

Cost-Change Margin Impact

Catch a cost change before it eats your margin

The moment a tracked cost move lands, see exactly what it exposes: every affected product, quote and customer, and the margin at stake. Then reprice what you are free to reprice, within guardrails and fully audited.

INDUSTRY

Discrete manufacturing · engineered products, many SKUs

COMPANY

Manufacturer exposed to input-cost swings across a catalogue

TOOLS

ScrapeMonk Commodity + TidyMonk + PriceMonk (index-driven cost-change impact, or your own engine)

WHAT THIS ONE-PAGER COVERS

- 1 Steel Went Up 8%, and They Knew the Same Day:** recomputes every affected product, flags what's below floor, then reprices back over the floor
- 2 The Biggest Accounts Weren't the Most Profitable:** plot revenue vs margin to catch the high-revenue, low-margin accounts

A feedstock or component cost jumps, and the damage is invisible for a quarter: margin quietly erodes across hundreds of SKUs and open quotes before anyone reacts. ScrapeMonk Commodity watches the indices your costs ride on and flags the move; PriceMonk turns it into an instant impact view: every exposed product and customer, the projected margin, what falls below floor, and a guided reprice that lifts those back over the floor, tested before it's committed and logged for audit.

THE SITUATION

In discrete manufacturing, costs move constantly (steel, components, energy), and each move ripples across hundreds of products and open quotes. By the time it shows in the numbers, a quarter's margin is gone. The fix has three parts: catch the move as soon as its index publishes, since ScrapeMonk Commodity tracks the commodity indices your costs ride on, each on its own schedule; then get an instant view of what the change exposes and how much margin it costs, and reprice back over the floor, within guardrails and testable before you commit.

01 Steel Went Up 8%, and They Knew the Same Day

Cost-change impact: steel index +8%

steel is 60% of unit cost, so unit cost moves +4.8% · projected margin on list, price held

SCRAPEMONK COMMODITY detects the **steel index +8%**, on that series' own publication schedule



PRICEMONK recomputes all **128 products** · flags **13 below floor**

PRODUCTS AFFECTED

128

AVG MARGIN (HELD)

34.0% → 30.8%

FALL BELOW FLOOR (25% ON LIST)

13

Product	Current margin	If price held	Status
Product A	33.0%	29.8%	above floor
Product B	28.0%	24.5%	below floor → reprice
Product C	26.0%	22.4%	below floor → reprice

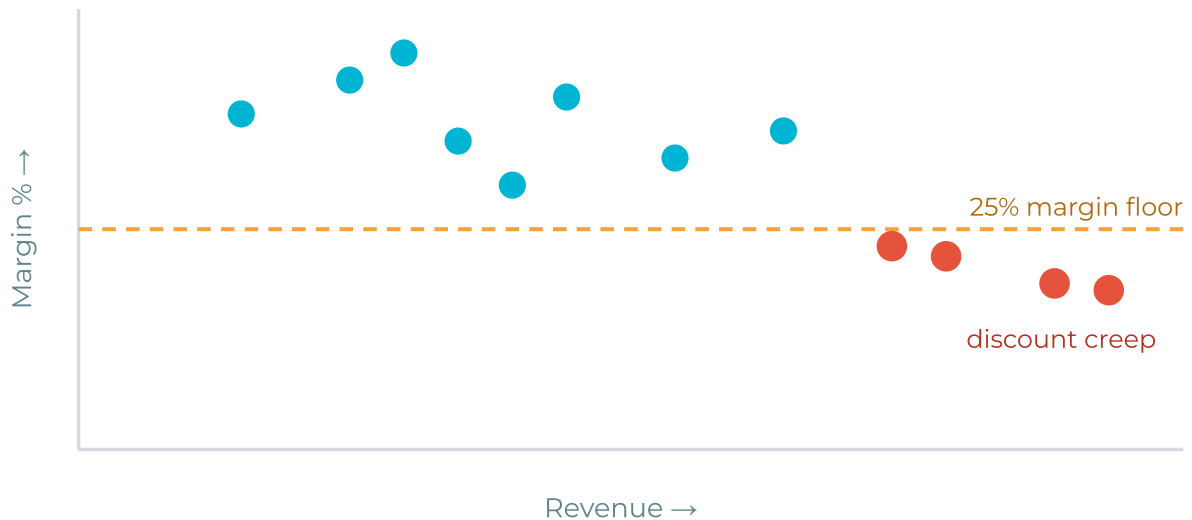
Steel is 60% of unit cost, so +8% on the index moves unit cost +4.8% — and pushes 13 products below the 25% floor. A guided reprice lifts those back over the floor in one pass. Contracted prices and open quotes are counted separately, so you can see what is repriceable now and what is committed. Hours from the move being published, not at quarter-end.

02 The Biggest Accounts Weren't the Most Profitable

Revenue looks healthy; margin tells the truth. Plot every customer by revenue and margin to spot the high-revenue, low-margin accounts where discount crept in, or a cost was never passed through.

Customer profitability: revenue vs margin

each dot = a customer



● Healthy margin ● High revenue, below-floor margin (investigate)

The big accounts in the bottom-right earn revenue but not margin. Discount crept in, or a cost was never passed through. They're where the next margin conversation belongs.

THE PAINS & HOW WE SOLVE THEM

THE PAIN, IN YOUR WORDS

"A cost jumps and we don't see the damage until the quarter closes."

"We can't tell which products a cost move pushes below floor."

"Repricing hundreds of SKUs after a cost move is slow and inconsistent."

"We can see the margin drop. We can't see what acting on it is worth."

HOW WE SOLVE IT

A cost change instantly recomputes every exposed product's margin, so you react in hours, not a quarter.

Affected products are flagged by projected margin, with a below-floor count.

A guided reprice lifts the below-floor products back over the floor in one pass, within guardrails; quote-bound and contract-bound prices are held back from the pass and counted separately.

Holding price has a cost and repricing recovers part of it. Both come out in money, not margin points, over the coming period and sized on the volumes you just sold — so repricing is a decision with a number behind it, not a judgement call.

THE PAIN, IN YOUR WORDS

HOW WE SOLVE IT

"Revenue looks fine, but we don't know which customers actually turn a profit."

A revenue-vs-margin view surfaces the high-revenue, low-margin accounts where margin is leaking.

"No one can prove what price or discount was agreed, or why."

Every price, cost change and approval is on a full audit trail.

RESULTS

Hours, not a quarter

A PUBLISHED COST MOVE →
MARGIN IMPACT THE SAME DAY

No below-floor price unflagged

EXPOSED PRODUCTS FLAGGED;
THE REPRICEABLE ONES LIFTED
BACK OVER

Margin, not just revenue

THE ACCOUNTS THAT ACTUALLY
EARN MARGIN SURFACE

IN SCOPE / NOT

- Works from your own product, cost, quote and order data; the reprice respects your margin floors and approval rules.
- Cost signals can be manual, from your ERP, or tracked automatically from commodity indices via ScrapeMonk Commodity (see cost-justified pricing), whichever you have.
- Repriceable products, quote-bound prices and contract-bound prices are counted separately, so a reprice does not silently cross a commitment. Effective dates, escalation clauses and price caps stay in your contract system — we surface the exposure, we do not decide it.
- Figures shown are illustrative of the segment and scaled to each engagement.

Behind it: ScrapeMonk Commodity tracks the commodity indices and flags the move; PriceMonk cost-change impact + margin governance recomputes margin across exposed products / quotes / customers, with a guided reprice within margin-floor guardrails and approval routing, customer-profitability analytics, and a full audit trail. Import & cleaning via TidyMonk. Works alongside your own pricing engine where you have one.

A cost change should be a decision you make, not a surprise you find.

