

Pricing Management

Myth busters for raising prices

Poor pricing is one of the **top 5 reasons why early businesses fail**, yet leaders continue to neglect this powerful lever.

A little effort goes a long way and if you don't regularly revisit your pricing decisions or learn to experiment with price, you'll be losing out on lots of growth.

We'll lose our customers!

Raising prices is too risky

Customers will resent us

It's not the right time

Small changes won't help profits

Start with simple price experiments.

TOP TIP! Remove the guesswork and start raising your prices by 5-10% each time you send a proposal or bid out. Eventually, the market will tell you when it gets too expensive.

TOP TIP! Write down 3 instances where you already know or strongly suspect customers will pay more (e.g. urgent projects or captive audiences). These are your priority candidates for price experimentation.

Set expectations and focus on value.

You don't need to be apologetic about raising your prices. Customers are surprisingly resilient to change when they value your product and you communicate well.

Set customer expectations & use price changes as an opportunity to draw attention to recent improvements in the product and the value on offer.

Prioritise the customer experience.

Preparation is key. Think about when and how price changes are communicated and ensure the team is ready to handle pricing queries and any pushbacks.

TOP TIP! Set guardrails in your key metrics and assemble a mitigation plan so you already know what to do if customer reactions aren't as expected.

Small changes. Big impact.

A 1% improvement in pricing results in an average increase of 11.1% in operating profit. No other business lever has that impact - not cost optimisation, volume increases, or anything. **The answer is pricing.**

