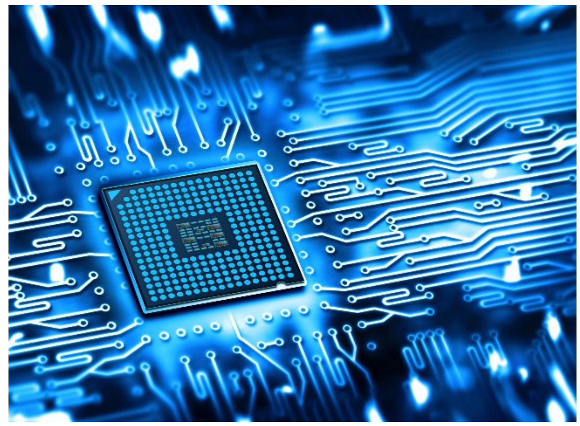
QUADRILLION PARTNERS

Situation



- $1B+ UK based semiconductor manufacturer ("**Semi Co**") wants to improve gross margins prior to likely sales process.
- 50% of business run through distribution channel and 50% is through OEMs/EMS manufacturers.
- ~65% of product portfolio is proprietary; 35% is competitive.

Complications

- Global sales force and pricing is not considered a critical function.
- No central repository for discounts or other margin waterfall sub-tractors.
- Customer pricing contracts negotiated by sales with minimal oversight.

Critical Questions

- What is the full potential gross margin of the Semi Co portfolio? What pricing strategies, pricing processes, tools and KPIs need to be implemented by channel to capture the value? At what cost? Over what period of time?
- What changes should be implemented to pricing contracts? How should the organization be structured with roles and responsibilities?

Answers, Implementation, and Outcomes

- Upside Gross Margin Value of $30M (8.3% of $360M gross margin pool) identified using regression analysis (by device, by channel) and using Monte Carlo simulation.
- New process definition for all pricing processes (contract, spot quote, distribution).

New Global Quoting Tool to Standardize Pricing	New Global Pricing Team to Implement BU Strategies	New KPIs to Track Discounts, Compliance, and ASP Changes	New Ship, Stock, & Debit Tools and Processes

- 100% target value captured prior to acquisition by a strategic buyer.