THE STRATEGIC PRICING MANAGEMENT FORUM 2024
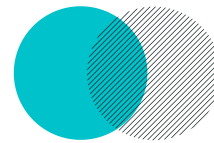
Forum Agenda

Day 1
12p.m. - 2p.m.

Wednesday January 31, 2024

Afternoon Arrival & Check-In, Refreshments

Session 1   Opening Session: Introductions, Top Pricing Challenges & Past Year's Wins
2:00 p.m.

In this opening session, we will tap into what we, as Senior Pricing leaders, see as our top two Pricing challenges and/or opportunities at our own organizations during these round-table self-introductions. This will be an opportunity for participants to both share and hear about the most pressing issues being faced by our peers this year, and will act as a touch-point as the discussions continue throughout the Forum, with the goal of finding a path to solutions through shared experiences.

3:30 p.m.   Break

4:30 p.m.   **Group Networking Activity**

7:00 p.m.   **Welcome Reception & Dinner**

8:00 a.m.   Breakfast

Session 2   Mastering Pricing Excellence: Attaining Precision in Speed and Governance

9:00 a.m.

To improve profit management, multiple stakeholders are encouraged to add guardrails, reviews, and approval processes to deal pricing. To accelerate revenue growth, commercial teams are encouraged to streamline quotation processes. How can we balance those forces - and prevent conflict and trade-offs?

Quotation Speed:

- What are your companies doing to accelerate quotation speed?
- Can you measure the benefits of speed to quote?
- Where are you automating your quotation process?

Governance:

- Who has a role in transactional deal approval?
- Do you differentiate between different types of quotations? Ex. RFP vs Spot Pricing
- What guardrails or metrics do you use to guide deal approval?

Balance:

- How do you enable both speed and governance?

10:20 a.m.   Refreshments

Session 3   Influencing Pricing Stakeholders Beyond the Pricing Department

10:40 a.m.

Established pricing teams have a great influence on a company's success. They achieve this by effectively communicating with stakeholders, establishing trust in the pricing strategy, and sometimes persuading other organizational members who might be resistant to these initiatives. In all cases, providing a clear rationale for the pricing strategy and its alignment with business goals is critical. **In this session we will be discuss the role of pricing in:**

- Encouraging cross-departmental collaboration in pricing decisions i.e. Sales, Marketing, Product, Finance.
- Emphasizing the importance of educating non-pricing teams and the entire organization.
- Recognizing the role of external entities like subcontractors, consultants, and channel as extensions of the pricing team.
- Exploring creative ways to reward the pricing team and aligning sales incentives with company goals despite having the responsibility but limited authority in price setting.

12:00 p.m.   Lunch

Session 4   Pricing & ESG

1:00 p.m.

While activity on the ESG front has cooled somewhat since we last met, companies continue to manage new areas of focus in financial reporting "E" (environment), "S" (social serenity) and "G" (governance) considerations. Of these three "E" still dominates the conversation, but the focus on progress toward "net zero" Green House Gas (GHG) emissions is yielding to broader topics of product and service circularity and "SMR" (sustainable material rate) usage which looks at the ability to reuse, recycle and/or repurpose material. Biodiversity and water preservation are also areas of broad agreement in the consumer markets. Awareness of the company's carbon footprint in scopes 1 (own operations), 2 (external power sources and usage) & 3 (up- and downstream carbon footprints of supply and distribution) is still on the radar but the anthropomorphic climate change idea is giving ground to "robustness", the ability to withstand climate change as an important progress area where most consumers take notice. **In this environment, we encounter these issues for the pricing teams:**

- What tactics are effective in identifying, fencing off and catering to customers that are willing to pay for a company or brand's relative excellence in enhancing circularity of supply chains, protecting water resources, enhancing biodiversity, advancing societal serenity and promoting either mitigation or robustness regarding climate change?
- How can companies provide "green value" to large customers in consumer-facing businesses without the value proposition devolving to a simple "you're in or you're out", box-check type of commodity criteria included in customer requests for proposal? How do we sell sustainability? How do we ready sales and pricing teams for the challenge?

2:20 p.m.   **Refreshments**

Session 5   Pricing Hot Topics (Breakouts)

2:40 p.m.

The informal breakout session serves as a focal point during the Executive Forum, allowing participants to select groups aligning with their interests. The topics are curated by the steering committee, drawing from prevalent themes discussed during the opening session.

4:20 p.m.   **End of Day Two Sessions**

4:30 p.m.   **Group Networking Activity**

7:00 p.m.   **Reception and Dinner**

8:00 a.m. **Breakfast**

Session 6 Pricing and AI

9:00 a.m.

What was getting old has become new! The furor over Chat CPT has multiple métiers excited and worried about what the future may hold as the new form of AI captures the innovative imaginations along the various value chains in the market. It may be good as a prelude to our conversation to quickly identify the two types of AI now entering the pricing space.

Type of AI	What it does	Type of output
Traditional AI or "Machine Learning"	Makes use of observed data to make predictions about the unknown.	• **GPS** – decide to turn left to avoid likely traffic jam a few miles ahead. • **Pricing** – segment customers based on identified patterns in the data and predict best price levels for upcoming change opportunities
Generative AI, "GPT" (Generative, Pre-trained Transformer)	Unsupervised (or semi-supervised) interactive algorithms that generate new content and data based on training experience gained digesting a large source data set.	• **LLM** (Large Language Models) writing copy or code (Chat GPT or Bard) and carrying on chats with human interlocutors. • Generate audio and visual content based on verbal cues or other non-verbal data, "deep fakes" (Dall●E). • Search, analyze and summarize information in books and published papers, augment tabular data and increase quality and model performance of data sources.

How relevant is Traditional Machine Learning to Pricing in our various industries? Is it overkill, just right or still not enough? Given the actual use of the Traditional, how do we see the Generative AI entering into the pricing workflow? What hazards must pricing teams control for and how?

- Re-code the Traditional AI algorithm to better predict the needed segments and prices?
- RE-code our ERP's API to enable the rapid leveraging of new CPQ and Analytical packages?
- Streamline pricing rules and métier training materials for pricing teams to apply?
- Develop copy for training material value pitches to customer segments?
- Digest and summarize multiple historical examples of contracts, identify key trends and generate contract clauses of increased precision and relevance to cure past dysfunction?
- Act as a personal analyst retrieving information, providing summaries of external events, managing routine email, and helping create memorandum and presentations?
- Other use cases?

10:20 a.m. **Refreshments**

Session 7   Closing Roundtable on Forum Participants' Key Takeaways

10:40 a.m.

 During the final session, senior pricing executives will share personal insights and learnings from the forum, emphasizing actionable strategies and emerging best practices to implement within their organizations and pricing functions. **All discussions remain under the "Chatham House Rule" – for participants ears only.**

- What are the top two or three new Pricing initiatives you will take back to your organization?
- What ideas or approaches will you most quickly be able to implement with early stage wins?
- What one concept discussed will you bring back that will create the most value and competitive advantage for your organization this year?

12:00 p.m.   **Closing Lunch**

1:00 p.m.   **Depart at Participants Leisure**