taylor wells

WHEN PRICING STOPS WORKING

PRICING STRATEGY ADVICE FOR ORGANISATIONS UNDER PRESSURE

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THE REALITY OF PRICING UNDER PRESSURE

Most organisations don't lack pricing activity. They lack pricing control.

Pricing decisions are being made every day (by sales, product, finance, customer teams) often without a shared logic or clear authority.

When pricing direction is unclear:

- People default to precedent or what they know
- Exceptions feel justified
- "Commercial judgement" replaces discipline

Over time, those decisions become the real pricing system.
Not because the strategy was wrong, but but because it wasn't governable under pressure.

This is how margin leaks:

- Quietly
- Incrementally
- Defensibly

By the time it shows up in results, it's already embedded in behaviour.

WORKING WITH YOUR PRICING TEAMS TO BUILD PRICING STRATEGY

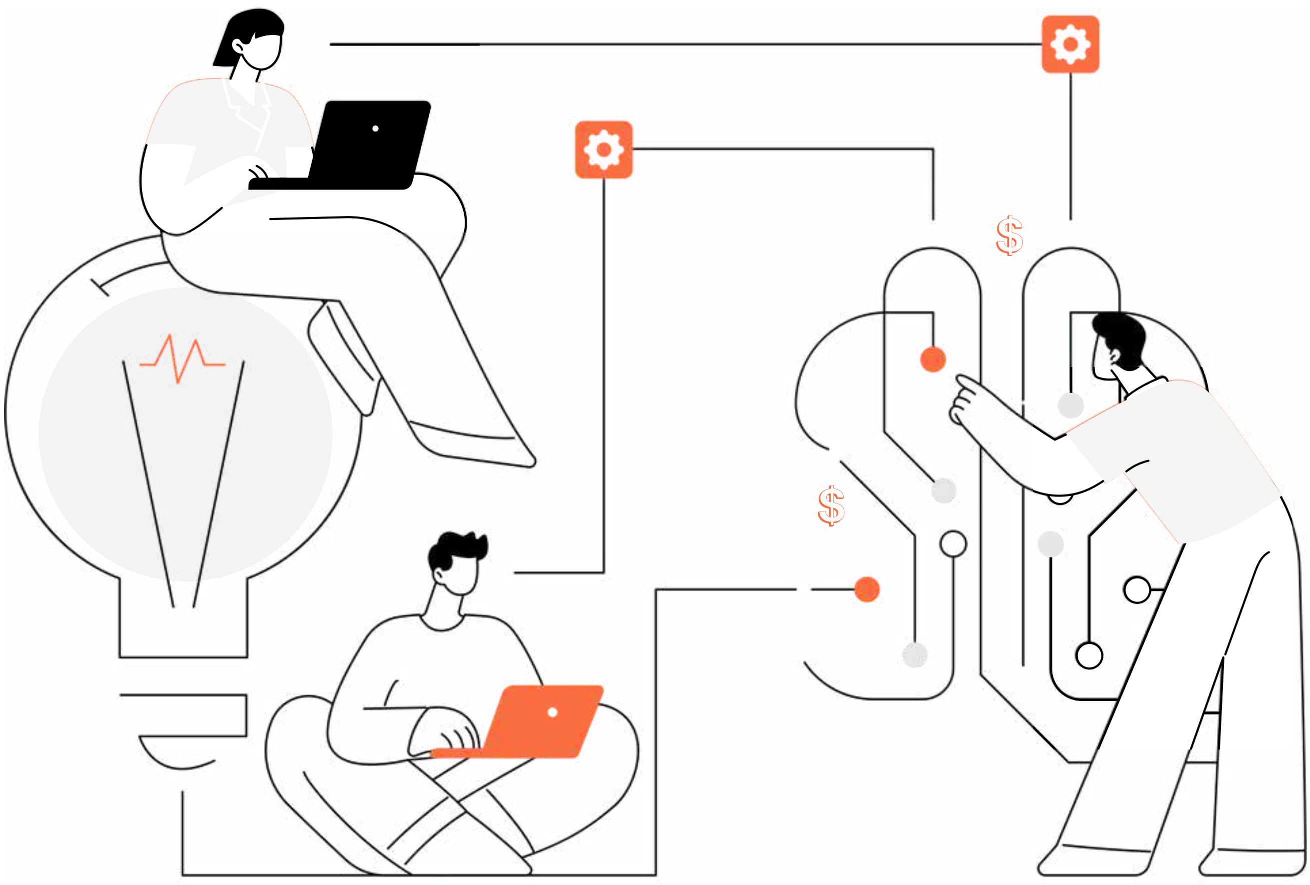
When pricing decisions are clear, governed and trusted, behaviour changes across the business.

Taylor Wells Pricing Strategy Advice is for executives who sense margin erosion but can't clearly trace which decisions are driving it or why pricing behaves differently to what was intended.

We work alongside pricing, commercial and finance leaders to:

- Fewer pricing exceptions and escalations
- Faster, more confident pricing decisions
- Price increases that land as intended
- Reduced margin leakage from workarounds and overrides

Typically delivers 2–9 percentage points of sustainable margin improvement, with early impact visible within 3–6 months.



WHEN PRICING REALLY BREAKS

Pricing doesn't break in spreadsheets.

It breaks when exceptions become normal.

Deals override price lists.
Escalation replaces accountability.

Margin leaks quietly.

One reasonable decision at a time.

WHAT EXECUTIVES UNDERESTIMATE

Most leaders believe pricing problems can be fixed by their teams over time.

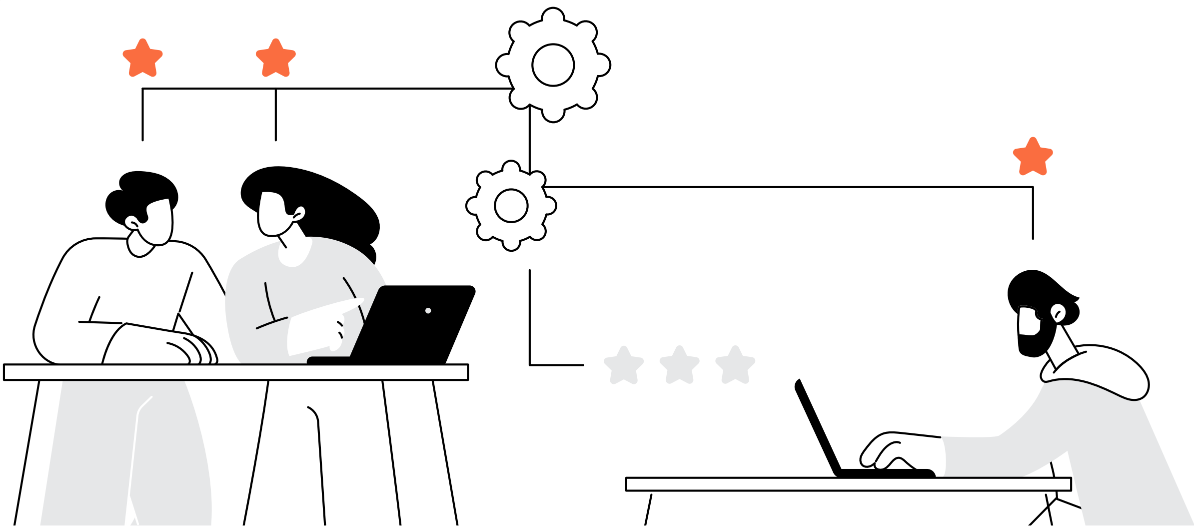
In practice, teams revert to what they know.
They repeat familiar decisions.
They rely on precedent.

Those behaviours feel safe and sensible in the moment.
Over time, they harden.

Pricing problems hide in:

- Deals approved one at a time
- Discounts justified to protect volume
- Price increases diluted before they reach invoices
- Incentives that cost money but change nothing

The very behaviours meant to manage risk end up reinforcing it.



WHAT HAPPENS WHEN PRICING CULTURE IS LEFT ALONE

Pricing culture does not stand still.

Left unmanaged, small exceptions turn into precedent.

- Discounts spread unevenly across customers.
- Price increases lose impact before they reach invoices.
- Incentives keep paying out but stop changing behaviour.

Nothing breaks overnight.
But control weakens and confidence in prices erodes.

What follows is predictable:

- Complexity grows faster than understanding.
- Strong performers inherit weak decisions they didn't make.
- Pricing discussions replace pricing decisions.
- Teams become defensive rather than decisive.

By the time margin erosion is visible, it's already embedded in how the business operates.

At that point, fixing pricing is no longer just a commercial issue:
It's an organisational one.

THE FINANCIAL COST OF UNCONTROLLED PRICING DECISIONS

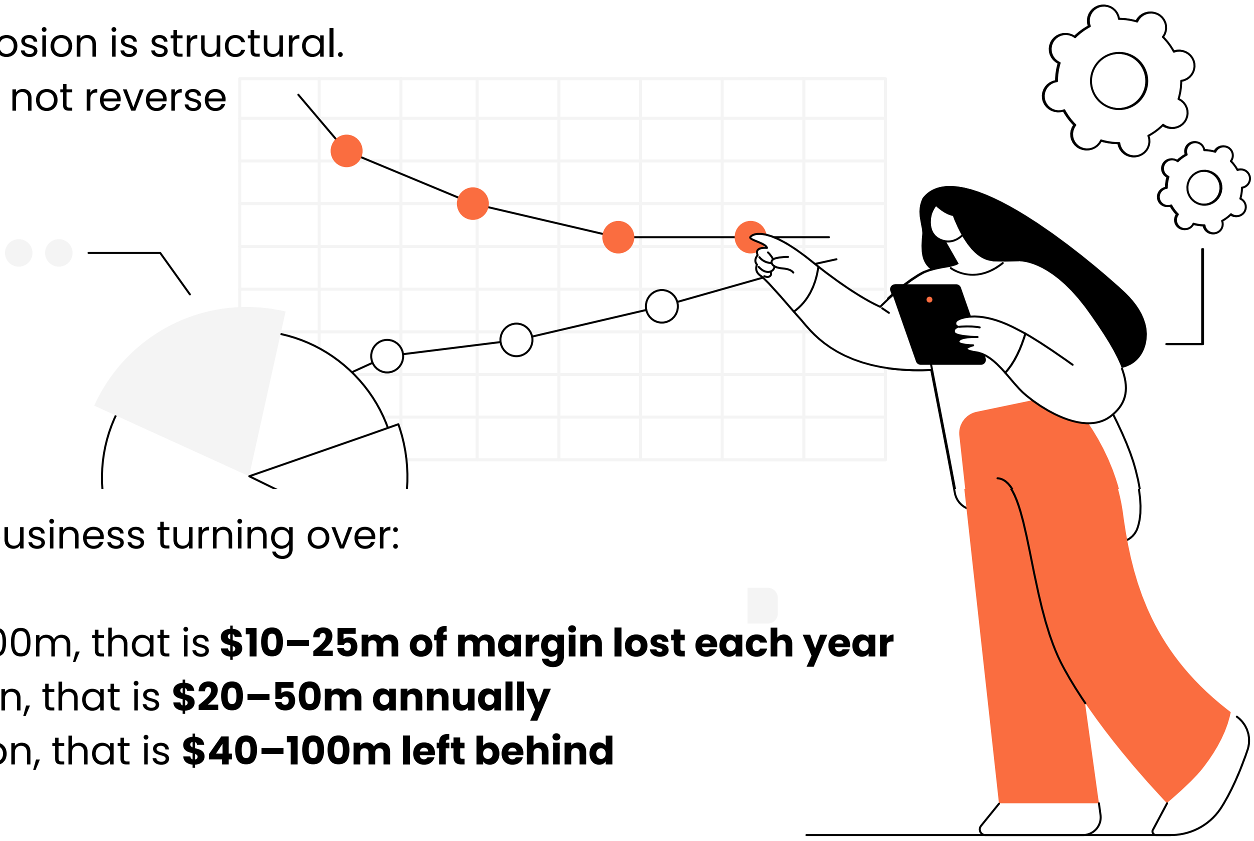
Margin erosion hiding in plain sight

When pricing culture is left unchecked, the cost is not theoretical.

Across businesses we review, weak pricing culture typically erodes **2 to 5 percentage points of margin** over time through:

- Delayed cost recovery
- Uncontrolled discounting
- Diluted price increases
- Incentives that no longer change behaviour

This erosion is structural.
It does not reverse



For a business turning over:

- $500m, that is **$10–25m of margin lost each year**
- $1bn, that is **$20–50m annually**
- $2bn, that is **$40–100m left behind**

This is not a one off impact.
It is a recurring drain on performance.

WHY DOING NOTHING FEELS SAFE

Most executives aren't avoiding pricing decisions.
They're responding to genuine commercial pressure.

- The market is tight.
- Customers are pushing back.
- Sales are doing what they need to do to hold volume.
- Costs are complex and mid-cycle changes feel risky.

In that context, holding steady feels prudent.

But in pricing, doing nothing is not neutral.

When legacy pricing is left to run:

- Weaker prices get locked into contracts and expectations.
- Discounting becomes the default, not the exception.
- Pricing rules lose authority without anyone switching them off.
- Strong performers inherit decisions they didn't make.
- The effort required to correct course increases each year.

The gap between intended pricing and actual pricing widens quietly.

By the time action feels unavoidable, part of the margin is already unrecoverable.

WHAT IS REQUIRED VS WHAT ISN'T

Executives often hesitate to intervene in pricing because they've seen interventions fail or create disruption without results.

Taylor Wells Pricing Strategy Advice is not:

- A theoretical pricing model handed over and left behind
- A technology or AI solution looking for a generic problem
- A blanket price increase pushed onto customers
- Outsourced pricing decisions removed from the business

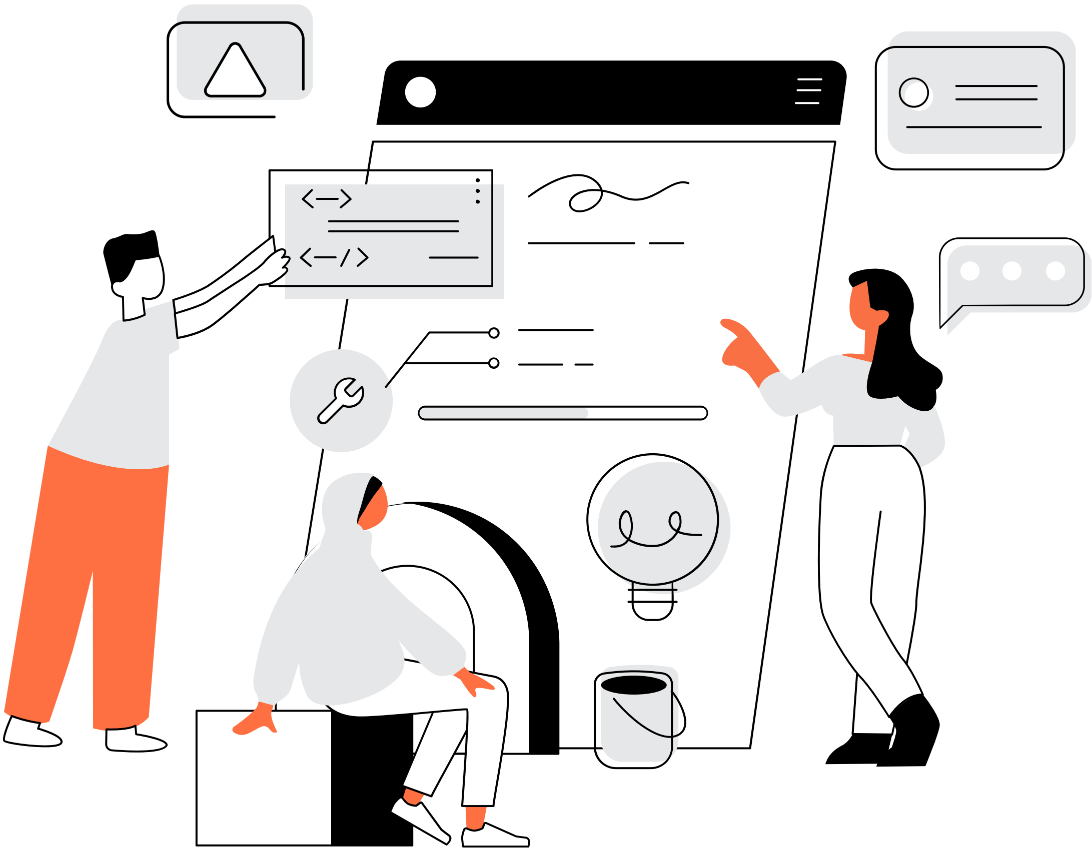
It does not take control away from management teams.

What it does is make pricing visible, explainable, and governable under pressure.

That means:

- Making it clear who decides what, and when
- Making pricing trade-offs explicit instead of buried in exceptions
- Restoring accountability without slowing deals or creating bureaucracy

Pricing advice is not about imposing answers or frameworks that do not fit your business. It is about creating the structures and conditions where better pricing decisions can hold.



FINAL THOUGHT

Pricing problems rarely announce themselves.

They compound quietly while decisions feel defensible in isolation.

Waiting does not stabilise pricing.

It hardens behaviour, embeds workarounds, and increases the cost of correction.

If pricing is not behaving the way you expect, the issue is rarely data.

It is whether pricing is governable under pressure.

The question is not whether to intervene.
It is how much margin is already being left behind.

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