Protecting Margin in Volatile Times

How to identify, manage and reduce margin leakage across your operations.

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Margins are under pressure

Supplier costs are changing more frequently. Pricing is harder to keep aligned. And demand is less predictable than it was even a year ago.

For many businesses, the challenge isn't a single issue. It's how these pressures combine across day-to-day operations.

This is where margin starts to slip. Not in one place, but across multiple points in the process.

This guide looks at where margin is most at risk, how to identify where it's being lost, and what practical steps can be taken to bring it back under control.

Why margin is harder to protect today

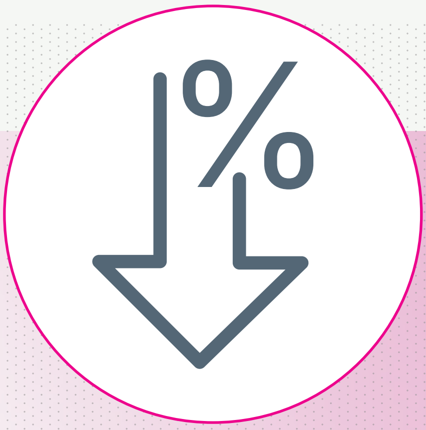
It's not just rising costs that are creating pressure.

It's how often those costs are changing.

Supplier price increases are more frequent. Pricing updates don't always keep pace. And small inconsistencies that once had little impact are now affecting overall profitability.

At the same time, businesses are managing more complexity, more orders, more stock and more pressure on teams to keep things moving. What used to be manageable through workarounds now requires much tighter control.

Because when margins are tighter, there's less room for error.



Where margin is lost in everyday operations

Margin loss is rarely caused by a single decision. It tends to build gradually, across different parts of the business.

+ Pricing

Pricing doesn't always reflect the latest supplier costs. Updates maybe delayed, applied inconsistently or handled differently across teams and locations.

Discounts are often applied to secure orders, but without clear visibility of their impact.

Over time, this creates a gap between expected and actual margin.

+ Purchasing

Supplier cost increases are not always visible immediately. Without a clear view of current costs, pricing decisions are made on outdated information.

Even small delays in reflecting cost changes can affect multiple orders.

+ Stock and costing

Stock values are not always consistent or up to date. Different costing methods, delayed updates or disconnected systems can all contribute to an unclear picture of true cost.

When the cost base isn't accurate, margin calculations aren't either.

+ Order processing

Manual adjustments, pricing overrides and workarounds are often part of keeping operations moving.

But without clear visibility of margin at order level, these decisions are made without full context.

+ Invoicing and charges

Not all charges make it onto the final invoice. Delivery costs, service fees or additional items can be missed or applied inconsistently.

This is often where margin is lost after the sale has already been agreed.

Individually, these issues are small.

Often necessary and sometimes unavoidable.

But together, they create a steady loss of margin that is difficult to see – and even harder to measure.

How to identify margin leakage

For many businesses, the challenge isn't just fixing margin issues, it's knowing where they exist in the first place.

There are some clear indicators that margin may be slipping:

+ Pricing updates are not applied consistently across the business.
+ Margin varies unexpectedly between similar orders.
+ Teams rely on spreadsheets or manual checks to confirm pricing.
+ Discounts or overrides are applied regularly.
+ Stock costs don't reflect current supplier pricing.
+ Invoices require manual adjustments or checks.

These are not unusual situations. But they are often signs that margin is being affected somewhere in the process.

The key question is not whether margin is being lost. But where, and how often.

> When this level of visibility is in place, margin doesn't need to be chased after the fact. It is already understood as part of day-to-day operations.

What control looks like in practice

Improving margin control isn't about adding more processes or introducing more checks.

It's about having a clear, consistent view of how pricing, cost and margin interact across the business.

In practice, this means:

+ Pricing that reflects real, up-to-date supplier costs.
+ Stock values that are accurate and consistent.
+ Visibility of margin at the point an order is created.
+ Fewer manual adjustments and overrides.
+ Confidence in the data being used to make decisions.

This is not finance-first reporting. It's operations-first visibility, where teams can see and act on margin as part of everyday workflows.

Reducing margin leakage: practical steps

There are a number of practical steps businesses can take to reduce margin leakage.

+ Centralise pricing

Avoid multiple versions of pricing across teams or systems. Ensure that updates are applied consistently and reflect current costs.

+ Improve cost visibility

Make it easier to see when supplier prices change and ensure those changes are reflected quickly in pricing.

+ Reduce manual overrides

Limit reliance on pricing adjustments at order stage. Where they are needed, ensure their impact is visible.

+ Align stock and costing

Keep inventory data and cost values consistent across the business to support accurate margin calculations.

+ Standardise invoicing

Ensure that all relevant charges are applied consistently, reducing the risk of missed revenue.

+ Work from a single system

Avoid gaps between pricing, stock, purchasing and finance by working from one connected platform rather than multiple disconnected tools.

The role of connected systems

Many margin issues don't come from a lack of systems, but from how those systems work together.

When pricing, stock, purchasing and finance sit in separate environments, gaps appear. Data needs to be re-entered. Updates don't always carry through. Teams rely on workarounds.

Working from one connected platform – designed around real operational workflows – changes this.

+ Updates are made once and reflected across the business.
+ Data remains consistent across processes.
+ Margin can be seen clearly at every stage.

Margin control improves when pricing, stock and finance work from one connected platform.

This is where ERP alone often falls short, and where a more connected, extended platform approach makes the difference.

Automation and AI can support this further by highlighting unusual pricing, identifying changes in margin and surfacing information more quickly – as part of everyday workflows.

Weathering the storm

As conditions become more volatile, margin control becomes more important.

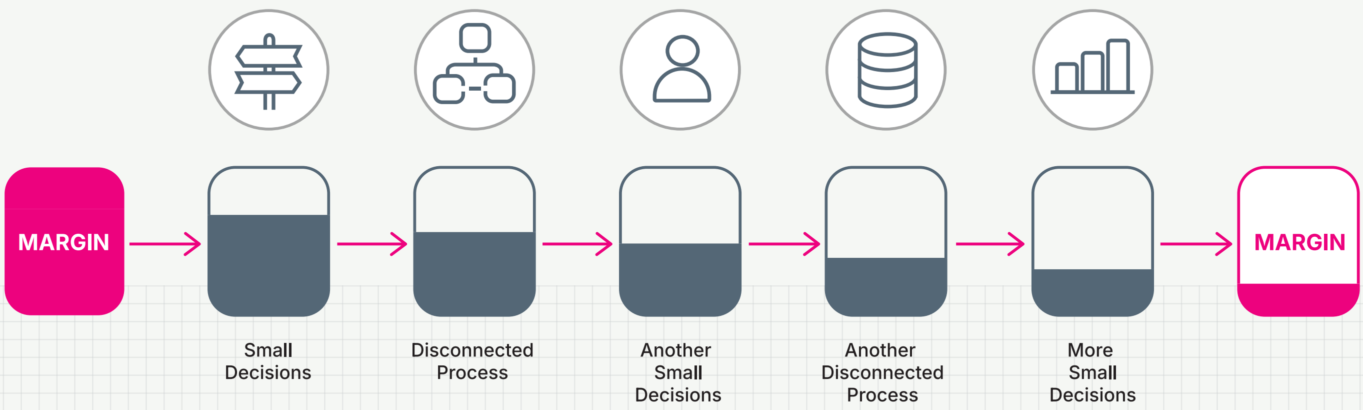
Not as a reporting exercise, but as part of how the business runs day to day.

The businesses that manage this effectively aren't necessarily doing more.

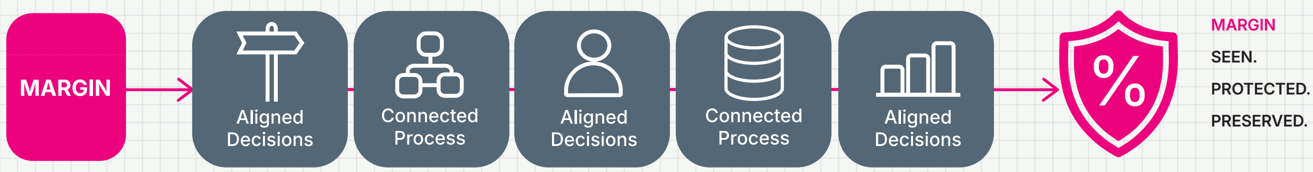
+ They have better visibility.
+ Fewer gaps between systems.
+ And more confidence in the decisions they make.

This is how businesses start to weather the storm. By reducing the gaps between pricing, stock, purchasing and finance.

Margin doesn't usually disappear in one moment.
It builds gradually, across small decisions and disconnected processes.



The more aligned those processes are, the easier it becomes to see, and protect, the margin that's already there.



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Ready to see your day transformed?

Explore how a connected platform helps you reduce the gaps where margin is lost.

Book a demo today

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