W. CAPRA | The Sweet Smell of Success



CASE STUDY

Driving Fuel Profit Growth Through Pricing Transformation



About the Company:

A Midwestern convenience chain with over 2,100 stores across 16 states

Situation

A Growing Retailer Needed a Smarter Approach to Fuel Pricing



The C-store chain was in aggressive growth mode. Its strategy included disciplined store additions, strategic acquisitions, and increasing same store sales and fuel gallons. As part of its Value Creation Plan, the company had identified price optimization as one of its key initiatives to enhance store performance and unlock shareholder value.

A main area of focus was price optimization initiatives for fuel. Its leadership sought guidance from W. Capra to develop a pricing strategy, source effective technology solutions, and create the organizational structure to meet their current and long-term goals.

Key Issues

- Needed a more effective fuel pricing strategy to improve performance and profitability.
- The company needed a technology solution capable of supporting data-driven fuel pricing decisions at scale.
- The company lacked the structure and operating model to manage and sustain pricing decisions across the business effectively.

Before unlocking pricing value,

→ the chain needed the right **strategy, tools, and structure.**

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Solution

Created change management plan and helped client move from decentralized to centralized fuel pricing strategy

Over the course of a couple months, W. Capra conducted assessments, performed analyses, and helped implement a new fuel pricing operating model:

1 Current State Assessment & Data Gathering

Conducted internal and external assessments to evaluate existing fuel pricing processes, benchmark industry best practices, identify emerging trends, and uncover opportunities for improvement.

2 Pricing Strategy & Solution Evaluation

Performed analyses to identify operational efficiency and margin improvement opportunities while researching and evaluating fuel price optimization solutions aligned to the client's goals and long-term needs.

3 Centralized Pricing Organization Implementation

Designed and deployed a centralized pricing organization, expanded team capabilities, developed a change management plan, and helped ensure pricing decisions could be managed centrally while remaining responsive to local market conditions.



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Impact

Client gained significant agility to capture additional fuel margin while maintaining a competitive pricing structure, resulting in:

GALLONS
3.1% ↑

CPG
2.9¢ ↑

PROFITS
20.5% ↑

The convenience store chain has now fully implemented this new pricing strategy and continues to build data into the price optimization tool.

In the 6-month period following implementation of the new strategy, fuel margins increased almost three cents per gallon, gallons increased 3.1% and fuel gross profit dollars increased 20.5%.



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Is your pricing strategy leaving value on the table?

Let's start the conversation. **Connect With Us.**

W. CAPRA

The premier end-to-end consulting and services business

– driving high impact customer-first business transformation from high level strategy through implementation

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