Profitability and Cost Simulation Software

### Which of my Products and Customers are the Most Profitable?

Even with the best business systems in place, it can be hard to know for sure how your products, customers, and assets are performing. What happens to product lines, production assets, or entire plants if raw material or component prices rise or fall? How do you identify performance drivers, maximize margins, or test alternative sales tactics?

Facing the Actual Cost Challenge

Controlling cost is critical to driving high profit margins. The challenge is how to determine the actual costs which:

• are integral to your product
• help differentiate your product
• you don't need to incur at all

ERP, BI, SCM and other business systems are your source for historical data, and one-off spreadsheets can provide basic analysis within siloed categories. But, how do you simulate what happens to products, assets, and customers if elements of the cost mix change?
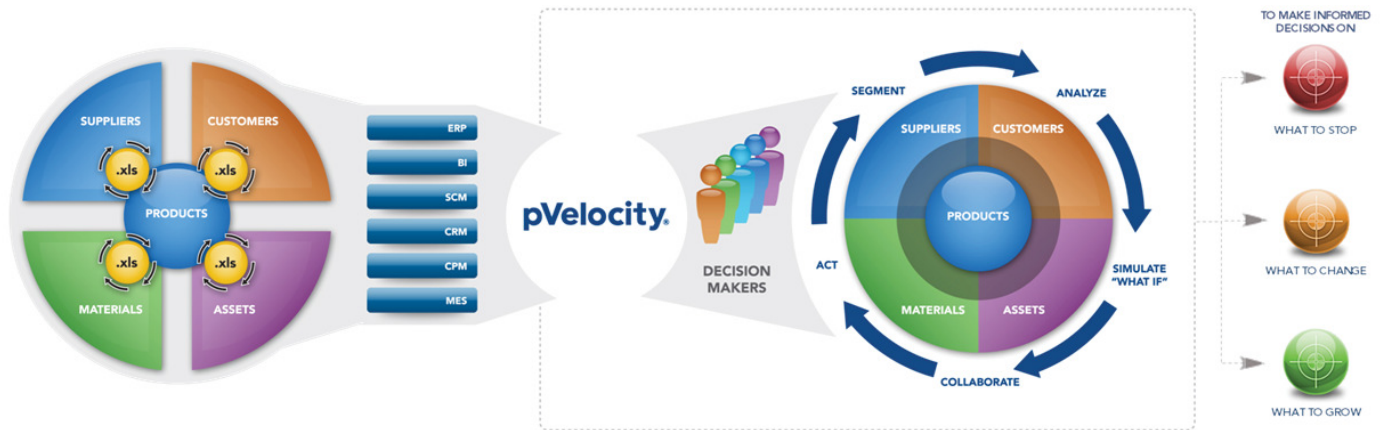
## Predictive Analytics from Every Operational Perspective

How Profitability & Cost Simulation can Help

Using advanced simulations, pVelocity enables detailed modeling of cost fluctuations in the future, all the way down to the bill of materials. These simulations satisfy the different analytical needs of each operational role, forming the basis for fast, smart, predictive decisions. With this deep insight, operational decision-makers can take action to improve current and future contribution margins, capitalize on market opportunities, and maximize profit.

To learn more about how others have benefited from immediate, precise insight into projected product and customer profitability:

• Visit www.pVelocity.com
• Read a Case Study
• Sample a Simulation

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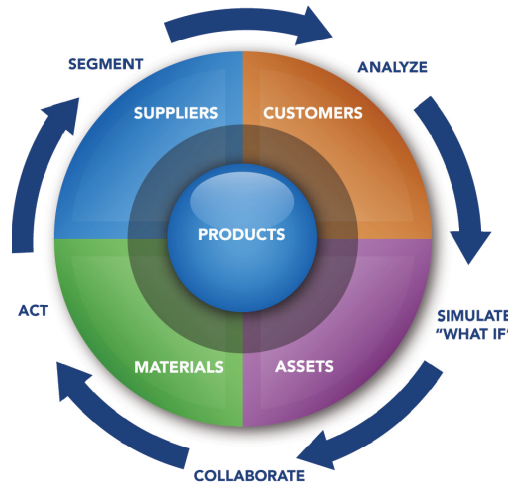
Fast, Precise, Actionable Insight

For optimum profitability, pricing must reflect a true cost to serve. In a volatile economic climate, frequent fluctuations in variable costs can have a dramatic effect on product margin. Excellent performance depends on accurate insight that leads straight to profitable actions.

Putting Together the Pieces of Your Margin Formula

Too often, information about Products, Customers, Suppliers, Materials and Assets exists in disconnected silos across an organization, providing an incomplete, inaccurate picture. By using pVelocity to connect these critical dimensions, you can not only analyze why something happened in the past, but also quantify and predict what could happen in the future under different circumstances.

pVelocity Software	Business Efficiencies
Profit Visibility Gather information from production and financial systems to provide profit visibility, filtered according to your operational responsibilities	**Customer & Product Profitability** Gain immediate, detailed insight into customer, product and asset performance
Predictive Analysis Apply rigorous profitability analysis to enable informed decision making about product and customer mix	**Raw Materials Cost Analysis** Discover the links between raw materials, products, customers and equipment, and assess the impact of change on profitability
Cost Simulation Get instant access to simulation capabilities to model your processing costs and quantify the resulting effect on margins and profits	**Margin Mix Improvements** Uncover actionable opportunities to improve the profit characteristics of poor performers and increase the number of high margin contributors
Closed-Loop Workflows Instantly identify critical workflows for rapid implementation of the changes needed to improve customer and product profitability	**Collaborative Actions** Capture and communicate action items to indicate responsibility for adjustments to price, volume, costs, suppliers as necessary