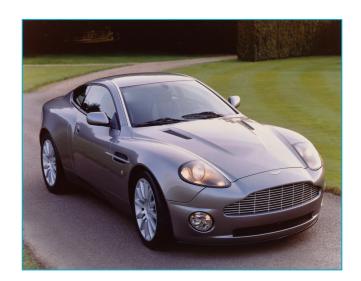


## Case study

Commercial Effectiveness - Pricing Process Re-design

## TMD FRICTION



Business
Background &
Context

TMD Friction is the world's number one manufacturer of brake friction materials in the original equipment market of the automotive and brake industry, producing one million brake friction products daily

Highly experienced in application of Lean Sigma in manufacturing TMD wanted to expand process improvement activities into their commercial operations

Problem & Goal

TMD were under severe price pressure from their OEM customers. They had a "cost – plus" pricing approach and consequently were not getting full value for many of their high performance products.

The goal was to design & implement a value based pricing process for the commercial team which could be rolled out through their global activities leading to an increase in average selling prices.

What was Done

- Design & implementation of market & customer segmentation process
- Implementation of value based pricing model & tools
- Design & implementation & roll out of new operational Pricing Management process
- Training of global commercial teams

**Business Impact** 

- Increase in average selling prices in both automotive and lorry markets
- Engagement of commercial teams in process improvement activities

As TMD themselves say on their website "Lean management does not just play a significant role in production - it equally affects all divisions of the organisation - the sales structure in the replacement division as much as the purchasing department, etc."