PriceTech: Boost your profitability and achieve efficiency gains

SK Pricer Suite delivers end-to-end pricing excellence for machinery and equipment manufacturers

SIMON◆KUCHER

Unlocking better growth

Background | **Pricing complexity in machinery business is constantly increasing – at the same time, many companies are still using the same tools as 15 years ago**

IN THE PAST

10,000
Pricing decisions
(mostly spare parts)

+

Tool Support

Excel /
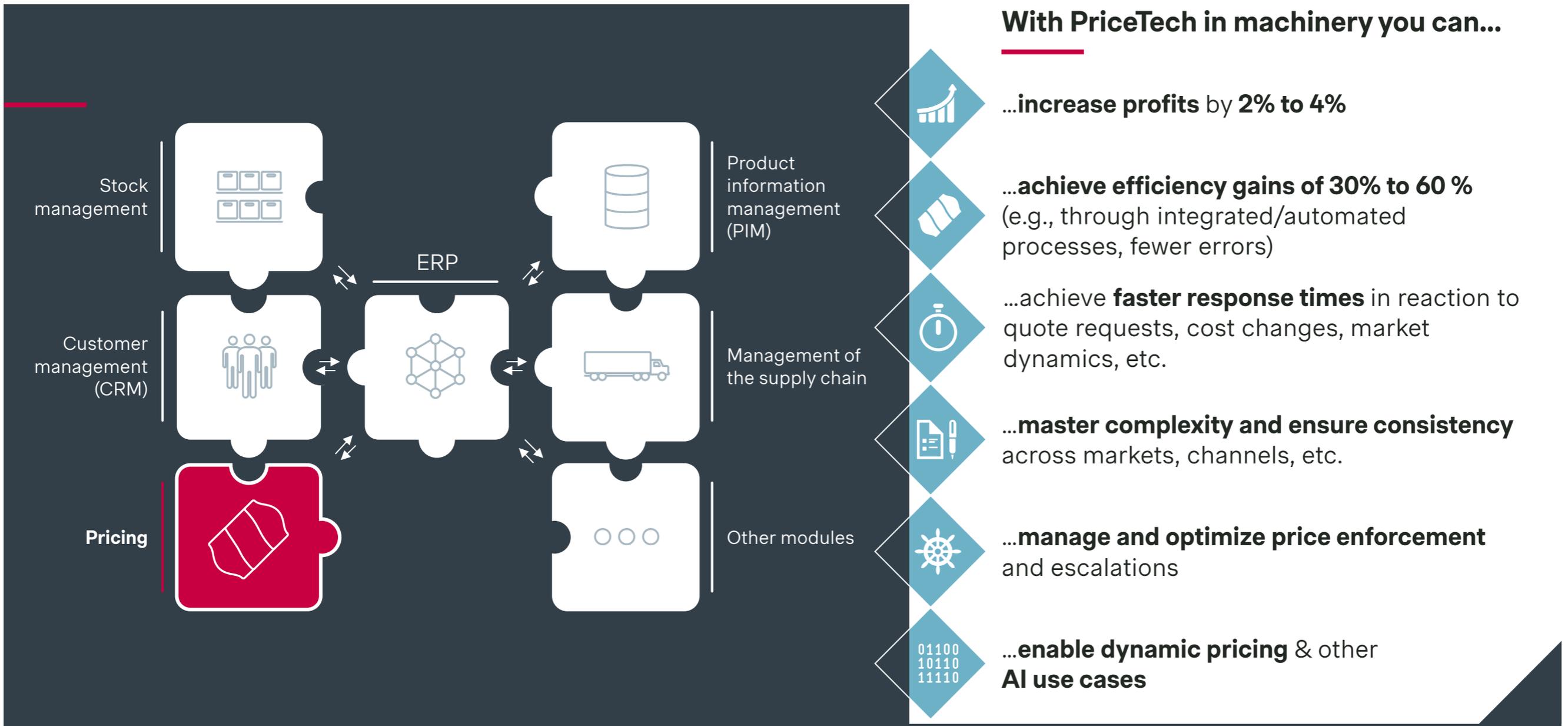ERP combination

TODAY

>100,000
Pricing decisions
spare parts, complex machines,
options, features, countries, regions,
channels, …

+

Tool Support

How automated is your pricing?

Source: Simon-Kucher

Impact I **While pricing is traditionally supported by Excel/ERP, innovative companies rely on specialized pricing modules to unlock impact across profit and efficiency**

Stock management

Customer management (CRM)

Pricing

ERP

Product information management (PIM)

Management of the supply chain

Other modules

With PriceTech in machinery you can…

…**increase profits** by **2% to 4%**

…**achieve efficiency gains of 30% to 60 %** (e.g., through integrated/automated processes, fewer errors)

…achieve **faster response times** in reaction to quote requests, cost changes, market dynamics, etc.

…**master complexity and ensure consistency** across markets, channels, etc.

…**manage and optimize price enforcement** and escalations

…**enable dynamic pricing** & other **AI use cases**

Source: Simon-Kucher

Typical pitfalls | **Our experience shows that machinery companies often make the same mistakes when implementing automated solutions**

01 **Software without strategy**
Lack of strategy and pricing rules lead to unclear requirements; Software does not match company needs

02 **Vendor selection is rushed**
Premature decision for software causes considerable additional costs later on

03 **Management is not involved**
Insufficient C-level attention leads to a disconnect from the strategy

04 **Processes are not standardized**
Existing complexities are accepted as given and require too much customizing

05 **Implementation ends with go-live**
Lack of training and change management leads to poor acceptance

Why pricing software trumps Excel

While Excel remains a familiar legacy tool, integrated pricing software offers a far more advanced, efficient, and scalable solution for today's pricing needs.

It enhances pricing strategies and business performance through deeper data insights, faster reactions to market dynamics, and reduced human error.

Transitioning to pricing software strengthens competitiveness through better price execution and delivers a strong return on investment.

Software with strategy | SK Pricing Suite is THE Pricing Software for Machinery companies

01

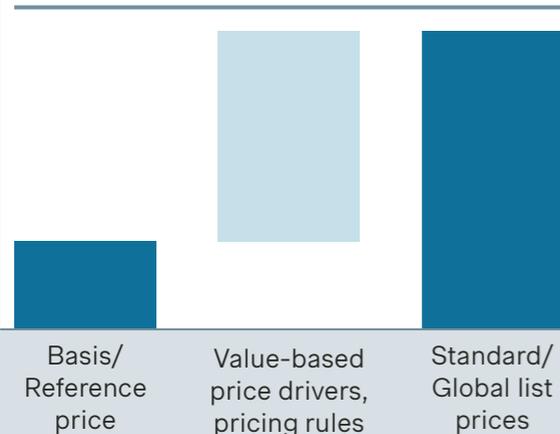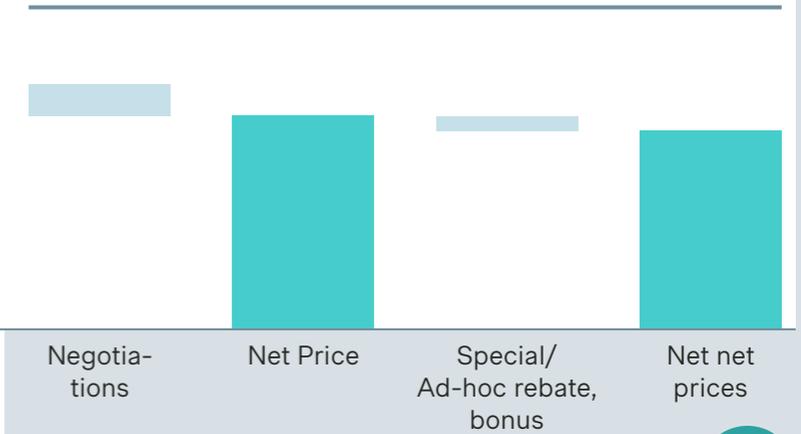| Pricing of base machines/equipment | Pricing of Options and Features | Pricing of Spare Parts | Pricing of Service Contracts and Repairs | | Price enforcement / discounting |

List Prices

| Basis/ Reference price | Value-based price drivers, pricing rules | Standard/ Global list prices |

International Prices

| Local factors | Local list price |

Central Discounts

| Structural discounting factors | Customer list price | Discount rules | Net price |

Negotiated Discounts

| Negotia-tions | Net Price | Special/ Ad-hoc rebate, bonus | Net net prices |

◆ **SK Pricer | "Products":** for Pricing- and Product Management

◆ **SK Pricer | "Deals":** for Sales

SK Pricer | Products **delivers the core capabilities needed to navigate complexity and power data-driven, automated pricing**
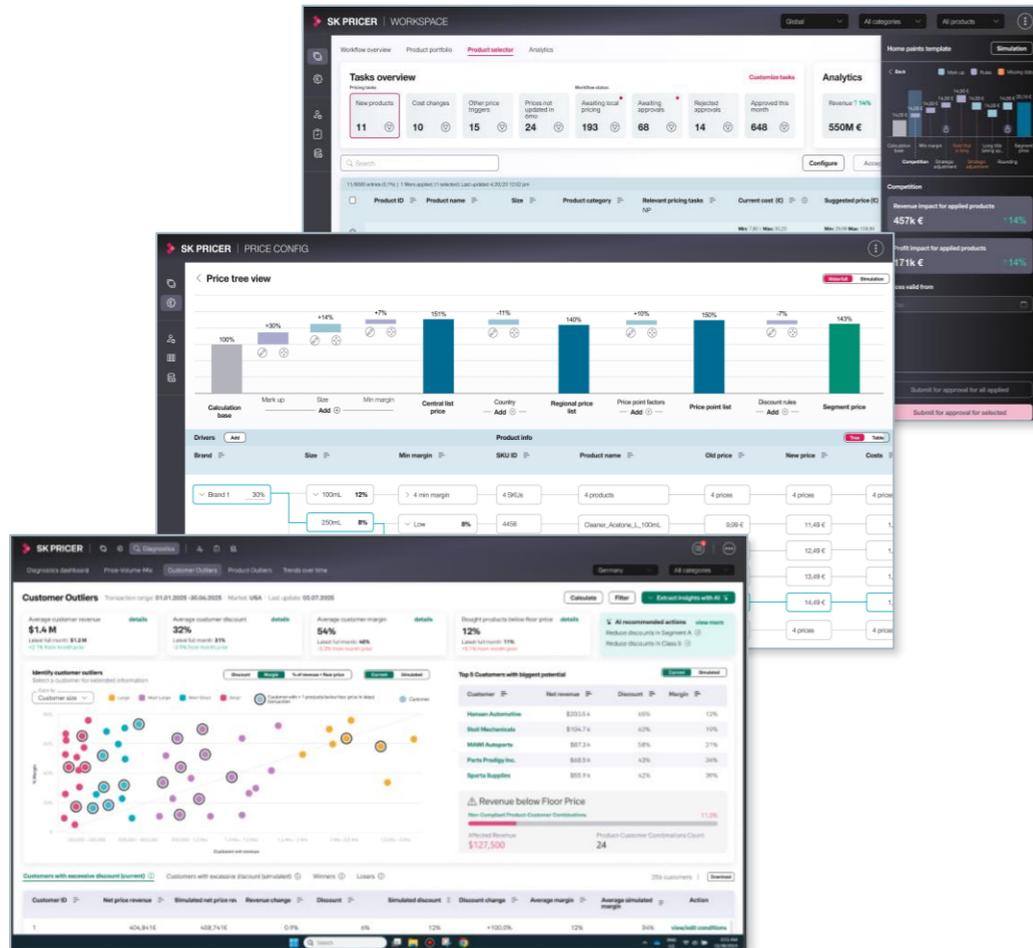
Fast diagnostic revealing opportunities

Out-of-the-box pricing analytics including best-practice pricing diagnostic to uncover potential pricing adjustment opportunities

Flexible price waterfall

Definition of the data architecture as a blueprint for application to the product segments

Automated price calculation

Automated price calculation with/without confirmation based on changed data, updated strategies or for new products

Price management across regions

Governance models between central price lists and regional or market-specific prices

Simulation of adjustments

Simulation and visualization of effects in real time including elasticities in the adjustment of product prices

Manage governance across markets

Define governance from central to local markets and keep track on local deviations

Source: Simon-Kucher Engine

SK Pricer | Deals **enables higher sales revenues via dynamically calculated and clear price recommendations that are seamlessly integrated into quotation workflows**
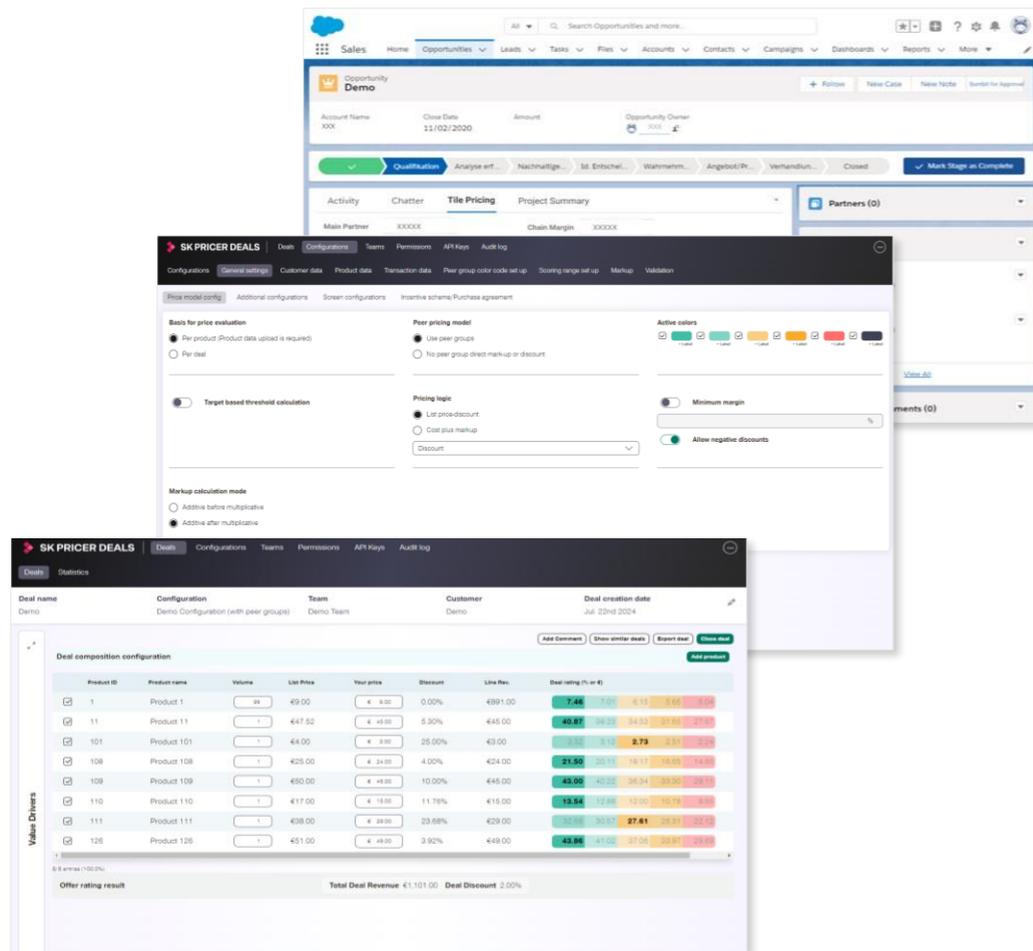
Calculation of price guidelines in real time
Clear visual guidance for sales teams when preparing quotations with performance evaluation of prices

Integration into existing frontend
System integration with existing sales applications for preparing quotations such as CRM, CPQ or ERP

Control of the price logic in the backend
Self-sufficient configuration of backend for customization of pricing logic, peer groups or deal scoring

Freely selectable pricing methods
Business-specific configuration based on AI/ML models, peer pricing or markup/-down factors

Price release and escalation processes
Integration with CRM workflow and approval processes

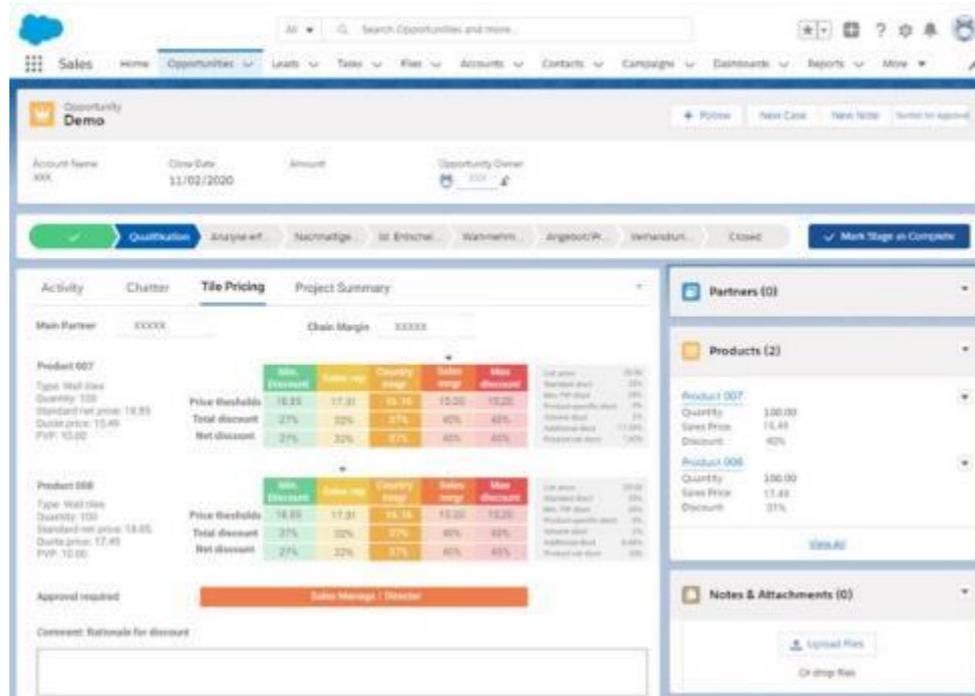### Dashboard for sales management
Performance monitoring for sales teams and analysis of the effectiveness and acceptance of price recommendations

Source: Simon-Kucher Engine

Integration | We achieve full integration of price guidance & management into systems and can link back to sales incentive schemes for maximum buy-in

SEAMLESS PRICE GUIDANCE in CRM...

...based on **Simon-Kucher target pricing** with considerations of **existing discount structure, regional differentials,** and **margin targets** leveraging our **SK Pricer | Deals solution**

ACTIVATION of sales team with incentive structures...
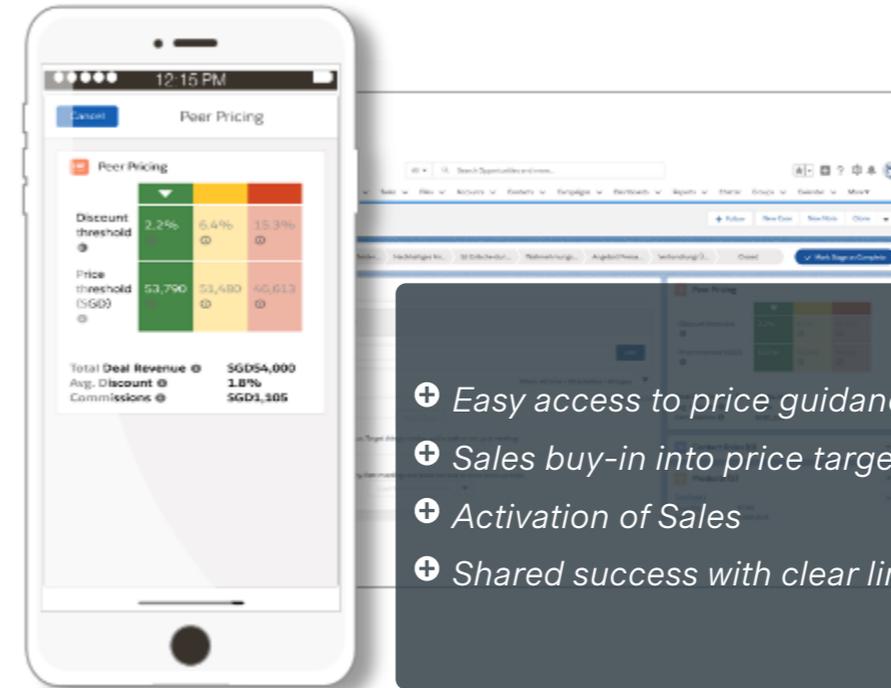
- ➕ *Easy access to price guidance*
- ➕ *Sales buy-in into price targets*
- ➕ *Activation of Sales*
- ➕ *Shared success with clear link to commissions*

...based on targeted **incentive structures** and **Simon-Kucher configured pricing engine** to administrate **pricing rules** linked to the **incentive scheme** and displaying commission levels according to **price quality achievements**

AI Support | **Automated insights and recommendations will boost your efficiency by accelerating analysis and enabling quicker, more effective decisions**

AI-DRIVEN SUPPORT for deeper insights and better decisions
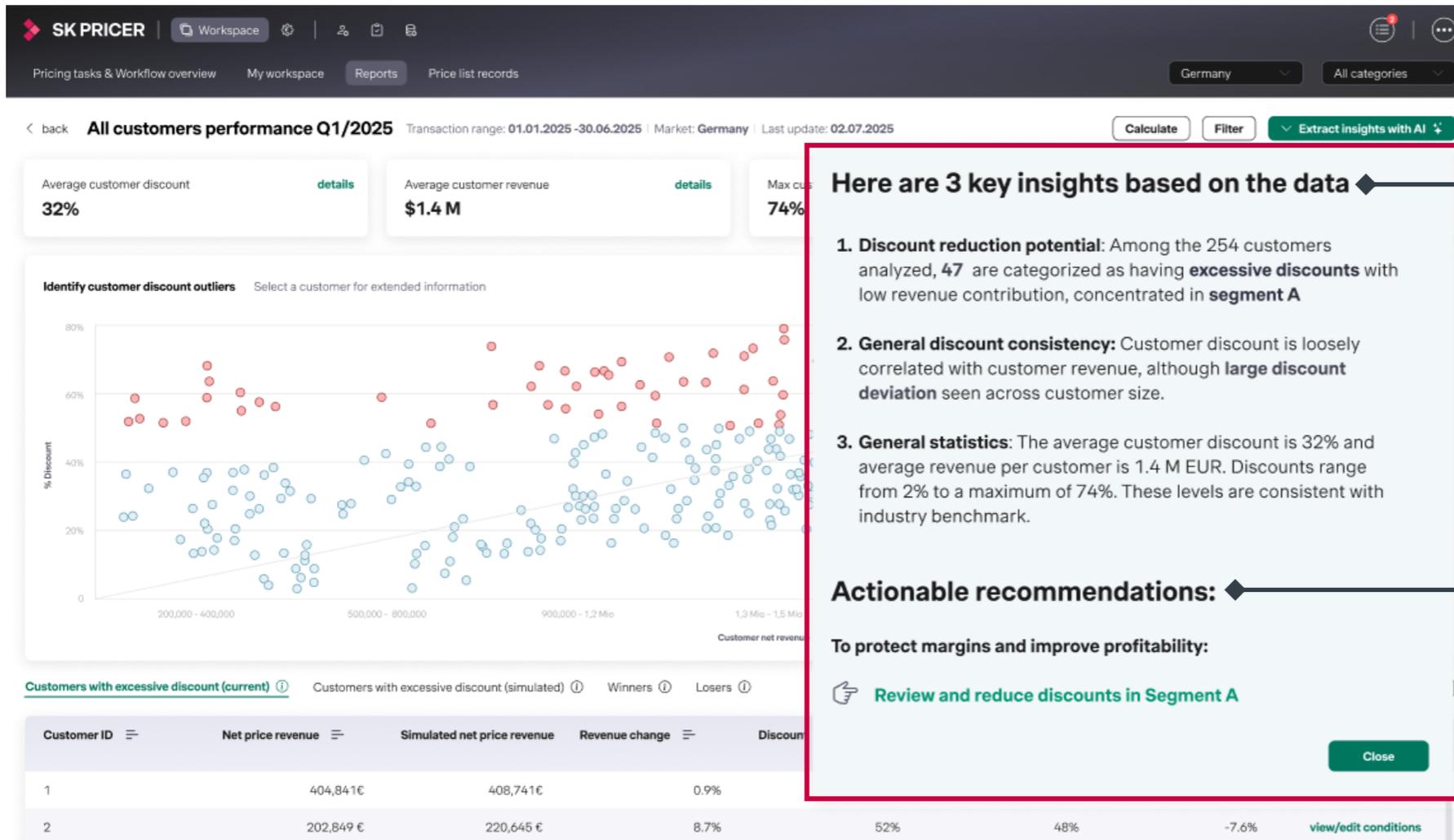
Key insight extraction
in natural language,
not just providing data,
but also conclusions

Recommended actions
with links so you can
directly act on insights

Source: Simon-Kucher Engine

Case study | **We successfully delivered guidance for customer individual pricing for a multi-national sales organization**

Client background

The client is a **US-based manufacturer of electronics test and measurement equipment** with a global sales organization

Quick facts

- Industry: Manufacturing
- Number of Employees: 15,000
- Revenue: >5B US$

Key challenges

- The client needed a core **price guidance tool for 1,200+ sellers** within a multi-national sales organization.
- They had a **legacy CPQ system** with performance concerns, as well as a **very complex product portfolio**.

Solution and outcome

Solution delivered

- **AI/ML-based pricing guidance logic** driven by advanced analytics
- **Simple pricing guidance for Sales Teams** embedded into the client's Oracle CPQ workflow
- **Additional references** and **details accessible** in the SK Pricer | Deals interface via one-click from the CPQ to bypass CPQ performance concerns

Key outcomes

Increased Revenue
15% more revenue transacted on deals within acceptable SK strategy ranges

Effective Onboarding
1,200 users active on peer pricing workflow within 6 months

Streamlined Integration
70,000 deals scored with full product portfolio supported

Simon-Kucher positioned as a Leader in the IDC MarketScape: Worldwide B2B Revenue and Profit Optimization Platforms 2025-2026 Vendor Assessment

IDC MarketScape Worldwide B2B Revenue and Profit Optimization Platforms 2025–2026

Source: IDC, 2025

IDC MarketScape vendor analysis model is designed to provide an overview of the competitive fitness of ICT suppliers in a given market. The research methodology utilizes a rigorous scoring methodology based on both qualitative and quantitative criteria that results in a single graphical illustration of each vendor's position within a given market. The Capabilities score measures vendor product, go-to-market and business execution in the short-term. The Strategy score measures alignment of vendor strategies with customer requirements in a 3-5-year timeframe. Vendor market share is represented by the size of the circles.

Key strengths noted by IDC MarketScape include:

- *"Simon-Kucher combines its commercial strategy expertise with configurable, client-tailored software made for pricing and sales teams."*

- *"SK Pricer places significant emphasis on its configurable, visually driven interface and workflow design. "*

- *"The platform employs AI and advanced analytics to surface actionable insights (via insight agents) that recommend pricing actions, highlight value drivers, and assist with segmentation."*

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Pantaley
Dimitrov

Partner

🏢 Im Zollhafen 24
   50678 Cologne

📞 Tel: +49 176 19843403

✉ pantaley.dimitrov@simon-kucher.com

Wolfgang Johann
Mitschke

Managing Director

🏢 Edison Höfe, Schlegelstr. 26b
   10115 Berlin

📞 Tel: +49 176 19843 413

✉ wolfgangjohann.mitschke@simon-kucher.com

Burak
Polat

Senior Manager

🏢 Marienturm, Taunusanlage 9-10
   60329 Frankfurt

📞 Tel: +49 176 19843406

✉ burak.polat@simon-kucher.com

Jacob
Richter

Manager

🏢 Edison Höfe, Schlegelstr. 26b
   10115 Berlin

📞 Tel: +49 151 58956777

✉ jacob.richter@simon-kucher.com

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