



Pricing on the Periphery

Know your customer base and realize your pricing power. All customers – and, for that matter, all products and services you offer to customers – are not created equal. Stop using your key customer accounts to subsidize your small customers. Jacquard's Pricing on the Periphery Profit Project® provides a pricing strategy that identifies your smaller volume customers and ultimately makes them profitable.

Experiences

- Major price increases of 50-100% to the D customer group typically results in only 40-50% customer defections, providing significant positive net profit impact
- The result of losing half of the smallest customers has additional benefits, namely increased time for customer service, sales, and production to spend with the larger, more valuable customers
- The overall organization begins to realize "what's possible" through this project

Principles

- Devote time and energy to customers and prospects with the most opportunity
- Don't use the large customers to subsidize the small customers
- Integrate price & terms

Goals

- Increase profits
- Create additional margin and cash by improving terms
- Increase internal efficiencies by minimizing time spent on pricing for low volume
- Identify and understand your customer base

Subprojects

- Customer Prioritization
- Minimum Billing Standards
- Credit & Payment Terms
- Customer Service Training
- Specific Price Change Implementation

Measurements

- Margin for low tier customers
- Revenue from low tier customers
- Lost business

Deliverables

A formal standard repeatable process that provides ...

- A process for segmenting customers
- Analysis tools to for account reviews
- Less customers with more net margin

"The team has far exceeded my expectations! So far we have retained 84% of the lower volume accounts even though we raised prices 100%. The additional net profit generated is astonishing."

—President
Printing Company

Jacquard's Profit Projects®

- Straightforward, proven and universally applicable
- Focused and customized to a company's unique needs
- Easily understood by all employees
- Take only 16 weeks to complete

What they do for you ...

- Improve customer delight
- Build greater market share
- Increase profitability and cash
- Strengthen leadership
- Align people with company goals