



Epicor Success Story

FCx Performance, Inc.

Epicor Prophet 21 and Strategic Pricing provide fast payback for fluid power distributor

Company Facts

- ▶ Location: Columbus, Ohio
- ▶ Industry: Fluid Power
- ▶ Number of Stores: 20
- ▶ Number of Employees: 250

Success Highlights

Challenges

- ▶ Implement a pricing strategy that will increase margins while incorporating better visibility and analysis into the process

Solution

- ▶ Epicor Prophet 21 and Strategic Pricing

Benefits

- ▶ Fast ROI: Strategic Pricing pays for the entire Prophet 21 system investment
- ▶ Increased bottom line margins by 3 percent
- ▶ Simple for end users
- ▶ Uncovered past bad pricing habits



FCx Performance Inc. of Columbus, Ohio, is a specialty flow control distributor with 250 employees in 20 locations; 10,000 customers in pulp and paper, chemical, petroleum, pharmaceutical, power, steel, and other process markets; and annual revenues of more than \$200 million.

The Epicor Prophet 21 platform gave FCx Performance a solid foundation to help its 65 outside and 43 inside salespeople handle 35,000 product SKUs. But the company wanted to take it a step further. Russ Frazee, FCx Performance Chief Operating Officer, explains, "We had been looking for a pricing strategy for 4-5 years, trying to figure out how to increase our margins. We saw Strategic Pricing at the Epicor annual Insights conference and decided this was what we needed."

Strategic Pricing: The Basics

For every product, for every customer, there is a price that produces the optimal gross margin—the highest margin a distributor can obtain while retaining the customer's business. Strategic Pricing is a pricing architecture based on this principle, combining invoice analysis with market knowledge. It involves detailed segmentation of a distributor's customers by size (from "tiny" to "huge") and type ("core" and "non-core"), profiling of their price sensitivity, analysis of past pricing performance, definition of new pricing



standards, and development of metrics to support pricing processes and compensation.

Recognizing the value that strategic pricing would provide to distributors, Epicor formed an exclusive relationship with Strategic Pricing Associates to seamlessly integrate a strategic pricing module into its Prophet 21 and Eclipse products. For Epicor customers, the data already exists in their Epicor Enterprise Resource Planning (ERP) system; they can easily export the data for analysis and then load the resulting pricing structures/files into the system.

FCx Performance began implementing Strategic Pricing in September 2010, starting with small accounts over the first 90 days. The system is now fully implemented across all accounts.

Fast Payback

According to Frazee, "Strategic Pricing provided the easiest ROI I've ever seen in my career. We tell other Prophet 21 customers, Strategic Pricing pays for the entire P21 system investment! You just have to pull the trigger on it, and repeat the process at all customer levels."

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers' unique business processes and operational requirements is built into every solution—in the cloud, hosted, or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, [connect with Epicor](#) or visit www.epicor.com.



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