

# 3 Automotive Pricing Pitfalls and How to Avoid Them

Rising commodity prices, pandemic-driven shortages, and soaring demand are the new norm in the auto sector. These difficulties are only adding increased pressure to an already complex pricing process. Margin erosion and leakage, tight margins, and price fluctuations continue to be top of mind for many companies in the automotive space.

That's where we step in. A dynamic pricing solution that fits with your current SAP applications is a game changer. At Cognitus, we work with you to ensure a smooth, seamless integration with your existing systems. Read on to see how a pricing solution can drive profitability like never before.

## Pitfall #1: Complex pricing structures



Never before has the industry offered customers so many options. The variety of models, trim levels, connectivity and comfort features, each with their own price point, is unparalleled. And the impact trickles down to part manufacturers and raw material suppliers. A simple pricing process can no longer handle this level of complexity.

**THE FIX:** An SAP-integrated pricing solution can not only simplify and accelerate pricing for millions of SKUs; it gives you the ability to react quickly to market changes. And for one parts manufacturer, it also cut the number of manual hours in half. Read about the case study [here](#).

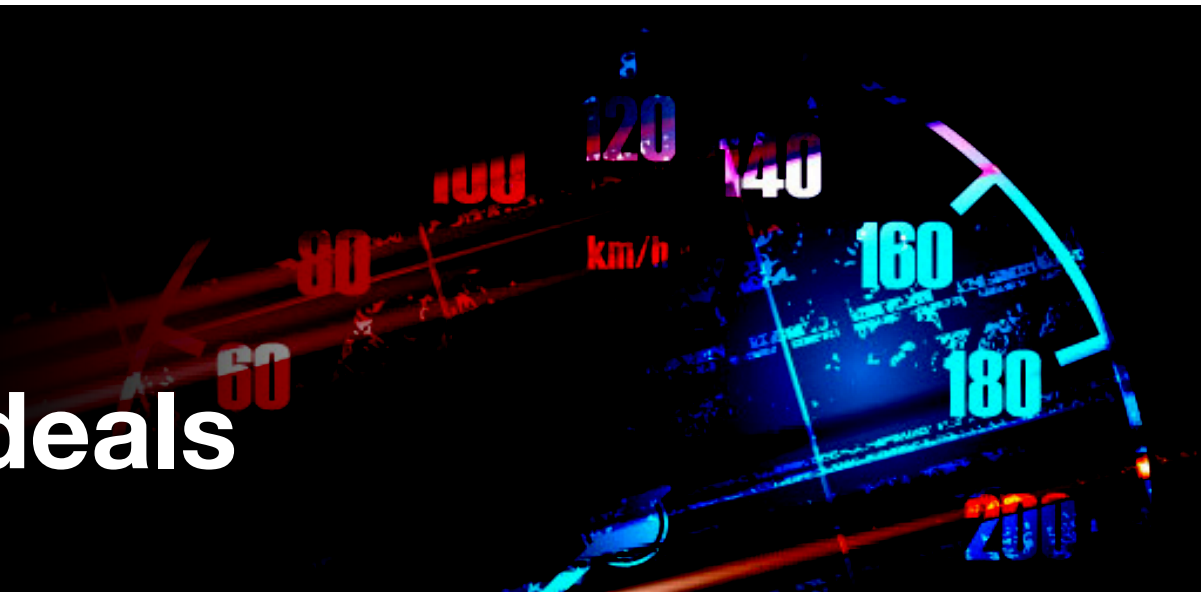
## Pitfall #2: Unmanageable data



Pricing decisions rely on vast amounts of data—historical sales data, customer data, and market data. An outdated pricing software may not be effectively pulling the right data at the right time. Pricing errors can quickly follow, either by pricing too high and losing out on a deal, or by pricing too low and creating unsustainable margins.

**THE FIX:** A pricing solution that seamlessly integrates into existing SAP systems to pull accurate internal data. This type of solution is capable of closely monitoring external variables to formulate and quote prices that are maximized to win the bid and make a profit.

## Pitfall #3: Dealing with customized deals



The automotive industry is full of deals: special customer offers, dealer discounts, reward programs, the list goes on and on. While great for customers, if your discount software tool can't keep up, the results can be costly. In addition, customized pricing software can be costly and time consuming to maintain.

**THE FIX:** An SAP-integrated solution can help manage your discount rules in a fast, flexible and affordable way. Our industry-specific, pre-packaged solution powered by Pricefx allows you to quickly respond to new customer requirements without lengthy processes.

If you've been sitting idle about adding an SAP-integrated pricing solution, now is the time to get moving.

## Ready to start on a new pricing journey? Talk to us.

Understanding where your pricing could be falling short is the first step. The second is reaching out to us. With our industry-specific, pre-packaged solution powered by Pricefx, we work with you to maximize profits, close better deals, and find new areas of opportunity.

Contact Cognitus

Explore Pricefx