

# Crossing the Pricing Chasm

## A guide to Pricing Maturity Development

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## Why Pricing Maturity Development matters

“Pricing maturity management effectively works at Johnson Controls.”

Wim Beirens  
Director Strategic Pricing  
Johnson Controls Inc.



Many European based organizations have only just begun to realize how significant the effect of pricing on shareholder value creation really is. Until now, the focus was mainly on innovation, sales and marketing – and justly so. But in today's economic environment, also value capturing (effective pricing) is increasingly being discussed at the boardroom table as one of the main shareholder value drivers.

Hence, the domain of 'Pricing' is in full development and many companies install Pricing teams who almost immediately realize successful margin improvement projects. These are the 'quick wins' in the discipline of pricing.

The next step proves to be more difficult though: embedding pricing knowledge in the organization, thus moving away from pure project-driven pricing. European pricing professionals have come to recognize that a lasting change and full impact on profit optimization requires a comprehensive approach. Crossing this chasm is not an easy expedition.

As a result, many pricing practitioners, management teams and CEO's are searching for a structured approach to guide their organizations towards higher pricing maturity, leading to profit optimization.

They asked the EPP: where do we start and what are the priorities? Who should we learn from? Apple? Bose? 3M? Bayer? Audi? Microsoft? Michelin? Hilti? The Rolling Stones? Is there a proven path to superior pricing?

The answer is Yes! There is a proven pricing maturity development path.

The maturity model concept, as a tool to enhance organizational capabilities, was popularized by the Carnegie Mellon University in the 90's. Their first Capability Maturity Model (CMM) was developed for IT management, but in the meantime, nearly every management domain has maturity models to draw upon. A maturity model defines a set of structured levels that describe how well the behaviors, practices and processes of an organi-

zation can reliably and sustainably produce the required outcomes<sup>1</sup>. Maturity models have been applied to almost all fields of management by now, and also translated to the pricing discipline (see references).

At the EPP, we have gathered a treasure of best practices from the leaders in the field of pricing to come to our own practical pricing maturity model to support pricing practitioners in Europe. It is a

hands-on, pragmatic instrument, to support your pricing maturity development, and it is our mission to share it with you.

The emphasis of this white paper is to help you identify where you are today in your pricing journey, which areas you need to prioritize and improve to lead your company to the next level of pricing maturity (and profit optimization) – and perhaps most important: how to cross the ‘Pricing Chasm’.

## Beyond the low-hanging fruit

At first, pricing practitioners’ most important challenge often is to demonstrate the impact of pricing on margin improvement to top management.



The low-hanging fruit	The quick and dirty way to get their attention is by means of picking the “low-hanging fruit”. Those offer a fast return on investment, and show immediate margin impact.
	<p>The three most delivered margin improvement projects focus on:</p> <ol style="list-style-type: none"> <li>1. Improving price setting of new products</li> <li>2. Achieving overall margin improvement</li> <li>3. Realizing cross-national (European) price harmonization</li> </ol>
Premium quality fruit	However, the low-hanging fruit is just that: easy to pick ... We can’t stop there. The most juicy, rewarding fruits are the ones on the higher branches with the most exposure to sunlight. By paying attention to these premium quality fruits, the best pricing professionals build and maintain superior pricing practices.
Harvesting time	The EPP Pricing Maturity Model helps you set the right priorities and lead the organizational change towards full profit optimization.

## The Pricing Maturity Approach

In the early stages of their pricing development, organizations often focus first on margin improvement projects. These pricing projects (the low-hanging fruits: see frame) bring the desired visibility at board level, but pricing professionals soon grasp that full value capturing is much more complex and challenging.

Improvements do not come from better price setting alone. You have to develop and align your capabilities in all pricing building blocks.

We visualise this by means of the EPP Pricing Framework. There are five core processes: Price strategy, Price Policy & Setting, Discount Policy, Execution and Monitoring – and two supporting building blocks: Organization & Governance and Tools & Systems.

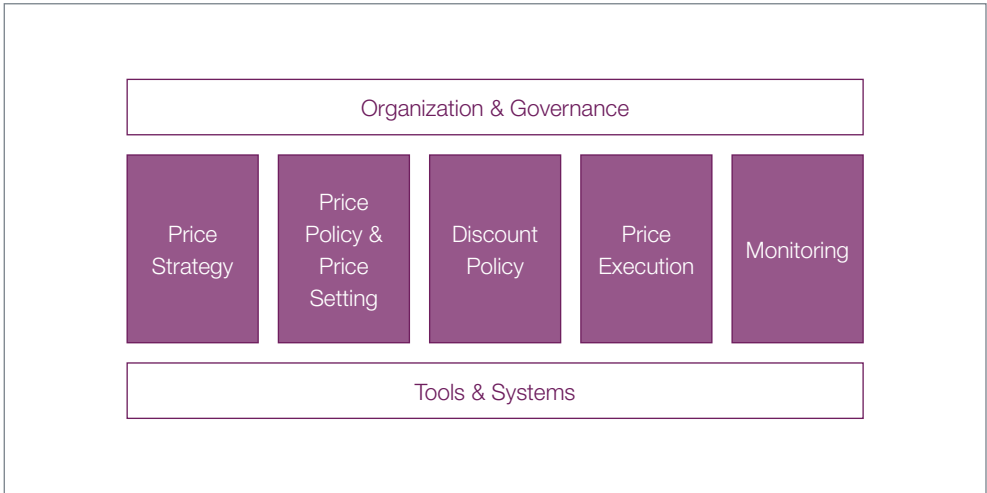


FIGURE 1: THE EPP PRICING FRAMEWORK

Pricing audits always reveal weaknesses and improvement opportunities in all building blocks (...). They result in a long list of capability gaps and organizational challenges. As a result, we see top management often struggle to allocate the right priorities in this list.

The EPP Pricing Maturity Model helps you determine which level you are operating on, how to prioritize your efforts, and how to cross the pricing chasm to achieve full profit optimization.

“Pricing is not just a project, but a change process.”

We consolidated real-life best practices and advice from Pricing leaders, experienced in pricing maturity development across all industries, into the EPP Pricing Maturity Model.

The model consists of 4 stages which will be described in detail in the pages to follow:

- Level 1: Price list maintenance
- Level 2: Gaining transactional control
- Level 3: Achieving full value capturing
- Level 4: Deploying full profit optimization

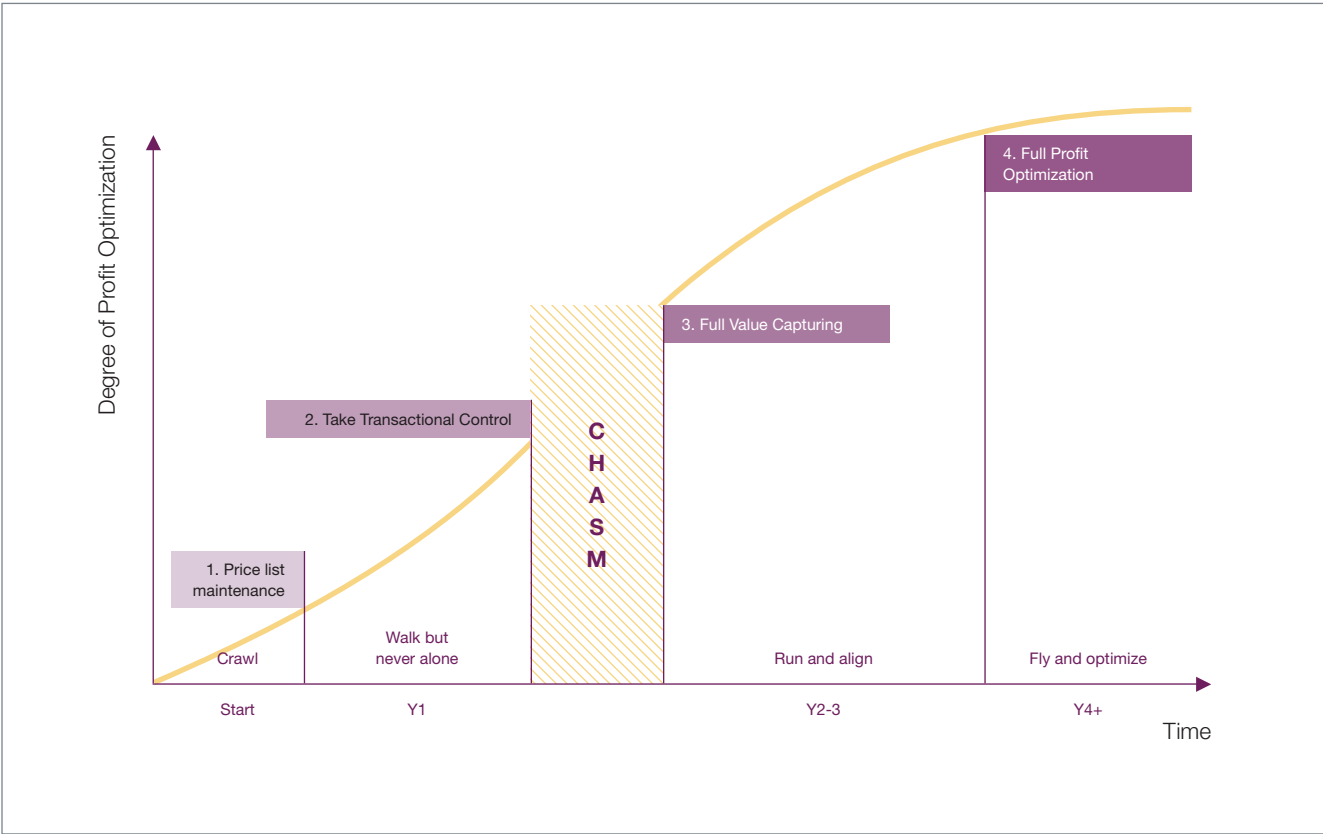


FIGURE 2: THE EPP PRICING MATURITY MODEL

Under optimal conditions, it will take you at least 3 to 4 years to bring your organization from level 1 to level 3. It is essential that you have the full cooperation and support of your most important stakeholders in realizing the change: top-

management, marketing, sales, finance (and IT). Do the right things first and never walk alone; if you keep these two key things in mind, the likelihood of success in your pricing journey increases sevenfold!

## Level 1: Price List Maintenance

Organizations operating at this level are typically mainly focused on volume. Since volume is one of the key performance drivers at this stage, they try to sell to (almost) everyone at (almost) every price. Prices consequently vary widely across the customer base, resulting in a very wide price band. Potential risks emerge as customers find out about these large, difficult to explain price differences.

The Sales department deals with price problems on an ad hoc basis and feels that Pricing is well-managed and under control. They see no need to implement any drastic changes. At lower levels in the organization (e.g. regional level) this is often correct. However, at a higher level (e.g. national or international), the wide price bands are likely to lead to pricing conflicts eventually, which in turn result in increased price pressure during negotiations.

At this basic level of pricing maturity, there is a huge threat of structural and continuous loss of profitability and value, because the organization does not fully realize what's happening, how it's happening and least of all, why it is happening.

Price Strategy	No clearly defined price strategy goals in place. Price strategy is implicit and ad hoc. Product life cycle price management not in place. No price segmentation. In case of multi-national, European countries price independently from one another.
Price Policy & Price Setting	Prices are mainly the result of a cost-plus exercise, with some input from the sales force regarding prices of direct competitors. List prices are set by product management or marketing. Prices are adjusted periodically (once a year) and only triggered by cost changes or as a reaction on price level adjustments by price leaders in the market. Price/value mapping is not in use. Price elasticity analysis is not in use.
Discount Policy	Discount structure is historical and often needs improvement. Since the organization is mainly volume driven, the discount structure is driven by sales opportunism, triggering potential channel conflicts.
Price Execution	Minimal or no authorization needed for deviations from general conditions of sales/price structure. 'Street prices' are essentially controlled by sales. Deviations are not monitored. Preparation of price increases is poor. Sales force sells on features, not on value.
Monitoring	Pure financial reporting is dominant at this maturity stage. Sales is monitored on turnover and overall gross margin, no view on product, channel, segment or account level. Cost to serve data is not readily available. Weak price reporting structures. Many internal discussions on the quality of data (reported cost prices, margins, price definitions). No systematic monitoring of competitor pricing & promotions. Little or no monitoring of price adherence.



Level 1: Price List Maintenance (continued)

People & Organization	There is no separate pricing function. Pricing function is generally dispersed throughout the organization. Product Management or Administration controls the Price Lists, while Sales take the final pricing decisions with a large degree of freedom during their negotiations in the field. Little accountability when errors occur (no root-cause analysis, nor corrective action).
Tools & Systems	Sporadic, or no use of pricing research tools. No system offering an overview of existing price lists, while Sales department uses lists for different customers, countries, etc. Discount grids don't exist, or only exist in Excel sheets. No limitation for sales force to overrule prices in system.

## Level 2: Taking Transactional Control

At this level the organizations become gradually aware that they are leaking profit and they are committed to do something about it.

The discussions that take place during pricing maturity level 1 in the organization trigger a gradual move towards activity based costing. Transparency on cost prices and its components (products and services), net margins, and also the real cost-to-serve customers become clear.

The organization is now monitoring what products are sold at which prices and to whom (customer groups). They understand what's happening (and why) when it comes to pricing. Margin improvement projects have started.

At the same time, more strategic questions are being asked: when do we focus on volume and when on margin? Where should we attack, defend or harvest? For which segment do we choose which strategy? Is our discount structure aligned with our go-to-market strategy and goals? It is now extremely important to get to a stage where we can say 'we're in business' and get involved in the marketing and sales discussions: never walk alone from here!

Price Strategy	Price strategy and goal setting are based on 'general guidelines or targets' e.g.: increase margins by 3 percentage points. Limited degree of product life cycle price management. Price segmentation criteria discussed by sales and marketing. For strategic accounts, price harmonization across countries is considered when conflicts occur.
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Price Policy & Price Setting	Better insights into cost-to-serve and net margins drive margin improvement projects.
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1. Still mainly cost-plus  
Price setting and price changes are still mainly cost driven (or competition based), but value components per segment are being explored.
2. Pricing analytics  
Price analytics have been set up, providing a view on what's happening. This leads to active discussions with sales on how to improve margins and leads towards a number of price- and portfolio optimization projects. Price elasticity is understood and used.
3. Pricing becomes a management topic  
Several margin improvement projects ("quick wins" in pricing, the so called "low-hanging fruit") are successfully executed. This success results in a very important boost in the trust of an organization's pricing initiatives. Pricing now has a higher priority on the management team's agenda.



## Level 2: Taking Transactional Control (continued)

4. Floor prices, target prices and price corridors  
Floor and target prices per product line/customer group installed. European (global) price corridors are installed to avoid cross-border selling. Price setting reviewed minimum twice per year.
5. Price approval routing  
Pricing approval process is being improved. Corrective actions and/or new price setting have to be approved by a pricing committee.

**Discount Policy** The discount structure is now more 'in control' and adjusted to narrow the price band. Although the discount structure is no longer triggering channel conflicts, it typically still includes too many unconditional discounts and/or rebates.

**Price Execution** TCO (Total Cost of Ownership) models are developed and used to support the sales process. Sales force starts to understand concept of value selling. Price segmentation discussions lead to more pricing alignment in the organization. Questions also occur around value: do we really understand our value? Do we really sell our value? How do our customers perceive our value? Is our value in balance with our price? These questions trigger pricing research. Price increases are better prepared and monitored on their effectiveness in the market. Win and loss analysis is put in place and evaluated regularly.

**Monitoring** The organization now has transactional control: they understand what happens and why when it comes to pricing. Pricing data is accurate and trustworthy. The overall portfolio margin is measured (whale curve), highlighting low performing portfolio items. Margin improvement projects are monitored. List price deviation is monitored. Effect of promotional (discount-) activities (also of competitors) are analysed. These bring new insights in price elasticity and effectiveness of the different types of promotional activities.

**People & Organization** Pricing function is embedded in the Finance and Control function. Team built around pricing analysts. Pricing council/advisor in place to approve corrective actions and act as sponsor for margin improvement projects. Sales, Product Management and Marketing have followed a pricing seminar to create awareness about roles and added value of pricing.

**Tools & Systems** Research tools such as: conjoint analysis, Van Westendorp Price Meter, Brand/Price trade-off, etc. are being explored and selected. These bring new insights in value perception and provide great input for improved value propositioning. Specific Price reports in addition to financial reports are now being generated. Price lists and discount grids centralised and linked to ERP system, so that central reporting is possible. Transactional price analysis leads towards a better understanding of price elasticity and promotional effectiveness. Permission to overrule prices in the system is limited, however, no monitoring in place yet.

## Level 2: Taking Transactional Control (continued)



### Warning: Watch out for the Pricing Chasm

Once the margin improvement projects have been achieved with sufficiently successful results, a new challenge presents itself: Top management might perceive the job as done, in other words, they think they can move on to the next (non-pricing) priority on their list.

This means that Pricing is still perceived as a project, instead of a continuously evolving process. This is the single, most commonly faced obstacle when attempting to move on to the next level of Pricing maturity (level 3). This almost inevitably leads back to the status quo, or even stagnation of the Pricing function. This gap between level 2 and level 3 is what we have termed the "Pricing chasm".

## Crossing the pricing chasm ...

“Full value capturing is not so easy. For this you need to change the whole global organization and this takes time. Change management is the key to all of it.”

Head of Marketing  
at a German Life  
Sciences Organization

There is only one way across, and that is with the direct and full support of top management, as well as serious change management skills.

When organizations fail to cross the Pricing Chasm, even though some of the initiated pricing projects have been successful, the change stops right there. If top management, marketing and sales are not all aligned with the pricing team, they will not succeed in creating the change. The enthusiasm of the first adopters will wane and the organization will continue to work as it did in the past: relapsing into old, bad habits.

The most important reason for this regression is common to all failed change initiatives: the key stakeholders fail to successfully communicate the next steps to be taken towards their goal.

Hence our statement, that crossing the chasm demands substantial change management skills. The vision and next steps have to be made clear by the change leaders.

From literature<sup>8</sup>, and our own experience, we estimate that around 30-35% of organizations still work at level 1, while another 30-35% are working hard to reach level 2 on the maturity ladder. We estimate that around 10-15% of the companies are working on level 2, but aspiring and working to reach level 3.

Making the step towards level 3 in pricing maturity however, is notoriously difficult.

### Two Most Important Success Factors

Have an experienced change manager on your team

The foundation of the EPP pricing maturity model is the recognition that improving Pricing Maturity and pricing effectiveness is a “change process” and not just a project. It requires a structured change approach. At each maturity level we need to evaluate the impact on people, processes, tools & systems - and the impact on both your sales and market(ing) approach.

Align organizational capabilities and strategic direction

The development of Pricing Maturity also impacts on – and needs to be aligned with – your organizational capabilities. Successfully moving to the next level in Pricing Maturity requires that all noses in your strategic departments are facing in the same direction. Never walk alone. Especially ensure that the Pricing, Sales and Marketing functions in your organization align perfectly with one another. This is what makes it challenging.

## Level 3: Full Value Capturing

“Without transactional control (established on level 2) and absolute trust in the available data (margins, cost to serve, etc.), level 3 maturity cannot be reached.”

After the optimization of transactional control on level 2, the organization is ready to take full advantage of value capturing.

Everyone now understands and is aligned with where and how value is created and perceived in the market chain. There is a common understanding of the chosen market strategy. Everyone is comfortable with the chosen market segmentation and understands the value attributes for each segment. The organization is ready to switch from selling on features and product advantages towards selling (and pricing) on end-user value and/or willingness to pay!

Without transactional control (established on level 2) and absolute trust in the available data (margins, cost to serve, etc.), level 3 maturity cannot be reached. Pricing teams now use pricing software that integrates fully with the ERP systems of their organization to support decisions. This allows all functions (Sales, Pricing, Marketing and Finance) to instantly retrieve accurate and personalized pricing effectiveness information.

### Price Strategy

Price strategy and goals are documented with specific pricing goals per segment - and targeted price positioning versus competition. Product life cycle are part of the pricing strategy. Price segmentation is deployed and customer database adapted/linked to price perception/behavior. European price band installed and monitored – risk analysis reported.

### Price Policy & Price Setting

Price setting is now driven by three factors:

1. Value based pricing per segment  
Improved insights into market segmentation and value attributes now lead towards a value based price setting per segment.

#### B2C

In B2C markets: improved insights into the value attributes and price elasticity of demand lead to the introduction of new pricing models, bundling techniques, option packs and improved option pricing.

#### B2B

In B2B markets: the portfolio is split between a low added-value portfolio (mainly still cost-plus pricing) and the added value products (where value based pricing is implemented now). Product life cycles are taken into account in the pricing strategy. Price setting in B2B markets is at this stage increasingly focused on Economic Value Creation (EVC) principles, based on a fair split of additional value creation versus the next best alternative.

## Level 3: Full Value Capturing (continued)

## Yield management

When capacity is a constraint (i.e. airlines, tourism, concerts, hospitality), Yield Management is implemented. Through yield management, organizations capture the best possible price at any given point in time, from every product unit.

2. Better alignment with go-to-market strategy  
Secondly, better alignment around the chosen road-to-market strategy leads towards optimization of the price strategy per product group (Where should we attack? When should we go for volume, when for margin?).
3. New and improved segmentation  
Thirdly, the new and improved market segmentation and the next best alternatives within the segments, often lead towards a better understanding on behalf of the Sales team when they were complaining about price pressure. The new insights often show that it's not only a price problem, but also very frequently a value or value communication problem. This awareness leads towards more innovation, new product development and new business models (creating new channels or new service concepts, e.g. operational excellence service models like Ryanair, Xiameter of Dow ...).

## Discount Policy

The channel discount system is aligned with the go-to-market strategy, resulting in a performance based discount model which is reviewed annually. This usually takes 1 to 2 years to deploy. Sales force has a pre-defined set of contract terms to adhere to. Exceptions need prior approval from Pricing manager.

## Price Execution

The organization as a whole is in transition. The concept of TVO – Total Value of Ownership – now replaces the TCO (Total Cost of Ownership) models.

1. Selling on value  
Selling on value requires a very close collaboration and alliance between marketing, product management, R&D, operations and sales.
2. Adapting offer to segment  
Sales develops a new selling approach: they no longer sell on product features, price or on 'trust me', but on a better understanding and communication of the value to a specific customer group (segments and decision making units).
3. Price guidance available  
B2B sales teams are now supported by pricing software to prepare offers and tenders. Sales teams receive price guidance per segment, and their performance is monitored. The tender process is revised and improved by the pricing department. Price increases and corrections thoroughly prepared.

## Level 3: Full Value Capturing (continued)

## 4. Support from Marketing

Marketing is learning how to support Sales in communicating and selling value. The dream of every marketer is to be unique, to have no competition. They share this dream with pricing managers. When there is close collaboration between pricing and marketing, you often see the dream coming true. Look at the Apple iPad, or Yakult. They realized the goal of creating a brand new product category with no competition and no price anchors. Marketing also re-evaluates the channel strategy and brings it in line with the new performance based discount structure.

## 5. Support from R&amp;D

R&D is better connected with the pricing team. Pricing is now embedded in the earliest stages of the new product development process.

## Monitoring

Pricing software makes it possible to generate automatic, personalized reporting on price effectiveness. Sales monitored on volume and margin, per product group and/or segment. Price guidance per segment is monitored, and individual sales representative performance is now made visible. Price waterfall reports on customer, segment, and channel level are available. The pricing team maintain a competition price watch and perform regular price reviews together with sales/marketing to optimize prices. Corrective actions are monitored. A Price Performance Indicators (PPI) dashboard is installed with regular reporting to the commercial, financial and top management functions.

## People &amp; Organization

For the chief pricing officer, this is an important moment in the change process. He needs to take a good look at his team and ask some critical questions:

- Do we have the right people in the pricing team?
- Are they strong enough to accomplish alignment between the stakeholders (Marketing, Sales, Finance, Product management, Top management team)?
- Are they strong enough to lead the change?

The importance of the right, experienced, person in the right place cannot be emphasized enough!

The Pricing function becomes embedded in the organization. A Chief Pricing Officer or Revenue Manager is appointed to lead the Pricing team. Pricing no longer reports to the Finance department, but to the Commercial director, who is accountable for the price policy now. Everyone involved in pricing (Pricing cell, Sales, Marketing and Product Management) have followed an in-company seminar on value pricing/selling.

## Tools &amp; Systems

The Pricing team uses more advanced pricing tools (such as conjoint analysis), to build better value propositioning, create better bundles and improve option pricing. Economic value calculation is used to prove the value in hard euros. Price positioning and perception is checked via research. Pricing software is managed by the pricing team and used for effective reporting, monitoring, price guidance and deal making. Permission to overrule prices in the system is very limited, and controlled/monitored by price management team.

## Level 4: Optimizing Value Creation and Profitability

Once an organization has achieved a level of organizational alignment around effective value capturing as described under level 3, they are ready to go beyond the offering of traditional (augmented) products and services.

Companies at this stage develop completely new business models with innovative new pricing models: e.g. Michelin no longer sells tires, but kilometres per Euro, thus taking away the hassle for fleet owners of figuring out which tire is best or cheapest. Suez no longer sells pure engineering to install power plants, but offers complete city heating and power development, including the maintenance and financing for a period of time. The city buys security of energy delivery at lower (fair) prices.

Pricing is an essential and very strategic component of the new business model.

Price Strategy	The pricing team is deeply involved in new solution- and new business/revenue model development. Life Cycle pricing is used to discuss with customers to transfer to better (higher value) solutions for them. Active phase out is applied through pricing tactics. Customer reaction towards competitive price/value offers are anticipated and acted upon. Directive guidelines added to European price bands. Deviations are minimal and well monitored.
Price Policy & Price Setting	Value creation at this stage of maturity is not realized in a vertical 'chain', such as in the value chain of Porter. Now, more than ever, end-users and channel partners are part of the value creation. New pricing models are developed, sharing this value fairly between the partners. Pricing is fully based on the value delivered to specific customers and/or segments. Price comparison becomes difficult for the customer, because the offer consists of a bundle made up of various value components. The organization no longer prices a product or service, but each individual value component in order to construct a customer specific price quotation. The organization no longer sells products, it sells end-user value!
Discount Policy	The performance based discount grid is revised annually. Sales force follows a pre-defined set of fixed contract terms. Non-standard contracts or exceptions are very unusual and are first reviewed by legal team.
Price Execution	Price implementation is very strict and deviations no longer occur without previous approval of change of strategy at pricing council level (CEO, CPO, CFO and CMO). Strict monitoring of the value delivery performance is essential here. Continuous price assessments are performed with regular feedback from consumers/end-users to adjust value propositioning and price setting where necessary. Value argumentation exists per end-user to help sales team. Monitoring of Value Capturing takes place at Value Component level and no longer for products and services.

## Level 4: Optimizing Value Creation and Profitability (continued)

**Monitoring** The organization understands exactly what happens, why and how to influence/control it. They perform frequent what-if analysis. All possible pricing analytics are performed regularly and proactively. Corrective action taken immediately. Competition pricing intelligence is fully developed. Several ready-to-implement competition “attack” scenarios exist and are constantly updated with most recent information.

**People & Organization** A centralized pricing organization supports and influences not only the pricing model, but also the whole business model, reporting directly to the CEO. Sales, Marketing, R&D and Production work closely together in Account teams to understand the customer requirements, to construct solutions and to deliver the required value at a fair price. Everyone involved in pricing (Pricing cell, Sales, Marketing and Product Management) have followed an in-company seminar on value pricing/selling.

**Tools & Systems** The pricing software is fully integrated in the ERP environment (with link to CRM) and all Pricing influencers use it to add or extract the information that they need. Best practices and pricing knowledge shared and applied within organization (local as well as abroad). Profit optimization, price modelling and/or yield management systems installed.



## Conclusion

“Developing your pricing maturity takes time and requires efforts, but is very rewarding.”

Pricing Power is one of the key value drivers on the stock exchange. Higher pricing maturity leads to sustainable value capturing which results in profit optimization based on fair pricing and value sharing principles. Developing your pricing maturity takes time and requires efforts, but is very rewarding.

Developing your pricing maturity is a change process

Companies that begin the journey towards pricing improvement need to understand that they are working towards a change process. Doing the right things at the right moment is crucial. Priority setting is of utmost importance and depends on your current pricing maturity level. Incorrectly identifying your pricing maturity level can lead to poor Pricing team performances and a loss of faith in the Pricing function<sup>®</sup>.

The thrill and danger of the quick wins

Companies first pricing focus is to get a grip on transactional control resulting in margin optimization projects. They go for the ‘quick wins’ to get management support. It’s great, but if they stop their efforts there, they will have a limited effect in time and value.

Crossing the chasm

Crossing this “pricing chasm” requires extensive change management skills from the Pricing team manager(s). But companies like Johnson Controls or Syngenta who have followed the pricing maturity path can confirm its effectiveness.

What it takes

Going beyond pricing projects, taking the next step towards full value capturing (level 3), and embedding the role of pricing in the organization requires an alignment of organizational maturity development between pricing, marketing, sales and finance.

“Continuous training, coaching, aligning and change management are important drivers to reach the next level of pricing maturity”. Wim Beirens, Director Strategic Pricing, Building Efficiency Europe & Africa, Johnson Controls Inc.

The impact

The whole organization is now focussed and aligned around value creation, value communication and value capturing. Going through the pricing maturity development process leads to a wide recognition in the organization that Pricing is one of the key profit drivers and that everyone can and has to contribute. Increasing your organizational pricing maturity results in improved profitability and market (brand) positioning.

The EPP Pricing Maturity Model is a practical, proven, roadmap for developing your organization’s pricing maturity. It helps you to reflect, reframe and refocus your efforts at every stage in your pricing maturity journey.

## Want to evaluate your company's pricing maturity?

The EPP developed a pricing maturity indicator to gauge your performance. This exploratory maturity assessment allows you to discuss and define the gaps so that you can develop action plans to improve the pricing maturity in your organization.

For a customized company-specific pricing maturity assessment, we refer you to one of our expert pricing partners:

<http://www.pricingplatform.eu/partnerzone/pricingexperts/pricingexpertdirectory.html>

Contact Nicolene Barnard for more information on [nicolene.barnard@pricingplatform.eu](mailto:nicolene.barnard@pricingplatform.eu)

## Certified Pricing Manager® Program (CPM®)

Through its Certified Pricing Manager Program (EPP CPM®), the EPP offers widely recognized skills and competencies based on the capabilities needed to perform optimally on each pricing maturity level.

It provides extraordinary value and profit optimization opportunities to the companies who send their professionals to the certification program as the successful completion of the program involves delivering concrete projects to improve current pricing practises.



More info on the certification program:

contact Nicolene Barnard: [nicolene.barnard@pricingplatform.eu](mailto:nicolene.barnard@pricingplatform.eu) – or visit [www.pricingplatform.eu](http://www.pricingplatform.eu)

## Info

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**About the European Pricing Platform** The EPP is Europe's leading knowledge platform for pricing and profit optimization management. They deliver Pricing content through a variety of on/off line media and interactive events: articles, white papers, workshops, trainings, seminars and forums. More on [www.pricingplatform.eu](http://www.pricingplatform.eu)

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<sup>i</sup> For the history and evolution of the Capability Maturity Model by the Carnegie Mellon University, see <http://www.sei.cmu.edu/cmm/>

The description of a maturity model comes from [http://en.wikipedia.org/wiki/Capability\\_Maturity\\_Model](http://en.wikipedia.org/wiki/Capability_Maturity_Model)

<sup>ii</sup> Some relevant articles:

1. Published by Deloitte (2010): <http://www.deloitte.com/assets/Dcom-Belgium/Local%20Assets/Documents/EN/Services/Consulting/Pricing/dcom-be-en-building-pricing-sustainability.pdf>
2. Published by OpenPricer: <http://www.openpricer.com/best-practices/pricing-maturity-model/>
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Pricing Solutions would like to inform you that the 5 Levels of World Class Pricing Maturity Model is the Intellectual Property of Pricing Solutions and cannot be used or copied without previous authorization.

<sup>iii</sup> The EPP will launch an European Pricing Maturity Benchmark in 2012 – first results expected in Q4/2012.