and how you are leaking profitability, PROS Smart Price Optimization and Management provides fully configurable charts, pivot tables, and visualizations. A user-friendly dashboard view gives you an overview of the business health, trends, and other key operational and strategic information. Pricing leaders can easily drill-down and identify sales and revenue opportunities at a customer level, determine drivers for low-margin products, compare volumes, and spot outliers in data.

Leveraging different smart analytics and science-based segmentation that is continuously updated, users can take a data-driven approach to recovering the revenue and margin leakage lost to undisciplined and inconsistent pricing. Pricing leaders can justify every price recommendation with simple, easy-to-access analysis of attribute depth, historical transactions, and peer-specific information. This drives higher adoption of the solution among users, more informed decision-making, and better pricing practices in the company.

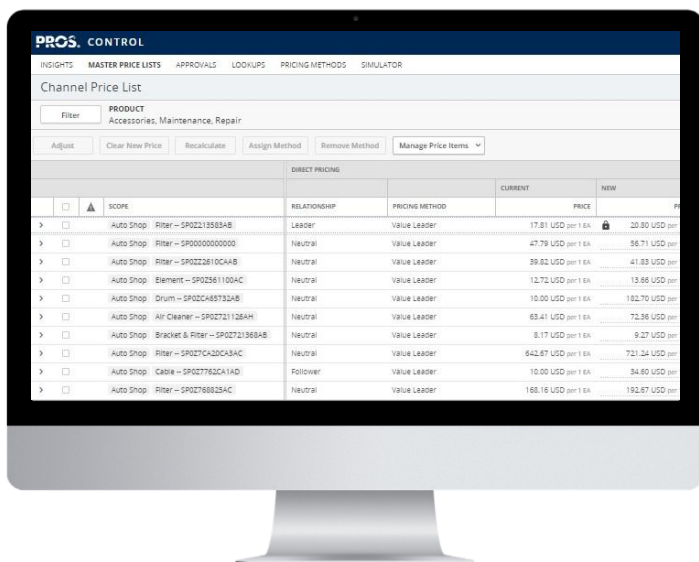## Easily Build, Manage, and Deploy Dynamic Price Strategies

PROS Smart Price Optimization and Management delivers effective and accurate dynamic price strategy management through its price methods capabilities. With guidance on formula building, simulations, automated price recalculations, and real-time currency and unit of measure conversions capabilities, price strategies are easily understood, managed and updated, in line with evolving market conditions. By integrating external market data dynamically like costs, indices, competitor prices, demand information etc., PROS Smart Price Optimization and Management will allow you to guide your price strategy in the right direction, staying on top in times of high volatility.
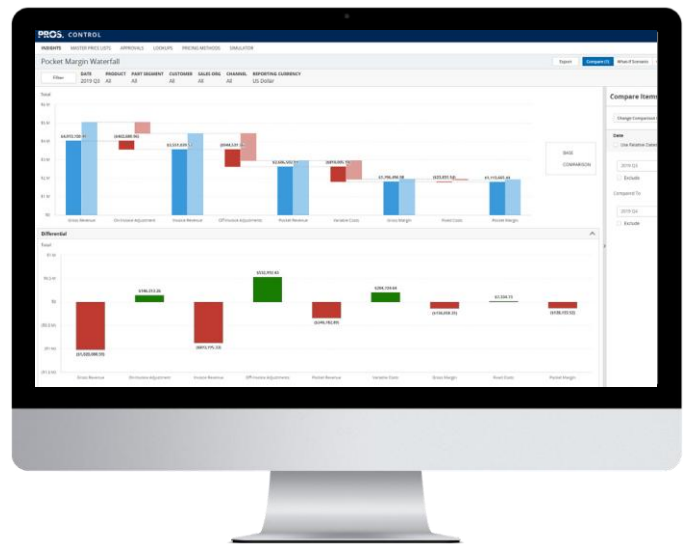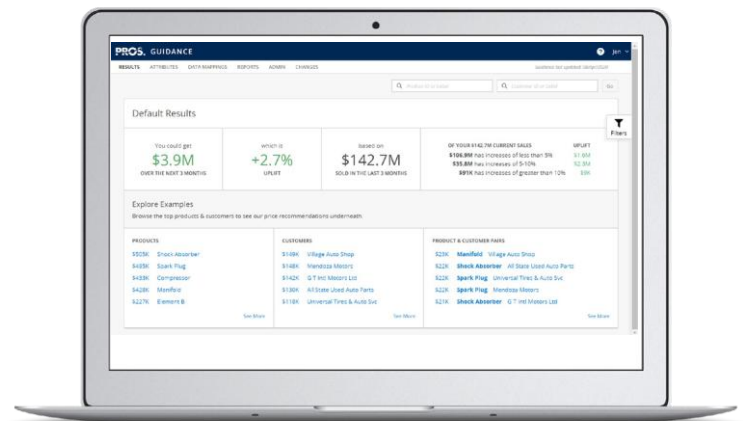
Streamline Omnichannel Pricing for Consistent Buying Experiences

To gain visibility into price strategies across channels, pricing leaders can leverage the intuitive Master Price List capabilities. By using centralized price list views pricing specialists have flexibility to better manage prices, filter products hierarchy for more granular perspectives, define products' lifecycle, and set their geographic distribution. The intuitive Summary panel enables better insights into how potential price changes would affect key performance indicators and results. Users can quickly adjust price strategies, recalculate, and deploy new prices from the same Master Price List view.

A key capability of PROS Smart Price Optimization and Management is the ability to tailor prices for both negotiated and non-negotiated scenarios. Now you can accelerate sales with customer- specific price guidance and drive more conversions and greater reach in your self-serve channels with pricing optimized for changing market demand.

Speed Up Sales Cycles and Effectiveness Using AI Price Recommendations

With price guidance delivered directly to sales, quote response times are accelerated, and price attainment is improved. Leveraging the power of PROS AI and advanced science-based segmentations, continuously adjusted with the latest information, PROS Smart Price Optimization and Management delivers dynamic price envelope recommendations for the unique attributes of every potential sale. This means sales teams can confidently navigate every negotiation with a clear understanding of what customers are willing to pay in each buying scenario. With pre-approved prices for partners and sellers, you can eliminate one-sixth of the sales cycle time spent seeking approvals, which is critical when customers value immediacy in pricing over negotiation.
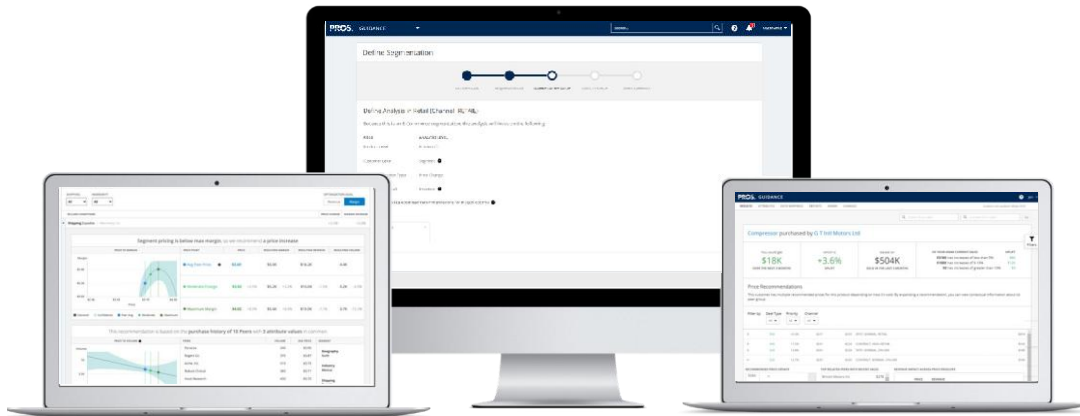
Power Your eCommerce with Smarter Real-Time Pricing

In the past, to deliver personalized market-relevant prices, B2B organizations had to manage millions of price points daily. This ineffective approach led to significant efforts just to store that small percentage of prices that were consumed. With buyers shifting their purchasing to self-serve channels, static list prices are no longer sufficient for digital selling. To maintain competitive pricing, businesses are now required to support high pricing responsiveness to buyers while also minding constantly changing market and demand conditions.

Designed for eCommerce, with PROS Smart Price Optimization and Management you can provide "just in time, not just in case" prices by managing pricing rules when calculating real-time prices for every request. The solution allows you to simplify price management and speed up execution through real-time algorithmic calculations, avoiding the necessity to maintain several price lists that require significant effort and create risk of error and conflict.

PROS Smart Price Optimization and Management also allows pricing leaders to maximize the potential of their eCommerce channel by optimizing prices for profitability, revenue, and expected demand response. The solution uses an AI-based prediction model that leverages historical pricing and transaction data to predict the demand response to a range of prices and provide insight into the expected price-volume relationship for any selected product. This capability allows for a dynamically personalized segment price for every buyer every time—a key element to driving repeat purchases and quick conversions.

High Performance Architecture

- Perform price calculations in milliseconds
- Committed Service Level Agreement (SLA) for sub-second response time, dependent on the number of transactions per day and the complexity of price calculations

Ability to Scale in Times of High Demand

- Capable of supporting an extremely high number of price requests
- Delivers tens of millions of prices evaluated daily per customer

Dynamically Optimized Prices to Stay Ahead of a Changing Environment

- Identifies market segments with similar buying behaviors and analyzes historical trends to predict how each market segment will respond to a price change
- Optimizes pricing for either margin-optimal or revenue-optimal strategy, depending on your business objectives
- Adjusts the price optimization model continuously to account for cyclical changes in demand and expected seasonal shifts

Keeping Your eCommerce Business Running

- At least 99.95% availability for price requests
- No interruption to the digital business (i.e. no downtime needed for maintenance)

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WHAT MAKES PROS SMART PRICE OPTIMIZATION AND MANAGEMENT DIFFERENT?

- **A centralized pricing platform**
  With end-to-end pricing management and optimization capabilities that seamlessly extend into selling workflows. Built to drive consistency in global pricing strategies and personalized buying experiences across all sales channels, by rationalizing and powering AI-optimized prices in real time, at scale and with algorithmic precision

- **AI-based price optimization**
  That allows businesses to enable personalized pricing recommendations, fit for every buying scenario. Companies are empowered to support a wide range of selling contexts with tailored prices and to maximize the value for every customer and commerce touchpoint

- **A high-performance price delivery architecture**
  With sub-second response times and with guaranteed performance and uptime SLAs, to deliver the right optimized prices to every sales channel instantly, and to support the substantial price requests made by eCommerce platforms

- **Comprehensive and user-friendly analytics**
  Purpose-built for pricing, embedded into the platform, enabling pricing and sales leaders to make better, data-driven decisions for the business via a holistic, 360º view of the latest and most relevant information, and instant visibility into revenue/margin opportunities

- **A pricing application with a customer-centric design and intuitive navigation**
  To drive maximized adoption and utilization among pricing users, the UI/UX are continuously improved with the help of surveys, usability testing, and customer conversations

- **Value adoption and tracking tools**
  To ensure PROS customers are using their pricing capabilities in the right way, getting maximum return on investment from them for their businesses

Business Outcomes You Can Expect

The benefits of implementing intelligent PO&M technology[1]:

1-5%
increase in revenue

2-10%
increase in margin

20%
increase in customer lifetime value

67%
average pricing efficiency gain[2]

PROS Smart Price Optimization & Management Editions

PROS Smart Price Optimization and Management streamlines end-to-end pricing processes by delivering a rich set of capabilities, robust science, and automated workflows to power your omnichannel price optimization and management.

Depending on your current and future needs, the solution is available for purchase in the three editions below:

Essentials

- Omnichannel list price management
- Price strategy management
- Multi-tiered approval workflows
- Leader-follower pricing
- Tiered/scaled pricing
- Commodity-based pricing
- On-demand currency conversions
- Mass price changes
- Standard and customer-defined units of measure conversions
- Revenue and margin analytics
- Price list scenario analysis
- eCommerce integrations
- Sales agreement price sync
- Agreement pricing published to ERP
- Real-time price delivery for up to 1M monthly price requests*

Advantage

- *Everything in Essentials plus...*
- AI-driven price optimization for negotiations
- AI-driven price optimization for eCommerce
- Real-time price delivery for up to 3M monthly price requests*

Ultimate

- *Everything in Advantage plus...*
- Demand and capacity forecasting
- Capacity-aware price optimization
- Run your own algorithms on the PROS Platform with Extensible AI
- Real-time price delivery for up to 10M monthly price requests*

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AVAILABLE INTEGRATIONS

- PROS Smart Price Optimization and Management integrates into any eCommerce, ERP or CRM system with our standard APIs (SAP, Microsoft, Salesforce etc.)

- Quoting platform integrations – from custom-built to PROS Smart Configure Price Quote

- Complete integration with ETL tools, which utilize either REST web services or XML document transfers via SFTP or SOAP

PROS CLOUD

- Full application service management and SLA

- Tier 3, SOC 2 data centers

- HIPAA-compliant environments

- High performance and availability

- ISO 27001

- Industry standard firewalls and intrusion detection/prevention

- All customer instances and data logically isolated

- Enterprise change management program including security patching on all systems

LEARN MORE

For more information on this or any of our products, please contact PROS at pros.com or call 1-855-846-0641.

About PROS

PROS Holdings, Inc. (NYSE: PRO) is a market-leading provider of SaaS solutions that optimize shopping and selling experiences. Built on the PROS Platform, these intelligent solutions leverage business AI, intuitive user experiences and process automation to deliver frictionless, personalized purchasing experiences designed to meet the real-time demands of today's B2B and B2C omnichannel shoppers, regardless of industry.

To learn more, visit pros.com.