ORGANISATION DESIGN

Preparing teams for a major price improvement initiative

taylor wells

Build a world class pricing team

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Intro

Dear executive,

Every organisation is in a different phase of pricing maturity - especially now as businesses rebuild post-COVID. Some are in survival mode, freeing up cash flow by cutting costs and optimising prices; some are planning to reshape their entire portfolio to align to new customer needs. And others have disruption on their minds, creating new revenue pricing models, architecture and price setting processes to capitalise on a new operating model.

Regardless of where a business is though, every company will have to make substantial steps to improve pricing in order to manage risk and return to healthy levels of performance. Business processes, organisation design, talent management, culture, and so much more will have to adapt and change in order to accelerate the ROI from pricing post-COVID.

But with so much change and uncertainty involved in a pricing improvement initiative, where do you get started and what actions should you take especially during a downturn?

You can start by reading this Leadership Guide to 'Designing A World Class Pricing Organisation'. In this fact-filled booklet, you'll discover how to avoid common design obstacles, four change management mistakes and why traditional change and project management practices are not the answer to this problem.

We wrote this guide to help you accelerate through the downturn in the best way possible. Now, with this information, you can prepare teams for price improvement initiatives in the best way possible.

If you have any questions relating to organisation design, change and talent management reach out to us.

You're invited to call us at (+61) 02 9199 4523 or at team@taylorwells.com.au.

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

Yours sincerely,

Joanna Wells

Director Taylor Wells Pty. Ltd.

5 Common design Obstacles!

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: STATIC STRUCTURES

Most organisations are not designed in a way that enables agile price strategy, collaboration, innovation and speedy price decision-making.

#2: HIERARCHICAL STRUCTURES

Hierarchical organisations where leaders delegate pricing tasks tend to be the least successful at improving pricing.

#3: ROLE AMBIGUITY

Employees that work in ambiguous roles and work environments collaborate very slowly and price execution is much more inefficient.

#4: TRADITIONAL MINDSET

It is very difficult to break free from siloed divisions operating independently when teams and their leaders hold a traditional mindset of leadership.

#5: SLOW EXECUTION

Leaders who are slow to design their organisations to be as responsive as possible to the market and their customers will endure a series of failed price implementations and bad hires.

4 Common Misconceptions

MISCONCEPTION #1: "We need more managers on the pricing project."

Businesses that invest in major price initiatives tend to involve managers from several reporting levels and overlook the input of people on the ground. This is a top heavy project structure that leads to slow and ineffective decision making and an 'us' and 'them' culture that divides management from their teams and customers.

MISCONCEPTION #2: "We need to manage people closely to ensure we get results."

When businesses reduce people's span of control too much during a pricing project, they find that price execution slows down considerably. People on the ground have to wait for permission - even for simple tasks and decisions - and line managers spend the majority of their time and effort micromanaging their teams.

MISCONCEPTION #3: "The project office can direct appropriate resources and communications to teams."

When key information and resources are locked up with a centralised project office, only a handful of stakeholders get the benefit of regular feedback and advice. The rest of the business moves on with business as usual activities - and it's common for teams to revert back to unhelpful pricing habits.

MISCONCEPTION #4: "We must be very careful about how we position this project."

Providing teams with snippets of information to protect them from all the stress and complexity of the pricing actually takes the required energy and emotions out of the project. The project soon loses momentum as teams grudgingly comply with a list of rules that mean very little to them. Treating teams with kid gloves has a counterproductive effect.

Get the Right Team On The Project…
& The Wrong Ones Off…

A well-executed teambuilding programme specifically developed for pricing projects beats generic project management or HR hiring. 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.

"The greatest leader is not necessarily the one who does the greatest things. He is the one that gets the people to do the greatest things."

- Ronald Reagan

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 hidden extras or fees and prices should be fair and justified.

We have covered what to avoid and common misconceptions but what frequently asked design questions should you have answered before you start improving or changing your prices?

QUESTION #1: How do I build my project team for a price improvement initiative?

It's not enough to build a pricing team (i.e., the central pricing hub in your project); leaders must also build what we at Taylor Wells call a 'smart taskforce' too. In its most basic form, a smart taskforce is a network of diverse teams configured for a precise purpose. They feature not only a mix of skills, expertise, and viewpoints but also a blend of gender, racial, and cultural backgrounds.

QUESTION #2: Does our organisation structure support a strategic pricing initiative?

There's no one right answer when it comes to organisation design. It's about about making the right trade offs at the big picture level to optimise your strategy and context, discussing the future operating model and then implement well at the detailed level of processes, roles and reporting - which means both good decisions and careful implementation and engagement.

Question #3: How can we build a sustainable pricing capability?

While restructuring the organisation is important, it's not enough. Organisations need to make positive pricing behaviours part of their culture. CEOs need to sponsor efforts to build a pricing team and centre of excellence within the business. They must also choose a select few pricing behaviors that have both immediate and enduring value — and then actively model them. "We want to be customer focused," isn't going to cut it.

Question #4: How can we embed changes?

Recruitment - Ensure that the candidate's traits and drivers align with behaviours the organistion wants to encourage. **Skills development** - Engage employees in virtual, micro-learnings and experiences to build agile method knowledge and capability. **Performance management** - Focus performance conversations on the things that will enable near-term future success.

Question #5: What are some risks to success?

- Under-resourcing the pricing team
- Ambiguous roles and authorisation levels at the front line
- Selecting the wrong people for the project team and task force / keeping the wrong people on the project
- Multiple price decision-making committees
- Generic training courses

Joanna Wells

Director
BA / MA Psychology
University of Cambridge

"My passion is building world class pricing teams because **they can generate 5X- 10X more profit than any other team** when they are set up correctly**.**

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 over 10 years' consulting experience and several years' 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.

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