

# Beanstalk Revenue Management

## Grow | Thrive | Prosper

### Pricing Strategy

Sound pricing strategies elevate an organization's profitability by driving synergies between business objectives and market opportunities, while maximizing short- and long-term margin attainment. Without a clear, well-developed pricing strategy, many open the door to critical risks – misaligned pricing operations, undisciplined transactional activity, and sub-optimal profitability.

Beanstalk Revenue Management leads businesses through a framework to develop, strengthen, and deliver, tailored price strategies. The focus of this framework includes the following key strategic components:

- Business strategy and objectives
- Customer value and satisfaction drivers
- Competitive factors and trends
- Business partner engagement

Our approach begins with developing an understanding of the organization's **business strategy and objectives**. Not only is it critical that pricing strategies reflect corporate objectives; it is imperative that they enable the achievement of those objectives as well. Good pricing strategies explain how the business will leverage pricing related actions to achieve the stated business objectives. Furthermore, a well-designed pricing strategy will logically support the stated business strategy.

With a clear picture of the business strategy in place, we shift our attention to **customer value and loyalty drivers**. Many companies have an underdeveloped comprehension of the perceived value of their offering. Effective price strategies enable organizations to command the full value potential of their product and services. Understanding the value drivers that underpin a portfolio of products enables significantly more profitable decision making – not only around price, but also related decisions such as portfolio structure and lifecycle management.

The most significant counter-balance to value potential is **competitive factors and trends**. A thorough analysis that identifies key competitors, along with their competitive position and strategy is a vital component of developing a broadly applicable price strategy. In addition, relevant competitive trends provide an additional element of perspective to shape strategy design and implementation.

Finally, we examine **business partner engagement**, specifically aiming to understand the customer-facing strategic partnerships and relationships the firm depends on to conduct business. These may be relationships with distributors, retailers, or other key enablers and sponsors on the path to market. A balanced price strategy will properly account for how profit is shared among these key partners.

With a rich understanding of these components, Beanstalk Revenue Management works alongside our clients to discuss strategic options and recommend a pricing strategy that enables the core business strategy at hand, while driving toward maximum profitability.

A solid price strategy establishes the vision, mission, and properly aligned goals of an organization's pricing activities. Achieving those goals requires a designed **Pricing Infrastructure** and a relentless emphasis on **Transactional Pricing** discipline.