SIMON KUCHER

Unlocking better growth

From margin pressure to profitable growth

Commercial excellence strategies for European wholesalers & distributors




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Agenda

11:00 - 11:10 CEST	**The new commercial reality for wholesalers & distributors** Steffen Bretzger
11:10 - 11:20 CEST	**Margin recovery in wholesale: Protecting profitability through commercial excellence** David Lefèvre
11:20 - 11:30 CEST	**AI-powered pricing & quote excellence: Turning commercial complexity into growth** Steffen Bretzger
11:30 - 11:50 CEST	**Commercial excellence in practice: Leading commercial transformation in wholesale** Pierre Benoit
11:50 - 12:00 CEST	**Q&A with speakers** Pierre Benoit, Steffen Bretzger, David Lefèvre



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Steffen Bretzger

Partner, Simon-Kucher

- Global Head of Center of Excellence for Wholesale & Distribution
- 15 years experience
- Pricing, sales and digital

David Lefèvre

Expert Partner, Simon-Kucher

- 23 years with Simon-Kucher
- Deep experience in a large variety of Wholesale businesses
- More than 70 projects conducted, mostly to CEOs

Pierre Benoit

Ex-CEO of Rexel

- 36 years with Rexel
- 18 years in CEO roles
- Excom member at Group level



1

The new commercial reality for **wholesalers & distributors**

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Quo vadis, wholesale?

Do we still need wholesalers in the future?

Digital platforms enable **direct sales**

Logistics is becoming **more standardized**

Transparency continues to rise

Customer expectations are becoming more sophisticated

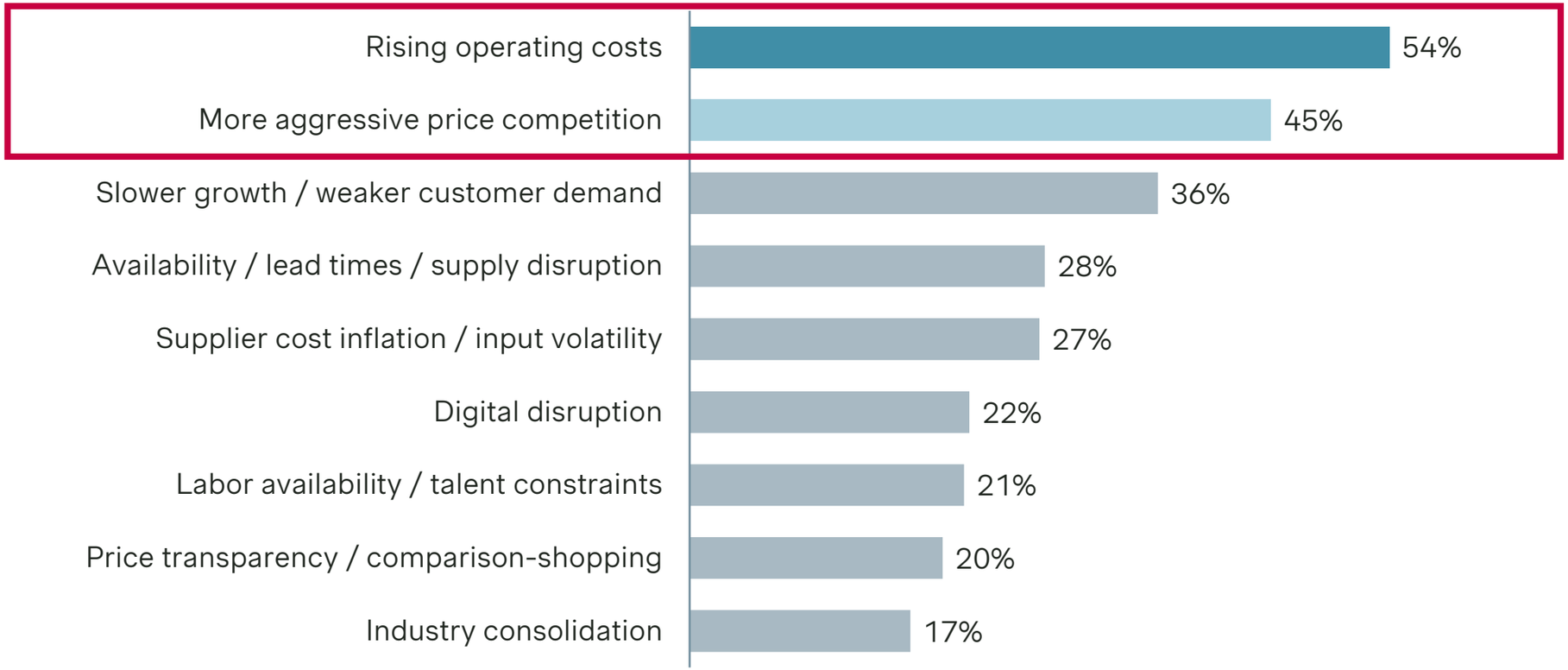
The "one-stop shop" is **losing differentiation**



Source: Simon-Kucher, Blog Article "Wholesale 2035: Growth under pressure"

The current reality:
Cost pressure and price competition are compressing the room for error

What are the biggest external pressures facing your business today? Top-three ranking.



Insights

North America

Rising operating costs: 60% vs. 45% in Europe.

Europe

Digital disruption: 29% vs. 17% in North America.

Both regions

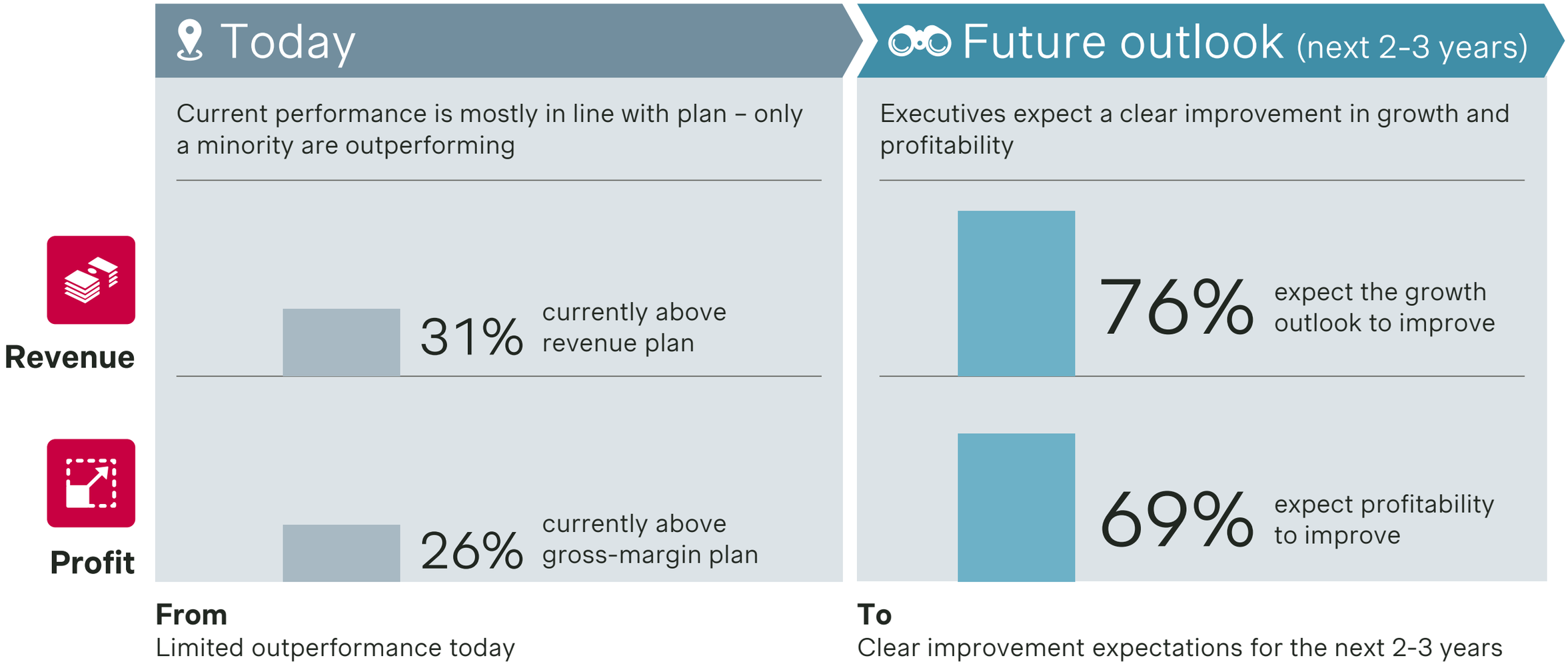
More aggressive price competition is the #2 pressure overall at 45%.

Implications

Commercial improvement must create both topline momentum and better unit economics — there is less room to trade one for the other.

Source: Simon-Kucher, Global Wholesale & Distribution Executive Survey 2026 | Q16 | n=239 | Top 9 shown; ranked in top three

Growth ambitions remain high — but outperformance is still limited today



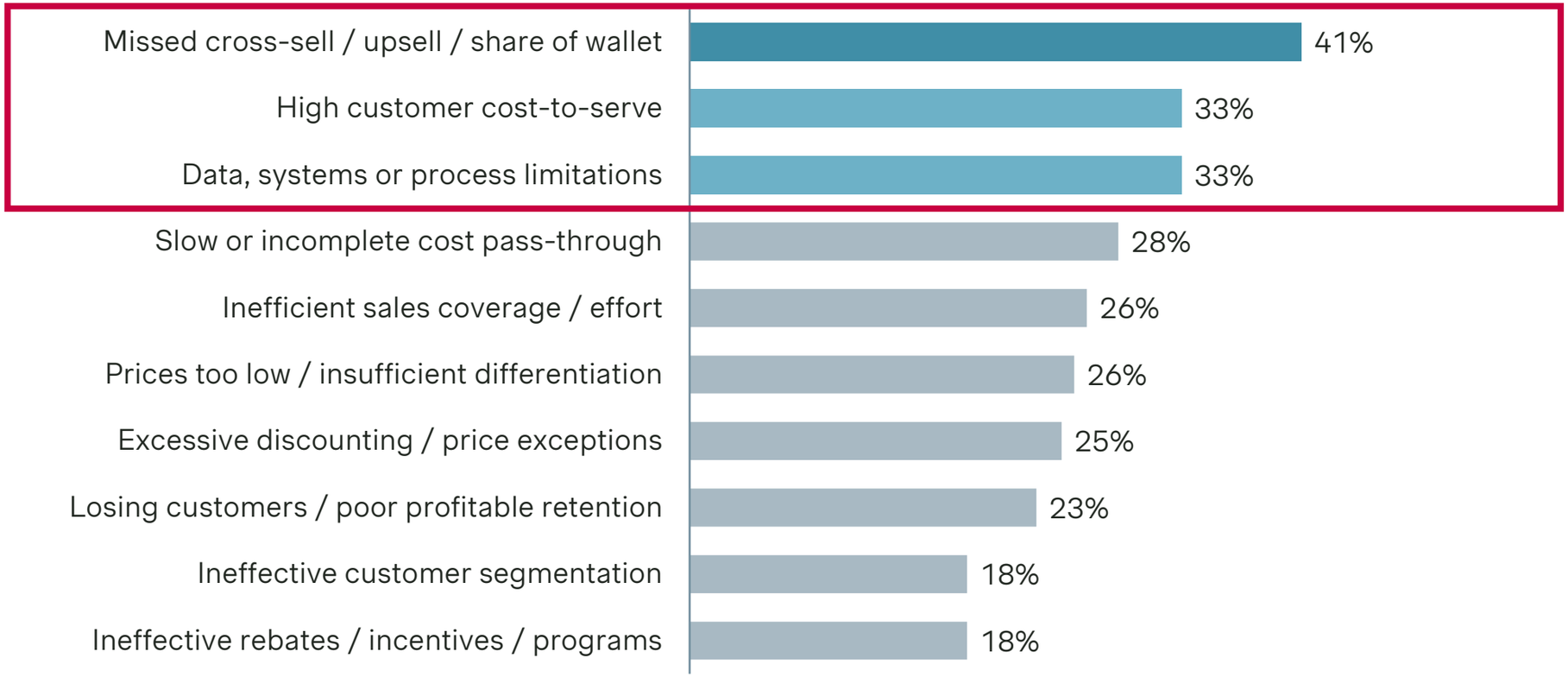
From
Limited outperformance today

To
Clear improvement expectations for the next 2-3 years

Source: Simon-Kucher, Global Wholesale & Distribution Executive Survey 2026 | Q17: "Over the current fiscal year, how is your company performing relative to plan?" | n=239 | Full response distributions; % of respondents | Q21-22: "Compared with the last two years, how do you expect the outlook to change?" | n=239 | Full response distributions; next 2-3 years vs last 2 years

Despite strong growth ambitions, significant value is lost across multiple areas

Where do you believe your company loses the most commercial value today? Select up to three.



Insights

Europe

42% cite data / system limitations vs. 26% in North America.

Exploratory size lens

Missed cross-sell / upsell / wallet opportunities: 45% at $500M+ vs. 30% below $500M.

No single leak dominates

No single biggest leakage source exceeds 14% overall (Q24).

Implications

Margin improvement requires sales, service, cost-to-serve, pricing, and data to be managed as an integrated system.

Source: Simon-Kucher survey 2026 | Q12, Q23-Q24 | Below $500M n=71; $500M+ n=168 | Up to three selections. Size comparison exploratory, not multiplicity-confirmed.

Wholesalers are pursuing multiple routes to growth — no single lever dominates the agenda

Growth priorities span acquisition, digital, sales productivity, pricing and share of wallet



New customer acquisition

36%

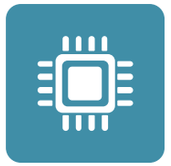
are prioritizing the acquisition of new customers



Digital/ E-commerce

28%

are prioritizing digital and e-commerce growth



Salesforce productivity

28%

are focusing on increasing salesforce productivity



Pricing

26%

are prioritizing improved pricing and margin management



Share of wallet

24%

are focusing on increasing share of wallet with existing customers



Profitable Growth

Source: Simon-Kucher survey 2026 | Q12-Q13: “Which commercial initiatives are most important over the next 2-3 years? Select up to three” | Below $500M n=71; $500M+ n=168 | Multiple selections. E-commerce supported; key-account comparison exploratory.

So, do we still need wholesalers?

Yes - but their role is changing

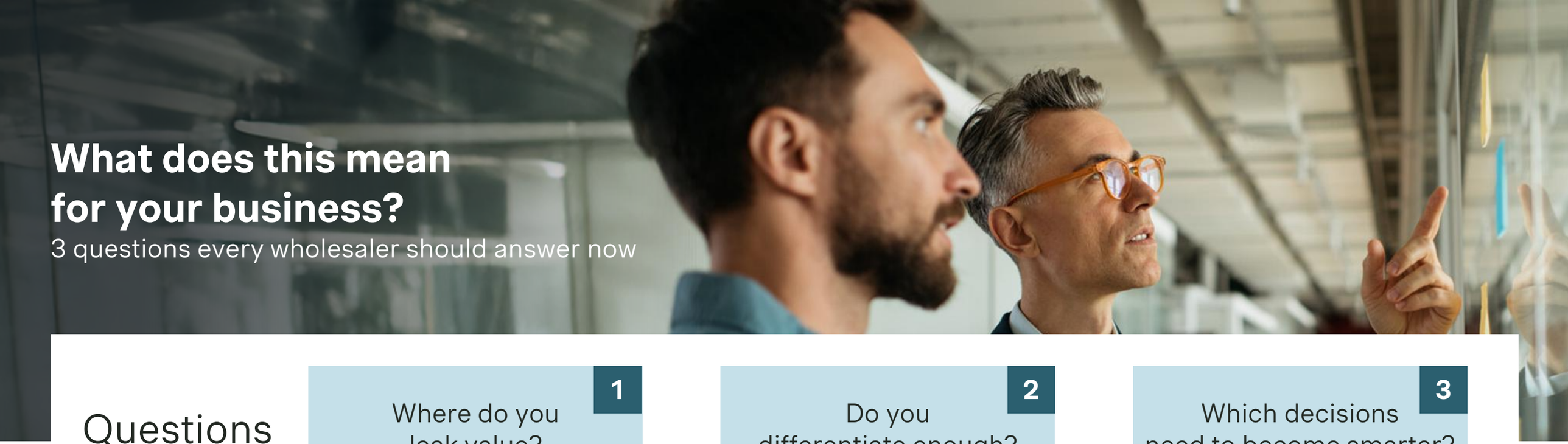
From distributor of goods
Scale, assortment breadth, logistics efficiency

to manager of value
Right assortment, right price, right customer



Distribution remains the foundation

Commercial Excellence becomes the differentiator



What does this mean for your business?

3 questions every wholesaler should answer now

	1	2	3
Questions	Where do you leak value?	Do you differentiate enough?	Which decisions need to become smarter?
Example	Pricing, cost-to-serve, cross-sell, discounting	Assortment, pricing, availability, service, data	Which customer? Which product? Which price? Which channel?

If your answer to any of these is "we don't know consistently", Commercial Excellence becomes a strategic capability — not an optimization exercise.



2

Margin recovery in wholesale: **Protecting profitability through commercial excellence**

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How Wholesalers can react | 5 levers to enable profitable growth

1. Where to play?

Customer & segment strategy

Are we investing behind the right customers?

- **Segments** are well in place
- Sales efforts are **prioritized** according to segments
- Segments have a **direct implication on pricing**
- Customer **allocation** to segments is **reviewed** periodically, leveraging AI
- We **know our customers** well especially what they **don't buy** from us vs. a typical basket per segment

2. What to sell?

Portfolio & mix

Are we selling the most value-accretive basket?

- We have a strong **Private Label** strategy in place
- Upsell is actively managed with **Tiering mechanisms** when we prepare quotes
- **Less Expensive Alternatives** are proposed instead of simple price concessions
- **Cross sell** is accelerated with a good view of what a customer **should buy**
- Promotions are well in control and **accretive**

3. How to serve?

Cost-to-serve

Does our service model match customer economics?

- We have a granular **ABC costing** in place
- We **make use** of it on a regular basis to decide on coverage model and take **corrective** actions
- We steer **ordering behavior** with clear freight policies and adapt delivery frequency
- Our **pricing allows self-service and digital sales** to run smoothly

4. How to monetize?

Pricing & terms

Do we have a Best-in-Class Pricing system?

- We have **invested** in Pricing as a true capability and manage it in a very systematic manner
- We have a pricing team **dedicated** to the topic
- We have implemented **pricing management software** to support the process and don't make use of Excel anymore
- We **actively manage the Price Waterfall** (see dedicated section)

5. Make it happen

Sales performance

Are we driving the right commercial behaviors?

- We have strong **routines** within the Sales team where opportunities are discussed, **visit plans are challenged** and customer profitability is monitored
- We have a clear view of the **Win/Loss customer balance** to track momentum at a granular level
- Our BI allows to precisely **isolate price effect**, volume effect and mix effect

Focus on Lever 1 | The use of commercial criteria is recommended as the basis for customer value-oriented segmentation

Conceptual

#	Criterion	Definition	Impact on discount
Importance of the customer			
1	Turnover	Total sales over the last 12 months	*The higher the total turnover, the higher the discount*
2	Potential	Sum of potential based on database	*The higher the customer potential, the higher the discount*
3	Share of wallet (%)	Turnover/potential	*The higher the share of sales, the higher the discount*
4	Proportion of private label	Sales from the purchase of XYZ/total sales	*The higher the share of private label in total sales, the higher the discount*
5	Product mix	# Number of different product groups purchased	*The higher the number of categories purchased, the higher the discount*
6	Frequency	# Number of orders in the last 12 months	*The higher the number of orders, the higher the discount*
Sensitivity of customers			
7	Price sensitivity (conversion rate)	Conversion rate (clicks/purchases)	*The more sensitive the customer, the higher the discount*
8	Proportion of promotions	Revenue from advertising campaigns/total revenue	*The higher the share of promotions in total revenue, the higher the discount*
Cost-to-serve			
9	Average turnover per invoice	Total turnover/number of invoices	*The higher the average turnover per invoice, the higher the discount*
10	Proportion of returns	Sales from returns/total sales	*The higher the proportion of returns, the lower the discount*
Region			
11	Region	Region in which the customer operates	*The higher the intensity of competition in a region, the higher the discount*

Criteria and weighting must be defined

Source: Simon-Kucher

Focus on Lever 1 | Based on defined drivers, an overall score can be calculated that determines the customer segmentation

Project example

Calculation of the total score/customer segmentation

Customer segment

Customer	Turnover	Score	Product groups	Score	Potential	Score	Transaction costs	Score	Total score	Customer segment
Customer 1	39.452 €	7	3/6	6	4/4	8	3 035 €	8	7,1	A (5)
Customer 2	23.560 €			8	3/4	2	604			B (4)
Customer 3	16.688 €	6	2/6	3	4/4	7	506 €	5	5,2	D (2)
Customer 4	2.846 €	2	1/6	1	2/4	1	949 €		2,8	E (1)

Score set between 1 and 10

Overall score is based on individual results and is calculated on a weighted basis

Customer segmentation should be checked in a regular review process

Source: Simon-Kucher; project examples have been anonymized for reasons of confidentiality

Focus on Lever 4 | Pricing equilibrium

Override / Manual Price

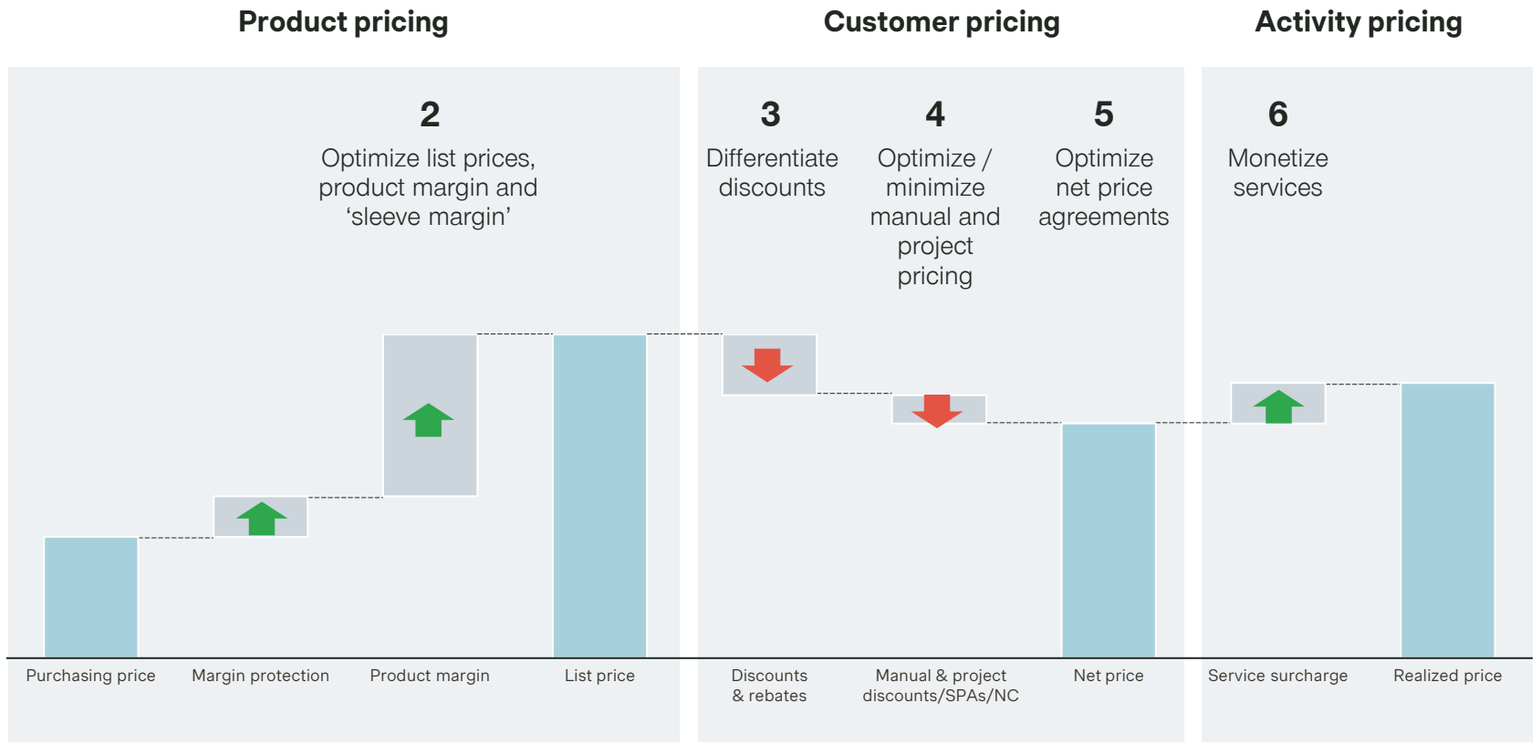
vs.

System Price



Focus on Lever 4 | Towards a Best-in-Class pricing system

1 Pricing strategy: Point of departure for customer segmentation, products and channels



7 Commercial enablers: Support pricing and competencies

Pricing tooling	Pricing governance	Value selling & negotiation	KPIs & monitoring

- Do we have **price sensitivity scorings** in place?
- Do we **modulate** our price increases and go higher on **the less sensitive items**?
- Do we have 'good' **hidden margins** in place? (Good in the sense of differentiated)
- Is our "**central pricing**" vivid and efficient? Or do we have massive customer specific conditions and override through "**local pricing**"?
- Do we chase **net price** conditions?
- Do we have **tools & guidance** for Sales to allocate customers to **grids** – or grant a **special price**?
- …

Product Pricing | We usually observe a lack of margin differentiation across the product catalogue

Where we typically start

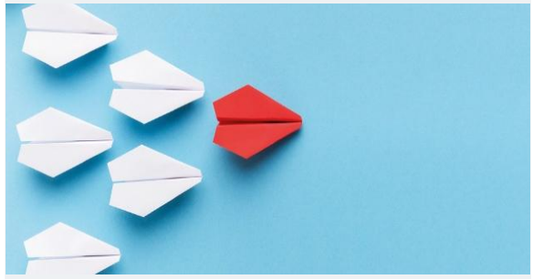
- Limited reflection of assortment strategies & objectives by product category / family
- Limited thought given to how pricing on most visible products will entrench overall price positioning in customers' mind

Where we want to go

1

NEW PRICE LIST BASED ON PRICE SENSITIVITY & ASSORTMENT STRATEGY

2 Technical constraints



Beyond price sensitivity differences within a given product family, **technical consistency** needs to be also considered

3 Market constraints



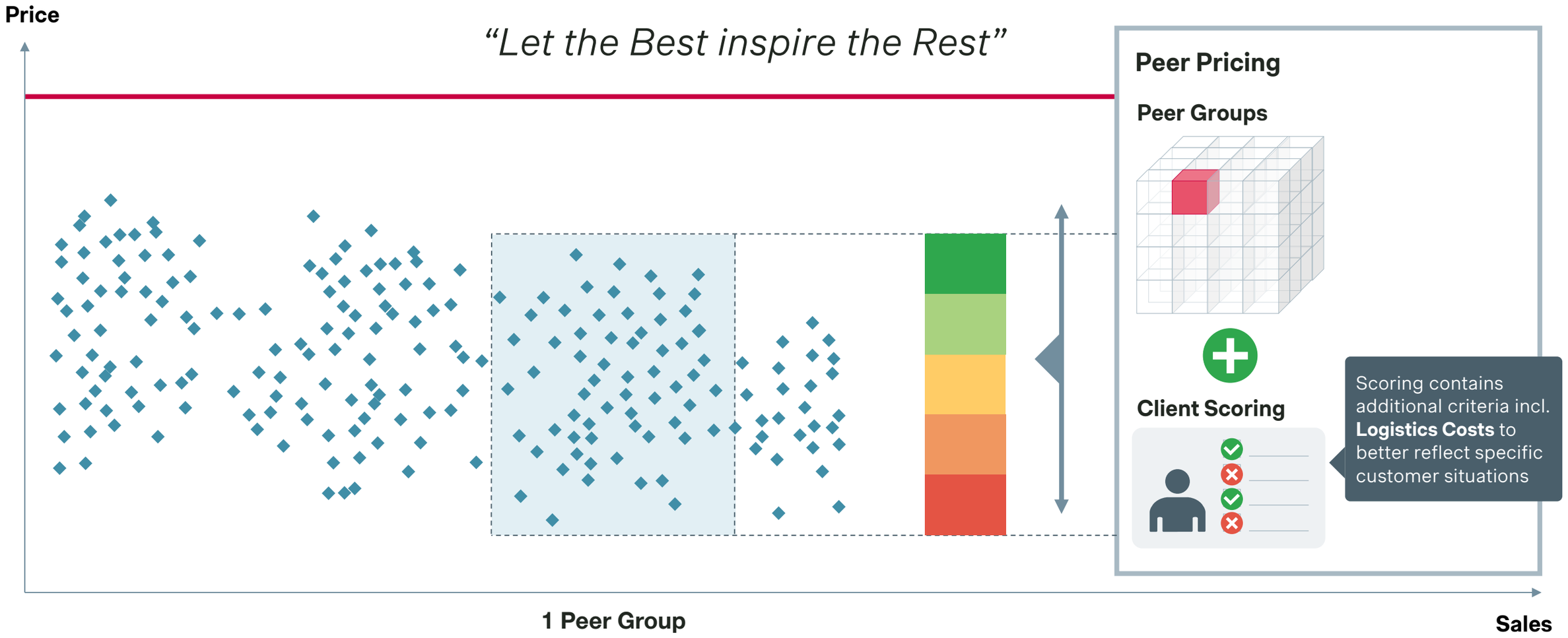
For **Top Runners**, pricing is enriched by a local market / competitive vision to guarantee relevant recommendations

Source: Simon-Kucher

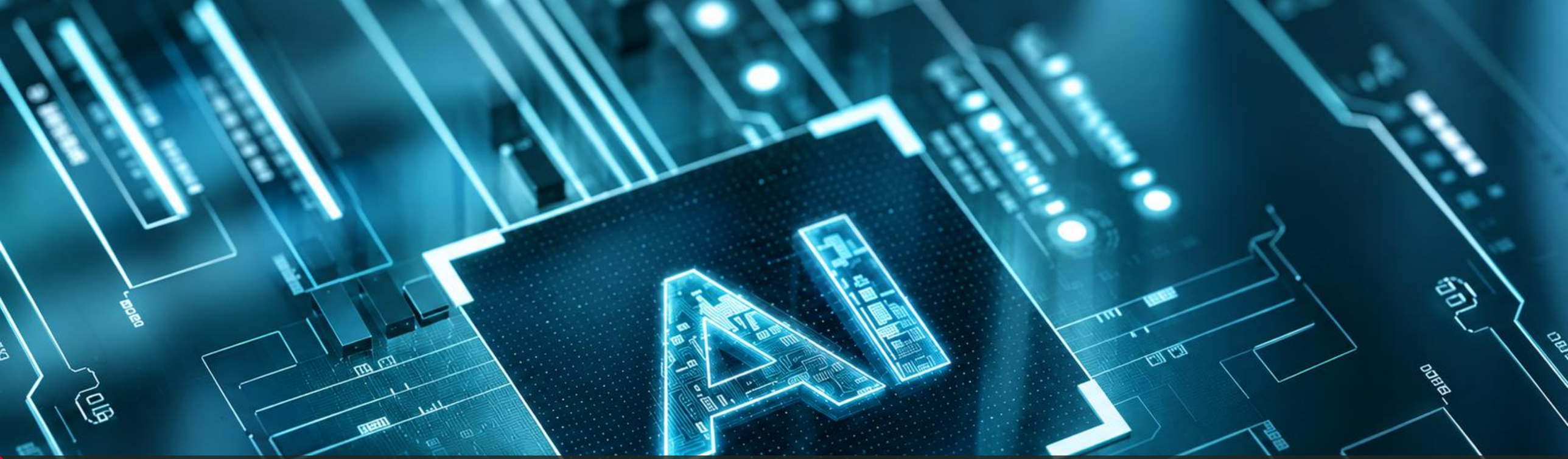
1 dot = 1 deal with 1 client

Customer Pricing | The PeerPricing methodology allows to Manage prices based on best practices

Everything starts with Peer Groups which bring together homogeneous transactional situations



Source: Simon-Kucher



3

AI-powered pricing & quote excellence: **Turning commercial complexity into growth**

Wholesalers have the data – but data alone does not create commercial value



Source: Simon-Kucher

AI has become a strategic priority – but adoption has yet to reach scale

Wholesalers see AI as a key lever for future competitiveness and are planning investments – yet only a few have scaled it across the organization

1 | High strategic relevance

24%

of executives see AI/data/ analytics as the #1 future competitive advantage

2 | Clear investment intent

47%

plan to invest in AI use cases

3 | But adoption is still limited

18%

have AI already scaling or broadly embedded

The question is no longer whether to invest in AI

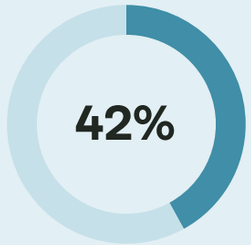
– but how to turn ambition into scalable commercial impact

Source: Simon-Kucher, Global Wholesale & Distribution Executive Survey 2026 | Q36: "What will be the biggest source of competitive advantage over the next three years?" | n=239 | % of eligible respondents
Q12, Q38-Q39: "In which areas is your company likely to invest over the next 12–24 months? Select all that apply." | Below $500M n=71; $500M+ n=168 | Multiple selections; Q39 eligible n=236. Pricing-tool intention is exploratory.
Q12, Q33, Q38: "What is your organization's current posture toward AI in commercial decision-making?" | Below $500M n=71; $500M+ n=168 | AI categories combined as shown. Piloting-or-beyond supported; scale-only not supported.

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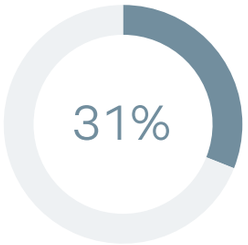
The AI bottleneck is the commercial foundation — integration, data, trust and ROI

What are the biggest barriers to using AI in commercial decision-making today? Select up to three.

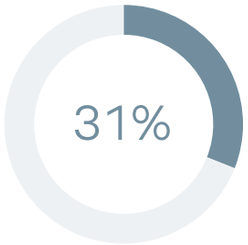


Limited integration with existing systems

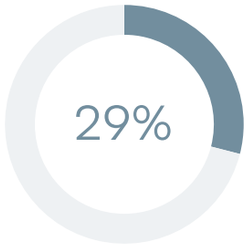




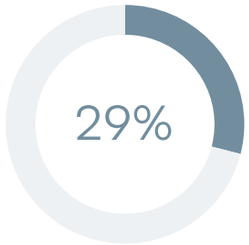
Poor data quality



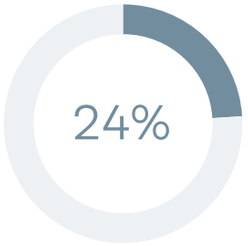
Explainability / trust concerns



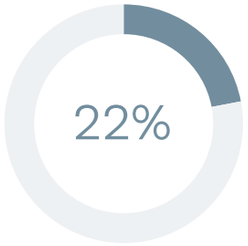
Unclear business case / ROI



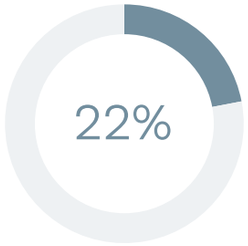
Limited internal AI / analytics capability



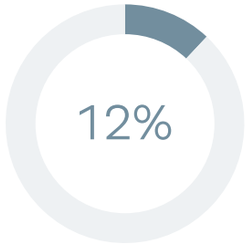
Lack of ownership / governance



Legal, compliance or privacy concerns



Sales or leadership resistance



AI not currently a priority

Insights

Europe

Lack of ownership / governance: 34% vs. 18% in North America.

North America

Explainability / trust: 37% vs. 23% in Europe.

Supported size difference

AI is not a priority: 24% below $500M vs. 7% at $500M+ identify this as an AI barrier.

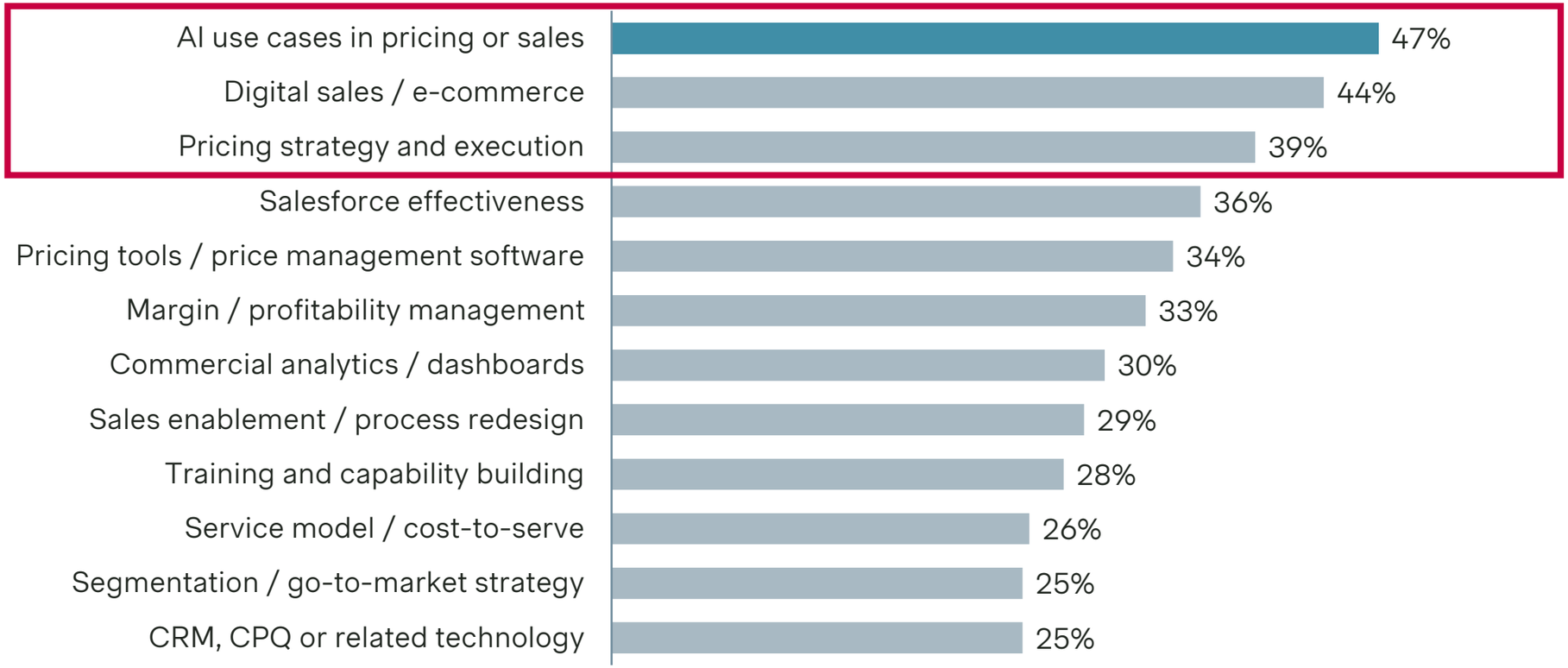
Implications

AI programs should start with the data, workflows, ownership, and business cases required for adoption — not with technology alone.

Source: Simon-Kucher survey 2026 | Q12, Q35 | Below $500M n=71; $500M+ n=168 | Up to three selections. AI-not-a-priority size contrast supported.

AI use cases are a strategic priority for management

In which areas is your company likely to invest over the next 12–24 months? Select all that apply.



INSIGHTS

SINGLE #1 PRIORITY

AI leads at 14% overall, followed by digital sales and salesforce effectiveness at 12% each (eligible n=236).

EXPLORATORY SIZE LENS

Plan pricing-tool investment: 40% at $500M+ vs. 21% below $500M. Not confirmed after survey-wide testing.

SHARED DIGITAL / AI INTENT

Digital investment: 44% below $500M vs. 43% at $500M+. AI investment: 48% at $500M+ vs. 45% below $500M.

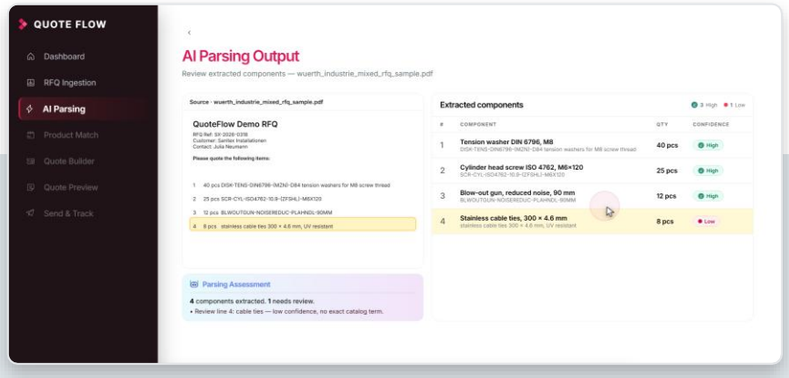
Implications

The portfolio is modernization-heavy; governance, adoption, and value-realization mechanisms should be designed alongside the spend

Source: Simon-Kucher survey 2026 | Q12, Q33, Q38 | Below $500M n=71; $500M+ n=168 | AI categories combined as shown. Piloting-or-beyond supported; scale-only not supported.

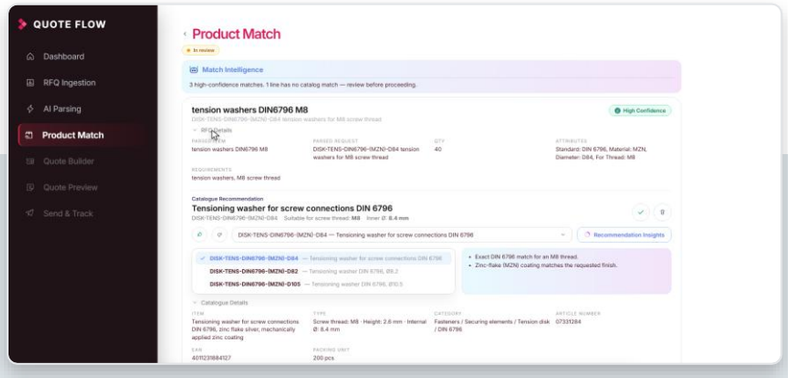
Automatized quote preparation with QuoteFlow – RfQ to Quotation in minutes

AI Request Extraction



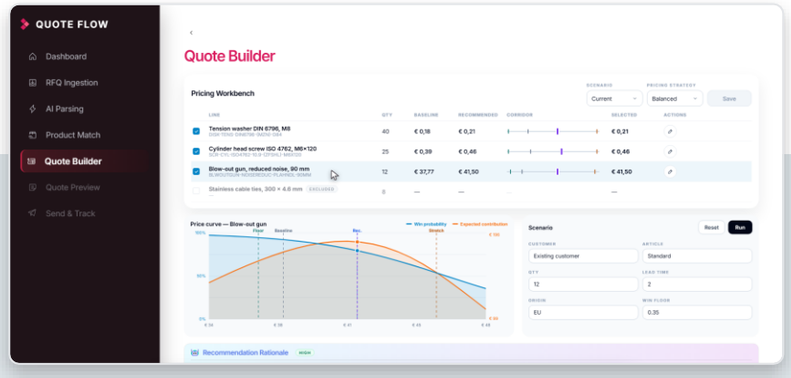
- Less manual effort
- Faster turnaround
- Fewer errors

Product Match



- Faster product identification
- Higher match quality
- More consistent decisions

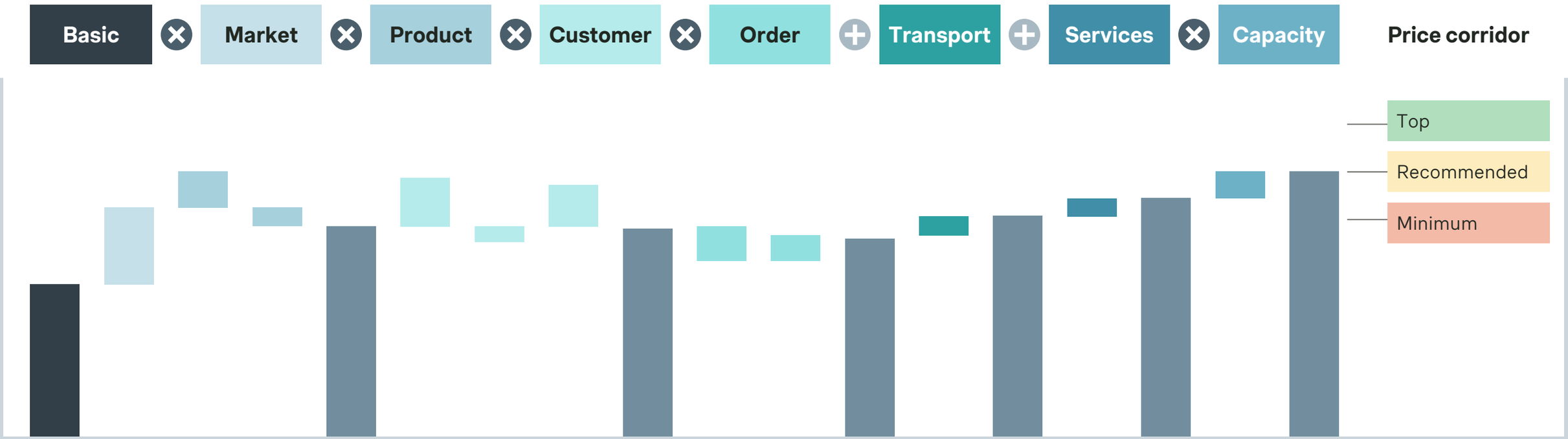
Quote Builder



- Trained on your data
- Peak expected margin
- Simulate & override

Source: Simon-Kucher

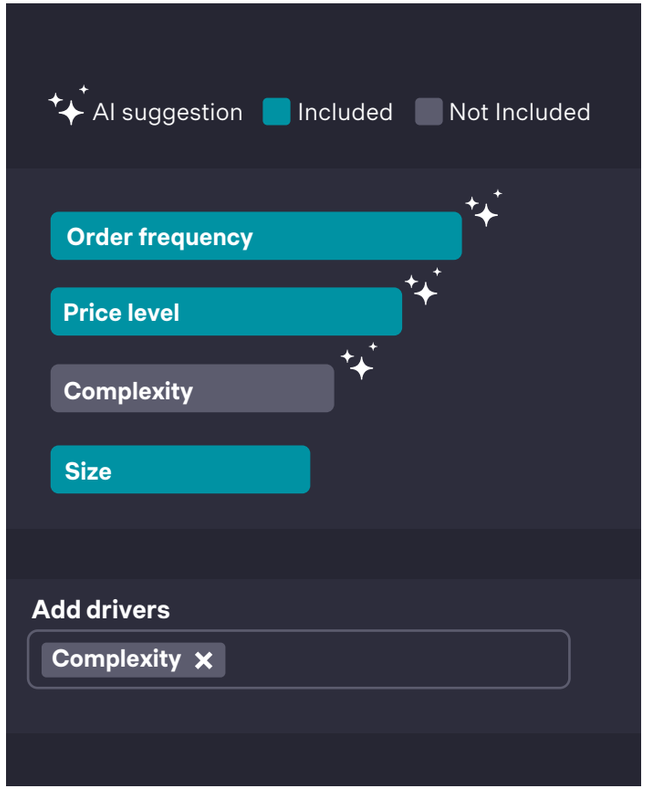
A price waterfall creates transparent pricing logic — AI helps build it faster, more data-driven, and more consistently



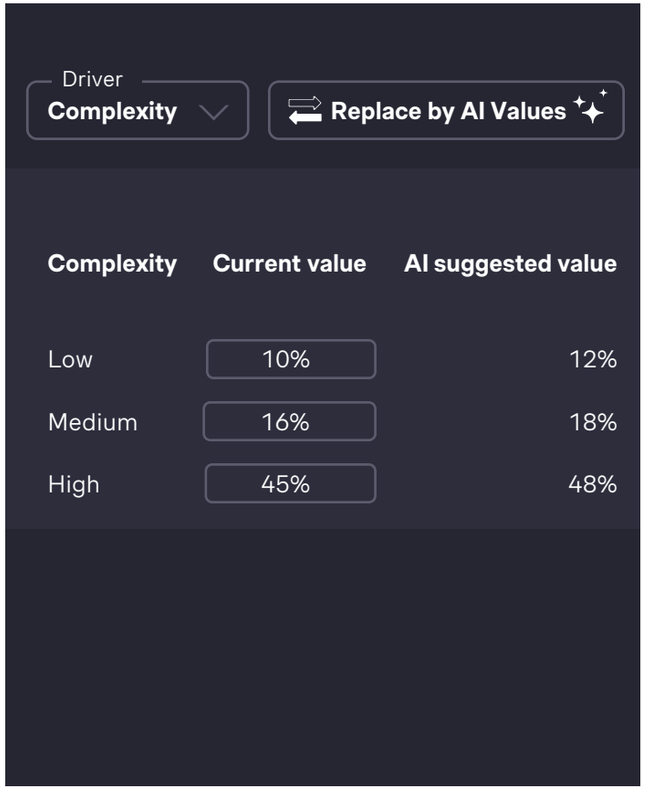
Source: Simon-Kucher

AI gives the Pricing Manager full control when building the pricing waterfall

Data-driven identification of relevant price and value drivers



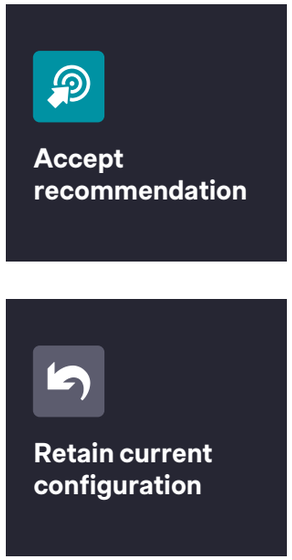
Quantification of individual drivers' impact on the price level



Transparent and explainable AI price recommendations

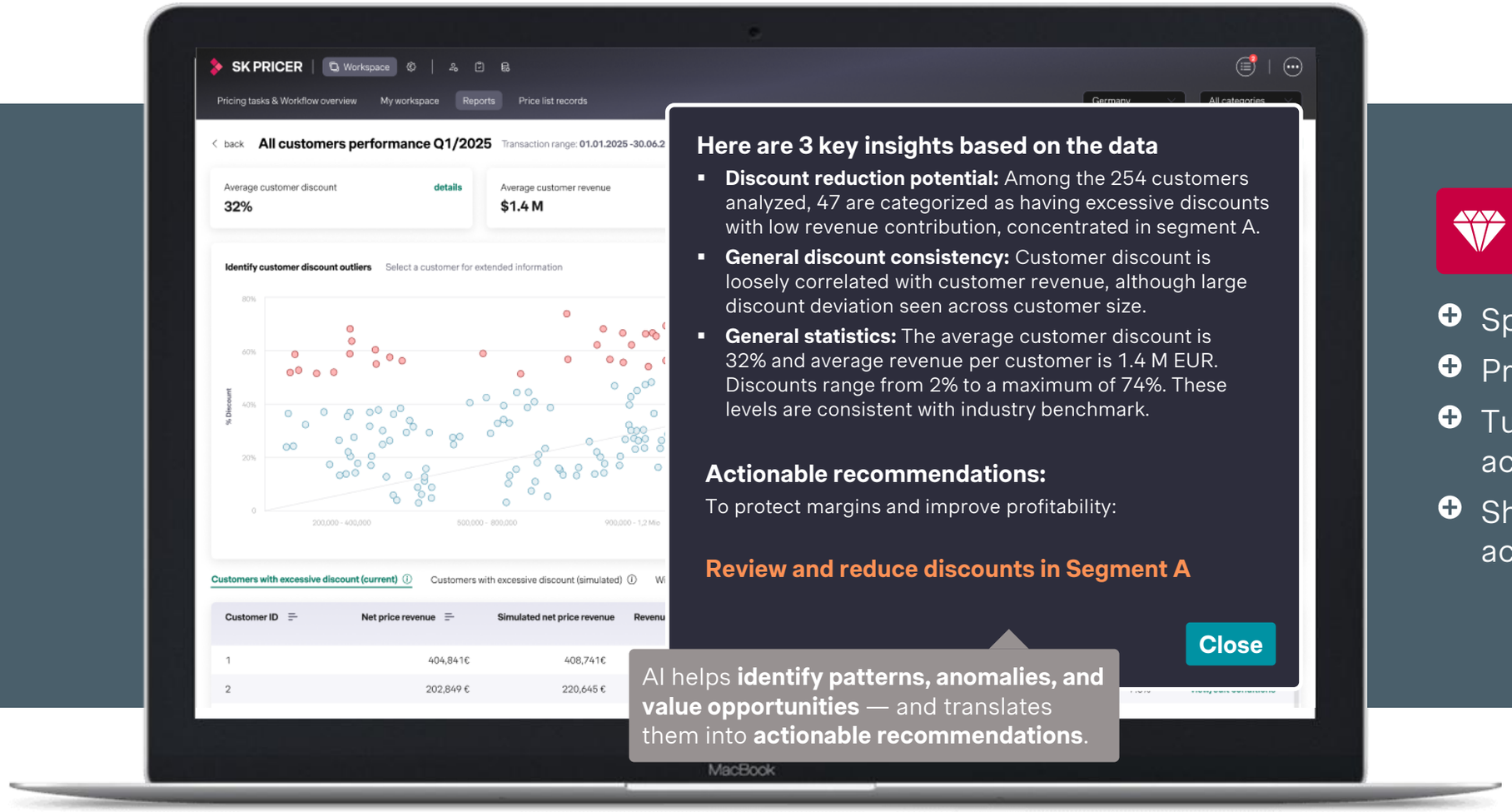


Decision control



Source: Simon-Kucher

AI assistants can help conduct pricing analyses and identify value opportunities

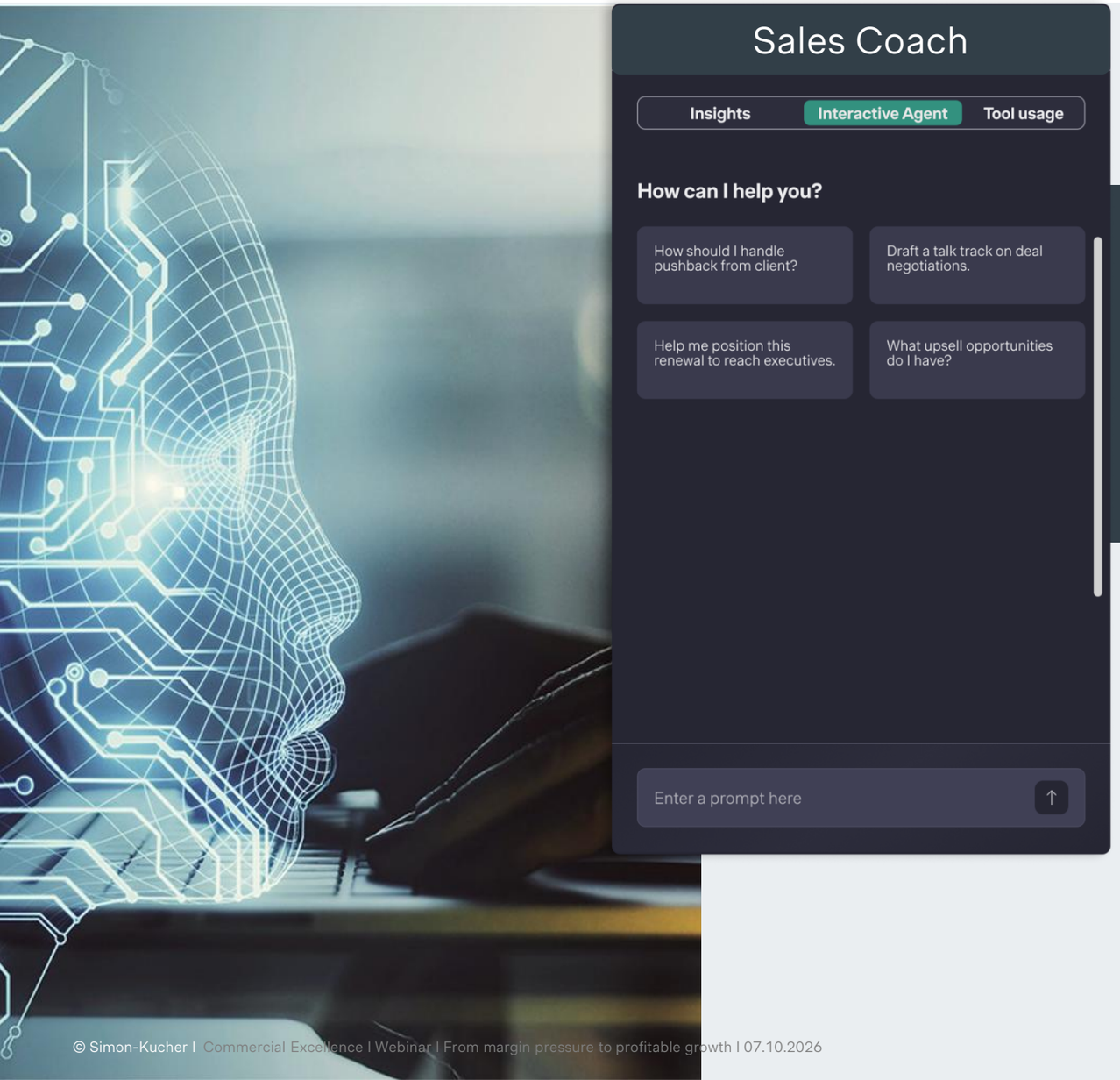


Value delivered

- Spot pricing anomalies faster
- Prioritize value opportunities
- Turn insights into concrete pricing actions
- Shift focus from manual analysis to active steering

Source: Simon-Kucher

AI helps sales teams defend prices more effectively and negotiate with greater confidence



A **digital Sales Coach** helps translate pricing strategy into concrete negotiation and offer decisions.

Exemplary use cases……

- **For sales:** Argumentation and recommendations for value defense, objection handling, and concession strategy — based on the company-specific sales playbook
- **Additional use cases:** Cross-/upselling recommendations and contract document creation

Value for Sales and Pricing

- Support price argumentation and objection handling
- Increase negotiation consistency across teams
- Reduce emotional or inconsistent discounting
- Build confidence in price-sensitive situations

Better pricing logic only creates value when it is effectively executed by Sales



AI in Wholesale = **Speed × Margin × Sales Effectiveness**

Start with a focused commercial use case — prove value, then scale

Understand
Define ambition and prepare foundation

Pilot
Build, test and validate in a focused setup

Scale
Integrate, roll out and build capabilities

Run
Continuously improve and capture more value

- Define objectives and use cases (e.g., pricing, quoting)
- Assess and prepare data (internal and external)
- Align stakeholders and success metrics

- Develop AI solution (e.g., pricing model, RFQ automation)
- Test with real data and pilot users
- Measure impact (e.g., speed, price quality, user satisfaction)

- Integrate into systems and processes (e.g., CRM, ERP)
- Train teams and enable adoption
- Roll out to additional product groups, markets or regions

- Refresh models with new data
- Track performance and impact
- Identify and activate new use cases

Clear scope and success criteria

Proven commercial value

Organization-wide adoption

Sustainable value and continuous improvement

Start small. Prove commercial value. Scale with confidence.

A structured approach helps to quickly prove value, build momentum and successfully scale across the organization

Ready to fix and modernize the commercial core of your wholesale business?

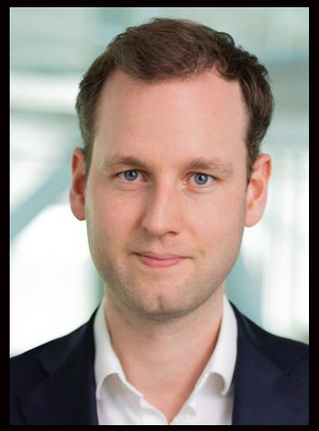
Reach out!



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