

Are you ready to undergo a pricing project?



Most companies realize pricing is a key profit lever, but very few are leveraging service parts pricing to move the needle on margins and revenue.

If you are still living in the world of Excel for service parts pricing, and have very little time to be strategic, you are leaving money on the table. It's time to say goodbye to spreadsheets and welcome a more sophisticated solution that will allow you to price parts more efficiently and effectively.

If you feel like launching a pricing project might be the right move for you and your team, take the short quiz below and figure out next steps.

Points:
YES: +1 NO: 0

Q1. *Can you perform all your daily pricing functions in one system?*

Q2. *Do you have a pricing segmentation model that's been specifically developed for service parts pricing purposes?*

Q3. *Are your price-points established based on market facing attributes that do not rely on cost?*

Q4. *Do you model multiple price strategies per segment, across various scenarios, during annual price reviews?*

Q5. *Are you able to easily manage the complexities of a multifaceted pricing structure without over-simplifying processes and strategies?*

Continued on other side...

Points:
YES: +1 NO: 0

Q6. *Do you have a linked price structure across geographies and multiple currencies so that items are priced in the local currency?*

Q7. *Do you maintain a centralized competitor price data repository with tracking of stale data?*

Q8. *Do you have a proactive way of being notified of pertinent information changes such as cost, volume, lifecycle stage, exchange rate changes, and price relation breaches?*

Q9. *Do you have a streamlined issue resolution system to gather and track pricing feedback/complaints from your customers?*

Q10. *Do you have an analytical tool that supports consistent pricing analytics reports and processes?*

Total Score: ▶

0-3
Points

The good news: There is a huge opportunity for you to positively influence your company's bottom line. If you are still living in the world of Excel spreadsheets, manual processes create multiple challenges with scalability, data integrations and visibility. A cloud-based pricing solution that integrates into your company's ERP will give you a more strategic focus, allow you to better leverage multiple data sources, standardize processes and identify potential areas of revenue uplift.

4-7
Points

It sounds like you know you need to move forward with a strategic pricing project, but might be lacking the resources or executive buy-in needed to help launch it. Oftentimes, company leaders are extremely focused on other initiatives, and pay less attention to pricing, especially in the area of post-sales service. Gap analyses and roadmaps that demonstrate business value (ROI) give executives the information they need to see how post-sales pricing projects can grow revenues and margins – and ultimately they will have a hard time saying “no.”

8-10
Points

Congratulations!

It seems like you are ahead of the pack, understanding the critical role pricing plays in positively influencing revenue, while simultaneously delivering an awesome customer experience. Always remember the human element in pricing – there are too many moving variables to completely rely on an algorithm alone. You should be able to interact with every variable of the price optimization process – combining science with art – to determine the optimal price displayed in-market.

When undertaking a new pricing project, it's important to remember that pricing is a process, and the purpose is to maximize price differentiation for maximum profitability, while maintaining customer price satisfaction. With these goals at the forefront, you're sure to make an impact on your company's bottom line – and your career.