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# Pricing Excellence

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# Pricing Excellence

- Every business seeks excellence in pricing
- \*At an average S&P 1500 company, a 1% improvement in pricing is equivalent to:
  - 8% increase in operating profit
  - 50% better than a 1% drop in variable costs
  - 300% better than a 1% increase in volume

\*Source: McKinsey & Company

# Problem: You Are As Strong As Your Weakest Link

- Pricing excellence requires excellence across all interacting domains—technology, customer/consumer behavior, competition, economics, negotiation, finance
- Participants may possess at least one of these blind spots:
  - Limited comprehension of product's/service's dollar value to customers
  - Limited understanding of competitive positions
  - Limited knowledge of economics
  - Inadequate training and support in negotiation
  - Limited understanding of probabilities, expected values
  - Innumeracy (numerical illiteracy)

# Solution

- Identify key players for pricing decisions
- Interactive collaboration to overcome individual weaknesses
- Use our *proven process that includes key interacting domains*
- Execute on a few representative situations
- Create & modify templates for future use
- Include pricing excellence processes in normal business processes

# Consequences/Results

- Rapid turnaround and growth in revenues and profits
- Train customer-facing organizations for continued, long-term success in the market
- Provide negotiation ammunition to the sales organization, improve margins, and sales success rates
- Sharpen market intelligence focus
- Provide direction to and set priorities for product development

# Successes

## INDUSTRIES

- Oilfield Equipment
- Oilfield Services
- Iron & Steel
- Construction Services
- Power Plant Services
- Petrochemicals
- Software

## COUNTRIES

- USA
- Germany
- UK
- Canada
- France
- The Netherlands
- Belgium

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**Thank You**

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