

CASE STUDY – Pricing for Steel Manufacturing

Client

A large steel pipe and pellet manufacturer.

Challenge

Steel manufacturers are under immense pressure from a decrease in product price, increase in demand volatility, and domestic product protectionism.

With an increase in commoditization of its product lines, our client's revenues and profit margins were dwindling. Data was spread across disparate systems such as SAP, Excel, custom web applications making it difficult for the client to deal with the increasing price volatility of iron ore and energy.

Our client wanted to develop new pricing techniques that would improve margins. They wanted to build a current go to market pricing strategy that would help them serve customers based on the specific cost to serve. The client asked Intellicom to help make sense of their data to increase profitability.

Solution

- Intellicom developed a buying and selling analytics solution to gather understanding of buying behaviours in the market.
- The first step in offering actionable insights to the client was to create an Enterprise Data Warehouse with the ability to filter relevant data to specific users.
- After developing the data warehouse, we created dashboards that sourced data and updated in real-time.
- These dashboards offered commodity pricing trends and how business units in the client's various sales channels were pricing the products. It also included an industry scorecard that combined traditional and non-traditional financial indicators.

Impact

- The reporting and dashboard solutions' approved user security framework allowed it to be connected to all data marts and bring data into the warehouse.
 - This provided the client with a consolidated pricing view of sales and they saw a significant improvement in profit margins.
 - Timely reports from our dashboard enabled our client to use this data to make decisions that were tactical and time-sensitive.
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