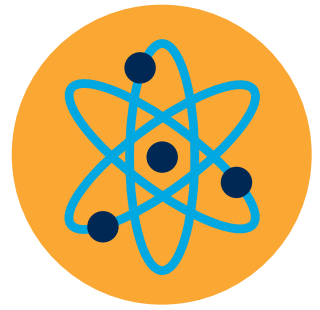


THE SCIENCE INSIDE

BIG DATA SCIENCE INNOVATIONS THAT ARE UNIQUELY PROS





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At PROS, we talk a lot about our big data science, but what exactly is PROS Science?

100% of their time conceptualizing and collaborating with customers on how to more effectively use big data science and predictive analytics to drive greater sales growth and pricing power.

It is the output of some of the best and brightest minds in the fields of pricing optimization, prescriptive analytics and big data for sales effectiveness. PROS has close to 30 PhDs on staff spending

With 30+ patents filed or pending, PROS leads the way with one best practice after another, each helping to find and accelerate sales growth – helping you make more money with PROS.

PROS Patents by Category (30+ total)





PROS TOP BIG DATA SCIENCE PATENTS

GENERATE UP-SELL AND CROSS-SELL RECOMMENDATIONS BASED ON HISTORICAL BUYING PATTERNS – NOT BUSINESS RULES

Finding new business – even in your existing customer base – is a time-consuming, manual challenge, especially for manufacturers and distributors dealing with multiple channels, thousands of customers and millions of products.

Unlike other companies who provide simple lookup tables and rules – where a product manager decides what should be sold together or what product lines should replace another – our approach is different: It produces accurate results based on data science research. Our unique and powerful algorithm generates up-sell and cross-sell recommendations based on actual buying patterns and compares that to the transactions of other like companies in the same segment. PROS approach

results in products that are actually proven to be bought either in tandem with or in place of other products by that specific account. That means there is a greater likelihood that the products you are recommending will be bought, resulting in bigger and potentially more profitable deal sizes.

USE WIN-RATE ELASTICITY TO GENERATE PRICING RECOMMENDATIONS



What's the right price for a product?

Price too high and the deal will likely be lost. Price too low and the deal may be won but at what cost? How much money was left on the table? Our unique, patent-pending scientific approach is to determine the win-

rate elasticity of each deal based on the characteristics of your customer, product and transactional situation. PROS products apply this statistical approach to determine the precise price that maximizes your expected revenue or margin for each deal by balancing the probability of winning the deal with the price of the deal.



SET THE OPTIMAL PRICE POINTS ON LIMITED RESOURCES AND/OR DECLINING INVENTORY

When a customer asks to buy a certain product or services, typically it's sold on a first come first serve basis.

If you're dealing with limited availability of those resources, you may potentially be losing money by taking this strategy. Not all customers are the same. They have different willingness-to-pay thresholds and different demands for

a particular resource. This science uses historical data to calculate that demand. By leveraging this intelligence, along with a customer's willingness to pay, you can properly allocate your resources and maximize your revenue potential.

HONE YOUR OFFERS THROUGH SEGMENTATION AND PREDICTIVE ANALYTICS

Winning isn't just about price but rather a whole set of factors that can be difficult to measure. This is how we think about contract and offer optimization – putting the best offer on the table based on market testing and responses.

Instead of trying to guess what the most relevant and meaningful offer attributes are for each customer, this science enables you to test the market response to different negotiation tactics to statistically proven them out. This methodology starts with segmentation and the creation of a unique profile for each customer grouping based on their prior purchasing behaviors. As different actions are tested, the corresponding

responses from your installed base are gathered for analysis and the best offers are identified for each segment. Each customer segment profile is enhanced with these new attributes, making it easy to hone your offers for future deals.

OPTIMIZE AND TEST CUSTOMER SEGMENT-SPECIFIC PRODUCTS AND PRICING

Presenting the right offer at the right time is crucial to winning.

Moreover, the offer must be customer specific, since different customers can have very different preferences. This science shows how you can track current offerings, introduce new ones

and optimize the best offering by customer segment – even when facing competing goals such as revenue, conversion or profit.



DETERMINE CROSS-PROPERTY UPGRADE RECOMMENDATIONS (FOR HOTEL CHAINS)

Hotel chains are often challenged with driving demand evenly across multiple hotels.

This patent simultaneously looks at multiple properties and multiple room

types, as well as historical demand and prices paid, to predict future revenue to come. The science automatically determines the optimal inventory allocation by allowing upgrades and inventory movements. If you've ever booked a reservation at one hotel, and upon check-in were upgraded to

a sister hotel's penthouse at no extra charge, you may have experienced this science in action.

AUTOMATICALLY GENERATE OPTIMIZED PRICE QUOTES FOR PRODUCTS AT THE SKU, PRODUCT LINE AND EVEN PRODUCT FAMILY LEVELS

With a huge product portfolio, it's not realistic to expect a salesperson accurately select the most profitable price and discount at the SKU level when constructing a deal.

Imagine a price catalog that contains 1,500 prices for different types of screws. You could quote each one

individually, you could quote all Phillips head screws, you could quote all flat head screws, you could quote all hardware, or you could even quote Phillips head screws for west coast customers. This patented process automatically creates your deal with an optimal hierarchical structure based on historical transactions, enabling your sales team to quickly create deals that achieve higher margins. This methodology determines if enough transaction history exists to provide a

statistically significant price. If not, then price recommendations are determine at the next level or higher in the product hierarchy and applies it to all products at that level and below. This helps ensure statistically accurate and reliable prices.



DETERMINE YOUR IDEAL SEGMENTATION STRATEGY & THE MOST SIGNIFICANT ATTRIBUTES FOR EACH MICRO-SEGMENT

What is the ideal way to segment your customers, products and transactions?

Segmentation is one of the key science differentiators at PROS, and we have two patents focused on segmentation alone. Our approach has now been successfully honed at more than 800 implementations.

TAILOR WORKFLOWS TO REFLECT YOUR SALES TEAM BUSINESS PROCESSES

For out-of-the-box sales solutions, your salespeople are forced to change their processes, resulting in user adoption issues.

Otherwise, you're dealing with expensive and time-consuming custom-code solutions. With this new configuration capability, you can easily model current end user workflows while still injecting PROS- recommended best practices without building an entirely

customized solution. All from within the user interface, a business process expert can easily define account structures and role-specific workflows, seamlessly introducing best practices to your sales team.

Want to know more?
Contact PROS today.



About PROS

PROS Holdings, Inc. (NYSE: PRO) is a big data software company that helps customers outperform in their markets by using big data to sell more effectively. We apply years of data science experience to unlock buying patterns and preferences within transaction data to reveal which opportunities are most likely to close, which offers are most likely to sell and which prices are most likely to win. PROS offers big data solutions to optimize sales, pricing, quoting, rebates and revenue management across more than 40 industries. PROS has completed over 800 implementations of its solutions in more than 55 countries. The PROS team comprises approximately 1,000 professionals around the world.

To learn more, visit pros.com.

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