

FIRST SUPPLY SUCCESS STORY WITH EPACUBE PRICING OPTIMIZATION

PRICING OPTIMIZATION SOFTWARE AND SERVICES, BUILT **BY** DISTRIBUTORS **FOR** DISTRIBUTORS

INTRODUCTIONS



George Dunham

CEO
epaCUBE, Inc.



Anne Betz

Corporate Pricing Manager
First Supply



Donny Novak

Director of Customer Success
epaCUBE, Inc.

AGENDA

- epaCUBE Overview
- First Supply Success Overview
- epaCUBE Pricing Optimizer (ePO) Software Review
- “Concierge” Expert Advisory Services
- TUG Member Offer & 10X ROI Commitment

EPACUBE OVERVIEW

- Founded in 2001
- Named to 2019 DFW “Tech Titans Top Growth Company”
- 100% distribution clients – Distribution DNA
- Many successful TUG members as long-time epaCUBE customers
- ePO – Pricing Optimization product since 2013
- epaCUBE commits to deliver a minimum 10X ROI
- “Concierge” Expert services in pricing and sales success best practices
- Real gross profit improvement results within 90 days

WE ARE 100+ YEARS OF DISTRIBUTION EXPERIENCE

HD SUPPLY
FACILITIES MAINTENANCE

ANIXTER

Bradco
Supply

CRESCENT
ELECTRIC
SUPPLY COMPANY

WESCO

HD SUPPLY



mdm
competitive intelligence
for wholesale distribution

ABC
Supply Co. inc.

EIS

MOTION
INDUSTRIES

Wickes
Lumber
COMPANY

 TUG CONNECTS 365

PROVEN RESULTS



- The Top 20 ePO customers picked up 9.3mm of increased GP in 2020
- That averages to \$500K per customer
- These are real profit increase results, not estimates
- 20.4X Annual ROI

BEST PRACTICES USING EPO



- IMPLEMENT CUSTOMER SEGMENTATION (TYPE AND SIZE)
- PRESENT RECOMMENDED OPPORTUNITIES TO PURSUE
- DECIDE TOGETHER WHICH OPPORTUNITIES ARE THE TOP PRIORITY
- EXECUTE A PROVEN PRICING PROGRAM FOR THE TOP OPPORTUNITIES
- MEASURE THE RESULTS AND TRACK ROI
- FIND NEXT PROFIT BUILDING OPPORTUNITIES INCLUDING CONTRACTS AND CUSTOMER SPECIFIC PRICING TO CONTINUALLY BUILD ON SUCCESS



FIRST SUPPLY

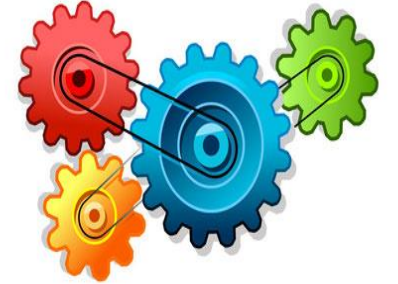
SUCCESS OVERVIEW

FIRST SUPPLY®

- Incorporated in 1897 as a family-owned supplier of pumps and windmills, Green Bay, WI
- Plumbing, HVAC, fluid handling, municipal, waterworks, & other industrial supplies



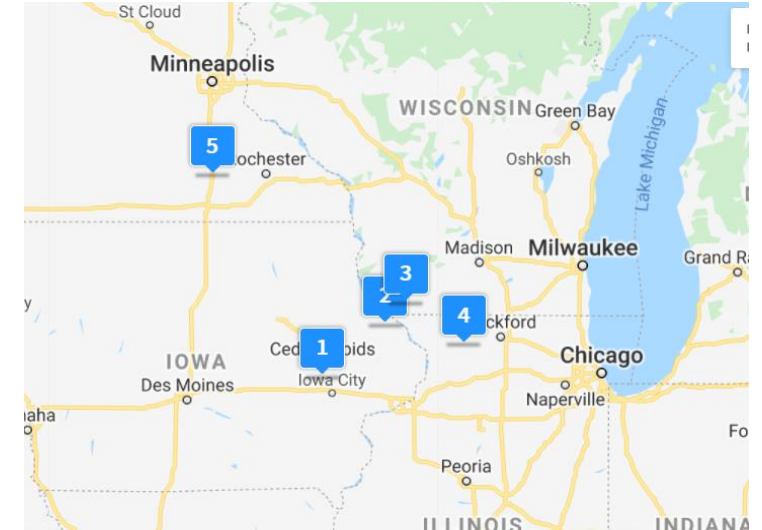
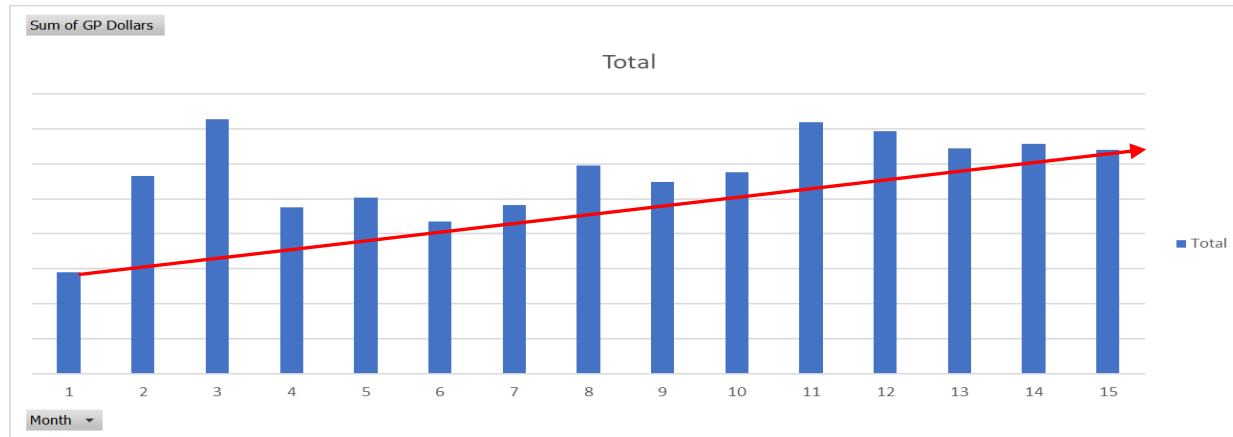
FIRST SUPPLY SUCCESS OVERVIEW



- Fixed disorganized pricing
- Reduced Customer Price Segments from 211 to 10
- Moved from >100 employees to only the Pricing Team = consistent pricing
- Communication & collaboration by Anne across the Company led to “Data Driven Pricing”
- Reduced overrides by 50% using epaCUBE ePO
- epaCUBE Performance Scorecard tracks actual weekly results and success
- “Concierge” Expert services in pricing and sales success best practices
- epaCUBE ePO helped First Supply remain nimble and opportunistic to maintain gross profit increases during the middle of the pandemic
- NET RESULT ROI OF OVER 20X & ROLLING OUT NEW STRATEGIES WITH ePO

TESTIMONIAL – ANNE BETZ FIRST SUPPLY

FIRST SUPPLY



This software has helped us to drive pricing decisions and produce greater than 20X ROI. I can't imagine creating pricing without this software."

SURVEY QUESTION

What is your biggest pricing challenge today?

- System Price
- Manual Pricing
- Contract Pricing



SOFTWARE OVERVIEW

EPO SEGMENT OPTIMIZER – CUSTOMER SEGMENTATION



EPO OPPORTUNITY ANALYSIS – TOTAL COMPANY

epaCUBE

Profit Optimizer

▼ Focused By **JOB**

▶ Job **EMPG-Basis**

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	Job	GP Distribution	Historical					Opportunity ▼	Guidance	
			Revenue	Margin	Rebates	GM%	Override%		Target	GM% to
1	▼ 273		\$276,275,410.30	\$53,988,286.45	\$0.00	19.54%	17.72%	\$14,541,279.81	23.56%	4.02%

EPO OPPORTUNITY ANALYSIS BY CUSTOMER SEGMENT

epaCUBE

Profit Optimizer

▼ Focused By

CUSTOMER_SEGMENT_TARGET

▶ Job

EMPG-Basis

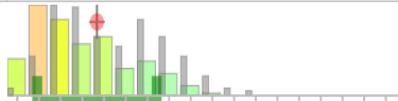
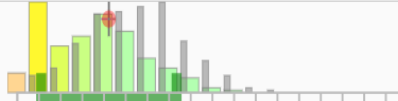
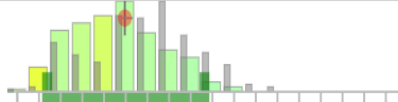
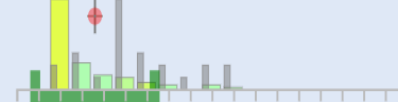
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		Customer Target Segment	GP Distribution	Historical					Opportunity	Guidance	
				Revenue	Margin	Rebates	GM%	Override%		Target	GM% to
1	▼	A		\$139,616,755.40	\$25,126,233.05	\$0.00	18.00%	25.41%	\$7,307,869.71	22.08%	4.08%
2	▼	B		\$125,521,585.80	\$25,982,898.00	\$0.00	20.70%	10.35%	\$6,739,704.20	24.74%	4.04%
3	▼	C		\$11,062,572.30	\$2,864,018.30	\$0.00	25.89%	9.02%	\$492,398.14	29.05%	3.16%
4	▼	D		\$74,496.80	\$15,137.10	\$0.00	20.32%	13.04%	\$1,307.75	21.69%	1.37%

EPO OPPORTUNITY EXECUTION BY CUSTOMER SEGMENT X PRODUCT SEGMENT

epaCUBE
Profit Optimizer

▼ Focused By **TARGET_MATRIX**

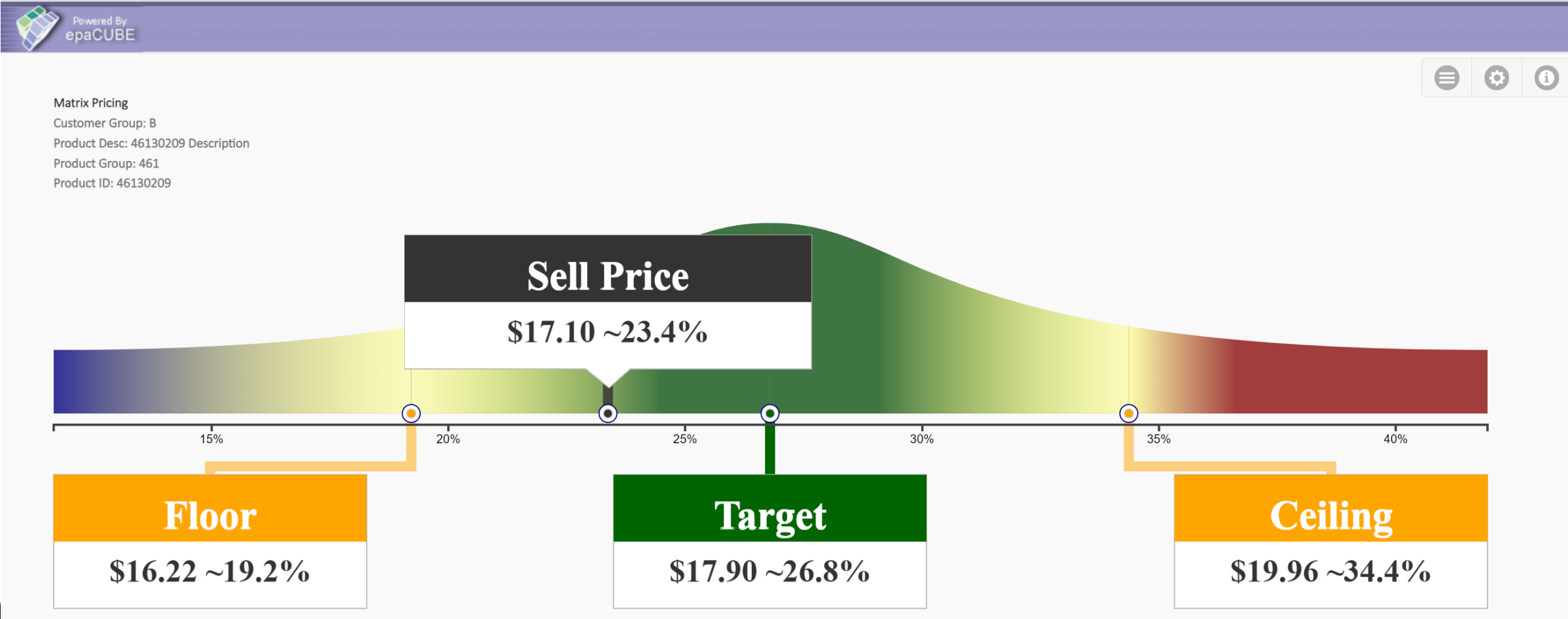
▶ Job **EMPG-Basis**

▶ SEGPROD TARGET **461**

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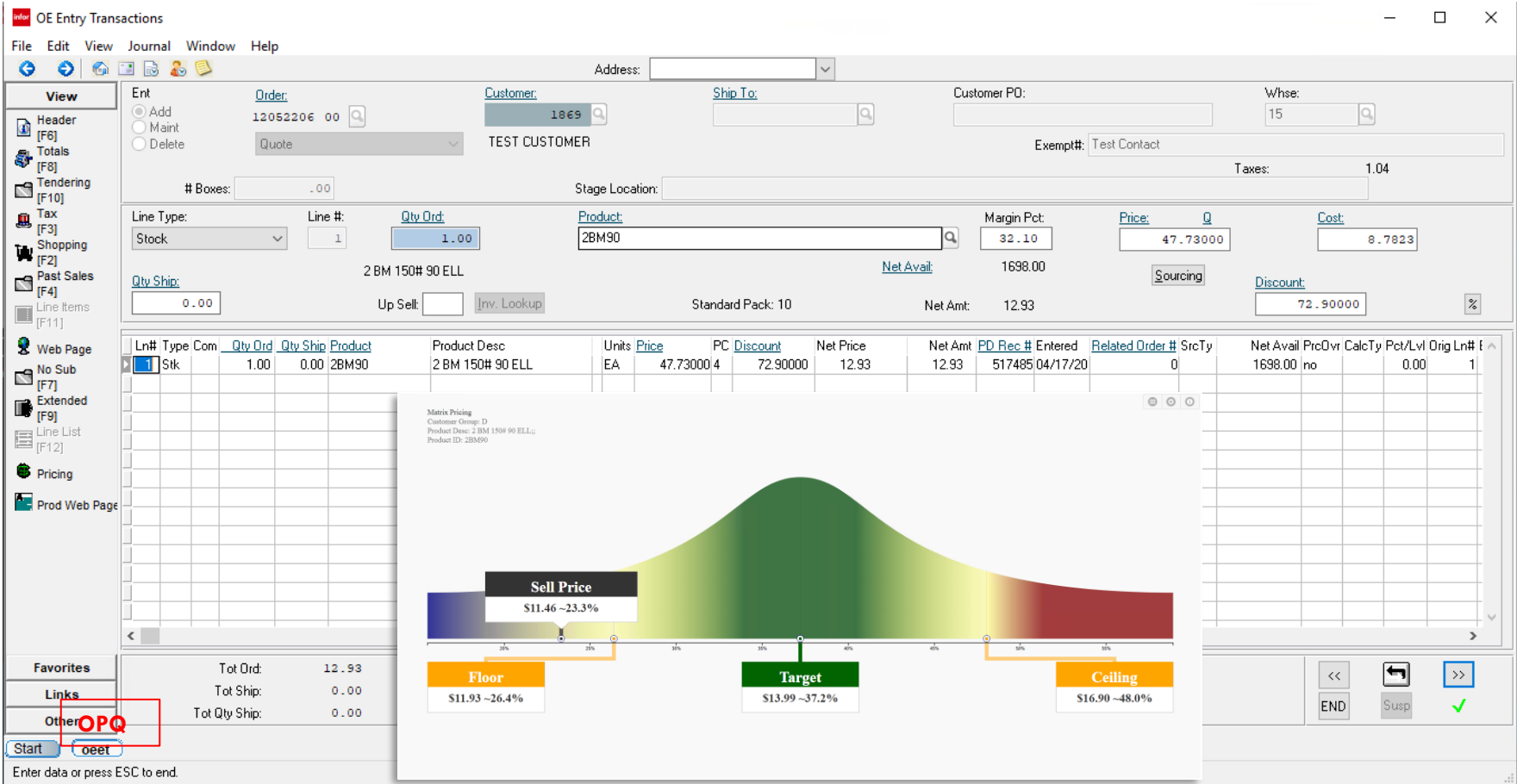
	Effective Matrix Segments		GP Distribution	Historical					Opportunity	Guidance	
	Customer	Product		Revenue	Margin	Rebates	GM%	Override%		Target	GM% to
1	A	461		\$1,181,475.80	\$220,881.20	\$0.00	18.70%	6.63%	\$36,790.00	21.15%	2.46%
2	B	461		\$2,229,592.00	\$457,070.00	\$0.00	20.50%	10.55%	\$243,508.58	28.33%	7.83%
3	C	461		\$726,650.00	\$147,978.00	\$0.00	20.36%	3.64%	\$47,143.19	25.22%	4.85%
4	D	461		\$6,746.00	\$1,420.00	\$0.00	21.05%	0.00%	\$497.68	26.47%	5.42%

EPO PRICING GUIDANCE FOR YOUR SALES TEAM



EPO PRICING GUIDANCE FOR YOUR COUNTER SALES TEAM

Realtime API call in order entry system to provide pricing guidance at the time of decision.



EPO PERFORMANCE SCORECARD



epaCUBE Profit Optimizer
Performance Analysis

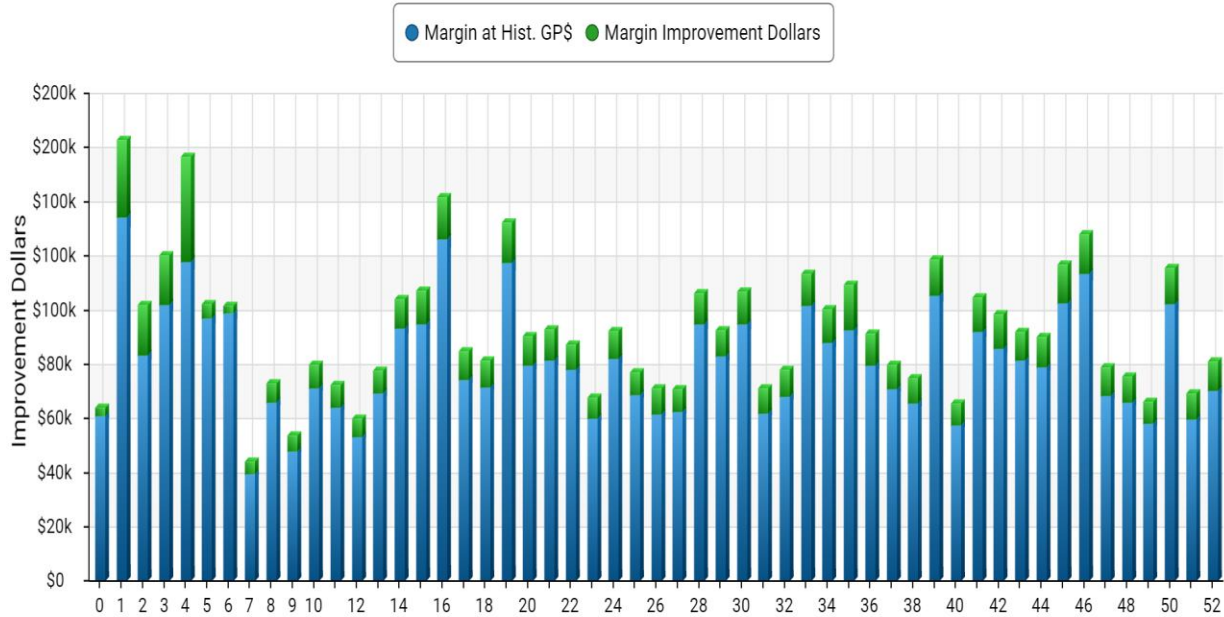
EXECUTIVE REVIEW ▾



# of Wks	Dates		Deltas		Historical		Optimized		Totals		
	Start	End	Sales & GP	GP %	GP %	Sales	Sales	GP %	Sales	GP %	Basis Pt Improvement
53	2020-01-01	2020-12-30	\$606,152.30	2.66%	19.08%	\$22,760,213.43	\$23,366,365.73	21.18%	\$7,904,393,788.46	15.74%	0.766855

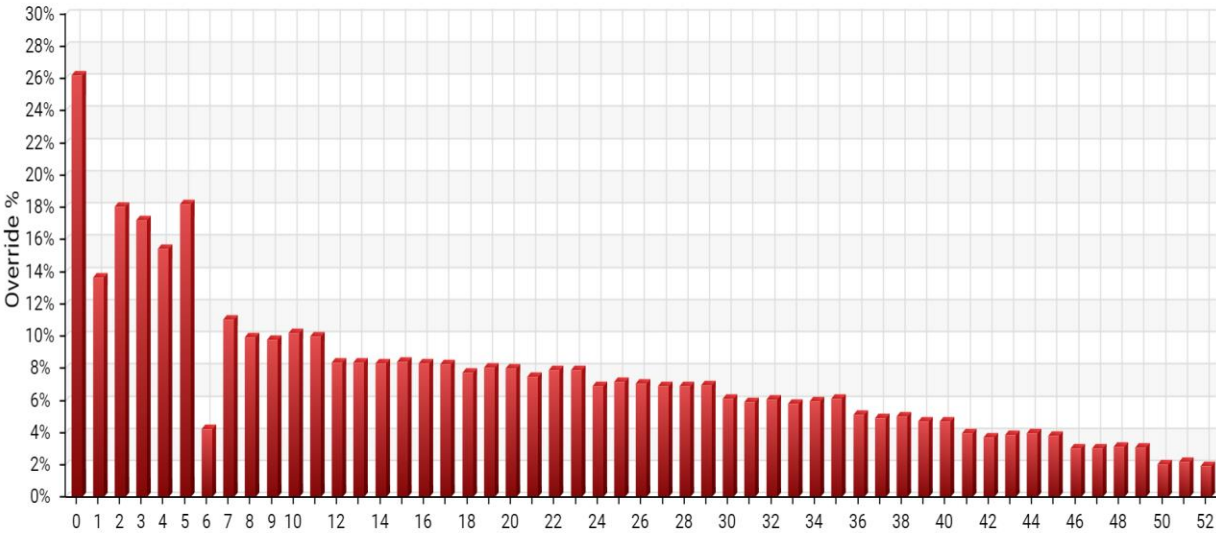
Weekly Gross Profit \$ Improvement

STACKED



Override Trends

● Weekly Override %



TUG CONNECTS 365

EPO CONTRACT MANAGER – CUSTOMER SPECIFIC RECORDS

Identifying Opportunity on those pricing records that can be “hiding”

epaCUBE Profit Optimizer
Contracts and Rules

2

ALL

ACTIVE

ENDING SOON

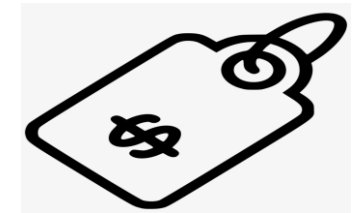
OUT OF DATE

NO END DATE

		Analysis	Customer	Product	Priced On	Terms	Remaining	GP		Opportunity	Counts				
								Margin/Sal...	%		#Txns	#Ovrds	#Orders	#Cust...	#Prod...
1			182610 READING BAKERY SYSTEMS [182610]	r-AB772	Percent(%) Unknown ()	ID: 278273 Type: 2 Levels: 38.75;0;0;0;0;0;0;0; Effective: 2015-01-01 → 2020-12-31	16 days left	\$642.86 \$3,214.31	20.0%	\$357.15	1	0	1	1	1
2			11002 ACECO [11002]	I-000000783510all	Percent(%) Unknown ()	ID: 86863 Type: 2 Levels: 18;0;0;0;0;0;0;0;0; Effective: 2007-11-01 → 2020-12-31	16 days left	\$945.96 \$5,255.33	18.0%	\$199.57	44	0	7	1	14
3			182610 READING BAKERY SYSTEMS [182610]	r-HECWS	Percent(%) Unknown ()	ID: 133225 Type: 2 Levels: 34.7;0;0;0;0;0;0;0;0; Effective: 2008-03-01 → 2020-12-31	16 days left	\$381.17 \$2,533.96	15.0%	\$191.09	6	0	5	1	5
4			67400 FORTNA INC [67400]	r-AB545	Percent(%) Unknown ()	ID: 127855 Type: 2 Levels: 59.7;0;0;0;0;0;0;0;0; Effective: 2008-01-01 → 2021-01-31	47 days left	\$1,860.26 \$10,284.46	18.1%	\$115.79	4	0	4	1	2
5			130009 M-TECH CONTROL CORP. [130009]	WF75LP HE HOFF WF75LP TYPE 3R;DRIVE ENCL;	Percent(%) Unknown ()	ID: 283054 Type: 1 Levels: 37.33;0;0;0;0;0;0;0;0; Effective: 2016-03-14 → 2020-12-31	16 days left	\$96.26 \$829.85	11.6%	\$98.74	1	1	1	1	1

SPECIAL TUG MEMBER INCENTIVE

- Custom Tiered Pricing Designed to Deliver a 10X ROI or Better
- Implementation Fee for TUG Members Discounted 50%
- TUG Members Get 6 Mo Free Trial on High Value epaCUBE Contract Manager and epaCUBE Sales Assistant Modules
- Early Adopter Bonus – First Quarter New TUG Members Get Three Months Free Concierge Expert Advisory Services
- First Year Incentives Value >\$30,000



SUCCESS TOGETHER – HERE'S HOW...

- Sign up at epaCUBE.com/tugmembers or contact sales@epacube.com
- Participate in a demo of your data with real opportunities
- 1st pass, improve gross profit by 2-4% or more – without losing sales
- The epaCUBE partnership committed to deliver a 10X ROI, OR BETTER.





THANK YOU

Email sales@epaCUBE.com

-or-

go to www.epaCUBE.com/Tugmembers