



“Tips for Writing the Pricing Section of Your Marketing Plan”

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If your business is in danger of failing, you will be creating an overall turnaround plan. Within this turnaround plan there will be a stand-alone marketing plan. The marketing plan needs to be comprehensive enough that you can extract it and use it as a separate document.

In the Pricing section of this marketing plan, you will list here the prices you will charge in the transformed company, and how you calculate them. Include any pricing scheme changes that will take effect as part of the turnaround. This means that you may have to give background on the old pricing matrices and why they are being transformed.

You can offer a few examples, but don't be too concerned with giving actual prices; rather, show how you will determine the prices and why these pricing changes will help in the post-turnaround business environment. Give the underlying pricing strategies employed in the transformed company.

Keep in mind the basic supply and demand relationship that governs all of business:

When supply is low prices go up; conversely, when supply is high, prices go down.

It will always influence your pricing strategy. To determine a pricing structure, you will need to determine your expected costs of purchasing and delivering your products and services. These may be different from your pre-turnaround business.

For example, if you are downsizing your purchasing department as part of the personnel reductions, the expenses attributed to those positions



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will not factor into the cost of product acquisition. You would include the details about how your purchasing methods are changing; in particular, how you will achieve discounted rates on products due to the reduction in purchasing personnel.