

PRICING STRATEGY: DRIVING PROFIT GROWTH



RETHINKING PRICING DELIVERS THE FASTEST PROFIT IMPACT

When planned and implemented correctly, product and service pricing can generate fast and sizable profit improvement.

Pricing is a key factor for driving or undermining the operating profits of an organisation. Studies have shown that effective pricing strategies and correct implementation are capable of delivering a return on sales of between two and seven percent.

65% of UK businesses expect to raise prices 'beyond what was already at record highs'.

70% of businesses consider rising energy costs, inflation and the cost of living crisis as the greatest current threat.

Only **3 in 10** businesses are planning to pass on price increases to their customers and clients.

1% price rise (with no loss of volume) leads to an **8%** increase in profits (on average)

UNLOCK YOUR PRICING POTENTIAL

Implementing the correct pricing strategy:

- Drives clarity, consistency and focus on the most profitable areas of your business
- Effectively positions and communicates the attributes of a product, solution or service
- Reflects the true value that you provide to your customer
- Supports your competitive position in the market. Pricing too high means your customers will look for alternatives, whilst pricing too low means you're leaving money on the table
- Improves your profits: Ultimately, improved pricing immediately impacts your bottom line

The challenge is to determine a price and margin that balances your earnings aspirations and your customer's willingness to pay.



HOW WE CAN SUPPORT YOU

Our pricing strategy service is structured and modular.

Our support is focussed around four core areas:

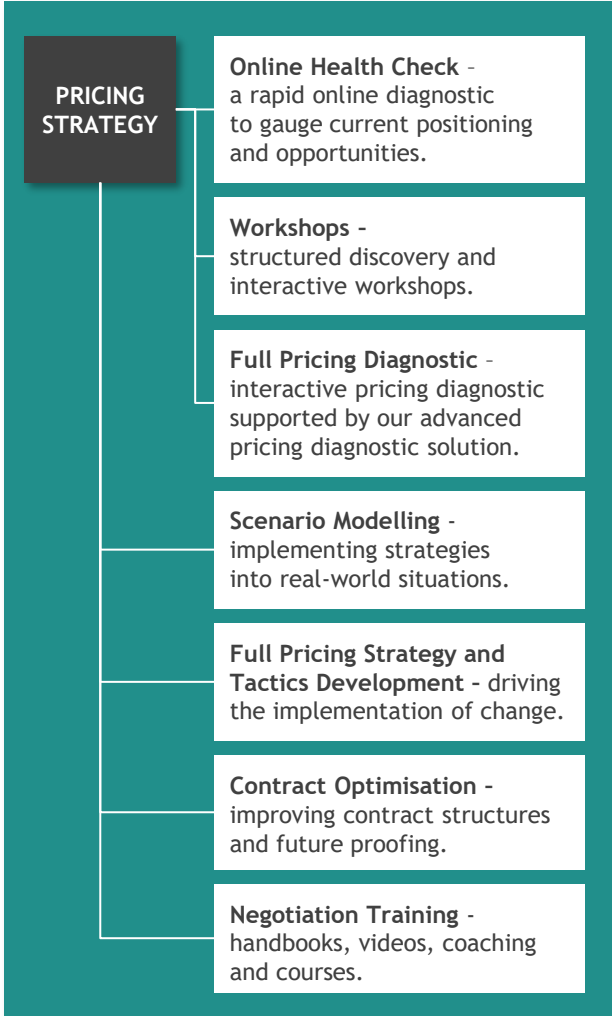


DIAGNOSE - Understanding where a client’s pricing strategy, maturity and capability are today. Helps quickly identify opportunities to improve from where you are to where you aspire to be.

DESIGN - We work with our clients to design the changes required to deliver identified opportunities. We bring to bear a range of services, proven models and tools that have been developed over time and across a wide range of client engagements.

DELIVER - Having a great strategy is one thing; delivering results is the goal. We work with clients to help them make the changes to their governance, processes and capabilities underpinned by training, coaching and tools that support rapid delivery of the defined strategy.

ASSURE - ‘Making change stick’. Once the changes have been implemented, we support clients to ensure results are realised and sustained - making ‘real-time’ adjustments where necessary.



WHAT MAKES US DIFFERENT



MAXIMISE VALUE MINIMISE RISK

We optimise outcomes for our clients through a deep understanding of the issues and challenges.



PARTNER-LED RELATIONSHIP HANDS-ON APPROACH

Our entrepreneurial, hands-on approach delivers excellence in challenging timeframes by focusing on key issues.



EXPERIENCED AND DEDICATED

We are experienced operators from a multi-disciplinary background; it provides unique and valuable insights for recommendations to our clients.



HIGHLY RESPONSIVE GLOBAL TEAM

BDO is an established international Advisory provider, delivering high-quality capacity wherever our clients do business.

CONTACT

RICHARD AUSTIN

Partner, Value Creation
BDO UK | London

+44 (0)20 7893 3286
richard.austin@bdo.co.uk

JYRKI KOLSI

Director, Economics
BDO UK | London

+44 (0)77 71972 300
jyrki.kolsi@bdo.co.uk

ROSS MCWHIR

Associate Director, Value Creation
BDO UK | London

+44 (0)7583 036580
ross.mcwhir@bdo.co.uk

