Philips Lighting: Increasing Margin with SAP® Price and Margin Management by Vendavo

Philips Lighting, a leading provider of lighting solutions and applications for professional and consumer markets – and part of one of the largest electronics companies in the world – needed support for managing pricing more strategically. With the SAP® Price and Margin Management application by Vendavo, Philips is able to effectively establish and execute pricing policies that increase margin and improve profitability.

Improving pricing

Greater gains with an empowered sales force

Objectives

- Establish pricing competency as a competitive advantage to support sustainable growth
- Integrate disparate pricing processes across sales, marketing, finance, and distribution
- Price turnkey projects and services more effectively
- Implement value-based pricing and selling
- Respond quickly to increases in the cost of raw materials

Why SAP

Software road map consistent with long-term vision

Benefits

- Ability to assess price and margin opportunities via analytics overview dashboards and in-depth analysis
- Greater efficiency by aligning discount and rebate structures and implementing value chain and product lifecycle policies
- Optimized pricing processes and improved sales negotiation power, leading to higher margins

Future plans

Continue global rollout – on track to meet business case target of 0.5% to 1.5% return on sales

Company
Philips Lighting

Headquarters
Amsterdam, Netherlands

Industry
Consumer products

Products and Services
Lighting solutions and applications for professional and consumer markets

Revenue
€25.4 billion

Employees
119,000

Web Site
www.philips.com

"With the software, our sales force can focus on price targets instead of price limits, which has been a major transformation in our evolution as a lighting solutions provider."

Roy Scheepens, Pricing Transformation Manager, Philips Lighting

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