

Explanation of Pricing Workshop 2 Software Model

- The current sales figures are based on what is happening in your company now.
- The projected figures are an estimate of the new sales based on the new figures in the change column.

The three columns, Need, Evaluation and Action, refer to the different phase in the buying cycle. See Concept sheet 12.

'Org Score' column holds the score that we give to your current marketing and sales message.

The 'Change' column is where in the 2nd workshop we discuss changes and make recommendations.

Current figures	
Number of sales =	2.0
Typical sale price = £	30,000
Total Sales = £	60,000
Projected figures	
Number of sales =	3.7
Typical sale price = £	34,054
Total Sales = £	125,315

Numbers and titles refer to Pricing Concepts pages in Workshop Manual.

	Effect Price	Effect Volume
1 Product matches needs	4%	9%
2 Segmentation	5%	8%
3 Competition/Alternatives	7%	5%
4 Switching Costs	4%	5%
5 Reference Pricing	6%	4%
6 Whole Product Offering	8%	6%
8 Barriers to Adoption	6%	4%
9 Versioning	9%	6%
10 Right Business Model	2%	0%
13 Fairness Factor	2%	1%
14 Fears/Dreams	5%	8%
15 Risk Aversion	5%	1%
16 End-Benefit Effect	1%	0%
17 Framing Effect	5%	0%
18 Price-Quality Effect	2%	0%
19 Aversion to Lock-In	2%	3%
20 Discounts	-3%	1%
21 Differentiation	5%	7%
22 Industry analysis	6%	3%

- a. Clear message 5% 11%
- b. Focused message 3% 8%
- c. Customer-centric message 6% 9%

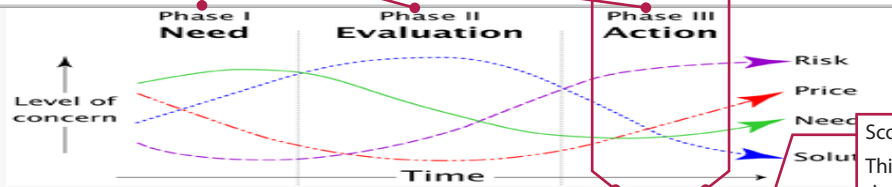
- 'Clear Message' refers to how easy it is to understand the marketing message.
- 'Focused Message' refers to how short and to the point the marketing message is.
- 'Customer-Centric' refers to how much the text refers to the customer rather than the company and/or its offering.

Contacts	Actual
contacted	100

Original price	£30,000
Value Price	£45,000

Forward 2006

- 'Original Price' is the price that your offering sells for now.
- 'Value Price' refers to the price calculated in the first workshop



	Org Score	Change	Final Source	Org Score	Change	Final Score	Org Score	Change	Final Score			
1	50%	20%	1	70%	40%	1	80%	70%	1	70%		
2	0%	60%	1	60%	20%	2	60%	10%	1	60%		
3	50%		1	50%	40%	2	20%	50%	2	50%		
4	0%	40%	1	40%	20%	1	60%	20%	1	20%		
5	30%	60%	0	90%	20%	1	20%	30%	40%	1	70%	
6	70%		1	70%	50%	3	50%	40%	2	40%		
8	0%		2	0%	20%	1	20%	60%	1	60%		
9	0%		3	0%	30%	3	30%	20%	60%	1	80%	
10	40%		0	40%	30%	40%	0	70%	50%	0	50%	
13	0%		0	0%	0%	0	0%	60%	1	60%		
14	30%		3	30%	40%	2	40%	40%	1	40%		
15	0%		0	0%	60%	0	60%	30%	3	30%		
16	0%		0	0%	0%	0	0%	30%	1	30%		
17	0%		0	0%	0%	0	0%	20%	2	20%		
18	40%		0	40%	0%	0	0%	40%	1	40%		
19	0%		2	0%	60%	1	60%	40%	2	40%		
20	0%		0	0%	0%	0	0%	0%	2	0%		
21	20%	40%	1	60%	30%	50%	1	80%	20%	40%	1	60%
22	70%		1	70%	70%	0	70%	70%	40%	1	70%	
a	60%		2	60%	50%	2	50%	50%	1	50%		
b	40%	30%	1	70%	30%	1	30%	50%	0	50%		
c	40%		2	40%	40%	3	40%	50%	1	50%		

Look go to Eval stage->	Actual	Prjcted
contacted	10	15

Company Name	XYZ Ltd
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Eval go to quote stage->	Actual	Prjcted
contacted	5	9

Product/Service	Widget
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Eval turns into purchase	Actual	Prjcted
contacted	2	3.7

Industry Type	B2B, High-Tech - early stage
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Scoring Column: This gives feedback on how well the particular buyer behaviour is handled at each phase. The scale is:

- 0 Not relevant at this phase
- 1 Good. Not a problem here
- 2 Warning. Consider change
- 3 Danger. Needs dealing with

- The 'Actual' numbers in Yellow represent the current sales pipeline figures at each phase.
- The 'Prjcted' (Projected) figures are the new sales figures in light of the changes made to the offering and message.

'Industry type' sets the various weighting the model give to each score/phase according to the type of industry and customer.