

Coordinating price across the product & service mix for revenue growth

In the Professional Associations and Not-for-Profits sector, pricing had typically evolved with limited strategic focus over the years. There often was a lack of coordination across the mix of revenue generating offers, such as membership fees & dues, conferences, publications and continuing education.

Today, pricing is a rapidly growing priority with both for-profit and not-for-profit competitive alternatives emerging, causing margins to decline and revenues to flatten. Professional Associations are focused on developing a skill set that drives pricing strategy and revenue growth. In one example, Pricing Solutions partnered with a large Professional Association to develop and implement a World Class Pricing™ strategy and a Capabilities Roadmap, helping them more effectively grow volume and margins.

\$500K

Quick Win Pricing Opportunities

Level 3

on World Class Pricing

The Challenge

Like most Associations, the client was initially very low on the World Class Pricing™ maturity scale. As a result, they had difficulties:

- Making decisions about discounting and bundling to support revenue and margin goals, given the organization's rapidly expanding portfolio and diverse membership
- Balancing a sufficient member/ non-member price differential to drive fair value to existing members, reduce membership attrition and meet new member acquisition goals
- Determining international pricing and licensing structures as they expanded
- Developing a pricing capabilities roadmap for the short, medium & long-term, including the people, processes and systems to sustain changes in pricing strategy and goals

Building a Solution That Fits

Based on their needs, Pricing Solutions rolled-out a 14-week customized pricing project consisting of five key phases:

1. World Class Pricing Process & Infrastructure Assessment: Project kick-off included interviews with members of the Leadership, Product and Sales teams and others involved in the pricing process. The interviews helped to evaluate existing processes,

develop a clear operational baseline, document gaps for future improvement and also build consensus around outstanding issues and operational requirements.

2. Market Position & Value Proposition Development: In the second phase, Association members were surveyed to determine: key value drivers, customer segmentation, most valued products, buying behaviour, the competitive landscape & relative value, and price sensitivity. The resulting Pricing Power Assessment and Perceived Value Maps were used to calculate potential pricing opportunities for the Association.

3. Transactional Data Analysis & Bundling Assessment: Pricing Solutions analyzed 3+ years of data to understand purchase levels, potential product affinities and customer purchasing behaviour for certain product categories. Analyzing past transactional data also helped Pricing Solutions uncover unique customer segments, as well as possible corresponding product bundles.

4. Information Systems Assessment: In many cases an information systems assessment is needed before strategic pricing opportunities can be realized. Pricing Solutions conducted a needs assessment and cost-benefit analysis for the Professional Association. Without it, and proper requirements documentation, it can be difficult to see a full payback on a systems investment.

5. Pricing Roadmap: Finally, a Pricing Roadmap provided step-by-step implementation support over the short, medium and long-term, weighing such factors as potential benefit, estimated impact and interdependencies. In any industry, the Roadmap acts a key piece to sustained pricing improvement.

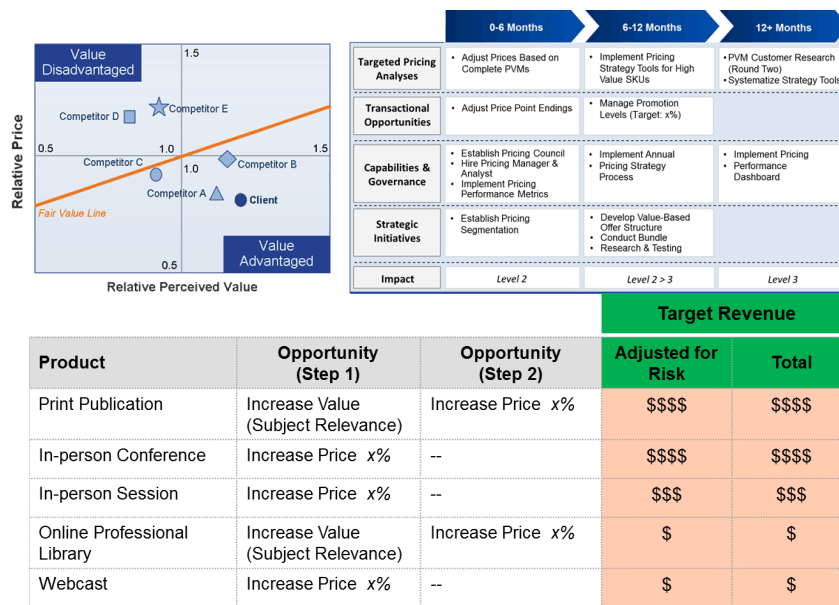
The Result?

The financial implications alone were significant. The pricing project uncovered \$500,000 in annualized “Quick Win” pricing opportunities. Additionally, the Pricing

Roadmap provided a clear path and put the Association on its way to improving to Level 3 on the World Class Pricing™ model in the next 12-18 months.

What’s the Pricing Solutions Difference?

At Pricing Solutions, we are experienced in understanding the unique issues Associations and Not-for-Profits face, and developing plans on how they can best use pricing to achieve their goals. In the past year, we have completed projects for many leading Associations globally. This includes helping our clients grow revenue, market share and contribution.



Below: Illustration of the increase in revenue, or Quick Wins, through price point adjustments.

Our Firm

Our mission is to dramatically improve clients’ profitability and market share through improved pricing. Pricing Solutions’ four core services include Pricing Strategy, Pricing Analytics, Pricing Research and Pricing Training. Known for our World Class Pricing™ methodology, we have grown to become one of the world’s leading pricing consultancies with offices in North America, Europe, Asia Pacific and Latin America. Our global team of researchers, consultants and partners are recognized thought-leaders.

We deliver customized cross-functional solutions, helping our clients achieve a typical payback of 10:1 on their investment.

Global Headquarters

106 Front St. East, Suite 300
Toronto, ON Canada M5A 1E1
Tel: 1.416.943.0505
Fax: 1.416.943.0507

UK Headquarters

10 Queen St Place
London EC4R 1BE United Kingdom
Tel: +44 7957 112 555