



Epicor Success Story

Harry Cooper Supply

Company Facts

- ▶ Location: Springfield, Missouri
- ▶ Industry: Plumbing
- ▶ Number of Employees: 165
- ▶ Web site: www.harrycooper.com



Success Highlights

Challenges

- ▶ Implement a solution that will enhance profitability, develop pricing discipline, and remove emotion from the pricing function

Solution

- ▶ Epicor® Eclipse™ with Strategic Pricing

Benefits

- ▶ Fast payback in the form of increased profit
- ▶ More disciplined, less emotional pricing process
- ▶ Prices that are the same across the board
- ▶ Better insight into the customer base

Harry Cooper Supply Co. of Springfield, Missouri, is a plumbing/electrical/HVAC distributor with 165 employees in three locations; its customers include plumbing, heating, electrical, and mechanical contractors, commercial and industrial companies, electrical co-ops, and municipalities. The company uses the Epicor® Eclipse™ platform to help manage its 20,000 product SKUs.

Although Harry Cooper was using some statistical analysis, such as a built-in matrix with velocity pricing, they had many people making pricing decisions and needed better tools, which led them to investigate Strategic Pricing.

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 Eclipse and Prophet 21® products. For Epicor customers, the data already exists in their Epicor ERP system; they can easily export the data for analysis and then load the resulting pricing structures/files into the system.

To take profitability to the next level, Harry Cooper Supply Co. set out to achieve an incremental implementation of Strategic Pricing, from “tiny” to “huge” customers. The initial data extract was started in April 2010. By August 2010, the company was live with its first set of customers.

Gathering Data and Training the Sales Force

According to Larry McMullin, Harry Cooper Supply Chief Financial Officer, “We needed to develop discipline and remove emotion from the pricing function. We liked the tie-in of Strategic Pricing to Epicor Eclipse, knowing we had the tools available. Gathering the data for Strategic Pricing from the Eclipse system was the easiest part.”

To be effective, a pricing program needs to be data-driven to translate strategy into actionable plans. McMullin observes, “It’s important to study the reporting mechanisms in Eclipse in order to be able to accurately measure all aspects of Strategic Pricing. We used simulation, explanation, and training to show the sales force how to use the reporting tools. As a result, the sales team has a much better understanding of Strategic Pricing.”

He further notes that the Strategic Pricing implementation leader must understand it requires cultural change, and the training of salespeople is key. “You can never do enough training,” he says. “Everyone needs to get on the bandwagon. The most difficult task is to convince the sales force it will work and overcome internal resistance.”

Results

McMullin enthuses, “The results are as predicted. . . Strategic Pricing works! As long as you spend the time to analyze the data properly, there can be a fast payback. We are more disciplined and not as emotional in our pricing process, so there is more consistency. Prices are the same across the board, and there has been very little customer pushback.”

The benefits were both quantitative and qualitative, according to McMullin. “We see real potential for increased profit, and better insight into our customer base. We learned that some customers were not as profitable as we thought,” he says.

McMullin concludes, “Strategic Pricing has had a significant impact. Executive management is very pleased; we had training sessions for them as well as the sales force. We now measure sales statistics regarding overrides, etc., and make the results public internally.”

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.



Contact us for more information on Epicor Products and Services

+1.800.776.7438 info@epicor.com www.epicor.com

Corporate Office
804 Las Cimas Parkway
Austin, TX 78746
USA
Toll Free: +1.888.448.2636
Direct: +1.512.328.2300
Fax: +1.512.278.5590

Latin America and Caribbean
Blvd. Antonio L. Rodriguez #1882 Int. 104
Plaza Central, Col. Santa Maria
Monterrey, Nuevo Leon, CP 64650
Mexico
Phone: +52.81.1551.7100
Fax: +52.81.1551.7117

Europe, Middle East and Africa
No. 1 The Arena
Downshire Way
Bracknell, Berkshire RG12 1PU
United Kingdom
Phone: +44.1344.468468
Fax: +44.1344.468010

Asia
238A Thomson Road #23-06
Novena Square Tower A
Singapore 307684
Singapore
Phone: +65.6333.8121
Fax: +65.6333.8131

Australia and New Zealand
Suite 2 Level 8,
100 Pacific Highway
North Sydney, NSW 2060
Australia
Phone: +61.2.9927.6200
Fax: +61.2.9927.6298

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