



PROS Enables Global Oil Company to Improve Margins Using Key Pricing Information

EXECUTIVE SUMMARY

Customer

Large international oil company

Challenge

- Pricing billions of gallons of petroleum products over hundreds of terminals
- Fast paced, volatile markets, time-consuming manual pricing processes
- Needed reporting to determine profitability of channels, plants and products

Solution

PROS Scientific Analytics and PROS Price Optimizer

- Helped determine relationship between competitor and company prices, and how changes in each affect demand
- Reporting provided consolidated views of business portfolio and executive analysis

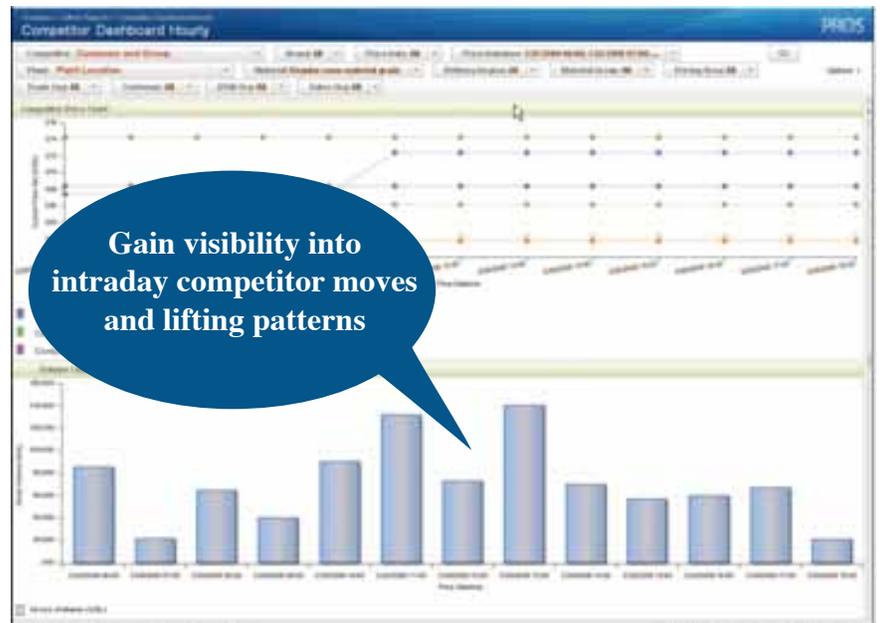
PROS Impact

\$3 million in margin improvement in six months, climbing to \$8 million in the first year

Volatile Market Fluctuations Challenge Pricing Analysts

Every day, the price analysts in the refining and marketing division of this major oil company faced the challenge of pricing billions of gallons of petroleum products in several hundred terminals. It was a daunting task given the size and dynamic nature of information that had to be considered in making pricing decisions.

Relying on multiple, non-integrated legacy IT systems, the company's pricing analysts often had to manually compile disparate information, such as volatile commodities market fluctuations,



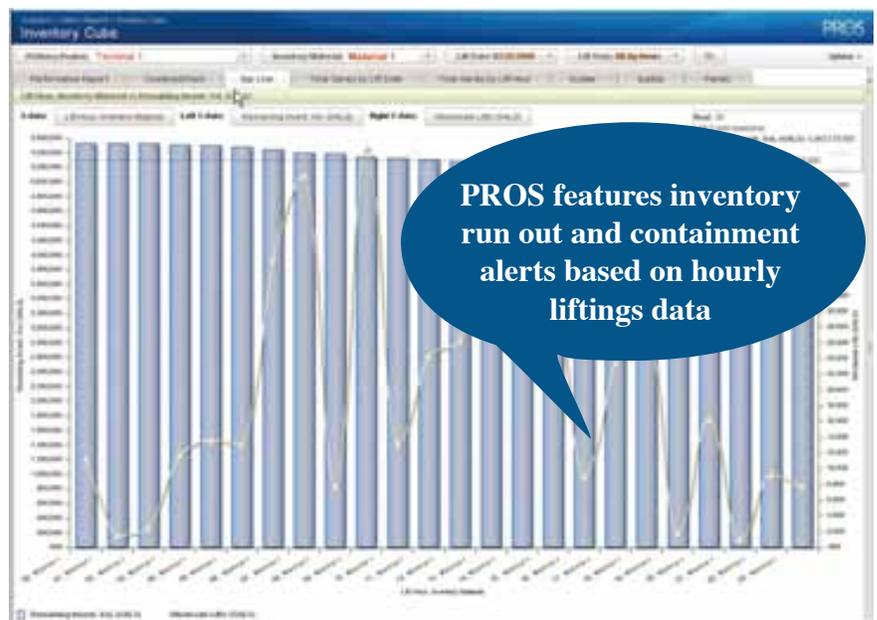
Why PROS

- Complete integrated pricing solution provides faster time to value and lower total cost of ownership
- Real time integrated science assures maximum margin and profit improvement
- Guaranteed project success delivers demonstrable ROI within 30 days.
- Industry-leading experience and expertise ensures long term success built on a culture of partnership

competition, product inventories, wholesale and street margins—as well as factoring in freight and other costs. Because critical information was not readily available in consolidated form or accessible during extremely short pricing windows, pricing analysts lacked the resources to perform detailed analysis essential to maximizing margins and profitability.

PROS Phased Implementation Delivers Immediate Actionable Pricing Insights

To capitalize on rapidly-shifting margin opportunities, PROS automated the collection and processing of key information. This enabled pricing analysts to eliminate time consuming analysis using data from multiple systems and instead to act quickly to take advantage of changing market conditions. Given the competitive commodity market for petroleum products, PROS technology incorporated both competitive positioning and impact on demand into pricing decisions. In addition, PROS provided executives with comprehensive reporting tools that showed the profitability of different channels, plants and products.





Customer Success Story

To provide the greatest ROI in the shortest time, PROS implemented a phased approach. In the initial phase, PROS delivered critical pricing information to pricing analysts when they needed it most--at the time they made pricing decisions. The PROS solution also sent analysts alerts throughout the day to notify them of conditions that could require a rapid pricing response such as low inventory, potential containment issues, degrading margins, significant price changes by competitors, and changing product differentials.

With PROS, pricing analysts can now analyze the relationship between the company's prices and competitor prices and how changes in each will affect demand throughout the day. This is especially beneficial in pricing because competitor and volume lift information is updated many times throughout the day. Powerful reporting capabilities with PROS, such as a comprehensive price waterfall, support consolidated views of the entire business portfolio and facilitate executive analysis.

PROS Pricing Benefits

- ✓ Automates the collection of key information so that pricing analysts can react quickly to changing market conditions
- ✓ Incorporates both competitive positioning and impact on demand into pricing decisions
- ✓ Provides reporting insight into the profitability of different channels, plants and products
- ✓ Supplies alerts to notify analysts of low inventory, potential containment issues, degrading margins, price changes by competitors, and changing product differentials.

“With PROS we can now analyze the relationship between our prices and competitor prices and how the changes in each will affect demand throughout the day.”

“PROS has automated access to key information so that our pricing analysts can be proactive and take advantage of changing market conditions instead of spending a lot of time performing ad hoc analyses on reams of data from multiple, disconnected systems.”



Customer Success Story

\$3 Million Margin Improvement in the First Six Months; \$10 Million Projected Annually

PROS pricing solutions nearly tripled the margin improvements projected by the executive management team at the oil company—generating more than \$3 million in the first six months and over \$8 million in the first year. The oil company is now planning to implement PROS Price Optimizer to provide scientifically optimized prices that will deliver an expected revenue gain in excess of \$10 million annually.

For more information:

PROS delivers hundreds of millions of dollars in sustained bottom-line profitability to business-to-business companies in the distribution, manufacturing, and services industries. Customers begin receiving value from PROS in less than 30 days, and PROS solutions are fully deployed to the enterprise in as little as six months. Visit our website at www.prospricing.com [NYSE: PRO]

PROS Pricing Solution Suite

PROS Pricing Solution Suite™ consists of three modules that work together to get you to Pricing Excellence.



Scientific Analytics

Identify segment-specific pricing, find opportunities for margin improvement, and forecast and monitor your progress proactively.



Price Optimizer

Create the right price for each customer and product by setting science-based optimized pricing strategies and managing price lists automatically. Monitor your performance and adherence to policy.



Deal Optimizer

Quote the right price for each deal by using guidance, market insights, and integrated approval workflows.



**Petrochemical
Manufacturing**