

## IMPLEMENTING A PRICE INCREASE WITH CONFIDENCE

A client company felt like they missed their opportunity to raise prices.

### Business Problem

The increase in supply costs that followed the global COVID pandemic wreaked havoc with a \$200MM fastener manufacturer and distributor's margins and profits. Since leadership hadn't increased prices in several years, they felt they had waited too long to do so now. They believed, having missed the opportunity to raise prices in more "normal" times, that their sales team couldn't confidently communicate that the value being delivered to customers would be worth a higher price. But profits were slipping away.

### Approach

We discussed the situation with leadership and reached a consensus to closely examine the team's confidence around effectively executing a price increase. We analyzed areas that impacted their ability to communicate value, specifically their skillset in discussing price and money, along with each individual's mindset dealing with these topics. A pricing confidence scorecard was created for each individual. The results: There was significant profit upside but not without getting help. An intervention was needed, fast.

### Solution

Armed with tailored insight into each team member that interfaced with customers, and all that impacted pricing decisions, we embarked on a customized Pricing Intensive Program. The process included a series of workshops and exercises to help grow the team's confidence in executing a price increase in a reasonable, smart, and realistic way. Over the span of two months, we helped the team to trust in their abilities, changed their mindset around pricing, and uncovered areas to increase profit, in a tailored way. We also helped them understand which customers might be better off buying from a competitor.

### Results

1. Sales were up over 30% for the year.
2. \$3.8MM of additional profit was realized.
3. The margin was the highest in the company's forty-one-year history.
4. The team continues to follow a process to help each other change behaviors around pricing and has adopted a common language and pricing discipline to keep each other in check.
5. In the CEO's words, "We are now humbly realizing our value because we have a bad-ass company that provides great service with a hell of a team."