



## Vistaar Business Services

## Price Performance Management Solutions

### Business Services: A Unique Pricing Challenge

Historically, pricing for services has been given less attention and has fallen under less scrutiny than pricing for physical products. However, given the growth of business service outsourcing and the trend for product-oriented companies to add services as a competitive differentiator, the sector has become an important part of the global economy – and a source of increased profit for companies. As a result, the need to understand how to effectively manage pricing and revenue for these offerings has also become a top priority.

Unique characteristics of service offerings that impact pricing:

- **Intangible:** Services performed often can't be "seen" and therefore are overlooked by both customers and suppliers.
- **Configurable:** Services can be packaged with a complex array of custom options and priced based on a variety of different units and measures (e.g. time, resources, milestones etc.)
- **Wide Range of Outcomes:** Quality of service is often linked to the experience and skill set of knowledge workers. These resources are scarce and must be used properly, as the impact of poor service is not easily reversible.

Due to the intangible nature of service offerings, it can be difficult to recognize when a value-add service is being provided. It can also be difficult to measure and quantify the value customers derive from such activities.

As a result, companies don't often identify the full range of service-related opportunities that are available to them and they struggle to establish and enforce appropriate pricing policy across the portfolio of services. Naturally, this impedes their ability to maximize share of wallet from customers.

Increasingly, B2B companies are finding that today's pricing technologies enable them to better manage their service offering

in ways that not only help them acquire new customers, but also retain and grow business with existing clients.

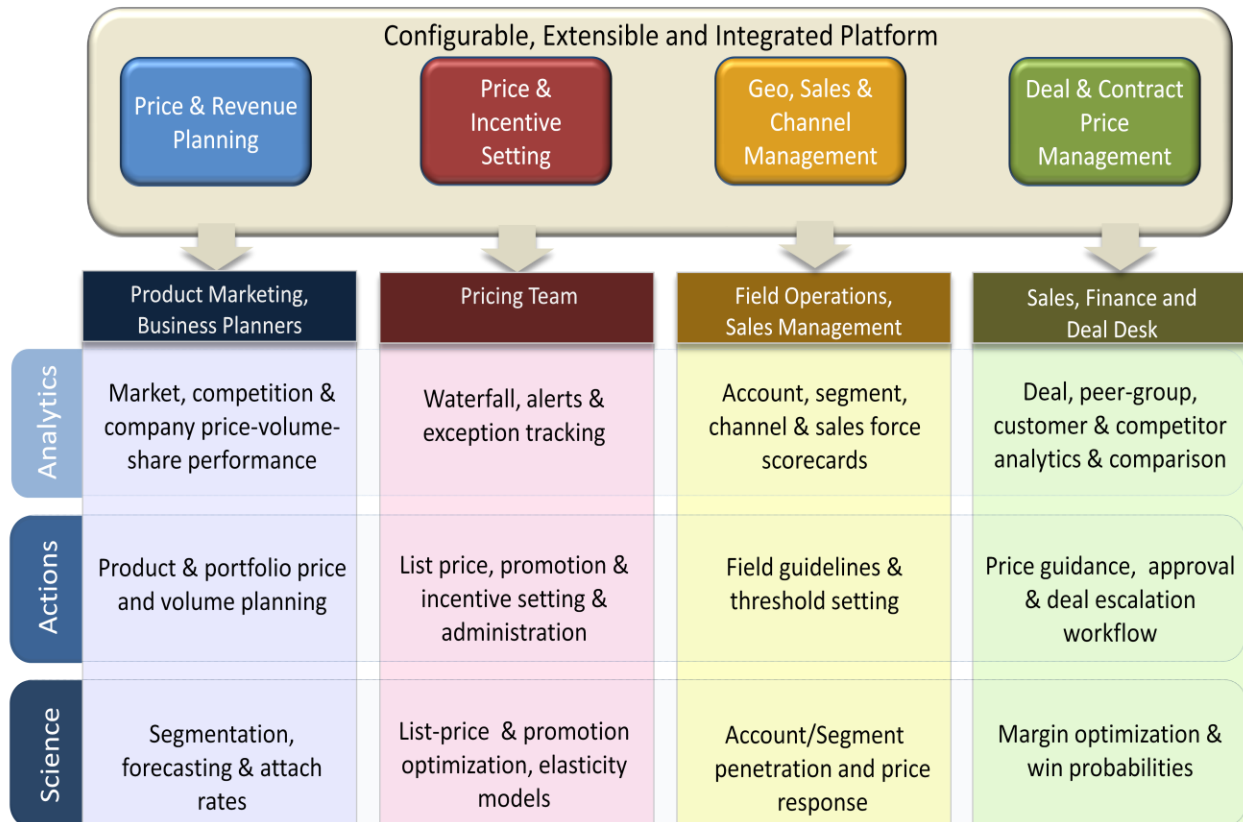
Vistaar's price performance management software is uniquely equipped to handle the inherent complexity of service pricing. At the heart of the Vistaar system is a collaborative and common data-driven price planning and management platform, which provides a single version of the truth across the organization from which all pricing decisions and actions flow.

Whether you're involved with price and revenue planning, product and service price setting, sales management or transaction pricing, the Vistaar solution provides the flexibility and toolset you need to manage pricing more profitably.

#### Sample Pricing Opportunities for Professional Services

- **Value-added Services:** Pricing of value-add services to increase attach rate and optimizing revenue and margins.
- **Resource Rack Rates & List Price Management:** Setting and managing resource rack rates for time & materials (T&M) projects. Optimizing list prices for thousands of resources in a dynamic environment with varying skills, experience level, geography and cost basis for resources.
- **Project Configuration & Resource Allocation:** Configuring project teams to maintain target pyramid structure & allocating resources to maximize revenue.
- **Project/Proposal Pricing & Project Tracking:** Using scientific segmentation and context-aware analytics to price and negotiate projects; pricing of change orders; tracking variety of project financial metrics such as resource mix, planned vs. actual costs & expenses, recognized revenue, etc.
- **Contract pricing/ Fixed priced Services:** Performing scenario analysis and applying risk-adjusted pricing to manage large down-side losses particularly for long-term, fixed-priced managed services contracts.
- **Support Services Pricing:** Segmenting support-levels and changing to "value-based pricing" for targeted services; maximizing extended warranty & parts-pricing opportunities.

# Vistaar Price Performance Management



## Target Service Companies

- Professional Services
- Field services
- Support Services
- Managed Services
- Education Services

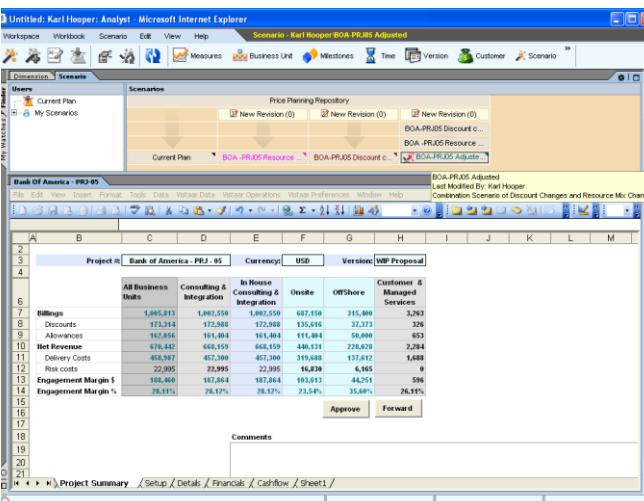
## Functional Areas

- Service Development/Planning
- Services Finance
- Services Sales
- Project Delivery/Management
- Service Business Management

# Service Pricing and Revenue Planning

Vistaar arms service marketing and service engineering groups with the consistency of data and analytical rigor they need to monitor market dynamics and identify opportunities for both existing and new service offerings.

With simple drag and drop functionality, users can create scenarios for any number of pricing structures and factor elements such as inflation rates, currency exchange and resource composition. These scenarios can be applied across the entire product and service portfolio to determine their impact on business performance.

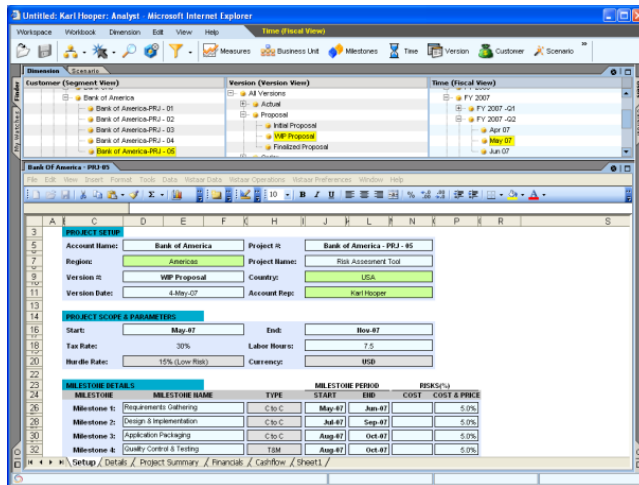


Use Scenario Planning to Determine Optimum Mix of Variables (e.g.: Resources) that meet P&L Objectives

Vistaar's integrated solution gives an accurate view of business performance across interconnected sales and marketing processes. On-demand access to metrics such as price / margin realization, guideline effectiveness, resource availability and cost-to-serve provides business managers with the information they need to make faster more intelligent service planning decisions.

## Pricing Setting

Setting effective rack rates and list prices is both an art and a science that requires mixing and matching elements from a wide range of options to create offers that meet customer needs and align with their willingness to pay. The Excel-based systems many companies have come to rely on are inadequate, as they can't effectively model the complexities of managing service pricing across the organization.



Rate Cards are Management in a Centralized System

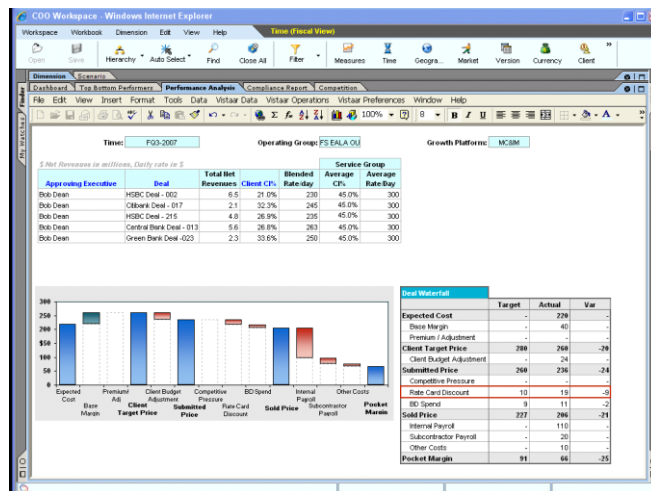
Vistaar is unique in the way it manages complex relationships within large datasets and in its ability to present business users with actionable pricing insights and recommendations.

The system not only enables you to set and manage resource rack rates for Time & Materials (T&M) projects, but it also helps optimize list prices for thousands of resources in dynamic environments across varying skills, geographies and cost structures.

With Vistaar, pricing teams are empowered beyond the limitations of Excel to set optimum prices across customers and market segments.

## Account Pricing and Management

Determining the financial impact of past deals and gaining insight into the potential impact of deals that are in the pipeline is often based on nothing more than intuition.



Evaluate P&L of Selected Deal(s) Using Waterfall Analysis

Vistaar eliminates this 'gut feel' approach and enables managers not only to learn from experience by examining the performance of past deals, but also to do a better job qualifying the deals in the pipeline and selecting the portfolio or deals that is best positioned to meet business objectives.

Intuitive analytics and "what-if" scenario capability helps determine how a different approach to past deals would have changed the results or how selecting different combinations of deals in the pipeline may yield different outcomes in the future.

The system also provides users with insights into cross-sell and up-sell opportunities, competitive win-rate trends and account performance scorecards for maximum leverage in deal negotiations.

## Project and Transaction Pricing

Smooth coordination between marketing, sales, and the deal desk

## Why Vistaar?

### Vistaar Value Proposition

- Improved profitability due to best practice adherence
- Better productivity due to streamlined processes
- Smarter decisions through multi-dimensional customer, product, deal analytics
- Mitigation of customer and partner revenue leakages with proactive analysis
- More effective promotions and price changes
- Improved deal negotiations with dynamic data and in-line analytics
- More control with automated review and approval process
- More effective deployment of strategies due to better business alignment
- Improved "field" empowerment with appropriate governance

is critical during negotiations to ensure accurate communication, quick turnaround and desired results.

Service proposals often go through several iterations that require the input and review of people across the organization. Every change, such as converting terms from a fixed rate to a performance based agreement must be examined closely, as they can significantly impact profitability over the lifetime of the deal.

Vistaar supports the entire pricing process by delivering function-specific information while facilitating collaboration between groups. System-generated intelligence such as contextual deal analytics, price guidance and peer-based win-probabilities provide each group with the data they need during the deal review process.

Auto-approval and escalation workflow streamlines the process and makes certain that the highest impact deals receive the attention they require.

### Vistaar Price Performance Management Solution

- **Flexibility:** Enables modeling of highly complex organizations, products, market segments, etc.
- **Integrated Simulation Capabilities:** Scenario planning for any function or level; integration between planning and execution
- **Business-driven User Interface:** Versatile UI which facilitates user adoption while retaining full solution capabilities at the back-end
- **Extensible Architecture:** Enables integration of other functions, organizations, capabilities into a single unified data model and pricing platform



Vistaar is a leading provider of price performance management solutions. Vistaar's pricing software enables companies to achieve pricing best practices through price analytics, price optimization, price list management, and deal management. Vistaar is working with some of the world's largest manufacturers, distributors and service providers to transform pricing operations into a strategic advantage. For these companies, Vistaar pricing solutions drive measurable price and margin improvements that deliver profitable growth and maximum shareholder value. Vistaar's operations include six offices across North America, Europe and Asia.

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