Yieldigo

Minifarm FARMACII

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Minifarm’s pricing team is now able to manage pricing across 8 zones total, using one centralized pricing software.

About Minifarm

- **Country:** Romania
- **Industry:** Pharmacy & Drugstore
- **Active SKUs:** 20,000
- **Yieldigo Modules in Use:** Everyday Pricing

Risks and Challenges

1

Inaccurate Prices Lead to Margin Leakage

Delayed or inaccurate price adjustments caused selling products at reduced prices, particularly with high-volume or high-priced items. This resulted in potential financial losses and margin leaks.

2

Complexity of Manual Calculations

Maintaining prices manually for each region demanded significant effort and increased risk of errors, especially when using Excel for complex pricing calculations based on formulas and producer prices.

3

Multiple Price Sources & Regulatory Compliance

Managing pricing from various suppliers and government-regulated prices is complex with increasing uncertainty and risk of price instability, due to strict regulations, and changes in healthcare policies.

Implementation & Onboarding

- Yieldigo's Delivery team collaborated closely with Minifarm's Pricing and Data teams to ensure a smooth implementation process. Teams successfully completed the integration, including data migration, data cleaning, business setup, and user training. Minifarm launched its online pharmacy within 12 weeks and implemented repricing for 7 offline zones in just 15 weeks.
- Minifarm's Pricing Team demonstrated strong engagement throughout the process by actively participating in all stages of the project:
  a. Data preparation
  b. Strategic business setup
  c. Implementation of daily pricing and control routines
  d. User trainings for essential business functions and ongoing development

Solution

- Yieldigo's pricing solution empowered Minifarm to effectively manage the pricing of 20,000 SKUs, addressing key risks such as avoiding negative margins, responding to supplier price fluctuations, reducing manual errors, and ensuring price consistency within product families.
- Minifarm pricing managers now have a competent price management software that helps them react quickly to market changes, stay competitive, and simplify the complex repricing process.
- The solution automates daily pricing updates across 8 zones, freeing up valuable time and ensuring that the right strategies are applied consistently.
- Alerts for negative margins, data issues, and price inconsistencies allow the team to address problems before they impact performance.
- Different rounding rules are implemented for various categories to fine-tune the pricing strategy.
- Pricing managers are now able to run ML what-if simulations of different price strategies across regions, allowing them to consistently apply the right approach. This machine-learning capability automatically analyzes historical sales data to evaluate possible impact on future revenues, margins, volumes, and price indexes.

Results

- Minifarm's pricing team can easily oversee and adjust pricing automation with a few clicks, blending manual pricing rules with machine-learning optimization to maintain target margins across different zones, channels and operational levels.
- They were able to reduce manual errors by 98%, and the number of total errors by more than 70%. Their pricing managers also spend 40% less time on manual repricing.
- Pricing managers are enabled to leverage sophisticated analytics and Yieldigo's user-friendly interface, allowing for real-time pricing adjustments. This capability is crucial in maintaining competitive margins and dynamically responding to market changes, supporting smooth operations across various regions.
- Minifarm's leadership is now well-positioned to ensure margin stability and drive growth across both their online and offline channels. With Yieldigo's solution, Pricing and Category Managers can now reprice any of their 20,000 SKUs daily, allowing them to quickly adapt to market fluctuations.
- The organization now has robust mechanisms to control and enhance sales margins while maintaining customer satisfaction. This includes managing multiple price lists across different regions.
- The team can respond to supplier price changes in less than 24 hours, thanks to automated pricing processes across multiple zones. They now have full control and visibility over the entire pricing process, all managed through one unified system.

Conclusion

In response to their notable economic challenges, Minifarm proactively strengthened its pricing strategy. With Yieldigo's unified and intuitive software, their Pricing and Category Managers gained full control over pricing operations, allowing them to manage prices more effectively. This empowerment extends to Minifarm's leadership and board members, who now maintain margin stability while driving growth across both online and offline channels.

"Yieldigo has significantly streamlined our pricing strategy, enabling us to maintain consistent and competitive pricing across all our regions."

Laurentiu Petrica
Executive Director
Minifarm

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