

Prices Are Plunging

HOW TO GUARANTEE YOUR COMPANY SURVIVES THE FALL.

Pricing is the single greatest challenge for companies today - and that's all companies in every sector. Pricing pressures are growing from all sides. Margins are suffering, and sales are down. Pricing is literally under siege.

Fortunately, there are basic, straightforward, and proven tactics for effectively managing pricing. Success in pricing – in fact, success in any aspect of business – demands excellence in four fundamental areas: customer focus, financial discipline, operational speed, and leadership practice. These four interdependent threads must be well managed, using clear, actionable strategies, and then properly interwoven. The result is an integrated business “fabric” strong enough to withstand setbacks and flexible enough to respond immediately to changing business conditions.

This four-part article series untangles the issues surrounding pricing and outlines simple, practical tactics to transform pricing from a weakness to a strength in any company:

It takes strong leadership to transform the way pricing is managed in a business, and in **Part 1** of *Prices Are Plunging*, we address *leadership practice* as it relates to pricing. We prescribe a proactive approach that focuses on transforming ideas to action: becoming a company driven by fact-based decision-making, leading your employees to a vested interest in pricing management, and designing and implementing a responsive pricing process.

In **Part 2**, we examine ways to zero in on your *customers*. We propose that you categorize your customers according to how they buy and then stop subsidizing small customers at the expense of large ones. Knowing which customers have the potential to move the meter for your company and which ones don't provides direction for your customer relationships and helps pricing fall into place.

Part 3 demonstrates how expanding your financial focus to include cash leads to less waste, decreased costs, and better margins on lower prices. We address *financial discipline* and demonstrate the truth of the scandalous concept that pricing for profit is not the end of the story.

Accelerating your *cycle times* delights your customers, drives down costs, and helps you manage pricing. **Part 4** focuses on lowering costs and improving margins through increasing operational speed and its corollary, eliminating inventory – yours or your customers'.

Understanding and embracing these and other concepts as central to your business success is where you start. The next step is to introduce them throughout your organization by executing simple, practically oriented, interfunctional projects. Addressing business basics in manageable, actionable ways invariably produces positive, productive, and long-term change.

Jacquard Associates can help your organization realign the fundamentals for success using a variety of proprietary strategies: Business Opportunity Assessments, Profit Projects®, Wonderments® and Roundtable sessions. We build our clients a framework for managing change using The Managed Change Model™; then we leave our tools behind to help ensure that the change endures. All of our assignments are custom-designed engagements. Visit www.jacquard.com or call Debbie Maki at 847.945.8700 to find out more.