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How to Improve Your PRICING TEAM'S CAPABILITY

*A Leadership Guide To Best-In-Class Pricing Practices
In Less Than 90 days*



taylor wells

Build a world class pricing team
www.taylorwells.com.au



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CEO MAGAZINE
INSPIRING THE BUSINESS WORLD



Intro

Dear executive,

Giving your pricing leaders and teams quality feedback and support to improve their performance is not optional, it's critical. Your customers, economic conditions, price change / improvement projects, and new IT all demand that your pricing team should have a clear understanding of individual strengths (what's working well), areas of development (what doesn't work so well), and what to know and do to get better at pricing.

Indeed, the true economic cost of inadequate feedback and support for pricing teams goes well beyond the lost productivity of a few individuals. It also threatens to derail careers and initiatives, takes toll on morale, and delays overall organisational results.

The problem is, though, it can be difficult to give pricing teams the feedback and support they really need. Pricing is one of those lesser known functions in a business. The ROI on most training programmes is negligible. And, yearly appraisals and employee assessments struggle to pick up on specific performance issues in pricing teams. So, what's the best way to improve your pricing teams' capability in the best way possible?

You start by reading this leadership guide. In this fact-filled booklet, you'll discover 4 HR obstacles to improving team capability, 6 common talent management mistakes, and why performance reviews can often make pricing team performance worse.

We wrote this guide to help you build your pricing teams' capability in the best way possible. Now, with this information, you can build a high performing pricing team that consistently drives profitability and excellence.

If you have any questions about pricing, or if you are setting up a new pricing team feel free to reach out to us.

You're invited to call us at (+61) 02 91994523 or at team@taylorwells.com.au.

We've dedicated our business to best-in-class pricing, we'll be happy to help you.

Yours sincerely,

Joanna Wells

Director Taylor Wells Pty. Ltd.



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4 HR obstacles To World-Class Pricing

About Taylor Wells Pty Ltd.

Taylor Wells is a pricing advisory firm based in York Street, Sydney CBD. Our sole focus and dedication is supporting leaders build high performance pricing teams and departments.

We partner with Giants of Industry, leaders and innovators to create and capture value using best-in-class pricing and HR strategies.

We invest heavily in our research capability so that businesses get a faster ROI on their strategy, people & operations using our proven teambuilding programme.

Our track record in pricing team excellence has helped our clients forge up to 5% additional margin in 12-18 months and less.

Our research and consulting shows that a world class pricing team can generate 5X-10X more profit than any other team when they are set up and integrated correctly.

Our mission is to maximise the power of pricing and HR to help leaders drive profitable revenue growth without the usual pain of change.

- Joanna Wells,
Director of Taylor Wells



#1: AVOID UNSUITABLE COMPETENCY MODELS

A reliance on standard capability frameworks like Lominger is inadvertently creating serious role ambiguity for pricing teams. Lominger is an HR framework more suitable for finance, sales and marketing roles - not pricing and revenue management positions.

#2: AVOID OFF-THE-SHELF EMPLOYMENT ASSESSMENTS

Employment tests like SHL are good tools for entry level graduate positions or professional manager roles in finance. They are not designed to tell you who is good, better or even who is terrible at pricing.

#3: AVOID BAD TEAM STRUCTURES

Many good pricing teams are, in effect, set up to fail because they are working to old workflows, reporting lines or within old power structures that inhibit their work, delivery and thinking. Structural imbalance often create bottlenecks in price decision making leading to ongoing execution issues.

#4: AVOID PLACING THE WRONG PEOPLE IN THE RIGHT FUNCTION

There's absolutely no guarantee that high performers in one area will be high performers in either strategic or operational pricing. In fact, our research finds that very often, accountants, finance and data analysts struggle with strategic pricing and revenue management concepts and principles. A lot of people can't do it or wouldn't want to do it if they actually knew what they were getting into. Be careful who you get on your pricing team.

6 Costly Misconceptions About Pricing

MISCONCEPTION #1: "Some LinkedIn training will do the job."

Most pricing training is pitched quite low and not really suitable for professional pricing team development. If team members need basic training then they are probably the wrong people for the team or project. If your pricing team needs more advanced pricing training, then they'll need targeted training that helps them think through and solve specific problems. Investing in the right level of training is essential to pricing team performance. It is probably best to save your money, instead.



**Get the Right Team On The Project...
& The Wrong Ones Off...**

MISCONCEPTION #2: "The pricing lead should be able to improve capability."

Yes, you may have people in the pricing team or business whom you feel are highly adaptable, learn quickly, and can operate to a high frequency; however, over-relying on the "usual suspects" to tackle challenging strategic, operational or execution assignments and improve team capability is unsustainable. One person - no matter how good they are - can't do it all for you. Their efforts will flounder; burn out may be an issue; they may even leave.

MISCONCEPTION #3: "Find out what other teams are doing and just get the team to do that."

A "paint by the numbers" approach to strengthening organisational pricing capabilities rarely works. When a pricing team is faced with a lengthy lists of best practices and new pricing processes that don't match reality, they simply give up and revert to old patterns of behaviour. A list of things they should know and do is not enough to help the team improve and implement changes.

***A well-executed
teambuilding programme
specifically developed for
pricing teams beats
generic project
management or HR hiring
because it yields a
better-motivated and
competent pricing team,
greater decisiveness, and
a sustainable pricing
system that delivers
conservatively 4%
improvement to bottom
line profitability every
year.***



***"Pricing is the moment of truth - all of
marketing strategy comes to focus on
the pricing decision"***

***- Raymond Corey
(Professor - Harvard Business School)***

MISCONCEPTION #4: "We've invested in this strategy, so we won't need a training plan."

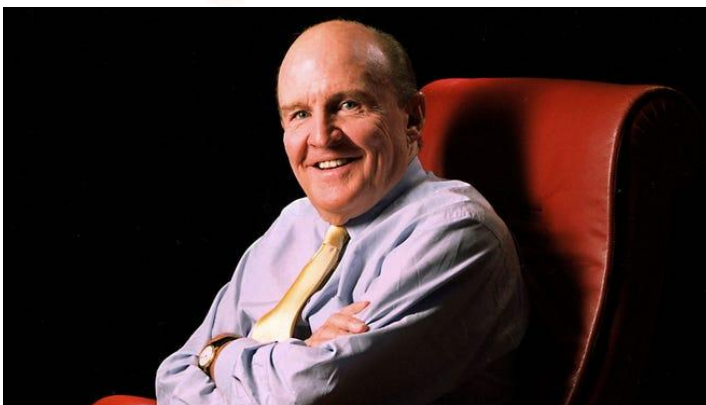
While strategic plans identify what your organisation should do differently, very few provide a roadmap for how to build the skills, knowledge, and processes needed to carry out and sustain critical price improvements and price changes. But without building these capabilities, it's very difficult to achieve the results you want.

MISCONCEPTION #5: "We've just been through performance appraisals; the pricing team will know what's expected from them."

The traditional performance appraisal offers little value to any one; the pricing manager assumes they are doing okay because the grade was acceptable and little was said about their performance. The line manager ticks the boxes as instructed and provides a grade as they are supposed to, but without really having a clear benchmark to gauge individual performance. Another pay check is issued; things go on like they always have.

MISCONCEPTION #6: "Our performance appraisal will reveal the problems in our team."

As a result of traditional talent management practices, it is common to find underperformers go undetected for years in pricing teams; and, high achievers are treated in just the same as everyone else. Both types of employee end up leaving the business feeling frustrated or even burned out because they didn't get the feedback and support they needed from the business. The cycle continues for years.



"An organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage."

*- Jack Welch
(Former CEO of General Electric)*

5 FAQs

Value versus price

We are not going to dress it up - recruiting is one of those necessary evils in life like paying your taxes.

The smart decision is to know some simple facts and optimise your recruiting process so you avoid bad hires and any long term pricing team issues.

Minimising any impact to your teams and business operations is vital. Thus high quality recruitment support will ensure:

- *Minimal disruption to business continuity*
- *High quality candidates for all roles*
- *Higher candidate & employee engagement*
- *More informed decisions*
- *Higher staff retention*
- *Legal protection*
- *Peace of mind*

Cheapest in the long run

Optimising your recruiting process will be the cheapest option in the long run for your business - offering you greater precision and protection every time you recruit a pricing role.

There should be no fixed fees and prices should be fair and justified.

We have covered what to avoid and common misconceptions. But, what questions should you ask before you begin your capability build program?

QUESTION #1: What is the best way to tell someone they need to improve?

Giving feedback that actually helps someone learn and grow is actually a strategic advice. It requires careful and insightful construction, and it should be evidence based. This means that it is focused on a clear vision for change, organisationally aligned, behavioral and specific and factual, not interpretative.

QUESTION #2: What is the best training programme for pricing teams?

The current training model is deeply flawed and doesn't work. The best training programme should follow comprehensive assessment and evaluation of capability: a clear plan for addressing specific gaps and achieving both career progression goals (individual) and business goals (business). Assessment is key for objectivity. Feedback is key to learning. Employees won't use it if the training is not applicable or useful to them or anchored in a purpose that they believe in.

QUESTION #3: How can I help an underperforming pricing manager?

Key points to remember: a) Take action as soon as possible — the sooner you intervene, the better. b) Understand exactly what is creating and contributing to performance issues. c) Make a concrete, measurable plan for improvement. Never waste time figuring out someone's problems or trying to coach them if they are unwilling to admit there's a performance issue.

QUESTION #4: What's the best way to monitor pricing team performance?

Scrap black box performance reviews. Replace them with rigorous assessments, evaluations and relevant feedback pertinent to the pricing discipline, and individual experience and capability. HR wants to embed agreed-upon processes and evaluation criteria, which are applied consistently across teams without exception (new hires and promotions). Be objective. Be fair. Send positive messages that you are keen for them to develop and will help them.

QUESTION #5: What do we do if we've provided lots of feedback, but performance still isn't improving?

If you have done everything you can (i.e., give someone detailed, relevant and ongoing feedback) but coaching and other methods still don't make them better, then you have no other option but to discuss consequences. In saying this, disciplinary action - firing someone - should not be taken lightly. But you've got to do what you've got to do and take decisive actions.

| 6 Top Tips From Taylor Wells Advisory



Joanna Wells

Director
Taylor Wells Advisory
Sydney, CBD

1#: Continuously adapt and learn to the market

What makes someone successful in the first place won't be enough to get them to where they want to be. Pricing teams operate in markets and businesses that demand them to continuously learn and unlearn to achieve more complex business outcomes. Learning and improving is not optional.

2#: Informed decision making

It's one thing to be aware of a changing market, but often managers are too busy, and even overwhelmed to improve their skills to solve more difficult problems. 'Gut feeling' performance appraisal, unfortunately, won't help executives improve team or organisational capability; and, teams will continue to get overwhelmed by problems rather than fixing them.

3#: Fail fast, learn quickly

We live in a world where it is often better to get 80% right and be out quickly than get it 100% right much later. But most businesses still strive for perfection that never comes. Balancing commitment and flexibility is critical to improving team capability. The notion of testing and learning, experimenting, tweaking team structures and profiles to improve pricing practices is an agile and realistic approach to improving both team and organisational pricing capability.

4#: Willingness to improve

Continuous learning throughout your life and not just doing it for the money is the fundamental pillar of driving excellence. How do you learn? Are you closed to change and your customers? Can you accept that there are things you need to change about yourself? Training really goes nowhere when pricing managers don't accept that there may be performance issues to deal with or can't accept feedback.

5#: Self awareness

Pricing teams need to have a greater awareness of their own functioning within an organisation. This means that they need to understand the impact they have on others and why they are performing and behaving like they are. Sometimes, it may be someone's personality, natural response to the world, the influence of events, people, or lessons that causes them to think and act in the way they do. Don't speculate; find out.

6#: Resilience

There are two type of resilience a pricing team needs: resilience where there's a major setback or crisis and everyday resilience – the ability to stay focused on what matters, to absorb the shocks, and stay positive. It's a tough job, both intellectually, emotionally and physically. Burn out is an unspoken issue in the pricing community. You need to be energised by the right things or else the work will become de-stressing.



Joanna Wells

Director
BA / MA Psychology
University of Cambridge

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My mission is to maximise and combine the power of pricing and HR to help leaders drive profitable revenue growth without the usual pain of change.”

Joanna Wells is the founder and director of Taylor Wells Advisory, a specialist pricing firm that advises Fortune 500, private Equity and ASX Listed companies in organisation design, talent strategy, capability building and specialist recruitment for the revenue, pricing and commercial management functions within a business.

A Cambridge University qualified psychologist with 13 years of organisational consulting experience and 10 years of experience practicing advanced pricing and revenue management across B2B and B2C markets in Australia, Joanna's sole focus and specialisation is helping business leaders build world class pricing and commercial management teams and functions.

ACHIEVE HIGH PERFORMANCE TEAMS & CULTURE

Over the past 10 years, Joanna has studied talent and performance in the specialised field of pricing, commercial management and analytics to address and answer the following questions:

- How can we build high performance teams and culture without disrupting business as usual operations?
- How can we hire the absolute best pricing team for our business?
- Why are some teams better at getting results than others?
- Why do we often find ourselves spending so much on our teams, but see little benefit?
- How can we build a high-performance team in a relatively short time frame to drive more complex business outcomes?

Our experience and research show that building high performance teams and culture does not have to be onerous, disruptive or unsettling for the rest of the business.

How you set up and recruit your teams are key determinants of how fast you can accelerate earnings growth. With the right team and strategy implementation in place, incremental earnings gains can begin to occur in less than 12 weeks. After 6-12 months, the team is often able to find additional earnings gains as they identify more complex and previously unrealised opportunities, efficiencies and risks.

FIND THE RIGHT PEOPLE FOR PRICING & REVENUE MANAGEMENT ROLES

Taylor Wells is a talent advisory firm that has developed a next generation search, evaluation and capability programme in the field of pricing, finance, commercial and analytics. Our business was started after identifying weaknesses in the traditional agency recruitment model.

Our purpose is to support business leaders and our HR partners to eliminate the risk of bad hires and underperforming teams. Our workshops and programmes ensure pricing or commercial management teams are highly competent and deeply engaged with the strategic objectives of the business to achieve greater levels of margin and earnings growth. We have developed our own digital assessment platform, proprietary longitudinal research and people analytics to identify, evaluate and, benchmark talent quickly and objectively. We have a high calibre consulting team and extensive partnerships and networks to ensure you get the best support and outcomes.

