PROFESSIONAL PRICING SOCIETY

The PRICING ADVISOR

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Pricing setting is a difficult and challenging process for any company. Why do some companies choose to charge all-inclusive prices while others decide to partition prices into various components? In this article, the authors explore the difference between all-inclusive or consolidated prices and partitioned prices and analyze how these price structures affect both customers' price perceptions and buying behaviors. Dr. Johannes Vöster is a Manager at Simon-Kucher & Partners in Munich and can be reached at Johannes.Voester@simon-kucher.com. Tobias Kuntner is a Senior Consultant at Simon-Kucher & Partners in Munich and can be reached at Tobias.Kuntner@simon-kucher.com.

In This Issue:

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When to Consolidate or Partition Your Prices

When it comes to price setting, companies often face a tough decision: Should they offer a product or service at a single, consolidated price or does it make more sense to assign individual prices to individual product or service components?

In practice, the price of a product or a service is often divided into a base price and one or several additional charges. Many mail-order companies, for example, charge extra for sending goods, processing orders or for using certain payment methods. Another example are car rental companies. In addition to charging a base price for a rental car, these companies also impose various service fees, such as for one-way rentals, rentals at a particular location (e.g. an airport or a train station), or the provision of a car outside of regular opening hours. Surcharges are a very popular pricing instrument in numerous industries worldwide: A study conducted by the American Ponemon Institute shows that an American consumer pays an average of 900 U.S. dollars per year for surcharges, with rising tendency.

At the same time, however, a number of companies implement all-inclusive price strategies. Amazon, for example, has stopped imposing separate processing and shipping fees as long as the customer orders a minimum value or takes part in a customer loyalty program.

Last year, the American airline company Southwest Airlines started a campaign called "Transfarency," in which it announced to refrain from extra fees for bags, fuel, and in-flight catering. In fact, these costs were included in higher ticket prices. **So, why do some companies choose to charge all-inclusive prices**

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12th Annual European Pricing Workshops & Conference – Sofitel Berlin Kurfürstendamm – Berlin, Germany / 30 November – 2 December 2016

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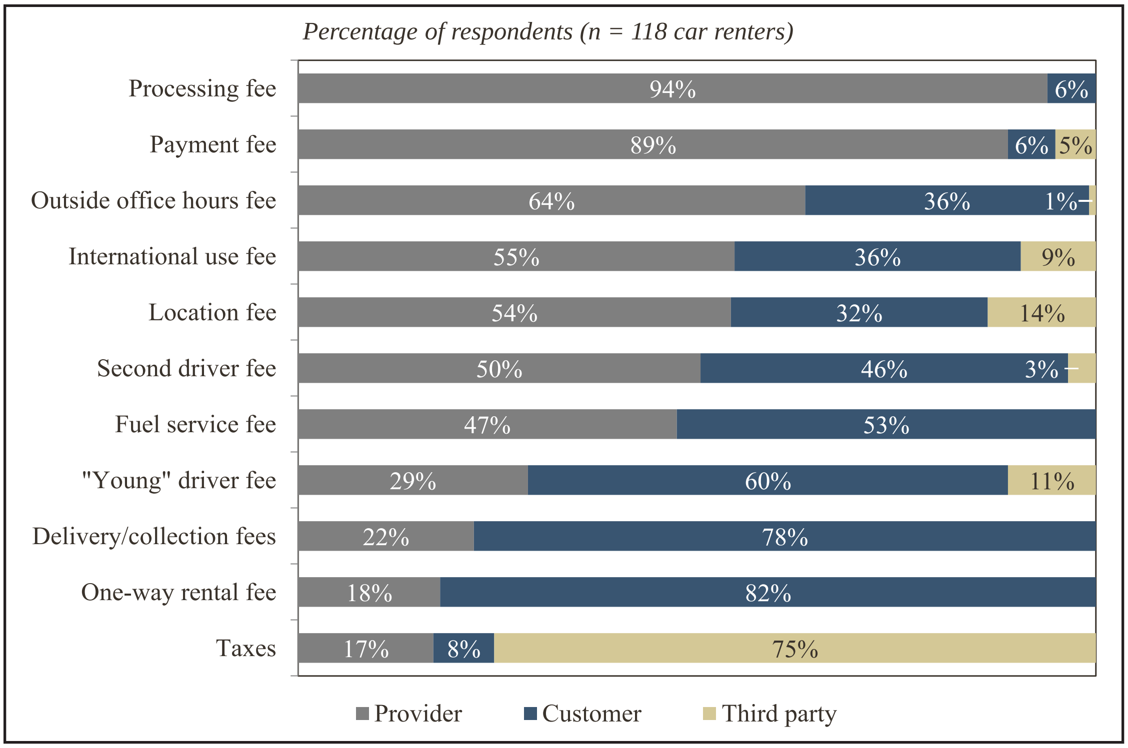
while others decide to partition prices into various components?

Pros and cons of partitioned pricing

One of the main arguments for dividing prices into several components is that, in many situations, customers perceive partitioned prices as cheaper than single, combined prices. Scientific studies have shown that customers focus on the base price of an offer when processing and evaluating price information. Additional price components such as surcharges are ignored or are at least not sufficiently included in the evaluation of the total price. Consequently, partitioned prices appear subjectively cheaper than equivalent all-inclusive prices, which enhances an offer's attractiveness and increases consumers' willingness to buy.

Figure 1: Perceived responsibility for additional charges when renting cars



Another advantage of partitioned pricing is that companies can use them to improve the relative positioning of their offerings. In online retailing, for instance, price search engines sort offers by default according to the cheapest base price (e.g. product price) and not according to the cheapest total price (e.g. product price plus shipping fees). Providers with individually priced components and a correspondingly low base price obtain a more favorable relative positioning in the search results list, which increases their products' purchase probability.

Finally, partitioned prices make it easier to understand an offer's cost-benefit structure. Unlike all-inclusive prices, they demonstrate to the customer that only a certain part of the price (i.e., the base price) will be charged for the product or service. The remaining price components, however, are imposed for additional services, which cause additional effort for the provider (e.g. shipping costs, which the provider then has to forward to a logistics company). Thus, partitioned prices meet customers' demand for greater transparency (open communication of the price structure) and for fair prices (the additional effort justifies additional costs). Both aspects can positively influence buying behavior.

Depending on the type and size of the surcharge, partitioned prices can also have negative effects. In 2011, the Bank of America was forced to deal with massive customer protests when it decided to charge a separate administrative fee of five dollars per month for checking accounts.

Over 300,000 customers signed an online petition, which forced the bank to cancel its plans. What happened? First, customers felt that the fee was unfair and disproportionate compared to other providers. Second, they doubted that the bank introduced the fee to cover additional administrative costs. Rather, they speculated that the bank charged the fee to increase its profits at the customer's expense. Therefore, it is difficult to clearly say whether partitioned prices increase a company's success in every case. So what does determine a partitioned pricing strategy's success?

Crucial for customers: Who is responsible for a surcharge?

A recent study conducted by the authors shows that a provider's responsibility for a surcharge – and, thus, the presumed motive behind a fee – critically affects customers' acceptance of a surcharge. Specifically, when facing an additional charge, customers are likely to question why they have to pay it and who or what caused it. Possible conclusions are that either the customer himself, the provider or a third party is responsible for the surcharge.

If a company (e.g. the Bank of America) fails to communicate why an additional charge (e.g. a processing or service fee) is introduced, customers tend to assume that the surcharge's true purpose is to increase the provider's profits rather than to offset additional costs.

However, with some types of charges, such as fees for extra services, customers

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perceive themselves, not the provider, as the cause for the charge and consequently attribute responsibility to themselves. In the context of car rentals, typical examples are charges for one-way rentals or picking up a car at a preferred location. Such charges are the result of a customer's specific wish. Assuming the fee is not disproportionately high, customers are more likely to perceive those types of charges as a means to compensate additional costs rather than a tactic of the provider to increase profits.

Finally, with some types of surcharges, customers assume that a third party is responsible. Some examples are taxes and fees or, in the case of rental cars, charges related to a location which are charged by the provider, but forwarded to a third party (e.g. the airport operator). In such cases, customers do not see the providers as acting out of self-interest, but simply as fairly passing on additional costs.

Figure 1 shows that customers perceive different parties as responsible for different types of surcharges in the context of car rental. For example, the responsibility for processing fees or payment fees is mostly attributed to the provider, whereas charges for delivery or a one-way rental are more likely to be attributed to the customer.

Comparing the responsibility for a charge with its degree of acceptance reveals a clear pattern (see figure 2). Charges are considered unfair and unacceptable if the customer perceives the provider as responsible because surcharges are assumed to be introduced primarily to increase profits. Reversely, the more customers believe the provider is not responsible for a surcharge, the more likely they are to accept it. The reason is that customers do not assume the charge was introduced out of self-interest, but with the purpose of covering additional expenses.

Another study by the authors illustrates these insights in more detail: Three groups of participants were confronted with three different offers which represent three different buying situations. The first group received an offer that included an additional charge for which the provider accounted responsible. The second group received the same offer, except this time the customer was designated to be responsible for the additional charge. The third group received an offer with an all-inclusive price without any additional charge. The total price to be paid was the same for each group.

Results show that the first group (provider responsible for charges) assessed the offer as significantly worse and, thus, was less likely to make a purchase compared to the third group, which only saw the total price (i.e. the charge was "hidden" in the total price). At the same time, the assessment and the purchase intent of the second group (customers responsible for the charges) significantly improved compared to the group that saw the all-inclusive price. These results reveal that the beneficial effect of partitioned pricing largely depends on whether or not customers attribute the additional costs to the provider.

Summary: When are **surcharges beneficial?**

When should additional charges be shown separately and which aspects should be considered when implementing a partitioned pricing approach? The

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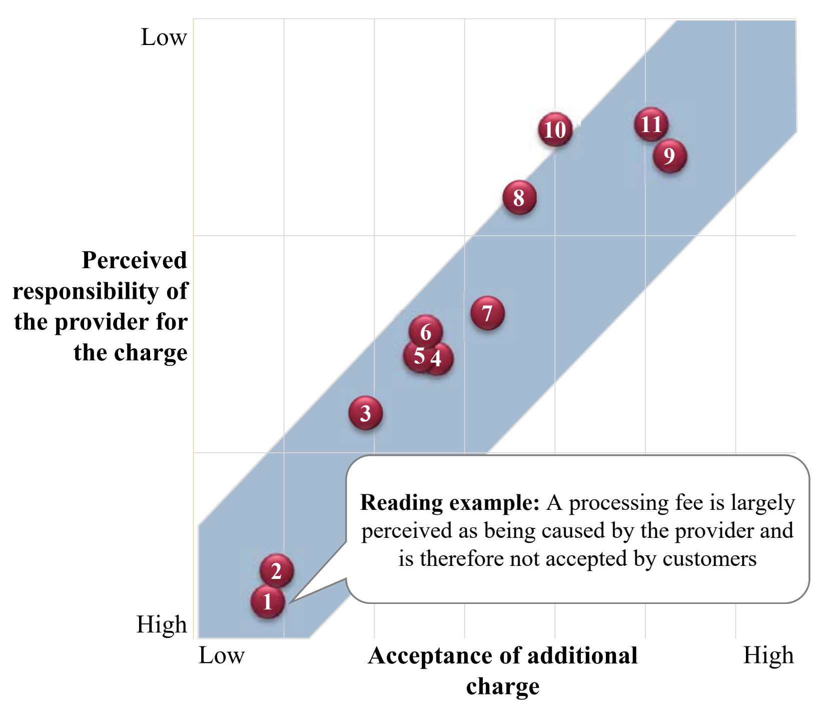
Figure 2: Comparison of acceptance and accountability for additional charges



Types of fees

1	**Processing fee** (for processing the prepaid rental transaction through the car rental)
2	**Payment fee** (for payment of the rental car with certain payment methods, e.g. credit card)
3	**Outside office hours fee** (for providing/collecting the car outside of regular opening hours)
4	**International use fee** (for cross-border trips with the car while rented)
5	**Location fee** (for collecting the car at special locations such as airports or train stations)
6	**Second driver fee** (for registration/license registration of a second driver)
7	**Fuel service fee** (for filling the car with fuel after the rental car has been returned)
8	**"Young" driver fee** (for registering a driver who is under the age of 25 years)
9	**Delivery/collection fee** (for providing/collecting the car at a location of the customer's choice)
10	**One-way rental fee** (for picking up/returning the car at a different station)
11	**Taxes** (for taxes related to renting a car, e.g. VAT)

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presented studies recommend the following: Providers should thoroughly understand the single utility components of their offerings and determine which of these components can be modularized and shown in the form of a separate charge. If the offer structure allows to partition prices, providers should only try to introduce charges for those components for which responsibility can be passed on. Examples for such components are extra services requested by the customer or charges that are forwarded to a third party. Customers are more willing to accept such fees because they assume that the provider simply covers additional costs or effort. In contrast, charges for which the provider is seen as responsible should be avoided as customers tend to view them as an unjustified means to increase profits.

Communicating fees to customers and explaining the reasons for them is of particular importance. For instance, many providers communicate charges for shipping, packaging or payment as a "service" fee or "processing" fee. The study results show that, when using such terms, customers find it difficult to determine which services the charges refer to. Consequently, they are unable to detect the underlying reasons for the price increase. In such situations, providers need to clarify that a charge is introduced to fulfill a customer's special request or provides them with a special benefit (e.g. home delivery instead of in-store delivery in case of shipping fees). That is, the charge serves as a means to compensate for additional effort (e.g. shipping costs that the provider passes on to a logistics company). Customers are more willing to accept these charges since they increase transparency and improve the cost-benefit evaluation of the offer.

If customers perceive the level of charges to be disproportionate, the positive impact of partitioned prices can have a reverse effect, leading to a negative customer reaction.

Besides the type and communication of a surcharge, an important decision involves the appropriate amount. Here, modesty is key: If customers perceive the level of charges to be disproportionate, the positive impact of partitioned prices can have a reverse effect, leading to a negative customer reaction. Customers consider shipping fees that significantly exceed the estimated actual shipping costs as unfair. Charges should therefore reflect the actual (added) effort of the provider and be communicated transparently.

The excessive use of surcharges in some sectors is a reason why they are often criticized nowadays. The basic principles described in this article help providers to successfully implement a partitioned pricing strategy and to benefit from its advantages: improved price perception by customers, better communication of the cost-benefit relationship and greater transparency and fairness of prices and offers.

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Know When to Adjust Prices: Four Situations that Deserve Attention

Knowing when to adjust prices is a challenge facing many professional pricers in B2B companies. In this article, the author examines four reasons that could potentially lead to a price adjustment or discount. Kenneth Foret is currently the Pricing Enablement Manager at Corning Optical Communications. He has held a variety of roles in Engineering, Sales and Marketing and has been directly involved in pricing for the past nine years. He received his Certified Pricing Professional Designation in 2015. He can be reached at kenneth.foret@corning.com.

For a B2B company, knowing when to make a price change or offer a discount can be difficult. Within most companies there are often many stakeholders who have varying opinions and ideas about when and why to change prices. **Here are four circumstances when B2B companies should typically consider changing a price or offering a discount:**

Pricing Error

Let's face it – mistakes happen! Tens of thousands of stock keeping units (SKUs) to maintain, multiple price levels, customer specific prices, contracts, etc. The list goes on and the opportunities to make mistakes abound. Automation and systems can help, but there are still plenty of chances for human error to enter the equation.

When these mistakes or pricing errors are identified, it is time to take the steps necessary to make sure they are corrected as quickly as possible. Letting incorrect data perpetuate in any system is a recipe for disaster as the effects start to snowball and profitability takes a hit.

A mistake on the high side, which may at first glance seem to help your profitability, will in the end drive away customers as they seek lower cost alternatives. Price too low and your profitability is sure to suffer. If you are fortunate enough, the mistake may not be so bad that you are actually selling below your costs. Make sure you have the analytics and reports in place to quickly identify these pricing errors and work to eradicate them as quickly as you can.

Product Life Cycle Adjustments

As products mature through the product life cycle phases, pricing will need to change to support the strategy of each phase.

When a product is first introduced, products are typically priced higher because of the value that the new product brings to customers. As the product matures, the price will typically need to be lowered to reflect the competitive nature of the market. As the product moves into the end of life phase, prices will typically be raised in order to reflect higher costs associated with lower unit volumes and in order to encourage customers to buy newer and higher margin offerings from the company.

One best practice to adjusting prices during the product life cycle is to put in place a pricing review board. This is simply a cross functional team that can meet on a regular basis to holistically review pricing across all product lines and market segments. Frequency will depend on the specifics of each business, but typically somewhere from monthly to quarterly is a good rule of thumb. While the involvement of senior management is a good idea at the beginning, once the process is in place and the value is realized throughout the organization, this process can be delegated to lower levels of the organization to maintain, with periodic reporting to management on the results and outcomes of the initiatives.

Typically, this team will look at available reports and dashboards to determine where there are opportunities to adjust pricing. Commercial counterparts can provide input on market dynamics and the competitive environment that can inform the decisions that are made and any follow up investigation that may be needed. Once consensus is reached among the stakeholders, the pricing team can implement the agreed-to changes in prices.

Competitive Response

Maintaining your value proposition relative to the competition or the next best alternative (which may be to do nothing or to use an entirely different technology) is a key role for the pricing professional of any company. If that dynamic changes, then a response may be warranted in the form of a price change. If a competitor changes prices (or terms that have an impact on the customer's price) and your company does not respond, then you risk losing the business to a competitor.

An important thing to keep in mind is the reliability of the data that you are receiving. If a competitor is offering a special one-time price because they have some excess inventory, a short, or a returned product they are trying to resell and you respond to that in an aggressive

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manner, then you risk starting a price war with that competitor. You also have to be careful of what hidden terms could be involved in the competitor's offering. Perhaps the price is especially low because the customer is ordering in bulk to qualify for that price or perhaps the price is not inclusive of shipping and handling, so in reality the customer is actually paying a higher price.

Gaining Something of Value in Return

As pricing professionals, we are all well aware of the concept of value pricing. But how often do we think of the value that our customers and partners can provide to us? Value is not a one-way street.

Our customers and partners can help our companies to be more efficient and lower our costs in a number of ways. See Table 1: Ways that customers and partners can add value to the selling firm. This lower-cost position can help the seller to increase their profitability.

This also gives your sales force a way to negotiate around prices and discounts. Instead of a one-way street of lower prices, something can be gained in return to help the company improve its profitability. Sales people are constantly under attack to lower prices and this gives them a tool to use with their customers and partners to create a win-win for both parties.

Table 1

Ways that customers and partners can **add value to the selling firm**

- Providing detailed forecasts for planning purposes
- Ordering in specific lot sizes or quantities
- Exposing the company to new business opportunities
- Signing long-term purchase agreements
- Agreeing to sole source or increased share position
- Increasing stock position or shelf space
- Engaging in promotional or joint marketing opportunities
- Producing joint case studies or white papers
- Reducing processing costs through system integration such as EDI
- Purchasing additional product lines

In closing, changing prices and offering discounts are activities that should not be taken lightly. Whether a company is looking to raise or decrease their effective price, there are significant impacts to revenue, volume, profitability, and also costs. This article has looked at a number of reasons that would cause a company to consider changing their price or offering a discount. While not exhaustive, these four items should be high on anyone's list when contemplating a price change or a discount.

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The Cost of Inaction: Pricing Trends You Can't Ignore

In this article, the author outlines five key pricing trends that professionals in the corporate pricing function cannot afford to overlook if they want to stay competitive in today's volatile and technology driven market. Sean Cassidy serves as PROS Director of Content Strategy, and he drives content programs and market positioning around sales effectiveness and price optimization. He is a ten-year veteran in the sales effectiveness and pricing space. He can be reached at scassidy@pros.com.

The corporate pricing function has reached a turning point. **A potent cocktail of technology, market volatility, and far savvier buyers is turning the pricing practice upside down.** Companies that ignore the shifting winds are potentially putting their growth goals and competitive advantage at risk.

Below are five key pricing trends that B2B companies and their pricing teams cannot afford to miss:

1. Growing Accessibility of Pricing Technology

Pricing software has become increasingly sophisticated, moving well past process automation to deliver prescriptive, data-driven insights. The flip side is that pricing software is also moving to a SaaS (Software as a Service) delivery model – becoming more affordable and easier to implement in the process. The implication here is that smaller-sized competitors that fairly recently were unlikely to have a dedicated pricing team can now take advantage of technology to help level the playing field. The size and tenure of your pricing team may no longer hold the same competitive advantage it once had.

2. The Rise of Professional Procurement

For many companies looking to cut costs, the last recession underscored the value of aggressive procurement – or discount extraction – teams. Because it continues to pay off, companies are aggressively expanding the scope of procurement to involve them in as many transactions as possible. If you have a sales team that is still leading with price and not value, these newly powerful customer extraction experts will eat them alive. Pricing strategy and price execution in the field are therefore more important than ever and your reps need the tools and training to compete against the procurement sharks.

> For many companies looking to cut costs, the last recession underscored the value of aggressive procurement – or discount extraction – teams.

3. Significant Shifts in Buyer Behavior

Sales teams used to be the primary messengers of company offerings. However, the Internet has slowly but surely changed the paradigm. Buyers are now conducting primary research themselves and only interacting with sales reps after they have narrowed their evaluation criteria. The result is your marketing department, along with ever-popular peer review platforms, is now the primary conduit in delivering differential value to early stage evaluators. The implication is that pricing teams need to work closely with marketing and not just sales.

4. Retention and Expansion

Customer acquisition has become harder and more expensive. B2B sales teams are now recognizing the importance of customer retention and account expansion. This means pricing decisions will increasingly need to take account of customer lifetime value and not just the transaction at hand. There is also an opportunity for pricing teams to leverage data and analytics to reduce customer churn and identify cross-sell opportunities customers.

5. Market Volatility

Significant fluctuations in input costs, supply chain uncertainty, unpredictable regulatory environments, political and economic upheaval, and disruptive technology. If you are a global business, you will likely be confronted by at least one of these challenges. Volatility has become the new normal and pricing teams need to get ahead of it. This includes improving how they monitor performance and anticipate market changes. They also need to take swift action when changes are identified. It is no longer acceptable to track pricing performance annually or even quarterly; they need to be thinking in monthly, weekly, or even daily terms and have the tools in place to accomplish this.

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Pricing Moves You Can Make Now to Grow Your Margin

Forward thinking, innovative business leaders understand that guiding their organizations through turbulent times takes a balanced approach. It might mean cost-cutting in some areas but also investing in the pricing technology that will take your business to a different level. In this article, the author presents strategies that will improve margins and position your organization for long-term growth. Moira McCormick is a research professional at BlackCurve. BlackCurve provides software to price smarter for increased profitability. McCormick blogs weekly on the world of pricing at blog.blackcurve.com. Her passion is bringing together disparate data sources into a single easily digestible format. To download this whitepaper, visit http://goo.gl/iox4Nz.

Despite the fact that we are in challenging economic times a business can still out-perform their competitors by focusing not only on expense management, but also on revenue, pricing and overall profitability. This strategy will ensure survival during the lean times and position your business for growth and market share gains when the economy is more buoyant.

In order to execute this strategy effectively, it is critical to have a clear understanding of your revenue components and leakage points at a detailed transactional level.

Many business owners think you need to increase sales substantially to make more money - often that's too difficult, especially in the short term. The other way to make more money is to increase your profit margins. You will still have the same customers, same level of sales, same systems, no more staff or extra overhead costs, existing premises and capacity - but you'll be stronger financially.

Here are suggested moves to grow your margin:

1. Calculate your gross profit margin

Make sure you know your up-to-date, overall gross profit margin. It's no good using estimated inventory figures or working from the figure in your last Annual Report. Prepare some interim accounts to the last month-end. Get some benchmarking figures from your accountant. How do your figures compare to the industry average?

2. Analyze your profit margins

Your overall gross profit margin could be deceiving. Find out the gross profit margin on each of your products and services, and, in addition, analyze your gross margins over different business divisions, product categories, suppliers or customer categories according to your business. This way you can identify both low margin or loss-making items and profitable activities or products. Stop selling low margin lines and focus on the ones that work. Your low margin lines could be cannibalizing your higher margin lines.

3. Increase your prices

This could be a controversial move but often business owners are more worried than customers about price. Remember, overheads are going up all the time. The odd customer might move elsewhere but if your margin is 50%, a 10% increase in prices means you can lose 17% of your customers yet be no worse off!

4. Review your prices

Do you charge all customers the same price? If so, why? You'll invariably find that some are less price sensitive than others, especially if they're not paying for the bills themselves, e.g. government or larger organizations.

Have you increased your prices to match supplier price rises and kept up with the competition?

5. Double-check supplier bills

Check these personally and after a while you'll get a "feel" for things which aren't right. Don't be surprised to find that you've been overcharged for goods or services you haven't received or been billed at the wrong prices.

6. Use a reliable inventory system

Always keep track of your inventory. If you do this you'll find you have less working capital tied up in inventory, suffer less theft and obsolete stock, know when you're running out of products that are selling well, and know exactly how much each of your products cost you without wading through old purchase invoices.

Increasing your margins is all about making the most of what you sell right now.

7. Use a Price Waterfall

You can analyze your business at a transaction level to identify and plug revenue leaks by using a pricing waterfall. Fewer

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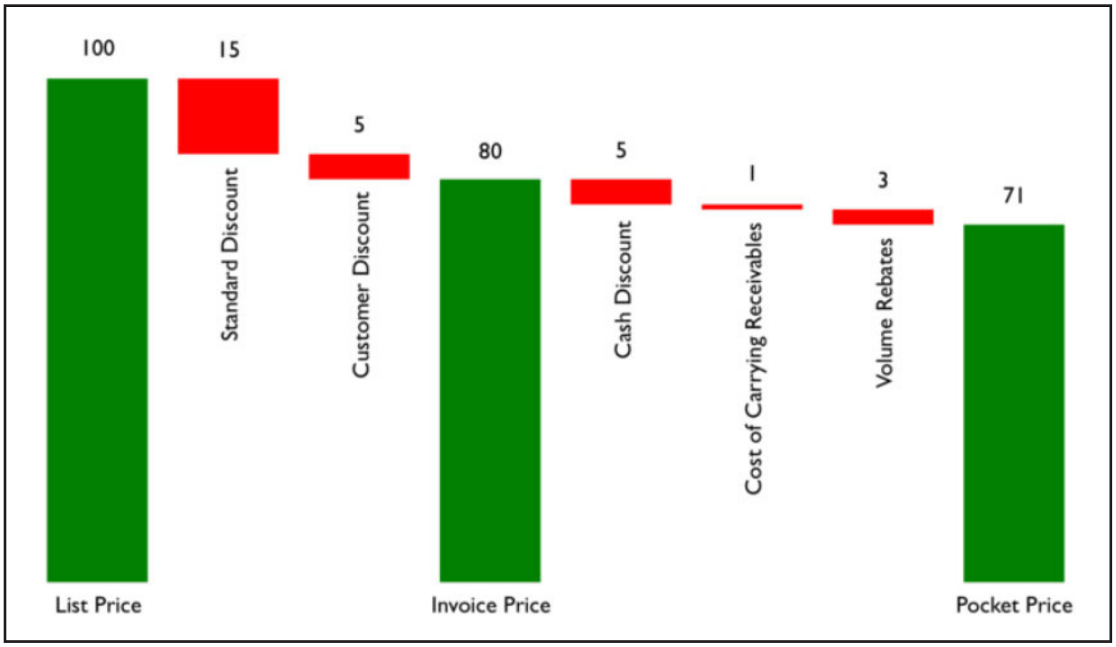
than 50% of organizations have a price waterfall in place to clearly identify key revenue leaks.

The pictorial price waterfall provides a measure of the achieved net and pocket prices and not just the price that is printed on the invoice, against defined target prices. This is done by gathering, organizing and incorporating price and cost-related data. The price waterfall enables your organization to achieve the best price in every transaction by identifying leakage at different price levels, i.e. list price, invoice price, net price, pocket price and pocket margin.

Figure 1



The waterfalls should be available to all teams and thus provide value to areas including sales, marketing and product management. Determine goals for your price waterfalls. Do not allow incomplete data to prevent you from growing. Start with basic elements that can be reasonably captured. Train, implement and measure to identify key revenue leaks. Choose to plug the easier leaks first and communicate any success broadly across your business to build momentum.

8. Aggressively Manage **Customer Profitability**

Pricing Managers need to recognize that all customers are not the same and as a result, your business will provide different degrees of service at a wide range of prices. As a result, the profitability of one customer versus another of similar size may swing dramatically. Do not focus too much attention on price realization and not enough on the true profitability of the customer.

Build a customer profitability waterfall. This waterfall may have additional elements that take it from pocket price to customer profitability. In order to be successful, the waterfall must be credible, but it does not have to be perfect. Focus your time and energy on available cost drivers and in particular those with large swings from one customer to another - and make this information actionable. Prioritize accounts that have the most significant opportunities.

How to Manage Customer Profitability through a Profit Waterfall

- Develop an appropriate methodology for measuring customer profitability
- Rank accounts by descending or ascending profit performance to easily target accounts for improvement opportunities
- Prepare customer profitability waterfalls for targeted accounts

9. Update Price Sensitivity Research

Most market situations are changing rapidly - and customers are changing too - their opinions, what they value, how they buy and their relationship with all their vendors. In order to capture these changes and adjust your pricing strategies you need to:

- Update price sensitivity data at appropriate intervals. In today's volatile economic environment, annually or half-yearly may not be sufficient
- Study your transaction data to identify any significant shifts in price structure
- Incorporate market trend analysis with transaction data analysis

10. Resist Lowering Price by Using Other Available Methods

You will often be faced with the scenario when a customer is pushing hard for price concessions but remember, discounting can badly destroy your margins. At the margin of 50%, if you discount your prices by 10%, you need a 25% increase in sales just to stand still.

Differentiate yourself in other ways - this could be by giving superior value, going the extra mile or reducing all the other (non-monetary) costs of doing business with you, e.g. your effort and time.

Review the current customer dynamics and assess whether a price concession is appropriate based on the Value Equivalency theory. This assessment assumes that based on the value you are provid-

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ing to the customer, there is a narrow range of prices that are appropriate for the particular customer situation.

Once you have completed your existing customer value review and concluded that some concession may be appropriate, objectively analyze the relative leverage your business has in the negotiation. Attempt to measure costs and benefits from both your company's perspective as well as that of the client. Use pricing tools to include items such as discount levels, customer rebates, and payment terms.

11. Leverage All Available Tools During Negotiations

Review all available data so you are negotiating from an informed position. Use this information to assess whether a change in pricing, value or terms is required. Often customers ask for concessions because they've been instructed to pursue this tactic. These same customers will often readily accept a value-based rebuttal.

- Measure your leverage in the negotiation process using an objective and quantified strategy
- Review the account profit waterfall prior to making any decisions
- Use all available pricing tools to satisfy your customer and meet your own pricing and profitability objectives

12. Invest in Advanced Pricing Software

Paul J.H. Schoemaker, research director for the Mack Center for Technological Innovation, suggests that, for some companies, an economic crisis can actually provide an innovation platform. By investing in innovative pricing software your business can be transformed. If a business sticks to a policy of inaction, they are limiting their ability to react to competitive threats.

Companies that ignore advanced pricing technologies are in danger of going under. Pricing software can be a transformational opportunity that will reward those organizations that have the foresight and fortitude to implement it. AMR Research stated six years ago that "Price Management will be the second most strategically important customer management investment by 2010" - and they've been proved right. Another leading research firm, Gartner Inc, has stated, "The results of organizations implementing pricing optimization have been significant. Margin uplifts of 10% and profit enhancements of 15% or more have been the norm rather than the exception."

How to Deploy Pricing Technology

- Assess your organization's pricing capabilities against your competitors
- Build a strong business case to justify investment and secure funding
- Get senior management support for the initiative
- Make the initiative strategic and company-wide
- Evaluate options within the pricing technology marketplace.
- Assure a fit to your business's unique requirements
- Commit and don't delay

Summary

Forward thinking, innovative business leaders understand that guiding their organizations through turbulent times takes a balanced approach. It might mean cost-cutting in some areas but also investing in the pricing technology that will take your business to a different level. If you implement some or all of the strategies outlined in this white paper you will improve margins and position your organization for long-term growth.

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