

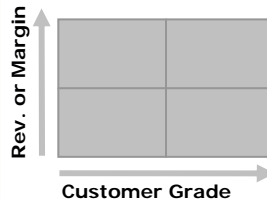


B and C Pricing

Should all your customers get the same price? Do you know the costs associated with each customer? Much is made of Pricing, as if it were the only value to a piece of business or customer. "A" customers are typically priced to market, but what about the rest? Pricing is only one element of the value, and the true costs or cash requirements of a customer rely on many factors. Do we know them? Are we organized to evaluate them?

WONDERMENT® Project Steps:

1. Create a list of important questions about any "B" or "C" customer (see below).
2. Develop a total possible score for the questions, factoring in the relative importance.
3. Grade your customer.
4. Develop a chart with the Margin or Revenue on the Vertical Axis (up is best) and their grade on the Horizontal Axis (to the right is best)



Related Wonderments

The Prioritize Customers Wonderment must be completed first. Then ...

- Who Should Be a Prospect?
- Touch Plan
- **B and C Pricing**
- Pricing on the Periphery

Example: Juice Distributor

Preston's Juice, a \$10M distributor with 1000 customers, did a Prioritize Customers Wonderment and discovered that they had 320 "B and C" customers with total revenues of \$1.6M. What is the relative value of each of these customers, and how do we increase their value?

In Your Company ...

Using the results of your A-B-C-D Prioritization, develop a list of questions to find out the true value of an existing or potential customer

Information for the Grid	Answer	Importance 1 (lowest) to 10	Score
1. What is the customer's current Revenue and Margin \$?	\$300K / \$80K	10	
2. How fast do they pay?	Slow	8	
3. Do they require inventory?	Yes	8	
4. Do they buy standard product?	No	7	
5. What is our share?			
6. Do they provide good forecasts?	Yes		
7.			
8.			
TOTAL SCORE			

What questions does this raise?

- What does each quadrant mean to you?
- For those in the worst quadrant, what do you do?
- What is the best way to get any specific customer in a better quadrant?
- Who should supply this information? Evaluate it.

Please tell us what you think. Log on to www.jacquard.com or call 847.945.8700.