

Beanstalk Revenue Management

Grow | Thrive | Prosper

Pricing Infrastructure

Pricing infrastructure is the unsung hero of sustained price performance. Targeted efforts to improve price performance may produce gains as long as the cause is visibly and actively championed, but most leadership teams don't have the luxury of maintaining several "top" priorities. When attention shifts to other priorities, pricing achievements often begin to slip. A well-developed pricing infrastructure is the key to producing sustainable gains over the long term.

Beanstalk Revenue Management brings a structured approach to evaluating existing infrastructure components. With the assessment complete, we collaborate with our clients to design and implement a rounded infrastructure model that is properly tailored to the client's environment.

This approach focuses on three key infrastructure components:

- Price decision ownership
- Pricing processes and policies
- Governance
- Capabilities and skills
- Tools

Instituting clear roles around **price decision ownership** is the foundation of effective infrastructure. It is imperative that the organization establish agreement and accountability for strategy definition, operational execution, negotiation, and ongoing price performance monitoring. Further, owners of these roles must be properly equipped and supported in their daily activities, and understand how their roles align with others in the organization.

Pricing processes are central to developing predictable and repeatable pricing outcomes. Good processes outline how specific pricing decisions are made, and establish the guidance or policies by which the company operates. These processes may also incorporate adjacent process disciplines, such as six sigma, to augment the outputs. Well formulated pricing processes also establish **governance** and accountability within an organization's pricing practices.

To operate effectively within a company's pricing environment, people must have the right **capabilities and skills** to be effective in their roles. This includes ensuring the development of appropriate talent profiles to ensure that recruiting and hiring decisions are made with relevant and forward-looking criteria in mind. Effective infrastructure also makes available the right development opportunities to elevate the current team's skill levels and pricing acumen, again in a way that is most relevant to each role.

Perhaps the most obvious component of infrastructure is the variety of **tools** that can be employed to generate insight, identify opportunities, enable sound decision making, and monitor performance. Selecting the right tool set is an important decision, and one that must be carefully evaluated to ensure that the tool's capabilities align well with the organization's objectives and current capabilities.

Beanstalk Revenue Management partners with our clients to evaluate each of these components carefully in order to identify the best path forward, and ensure the development of an implementation plan that will generate sustained, profitable outcomes.