

# Strategic Pricing for Value Quantification, Value Creation and Price Setting

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## Sales excellence intro

Value-based pricing starts from identifying the key metrics of customers, even those that do not pertain the 'product description'. Benefits (i.e. value) go beyond products features, but are just as tangible and relevant.

**Mandatory:**  
Shedding the commodity mind set (McKQ)

## 2. The power of pricing

Price setting and value-based selling (the counterpart of value-based pricing) must look at customer economics.

**Mandatory:**  
How do you know when the price is right (HBR)

**Optional:**  
Managing price, gaining profit (HBR)

## 8. Negotiation

All the products, features, R&D efforts and company resources boil-down and find their destiny in one moment: the negotiation! Simple rules allow to prepare and tackle this moment in the best possible way.

**Mandatory:**  
Spin selling summary

**Optional:**  
Negotiation checklist

## 9. Value quantification for champions

**Mandatory:**  
Value quantification – the next challenge (Value first then price)

**Optional:**  
Long tail pricing in business markets

## 3. Value-based pricing

Pricing approaches vary, this material sheds light on Value-based Pricing by contrasting it with other approaches

**Mandatory:**  
Toward Value-based Pricing (IMM)

## 7. Pricing new products/Innovation in pricing

Products have varying life-cycles, with relevant implications for discounting, competition and price-setting

**Mandatory:**  
Pricing new products

**Optional:**  
Innovation in pricing next source of competitive advantage BH\_2014 AH

## 10 EXAM & GRADUATION!

A written exam (multiple choice and open questions) is to be taken at the completion of studies. Once the exam is passed, each manager will receive a certificate of completion.

**Mandatory:**  
Exam - written form - 1 hour

## 4. Supplementary service pricing

Many companies provide value-added services at no charge or fail to offer them altogether, forfeiting considerable revenue.

**Mandatory:**  
Capturing value of supplementary services (HBR)

## 6. Psychological Pricing

Behavioral economics is very active in the area of pricing, where small adjustments can pay big dividends

**Mandatory:**  
Violations of rational choice principles in pricing decisions IMM AH\_2015

**Optional:**  
CRITICAL THINKING - Cognitive Biases: Reference Dependence and Loss Aversion - <https://youtu.be/LBNtChg4t4k>

## 5. Value quantification - introduction

Quantifying the impact of a benefit (or feature transformed in benefit) allows to minimize request for discounts, to highlight differentiation and to increase win-rate

**Mandatory:**  
Customer value propositions in business markets (HBR)

**Optional:**  
Business marketing - understand what customers value (HBR)

The course is self-paced and self taught. It requires mastering the mandatory documents outlined. The remaining optional documents allow to deepen the pricing knowledge, but will not be part of the final exam.