

## Successful price adjustments in land transports



The customer is a freight forwarding service provider in the sector of land transport and offers general cargo as well as LTL and FTL products in its portfolio. The market environment is characterized by fierce competition, high cost increases and strong margin pressure.

### Scope of the project

Due to numerous mergers & acquisitions and strong organic growth over a period of approximately 10 years, the customer had merged various branches with different operational, administrative and sales units into one land transport company .

Because of increasing cost pressure (e.g. varying diesel costs, introduction of tolls, increase in personnel costs), it had become clear that there was no uniform basic understanding in the German organization of price adjustment measures to be carried out regularly or ad hoc in the direction of the customer market. In some cases, technical-administrative hurdles in the accounting systems also prevented a "top-down approach" in which all units pull together and in the same direction.

### Achievements

By means of a detailed survey of all the different organizational and managerial structures in the individual profit centers and the illustration of the various technical-administrative systems, an overall picture was first drawn of the customer's approximately 15 branches.

Together with the management, a best practice structure was identified with regard to price control and implementation of pricing measures. In various joint workshops, paradigms had to be discussed from scratch and an understanding for the transfer of responsibility on the one hand and, if necessary, additional tasks and responsibilities on the other hand had to be sought.

By creating uniform documents, profound tools were developed for the sales department and those responsible for operations in order to successfully implement price adjustments in the market and to be able to rely on each other. This ensured the overall success of the German organization.

### CLIENT

Freight forwarding service provider in the land transport sector

### Our Services

- Moderation of workshops with a clear "goal" but open " path" to get the whole organization on the way
- Toolbox with the above-mentioned documents and materials
  - Price adjustment targets per customer/segment/range of margins etc.
  - Price adjustment achievements
  - Negotiation cards with target prices and exit scenarios
  - Argumentarium for price adjustments
- Review culture for the price adjustment process outlined and initially accompanied
- Accompanying meetings with customers and implementing the knowledge gained in the improvement process
- Employees trained in roll-out sessions
- Key performance indicators and performance measurement set up transparently for all hierarchical levels
- Requirements for technical-administrative systems at the interface to transport management tools modelled for future developments