

**IRIS PRICING  
SOLUTIONS**

# Enabling Sales Teams to Take Full Advantage of Pricing Guidance

Training to Leverage Value-Based Pricing

Case Study

## Enabling Sales Teams to Take Full Advantage of Pricing Guidance

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## Client Background



Our client is a **\$1 billion** revenue **Products and Solutions provider**, offering customized support to customers across many different industries. With a high-value, solutions-based offering the client had a significant degree of pricing power that was underutilized.

The client had already made a significant investment in a segmented pricing strategy to include a target, floor, and stretch value. This guidance was based on “peer” customer pricing history and involved an internal scoring system of green, yellow, and red valuations on varying price points that acted as a visual aid for the sales teams.

### The Challenge

While the client’s sales team had been trained on the pricing strategy, they were not using that strategy effectively. Sales

members did not understand the value that the client provided to their customers, and could not quantify that value for existing or potential customers. The lack of confidence on the part of the sales team was impacting the profitability of the business, and the client was not seeing the bottom-line growth they anticipated from their new pricing strategy. Instead, sales team leads were busy wasting time approving discounts in the “red” zone.

In this case the pricing process, strategy, and even guidance systems were all perfectly functional. Instead, the Iris Pricing Solutions team was brought in to understand **the barriers that were preventing the company from using its pricing guidance system to its full advantage**. To do so, the Iris Pricing Solutions team realized it was necessary to understand key **customer objections** during the sales process and equip the sales team with strategies to address objections.

## Training to Leverage Value-Based Pricing

### Interviewing for Understanding

To begin, we conducted interviews with both experienced and new salespeople from the client's team to comprehend their perspective and the barriers they faced in utilizing their value add effectively. During these interviews, our team discovered that the sales team had a **discounting culture**, primarily because they lacked proper training and believed it was the only way to respond to customer objections. They also preferred discounting heavily to avoid losing business. Additionally, many salespeople admitted to not fully understanding the pricing tool, which was compounded by the high turnover rate within the team.

We also identified which sales team members had a grasp of the metrics in the pricing tool and examined the differences in understanding between new and experienced members. Through intensive interviews, it became clear that sales representatives did not retain much of their previous training and lacked confidence in providing quotes without referring to competitive prices. Instead of relying on the newly developed pricing guidance system, team members often based their quotes on an account's historical price or margin, which our client was trying to change.

### Training for Value-Based Pricing

Our team addressed the identified barriers and gaps by developing a comprehensive plan that offered best-in-class sales training to handle price objections.

The training, created by the Iris Pricing Solutions team, combined value-based pricing principles with tailored information specific to the client's sales targets and common customer objections. It was customized to the client's sales environment and provided both theoretical knowledge and practical responses for immediate implementation.

Since the client's sales team is incentivized based on the margin they achieve, gaining their buy-in was straightforward. The focus was on strategies to handle pricing objections and maximize the client's existing investments. Sellers were equipped with effective tools to address objections, emphasizing fairness and value. The training taught salespeople that fairness is subjective and not solely based on facts, and that customers often reference online prices without comprehensive knowledge or understanding of competitors' value. This customized training empowered sellers to highlight the high value of the client's products and services and build trust.

Approximately **2,000 salespeople**, including new employees and the existing team, underwent this training. It has now been integrated into the client's sales academy and will continue to be the standard training for the sales team going forward.



## Training to Leverage Value-Based Pricing

### Results

After the training was implemented, **sales team leaders saw an immediate reduction in “red” discount requests.** This was a substantial change with excellent indications for the client’s profit margin and profitability growth. With fewer “red” discount requests, sales team leaders had substantially more time to hit their own sales targets, freeing up some of the client’s most experienced sales staff to leverage their new pricing strategy and further increase profit. The senior members of the team then had more time to advise newer team members and ensure they made appropriate quote decisions based on their training.

### Furthering Pricing Strategy

Iris Pricing Solutions also found that the pricing model that the client was working with was based off a small portion of their market—only those whose sales they had already won, instead of leveraging information representing the whole marketplace. This narrow focus meant that the client was using biased data that was only attracting certain industries and thus, limiting their potential growth. The pricing model was enhanced by the Iris Pricing Solutions team to assist salespeople to win clients in new industries and expand the overall client base.



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## What's the Pricing Solutions Difference?

Iris Pricing Solutions provides more than pricing strategy and tools. We also provide the insight, training, and support your sales team needs to leverage the full value of your pricing strategy. This is especially true for clients with a focus on value added services, whose sellers can benefit from training to improve their confidence to reduce unnecessary discounting may. We take an in-depth look to discover the specific barriers that your sales team is facing and give them the precise, practical tools and training they need to succeed.

## Contact Us

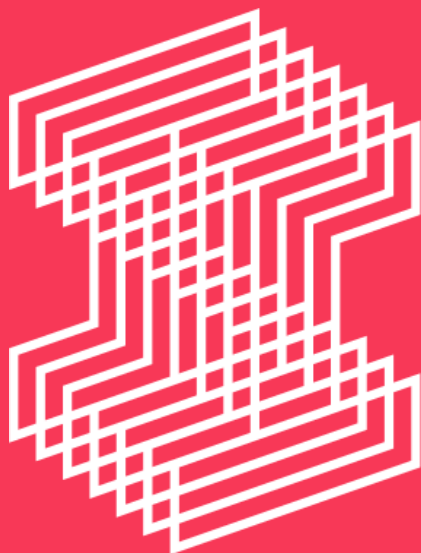
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