

**SIMON ♦ KUCHER & PARTNERS**

Strategy & Marketing Consultants



# Your Roadmap to Profitable Growth

Unlocking growth through  
pricing, sales, marketing, and strategy

**2022** edition





# No one drives **growth** like we do.

We help our clients **grow their revenues and profits** — faster, better, and more sustainably than anyone else. We do this by **optimizing their monetization, pricing, sales, and marketing strategies.**

# Your Reliable Partner for Commercial Growth

CEOs **Mark Billige** and **Dr. Andreas von der Gathen** share their views on what makes Simon-Kucher unique.

## What is Simon-Kucher's overall mission?

Simon-Kucher stands for unlocking growth, and our mission is to boost our clients' revenues and profits. This is what Simon-Kucher does best: helping companies achieve better, higher-quality growth. That is why in our project work we focus on the four growth levers: pricing, sales, marketing, and strategy.

In 2021, demand for our services soared as clients pivoted from dealing with the pandemic to focusing on achieving long-term profitable growth in what is likely to remain a period of sustained inflationary pressures.

With the upsurge in demand, our focus has been investing in new capabilities and bolstering our team to help clients unlock untapped potential.

## So where does Simon-Kucher come in?

Our customer-centric approach focuses on improving all elements of the customer journey that impact revenue and profit. We help our clients to unlock new revenue streams for innovative products, making sure that the product, market, and price model fit together, and we redesign the business from the outside in. We also advise on all other questions surrounding growth levers, from price increases, packages, bundle design, and discount systems to sales, negotiations, promotions, customer segmentation, personalized marketing activities, and apps for the end customer. We do this with a unique mix of state-of-the-art technologies and long-standing experience in commercial consulting.

In the past year, we also launched [Simon-Kucher Engine](#) and [Simon-Kucher Elevate](#), putting an even greater focus on helping our clients transform their digital presence and operations.

## How do Simon-Kucher Engine and Simon-Kucher Elevate complement your existing services?

Simon-Kucher Engine is our own tech company, delivering innovative cloud-based software solutions that support executives in making quick, well-founded, and automated pricing, sales, and marketing decisions to increase their revenues.

Simon-Kucher Elevate is our digital consulting business with an emphasis on optimizing the entire customer journey by combining technology, data, and creativity with commercial consulting expertise.

We see great potential in these services, and we have created a unique combination of technology, data and design expertise that is already benefitting our clients.

## What sets Simon-Kucher apart from other consultancies?

There are few, true global specialists like us. We help companies to grow sustainably, and we do it worldwide. Our focus on revenue and profits sets us apart from other consultancies that are often associated with disruptive down-sizing plans.





Mark Billige, London

Dr. Andreas von der Gathen, Bonn

Tangible impact is another thing that makes us unique. Our projects lead to an average growth of three to five percentage points and we are driven by our clients' success. We roll up our sleeves, understand how our clients' organizations "tick", and we stay on until the job is really done.

#### **What is it like leading such a large and specialist team?**

We not only have more than 2,000 employees worldwide, we also have a very entrepreneurial partnership with a lot of local decision-making. This means that our main focus as CEOs is providing the right platform for our company to grow. So we are constantly improving and adapting organizational structures and processes to our growth, as well as enabling our people to grow and develop further.

Our people are definitely our biggest asset. They are open, approachable, and fun to work with because our culture combines pragmatism and professionalism. That has always been the Simon-Kucher way, and it will remain this way no matter how much we grow.

#### **So growth is a recurring theme for both clients and for Simon-Kucher...**

That's right. Our firm is on an excellent growth trajectory. In 2021, despite challenging economic circumstances, we were able to achieve double-digit revenue growth of 22.5 percent as we expanded our services and presence.

This is a fantastic achievement and a true reflection of the commitment of our people to helping clients navigate what remains a tough environment.

Our own growth also puts us in the perfect position to advise our clients. We practice what we preach and are a growth partner in all aspects of business.

#### **What does the future of Simon-Kucher look like?**

As our firm continues to increase in size and reach, so will our responsibility and commitment to addressing important social and environmental challenges. Our vision is to continuously grow as a responsible business through investment in our own operations and the wider society. In our actions, we are guided by the UN Sustainable Development Goals – ranging from combating the climate crisis to reducing inequality, from productive employment to sustainable consumption, and beyond – all while strengthening our collaborations with others through our volunteer work, mentoring programs, and pro bono projects.

We have always been incredibly proud of our resilience and unique corporate culture, and looking forward, we will continue to build upon and enhance that. We believe in building a culture that embraces diversity, equity, and inclusion, creating an environment where our people feel valued, are able to be themselves and feel their contribution matters. If we get that right, great things will happen – for our people, our clients, and of course, our business. ◀

**[Find out more about our CEOs.](#)**



# Your Roadmap to Profitable Growth

Pricing, Sales,  
Marketing, Strategy,  
and Digital –  
Insights & Case Studies





**Pricing Insights**

# Value pricing changes the rules of the game

**Franck Brault**

Global Head of Construction & Chemicals and Senior Partner, Paris/Brussels



Value pricing is more difficult than cost-plus, but it's well worth the effort. It can transform your company, and even change the rules of the game for your entire business.

Value pricing is gaining recognition as the superior pricing strategy. However, a value-based approach is more complex to implement than the traditional cost-plus, and many companies struggle with it. Individual departments say they are focused on value: R&D strive to create a valuable product at the most advanced performance levels, quality assurance maintain the value, marketing think about how to package it. But does each department know what the customer truly values? And where are the efforts to monetize the added value that the product, service, or solution provides? Companies need to ensure they only include features in their products that are valued by customers. This means really understanding the value attached to the offering, and making this transparent across all departments.

# Dynamic pricing in a digital world

**Dimitris Hiotis**

Global Head of Leisure, Travel & Tourism, London



Dynamic pricing is here to stay. It's going to spread into more and more industries as we move into a world where price becomes more digitalized, more fluid, and more customized.

Taking cues from the travel industry, more and more companies are using dynamic pricing. Data is richly available, processing power is increasing, and new technologies like electronic price tags make it easier to adjust prices quickly and effectively. Companies can differentiate segments by price sensitivity, and link prices to key market variables, such as supply, demand, timing, and perishability. But even though this new technology exists, the human element should never be forgotten. Dynamic pricing is powerful and trendy, but it's tricky. Customers don't always like it, and you can't rely on algorithms to do the right thing. Successful companies see beyond the buzzword and apply dynamic pricing where it makes sense.

**Pricing Case Studies**

# Value-enhancing price models for digital solutions

How do you monetize the full value of a digital product without a huge price tag that scares customers? A world leading machinery company approached us with exactly this problem. Their newly developed products made up of hardware, software, and services, required customers to make large upfront payments. However, the true value of products was mostly in the software, and only became apparent after several months' of usage. We introduced a two-part tariff covering the willingness to pay of different segments. Today, a lower up-front payment for hardware and services enables customers to unlock the value of the digital solution, while the value of the software and entire lifecycle is fully monetized via a subscription fee. Rather than confining customers to big, one-off transactions, this software-focused, value-based price model reflects how customers want to purchase, use, and engage with digital products.

**Industrial Goods & Machinery**

Germany



# Breaking records through smart ticket pricing

The London IAAF World Championships was already generating excitement with its remarkable figures: 2,038 athletes from 205 countries would be participating in 163 sessions over 10 days. Simon-Kucher's task was to ensure the pricing and packaging was equally as impressive. The challenge was to fill the stadiums (even in morning/pre-final sessions), create high revenues, and have ticket prices that were affordable for everyone. Simon-Kucher modeled a business case to show the percentage of the potential market required to achieve full attendance. By gaining a clear understanding of what fans truly valued, we rolled out a differentiated pricing framework based on session type and seating category. The final triumph: The event broke its own Guinness World Record for the number of tickets sold at an IAAF World Championships.

**IAAF/Athletics World Championships**

UK





**Sales Insights**

# Pairing sales incentives with clear leadership

**Dr. Peter Colman**

Partner, London



Sales reps are usually motivated to achieve the best result for their company and customers. But they shouldn't have to perform mental gymnastics to unpick an overly-complex incentive system.

Sales compensation plans are a great tool for raising motivation and improving selling behavior, provided they are well designed and carefully communicated. However, get it wrong and you risk churning your best income generators. We asked sales executives to name their most potent issues, and compensation was by far the most frequent challenge. Why? The incentive system wasn't aligned to their overall strategy, and employees were given conflicting targets. Reps need to easily evaluate how decisions on deals and negotiations will affect their pay packet. If the incentive program is too complex, they will primarily consider the simplest variable (usually revenue), ignoring other goals, such as price quality and profit margin. Pairing sales incentives with clear communication from the leadership team can significantly enhance intrinsic motivation. Rules of thumb such as "if the achieved price increases by x%, the profit margin increases by y%" also help sales reps figure out how to influence parameters and achieve their goals.

# Shaping growth-oriented sales organizations

**Marie Verdier**

Partner, Paris



Don't focus your sales initiatives on savings and efficiencies only. Real sales excellence yields higher revenues via smart cross-selling, up-selling, and customer development.

As purchasing departments become increasingly professionalized, sales and negotiations are more difficult and time-consuming than ever. However, no company has the capacity to double its sales team for the sake of just maintaining revenues. So what sets apart thriving sales organizations from unhealthy ones? They are customer-centric. More and more companies are reorganizing their teams to be more focused, reprioritizing activities and accounts based on customer expectations and revenue potential, identifying time drains, and breaking free from historical selling patterns to push reps to achieve more. Digital support, such as a sales toolbox and sales dialog apps, can provide new motivational incentives that favor cross-selling, suggesting ideal product mixes and best realized prices for similar customers. Real-time progress monitoring tools further help sales reps to achieve ambitious revenue goals.

**Sales Case Studies**

## Seamless experience across sales channels

In today's digital world, attention is already consumed by mobile games and social media. The modern customer is used to having an array of interesting options at their fingertips, and they expect no less of their mobile bank. We designed a financial app to help our client get customers excited about their finances. Drawing on insight from behavioral economics and goal setting theory, we developed an innovative platform for self-advisory and digital sales within the existing online banking solution. As part of a multi-step story toward full financial health, customers collect products and are rewarded for completing different categories, while a personalized wish list in the digital sales section leads customers directly to the advisors' desks. This is a dream solution for sales reps, giving them a deeper understanding of their customers than ever before. Instead of time wasted on cold calls, advisors can easily target customers with the right products – a seamless experience across channels!

**Banking & Financial Institutions**

Germany



## Using data and personalization to boost sales

Today there is an abundance of opportunities to gather data throughout the consumer journey. While many companies' sales campaigns are focused on pushing best sellers and "mostly bought" products, they fail to fully tap into cross- and upselling opportunities. We helped our client to develop customized CRM campaigns through enriched consumer segmentation, product affinity, and channel preferences. By personalizing products, discounts, and content to consumer profiles based on their purchase history and data on similar customers, we were able to boost conversion rate and to encourage cross-selling between product categories. In addition, we defined new KPIs for assessing campaign performance, including customer lifetime value, total average spend, and product category penetration. Our client is now able to regularly introduce consumers to new products based on their preferences, and to share brand and product content without any discounts.

**Consumer & Retail**

France





**Marketing Insights**

# Promotions: opportunities, risks, and side effects

**Dr. Tobias Maria Guenter**

Global Head of Retail, Bonn



Don't base your promotions exclusively on what the competitors are doing – think first. Analyze each completed promotion in detail and stay away from regular special offers.

Customers love promotions, but should companies love them too? Few can resist a price promotion, however, as our analyses show, 60 to 70 percent of all promotions in retail lead to losses. In other words, the surplus sales volume doesn't make up for the profit losses caused by a lower price. Unfortunately, there is no magical recipe for a successful promotion. You need to do your homework: analyzing sales and transaction data in detail before, during, and after the promotion. This is the only way to determine which items (or groups) to discount, when, for how long, and by how much – and to really earn more money. Smart companies don't rely on gut-feeling when it comes to promotions. Instead, they ascertain the relevant effects with comprehensive tools and processes. Acting without such an analysis can backfire, especially if customers come to expect constant promotions.

# Building your business around customer lifetime value

**Shikha Jain**

Partner, Boston



Rather than a one-time static transactional encounter, CLTV means always refining the product. A great customer experience across all channels has never been more important – for both sides.

We're experiencing a massive shift in culture and consumption habits, and companies understand that the bar has been raised when it comes to customer experience. Everything is available at the click of a button, and there are higher expectations surrounding a simpler, hassle-free exchange. Rather than "just" developing great products, focus needs to be on creating great experiences, and in doing so accelerating profitability and reducing churn. The key is to put customer lifetime value at the center of your business. These days, customers are more willing than ever to share their data because they want, and even expect companies to adapt products to their individual needs. By allowing customers to share and personalize, you secure them in your ecosystem, making them feel so comfortable that they never want to step out.

**Marketing Case Studies**

## Driving customer loyalty

Millions of customers use Uber every day and in many ways – whether they're sharing an UberPool to the office, ordering in dinner from Uber Eats, biking home from the train, or taking an UberXL to the airport. In a unique position to recognize and invest in its customers to earn their loyalty, Uber approached Simon-Kucher to collaborate on Uber Rewards. By understanding the most valued elements of the Uber proposition, Simon-Kucher was able to work with Uber to devise a loyalty program. We identified which parts of the Uber experience customers valued and defined how they would earn status through the program. Today, points earned via Uber Rewards give customers access to one of four membership tiers, unlocking benefits along the way including consistency, priority pick-ups at airports, higher rated drivers, and complimentary upgrades along the way.

**Uber**  
USA



## A smart way to strengthen brand image

Price pressure and high price fluctuations in the declining German mineral oil market put Shell in a difficult situation. Especially due to price fluctuations, many customers are afraid of paying too much. In other words, customers care more about price image than they do about paying a cent or two more at the petrol station. Under these circumstances, Simon-Kucher helped Shell to introduce a price guarantee that offers a special pricing model to holders of a Shell customer card. Shell ClubSmart members pay at most two cents per liter more than at the cheapest brand-name petrol station near their Shell Station. This pricing model not only perfectly meets customers' expectations, but also strengthens the brand and increases customer loyalty.

**Shell**  
Germany





**Strategy Insights**

# Commercial growth is a C-level topic

**Dr. Allison Dupuy**

Member of the Board and  
Managing Partner,  
San Francisco



Make sure that pricing is on the agenda of your board meetings and invest one day a month in the topic. Provide a clear strategic direction and regularly communicate the importance of commercial growth.

Much too often, pricing, marketing, and sales are seen as operational tasks for experts, but C-level involvement in commercial growth is crucial if a company wants to achieve sustainable profits for its excellent performance. When C-levels play an active role in the pricing strategy, their companies generate on average 25 percent higher EBITDA margins than their competitors. An executive's most important tasks are to give the strategy a clear direction (e.g. volume growth vs. margins), create a pricing organization, and instill a profit-oriented mindset among employees. A model example of this is Porsche. Pricing is one of the highest priorities for its C-levels. They take an active role in pricing, contributing significantly to an ROS of over 15 percent – an unusually high figure for the industry.

# Customer-centric strategies

**Omar Ahmad**

Managing Partner and  
Global Head of HealthTech,  
Copenhagen



While the customer experience can attract customers, it can also drive them away. Start by looking at the hidden reasons why customers might not buy your products.

Why do we do the things we do, or buy the things we buy? There are a wide range of complicated answers, but most of our activities in fact have a very simple explanation: we want to feel good. People are in constant pursuit of more and are always looking to gain value. Customers seek out positive experiences, and avoid negative ones. That's why companies today are investing a lot of time, effort, and resources into improving the customer experience. Understanding how your business creates value and identifying ways to add more value are essential for building a competitive advantage and should be part of any customer-centric strategy. Identify access barriers, review your product portfolio, and consider new sales channels. Unavoidable tasks also represent a fantastic opportunity to solve customer pain points, meet customer expectations, and boost customer loyalty, so make it enjoyable to use your products or services and ensure your customers know why they need them in the first place.

**Strategy Case Studies**

## From paywall to product

For newspapers, digitalization means a fight for survival, and the trend of money moving away from print is only expected to accelerate. Along with a wave of consolidation between publishing houses, companies are desperately trying to generate revenue through an online presence, hiding entire sites behind paywalls and subscription models. However, not all paywalls lead to payments. Advising our client on their conversion strategy, we shifted reader attention from paywall to product and applied psychological pricing techniques to facilitate cross- and up-selling. We stripped down the stuff that was confusing customers, replacing it with a clear, visually appealing 4-pack strategy to reflect user preferences. Customers can now choose a short-term, flexible product, or sign up for 1- or 2-year subscriptions, saving money as a reward for their long-term engagement.

**Media & Entertainment**

UK



## Strategizing sustainable growth

Cleantech startup, Seabin Project, cleans the oceans for a brighter future using floating garbage cans. These units filter 600,000 liters of water each day for oil, micro plastics, and more, with a global daily capture of 3.6 tons. Collected data is used in an open-source education and science program, the Pollution Index®. This dynamic startup has gone from strength to strength, and ports and marinas worldwide have been lining up to order the bins. With such rapid, international growth, Seabin needed a go-to-market strategy to support its global scaling plans with corporate customers. In a pro bono project, we supported this highly motivated client by helping them to enhance and strategically align their product portfolio to new customer segments, including local, state, and federal governments, move their business model to recurring-revenue streams, and develop their sales strategy. Thanks to this shift in business model, Seabin now fully meets the needs of various corporate customers, while strengthening its own long-term, sustainable growth.

**Seabin Project/Ocean Technology**

Australia





**Digital Insights**

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# Simon-Kucher Elevate: Time to shift the digital mindset

**Conrad Heider**

Head of Simon-Kucher Elevate  
and Managing Partner, Berlin



We help companies unleash their digital power. From advanced analytics and technology advice, to design and creation, we guide clients through the entire consumer journey.

Since 2020, many have seen the cost benefits of digitalization and celebrated the efficiency of “remote”. However, mass digital migration has also created opportunities that will enable businesses to grow. Companies must shift the digital mindset toward revenue and value creation, using digital to reconnect with customers. Through digital business models, channels, and technologies, companies can acquire new customers, keep existing ones, and ultimately grow revenue and profit. But they need to generate the right data to understand new customer demands – testing, iterating, and rapidly scaling successful ideas.

# Simon-Kucher Engine: Powering your growth

**Wolfgang Johann Mitschke**

Managing Director, Frankfurt



Our software, solutions, algorithms, and apps are uncomplicated, easy-to-implement, and can be adapted to each client’s unique IT and business infrastructure.

Pricing, marketing, sales, entire business models – all can be optimized through digital solutions, platforms, or software. Smart toolkits can harmonize pricing structures across international markets. Engines can provide realistic guidance and benchmarks ahead of sales negotiations. And platforms can ensure effective communication between a company’s pricing, sales, and marketing departments. Some companies use highly customized tools, while others use off-the-shelf solutions. Finding out which one to choose is a first major hurdle that companies must overcome.

**Digital Case Studies**

# Establish additional revenue streams through data monetization

A leading global retailer in Brazil, was not using shopper data to its full potential. Our team was brought in to tackle gaps in digital marketing and consumer targeting. Within 12 weeks, we identified three data-driven business models and established a tool for assessing the financial potential of the digital marketing strategy. We also established an external marketing organization to harmonize their new monetization streams. These new business models are expected to increase digital marketing revenue by more than 600 percent. Plus, by utilizing stronger solution providers with better conditions, we decreased fee per ad spend by 50 percent and doubled the estimated revenue per FTE.

**Consumer Goods & Retail**

Brazil



# The Simon-Kucher Peer Pricing engine

Less gut feeling, more structure and strategy. That's the goal a large materials manufacturer had for their global sales team. Their manual pricing & quoting process was inconsistent. Simple cost-plus pricing didn't consider customers' individual willingness to pay. We combined Simon-Kucher's pricing knowledge and digital capabilities to develop an easy-to-use app. Our Peer Pricing engine incorporates differentiated, more sophisticated price models for the company's various product segments. Faster, more systematic, and optimized pricing – all seamlessly integrated.

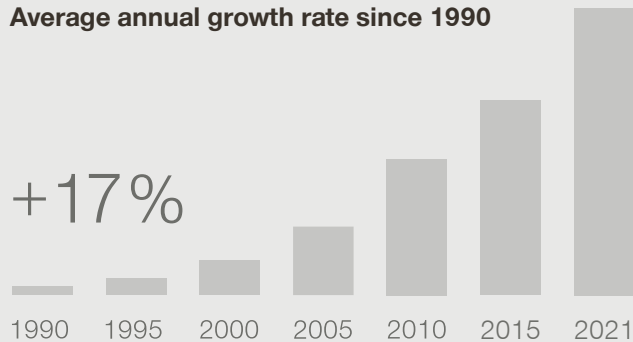
**Industrials**

Germany





## Average annual growth rate since 1990



## Revenue in 2021

€442.6m



## Global locations



## Global project expertise in

80 countries



## Clients' average increased return on sales thanks to our projects

+2 to 4 p.p. ROS



## Global experts in commercial strategy


**WORLD'S BEST  
MANAGEMENT  
CONSULTING FIRMS**
**Forbes  
2022**

POWERED BY STATISTA

Forbes, 2022, together with Statista: list of the World's Best Management Consulting Firms 2022

*Financial Times*


Marketing, Brand &amp; Pricing

Financial Times, list of the UK's Leading Management Consultants, silver category, on par with other consultancies, 2022

*brand eins/Statista*
Marketing, Branding, Pricing  
Sales, Aftersales, CRM

brand eins/special edition Consultancies 2022, together with Statista: Best Consultancies in Germany, No. 1, 2022

*Forbes*
Marketing, Brand & Pricing  
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Forbes, survey of the best management consulting firms in the US, 3-star rating, 2022

*Finanz und Wirtschaft*
Marketing, Brand, Pricing  
Sales, Aftersales, CRM  
Analytics, Big Data

Finanz und Wirtschaft, survey of the best management consultancies in Switzerland, 5-star rating in Marketing, Brand, Pricing/Sales, Aftersales, CRM, 4-star rating in Analytics and Big Data, 2021

# Putting Environmental, Social, Governance (ESG) at the centre of Simon-Kucher

Our ESG approach relies on 3 pillars



## Environment

- In 2022 we will continue to define our own climate strategy with a clear commitment and goals towards reducing our corporate carbon footprint yearly.
- Centrally driven **sustainability initiatives** aligned across all business functions such as incentivize sustainable commuting, switch to 100% renewable energy, proper waste recycling & sustainable caterers and Switch to sustainable alternatives for new office purchases



## Social

- Championing of **community initiatives** (e.g., donation drives, volunteering, service days)
- Global **pro bono program for non-profits** with a significant mission and size, identified bottom-up **around the world** on **core Simon-Kucher topics**
- **Social start-up mentoring** programs in various offices
- Further define and implement an internal **DE&I Strategy**



## Governance

- Yearly **Corporate Responsibility & Sustainability Report**
- Further implementation of **locally-driven sustainability standards**



# What we do, who we are, and how we feel, matters

We believe in building a culture that embraces diversity, equity, and inclusion. We strive to create an environment in which our people are able to be themselves and know that their contribution matters. If we get that right, great things will happen. People will learn and grow faster, innovate, feel valued, and create better outcomes for everyone – our people, our clients, and of course, our business.

Our DE&I strategy rests on 4 pillars:



## **Enablement**

We are committed to creating the systems, structures, and processes upon which our DE&I effort stands and continuously monitoring them for efficacy.



## **Equitable processes**

We strive to create transparent processes that drive fair and equitable behaviours.



## **Inclusive leadership**

We look to our partners and leaders as champions and role models. They are accountable and recognize that inclusive leadership is the norm, not the exception.



## **Inclusive teams**

We celebrate differences and leverage the unique perspectives and experiences that come from our diverse teams.

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