



QUANTIFYING AND DOCUMENTING VALUE IN B2B MARKETS

TOOLS AND STRATEGIES TO ESTABLISH,
DEMONSTRATE AND SUSTAIN THE VALUE OF THE OFFERING

MEASURE AND CAPTURE THE VALUE CREATED TO THE CUSTOMER IN B2B

Quantifying and documenting value is the backbone of pricing in B2B. Establishing prices in this reality requires precise skills in expressing in monetary terms (\$/€/£/¥) the incremental value provided, with respect to the offer that the customer sees as the best alternative. Demonstrating customers that choosing our offer is a convenient investment is therefore a priority, especially in B2B realities where dealing with procurement offices and renegotiating contracts happen on a daily basis. In this workshop, we will see the tools and strategies adopted by B2B pricing practitioners to translate the characteristics of the products in benefits for the consumer. We will use calculators of value and return on investment, as well as other tools that leading companies in the B2B from all around the world use to quantify, document and sustain value over time. The business cases we will analyse include companies like General Electric, SKF, DHL, Monsanto, Siemens, Vaisala and Maersk.

If you are not able to prove why your offer is better than that of competition, you will be benchmarked on price.

One of the most important capabilities of leading companies in any industry, is being able to quantify to customers the economic benefit that are being delivered by the product or service.

WHOM FOR

- CEOs, Owners
- Sales Directors
- Commercial, Sales Managers
- Purchase Directors, Purchase Managers
- Key Account Managers, Strategic
- Account Managers
- Marketing Directors
- Product Managers, Marketing Managers
- Controllers
- Prices Managers
- Responsible for market researches,
- Consultants

CONTENTS



VALUE QUANTIFICATION

Analyzing the product features in a structured way and revealing latent needs of the customer



VALUE CALCULATORS

Express the offer in financial terms, including TCO (Total Cost of Ownership) and ROI (Return on Investment)



SEGMENTATION

Clustering customers from heterogeneous groups based on their price sensitivity, going beyond the typical sociographic classifications.



PRICE ELASTICITY

Calculating price sensitivity in B2B industries.



COMMUNICATION STRATEGIES

Moving the emphasis away from price and on to value.



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PRICING AND BEST PRACTICES FROM LEADING COMPANIES IN B2B

- 1 Presentation and group discussion - Value-based pricing: setting prices based on the value delivered to the customer**
Typical methods and their drawbacks: costplus pricing and prices in line with competition ▶ Why leading companies use value-based pricing
- 2 Presentation and work group - Best practices in B2B**
Innovation in pricing: GE and Maersk ▶ Identifying the customer's best alternative: a competitor or maintaining the status-quo?

COFFEE BREAK



DIFFERTIATION VALUE AND COMPETITIVE ADVANTAGE

- 3 Presentation and discussion - Competitive advantages**
Which differentiating element of our offer are important for the customer ▶ Latent needs of a customer segment: calculating the impact on internal costs and risks associated
- 4 Business case and discussion - BMW and the sales force**
Quantitative and qualitative competitive advantages: differences and strategies to calculate them ▶ When calculating TCO virtually eliminates price sensitivity in customer: sustaining a premium price

LUNCH BREAK (1:00 PM – 2:00 PM)



QUANTIFYING THE VALUE OF OUR OFFER

- 5 Presentation - Differentiation value**
Competitive advantages and negative differentiation ▶ Clustering advantages ▶ Price range and the 10% principle
- 6 Business case and discussion - Value calculators**
How Henkel tripled some B2B prices without losing market shares ▶ SKF: global leader with a 50% premium over competition ▶ ROI and TCO by leading companies ▶ Value Quantification Tool: the approach

COFFEE BREAK



IMPLEMENTATION AND REVISION OF THE KEY CONCEPTS

- 7 Discussion and work group - Implementing the pricing lever: the immediate effects of Quantification**
Documenting value even with prices above the market average ▶ Step-by-step approach to Quantification ▶ Financial elements to communicate ▶ Prioritization of personal targets to implement after the workshop

END OF WORKSHOP (5:00 PM)

Academic excellence
and managerial experience,
for years by the side of Global 50
companies from all over the world



WHY DO WE SUGGEST ATTENDING THIS WORKSHOP?

Pricing is the most important lever that managers have to generate profit, but it is sometimes interpreted as set by external forces – like competition and production costs. Even though those forces should be taken into account during the pricing decision-making, it is also important to look at the Value our offer generates for customers. Leading companies in any industry, even in presence of commoditized products (chemical industry, raw materials, etc.), enjoy above-average profits thanks to the right implementation of strategies built upon value-based pricing; what these

leaders do, is to set prices based on the value that customers obtain from their product or service. These strategies are particularly important during periods of economic uncertainty, when customers – especially in B2B realities – increase their demand for discounts, putting the company's profitability under a lot of pressure. What emerges from our experience is not only that it is possible to counteract these demands, but also that this can be done in a cost-effective way; this stems from the ability to calculate the value of the company's offering and leverage its uniqueness.

HINTERHUBER & PARTNERS

HINTERHUBER & PARTNERS (www.hinterhuber.com) is a premier consulting company specialized in Strategy, Pricing and Leadership. It stands for the combination of academic excellence and real world business experience to deliver a lasting impact in client results and capabilities. Kennedy Information, a Bloomberg business, ranks Hinterhuber & Partners among the top consulting companies globally in pricing strategy consulting. HINTERHUBER & PARTNERS has successfully completed projects concerning

strategy, pricing and leadership for numerous companies in Germany, Italy, Switzerland, Austria, United States of America, China, and it regularly takes part in international conferences. For pricing, it participates to conferences like: Management Circle AG (Germany), Business Circle AG (Austria), Management Center Innsbruck (Austria), Strategic Account Management Association (USA), Marcus Evans (USA) and Professional Pricing Society (USA).



ABOUT THE WORKSHOP FACILITATORS:

DR. EVANDRO POLLONO, MANAGING DIRECTOR AT HINTERHUBER & PARTNERS

Dr. Evandro Pollono has been visiting lecturer at Alcalá University (Spain), he is co-author of the article "Value-based pricing: The driver to increased short-term profits", published by Finance and Management; he is also a contributor of the book "Pricing and the Sales Force". Evandro Pollono deals

with companies operating in diverse industries, supports them in their strategic development and foster their growth and differentiation through seminars in the field of Pricing. He is also involved in startups, with projects encompassing different industries, with the common denominator of digital technologies.



ROLANDS PUPKEVIČS, SR. CONSULTANT FOR DATA & ANALYTICS

Rolands Pupkevičs is Senior Consultant of HINTERHUBER & PARTNERS specialized in data and analytics. He holds a Bachelor degree in Economics from Stockholm School of Economics in Riga and CFA designation from CFA Institute. He has more than 15 years of experience in investments, finance and data analytics. Recently, he has

worked on multiple consulting projects on pricing for large and medium-sized companies, including Bosch, Exxelia, and Veritas Petroleum Services (VPS). His main responsibility is to develop ad-hoc analytics and derive financial insights for the client.

REGISTRATION

To register please send an e-mail with the date desired, the name and number of participants to evandro.pollono@hinterhuber.com. You will receive a confirmation and a pro-forma invoice, depending on spots availability. The participation fee for the two-day workshop is all-inclusive, including material e soft-drinks, for £ 1250 per participant. From the second participant of the same company (i.e. same billing address), a 15% discount is applied. Up to two weeks before, it is possible to cancel from the seminar free of charge. After this the full

amount is due. The cancellation request must be sent in written form via e-mail. In case of cancellation from Hinterhuber & Partners, the full amount will be refunded. We are committed to make the seminar as interactive as possible, therefore we try to limit the number of participants to 12 at any event. If interested in dates different from the ones proposed, please contact us directly to find out future dates or plan an ad-hoc seminar. All prices are to be intended VAT excluded.