

Copy of feedback after a real pricing clinic.

Details edited/removed to maintain privacy of the client.
The original report was over two pages long.

Jon Smith

From: Jon Smith [jon.smith@potentialv.com]
Sent: dd/ddd/ddd
To: xxx; yyy
Subject: Report of our Pricing Clinic on Friday

Hi xxx and yyy,

As promised here is a series of bullet points cover what we discussed on Friday. I most of it is what we discussed with just a few bits I thought of afterwards. I find having it written down helps clarify things. We discussed three main areas: a) value proposition, b) versioning and pricing and c) niche marketing. I will take each in turn.

The value proposition:

- It is important to understand the customer
 - Feedback is that existing customers is that they love your solution
 - It would be interesting to find out:
 - Item1
 - Item2
 - xxx needs to 'get inside their heads' and work out what the customer 'wants' and 'needs' are
- Solution sell
 - We discussed if the ccc department was the best place to sell to. Most likely is, but it is definitely a large enough amount of money that it would get signed off higher up in the company.
 - We talked about helping the ccc'sponsor' sell up into his own company
 - Forms/documentation to help the ccc person develop a business process for aaa, bbb etc
 - Provide business marketing material that he/she can give to the yyy etc to help sign off of the budget
 - Position yourselves as the ddd by providing material on the business issues (informational soft sell)
- Value proposition
 - I don't think you come across enough as a 'ccc'
 - I don't think the breadth and depth of what you do comes across. Things like aaaaaa is powerful. Versioning can help here.

Versioning and pricing: (see PDF of my pricing talk – section at the end on versioning)

- We talked about using versioning to reveal value
 - Suggestion1
 - Suggestion2
 - Suggestion3
 - Suggestion4
 - Suggestion5
 - Suggestion6
- How to price – part a
 - Price at the moment mainly on xxx – easy, but links to a commodity that is falling in price
 - We discussed other ways of pricing: aaa, bbb, ccc. None seemed as simple as xxx
 - Thoughts after the clinic:

- How about price on 'xxx', that is ccc but recast to where the value is, i.e. xxx. Down side is it will be much harder to justify
- Justification of prices: we react very badly to any sense in which we aren't getting a 'fair deal'. Therefore:
 - Can you justify any of your pricing methods to a hard-nosed, difficult xxx?
 - Suggestion2
 - Suggestion3
- How to price – part b
 - We talked about a xxx front that allowed them to yyy.
 - I think that is a bad deal for you because of aaa
 - Other point2
 - We talked about two methods of payment:
 - a) aaa
 - b) bbb.

At the moment I think a) is better. I think if you want to change this needs a lot more work, any maybe xxx. How about if you get a yyy?
- How to price – conclusion
 - Suggestion

Niche marketing:

- You know I am a believer in niche marketing.
- We discussed your current niches:
 - Type: xxx, yyy, zzz
 - Sectors: aaa, bbb, ccc, ddd
- I believe your solution is worth more than it is perceived as having by new customers. I say that because your existing customers a) aaa, b) bbb c) ccc. Therefore:
 - Suggestion1.
- In terms of current sales then I would say:
 - Suggestion2
 - Suggestion3
- In terms of expansion I would say focus on your current markets first. Then look at:
 - Suggestion4.
 - Suggestion5
 - Suggestion6
- Framing effect. Make sure any xxx has a list of features/gains to the customer with as far as possible yyy.,

There is more I could say (!!), but that is quite a lot. I hope when you are both back from your holidays and you engage with vvv that you will really pick up the pace.

Kind regards

Jon Smith
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