PRICING MACHINES INC.

SP-2000

PRICE OPTIMIZATION BY MACHINE LEARNING

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The optimal price has the highest probability to win the business at the highest margin*

Product	Cost	Price	Win probability	Risk Adjusted Margin *
Gadget	100	**100**	90 %	-
Gadget	100	**110**	80 %	8
Gadget	100	**120**	70 %	14
Gadget	100	**130**	50 %	15
Gadget	100	**140**	30 %	12
Gadget	100	**150**	25 %	13
Gadget	100	**160**	20 %	12
Gadget	100	**170**	15 %	11
Gadget	100	**180**	10 %	8

* Risk adjusted margin = [Margin] X [Win probability]

Win probabilities constantly change, depending on customer preferences and situation

All these moving parts are what makes pricing extremely complex

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The solution lies hidden as complex patterns within records of opportunities won and lost

Bid number	Bid date	Deal size	Delivery region	Customer	Customer industry	Customer region	Product mix	Deal type	KAM	Customer relationship strength	Main competitor	Discount offered	Outcome
1	01.01.2016	Medium	Africa	Exxon Mobil	Automotive	Europe	Widget	Exclusive	John	Strong	ACO	22 %	Loss
2	02.01.2016	Medium	Africa	Apple	Tourism	Asia	Consulting	Exclusive	Jim	Medium	RTO	32 %	Win
3	03.01.2016	Medium	Africa	Berkshire Hathaway	Mining	Americas	Widget	Exclusive	Joe	Weak	ACO	10 %	Loss
4	04.01.2016	Medium	Africa	McKesson	Finance	Africa	Consulting	Exclusive	Jeremy	Strong	EAD	0 %	Loss
5	05.01.2016	Medium	Africa	UnitedHealth Group	Medical	Europe	Widget	Exclusive	Jack	Medium	ACO	0 %	Loss
6	06.01.2016	Medium	Africa	CVS Health	Automotive	Asia	Consulting	Exclusive	Jerry	Weak	AIR	33 %	Loss
7	07.01.2016	Medium	Africa	General Motors	Tourism	Americas	Widget	Exclusive	Joel	Strong	ACO	21 %	Win
8	08.01.2016	Medium	Africa	Ford Motor	Mining	Africa	Consulting	Exclusive	John	Medium	NIS	3 %	Win
9	09.01.2016	Medium	Africa	AT&T	Finance	Europe	Widget	Exclusive	Jim	Weak	COA	53 %	Loss
10	10.01.2016	Medium	Africa	General Electric	Medical	Asia	Consulting	Exclusive	Joe	Strong	ACO	20 %	Loss

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“SP-2000 uses Machine Learning to identify win-probability patterns, and converts them into on-demand discount recommendations”

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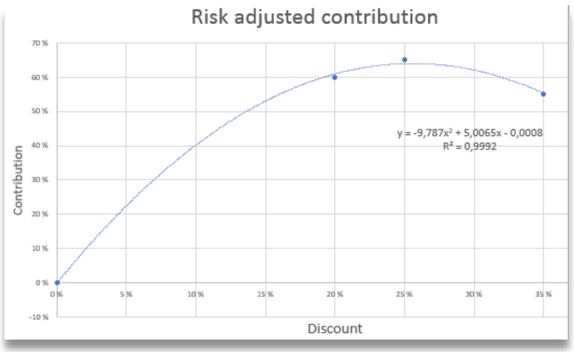
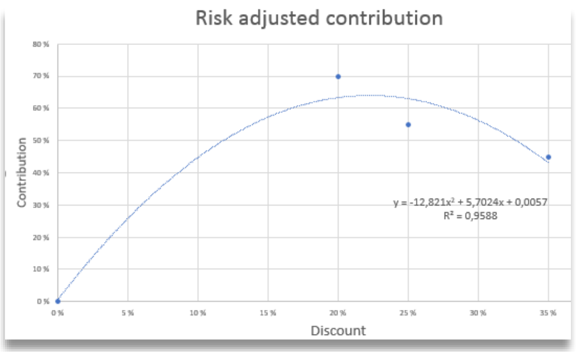
A unique Risk Adjusted Contribution graph is developed and continuously improved per each one of hundreds of scenarios



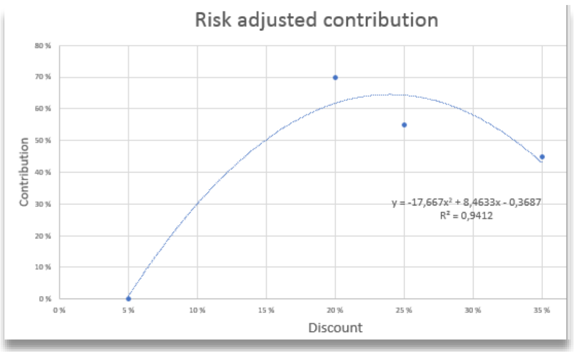
Scenario 268

Online quote for 100 widgets and 100 gadgets, submitted by a repeat customer from the finance industry, to be delivered in Asia, with a lead time of 17 days.



Scenario 94

Telephone quote for 10 widgets, submitted by a new customer from the automotive industry, to be delivered in the US, with a lead time of 2 days.



Scenario 588

Frame agreement tender for 3 year contract to supply 10.000 widgets and 5.000 gadgets to a repeat customer from the energy industry, to be delivered worldwide with a minimum lead time of 2 days.

SP-2000 is simple to administer for the pricing manager, and the sales team only sees a pre-filled discount suggestion. That's it.

Sales rep applies discount based on own judgement alone

Discount offered: $\boxed{}$

Profit optimized discount suggestion based on machine learning applied to historical outcomes for similar bid scenarios

Discount offered: $\boxed{7\%}$

Which alternative do you prefer?