The pricing paradigm
Driving profitable growth through strategic revenue management

Pricing is one of the most powerful levers for driving profitable growth. Successful pricing strategies accurately reflect a company’s value proposition, increase willingness to pay, and drive gains in market share. The key is an understanding of how value is created and how to align a revenue model with a customer’s buying process.

Pricing is as much an art as it is a science. Set your prices too high and price-sensitive customers will go looking for a better deal from someone else. Set them too low and you’ll be leaving precious revenue on the table. We help clients get their pricing right by showing them how to find the sweet spot where value and revenue meet, how to establish confidence and discipline among their sales teams during pricing negotiations, and how advanced data and analytics can help increase both competitiveness and customer loyalty.

The Polaris™ advantage

Polaris applies analytics to the commercial levers of pricing, promotions, and customer profitability and allows users to collaborate, share, and embed those insights into their day-to-day responsibilities. By embedding Deloitte’s revenue management process and activity model, Polaris meets users where they are, suggesting the insights they need to help make better decisions and to deliver improved results.

As a managed, on-demand solution customized for select industries and sectors, Polaris can give companies the best of both worlds: time-tested tools and technology without the challenges, costs, and delays of application development, management, and maintenance.

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The true value of a carefully crafted pricing strategy is its ability to create a loyal customer base and a sustainable growth rate. Some keys to achieving these goals include:

- **Understand how value is created and delivered:** Clearly link your offerings with the benefits they offer your customers and set your prices to capture a share of that value.
- **Improve your analytical capabilities:** Develop a pricing dashboard to detect margin leakage, and to respond more quickly to pricing opportunities or threats. Establish a clear perspective on your most and least valuable products, customers, salespeople, and partners.
- **Optimize your pricing capabilities:** Rigorously assess your standard and promotional pricing to determine what needs to be true for a price change to be successful.
- **Invest for the long haul:** Develop the skills and processes, data, and tools necessary to turn your pricing decisions into strategic capabilities, and make margin management a visible part of the executive agenda.

Deloitte’s proprietary tools and methodologies, combined with our deep industry and technical experience, mean we’re uniquely positioned to help your business leverage pricing and profitability management strategies into a sustained source of competitive advantage designed to help you outperform your peers and improve your overall market value.
The Pricing Paradigm

B2B. B2C. We’ve got you covered
Whether you’re running a business-focused enterprise or a customer-facing organization, we have the know-how to help you maximize value through pricing.

We help B2B clients:
- Develop pricing strategies to address new product launches and respond to competitive pressures
- Configure offerings across their product and services portfolio
- Identify and quantify value and develop value-based customer segmentation
- Develop pricing policies and processes to influence customer behaviors and work effectively with channel partners
- Harmonize prices across channels and geographies
- Establish deal desks to develop effective response strategies to customer procurement processes
- Design pricing organizations and governance structures
- Develop analytical and visualization tools and implement pricing/CPQ technologies
- Analyze customer, product, and salesperson profitability

We help B2C clients:
- Set a pricing vision that aligns to the company’s overall business strategy
- Focus on a lifecycle approach to pricing across base price, promotion price, and end-of-life procedures (markdown and clearance)
- Drive favorable price perception by identifying key value items, and establish a product availability promise to customers on the products that matter most to customers
- Implement category roles and design base price logic (e.g., size relationships and rules, private label strategy) to present logical prices on the shelf and raise prices smartly on select products where the customer is insensitive to price, and drive margin for the business
- Establish clear promotional objectives and a toolkit to design and measure effective promotions and offers (depth and frequency)
- Personalize price to the customer
- Move beyond marketing and merchandising to integrate day-to-day pricing and promotion decisions with an organization’s key initiatives like digital, loyalty, and customer engagement

Learn more
To learn more about how we can help, visit www.deloitte.com/us/pricing-profitability-management.

Julie Meehan
Pricing and Profitability Management Practice Leader
Deloitte Consulting LLP
+1 571 766 7560
jmeehan@deloitte.com

Leadership
Deloitte was recently named a global leader in pricing consulting by ALM, in their report entitled Pricing Consulting 2017. The report notes, “Deloitte combines extensive experience serving diverse clients in a variety of market conditions with a nuanced point of view on the critical disruptive forces that will impact pricing in the future.”


Our valuable experience is augmented by Polaris, our proprietary insight-driven commercial analytics platform that serves as the basis of a sustainable pricing capability.

Our strategies and insights have helped our clients across a wide range of industry sectors meet and exceed their most ambitious top- and bottom-line growth goals.

Julie Meehan
Pricing and Profitability Management Practice Leader
Deloitte Consulting LLP
+1 571 766 7560
jmeehan@deloitte.com

1 Source: ALM Intelligence; Pricing Consulting 2017; ALM Intelligence estimates © 2017 ALM Media Properties, LLC. Reproduced under license.