
Value-Based Pricing and Margin Optimisation Training Course for Commercial Leaders

23 – 27 August 2027
Milan





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Programme Summary

Value-based pricing and margin optimisation is the subject of this one-week training course for commercial and finance leaders at managerial level, ending in a pricing and margin improvement plan for one product line. Prices are often set from cost or habit, while customers judge an offer by what it does for them. The programme moves from principles, through diagnosis of margin leakage, to design of price structures and discount rules, then to application on one line. Mars Training Centre UK delivers this value-based pricing and margin optimisation programme for mixed organisations.

The Business Case

Pricing is the fastest lever on profit, yet many organisations manage it through list prices and negotiation habits rather than evidence. Leaders who link price to customer value, measure where margin slips away and govern exceptions protect earnings.

- Realised Margin: Improves as discounts, rebates and concessions are measured against agreed rules.
- Price Consistency: Rises as segments, fences and approval routes are defined once and applied everywhere.
- Revenue per Unit of Capacity: Grows as prices respond to demand where capacity is limited.

Principles and Evidence Base

- Value-based pricing: The programme applies it to set price ranges from the benefit a customer receives, in Sessions 1 and 3.
- Price elasticity of demand: It shapes the sensitivity tests used to judge whether a price change adds or removes profit in Session 2.
- Price waterfall analysis: It structures the diagnosis of leakage between list price and the price finally realised in Session 2.
- Conjoint and willingness-to-pay research: They inform the segmentation and offer design work in Session 3.

Intended Participants

- Commercial leaders who own price lists, quotations and the discount authority of their teams.
- Finance leaders who report margin and must explain variances between planned and realised prices.
- Marketing and product leaders who position offers and decide how they are packaged and priced.
- Sales leaders who negotiate with major accounts and need clear limits for concessions.

The programme serves manufacturing, services, hospitality and transport organisations.



Learning Outcomes

1. Participants will be able to evaluate the value an offer delivers to each customer segment.
2. Participants will be able to diagnose margin leakage with a price waterfall.
3. Participants will be able to construct price structures with segments, fences and tiers.
4. Participants will be able to justify price changes with elasticity and willingness-to-pay evidence.
5. Participants will be able to prioritise discount rules, approval limits and review triggers.
6. Participants will be able to design a pricing and margin improvement plan for one product line.

Programme Structure

Day 1: Value-Based Pricing and Margin Principles

What is the offer worth to the customer, and how does that differ from what it costs?

- Economic Value to the Customer Model
- Cost-Plus, Competitor and Value Pricing Compared
- Differentiation and Reference Value Mapping
- Contribution Margin and Break-Even Volume
- Pricing Decision Rights Matrix

Day 2: Diagnosing Margin Leakage and Price Sensitivity

Where does list price turn into a lower realised price, and how sensitive is demand?

- Price Waterfall Construction
- Discount and Rebate Distribution Analysis
- Price Elasticity of Demand Estimates
- Customer and Product Profitability Ranking
- Price Variance Bridge Report

Day 3: Designing Segments, Offers and Price Structures

How are customers grouped, and which price structure fits each group?

- Willingness-to-Pay Survey Design
- Conjoint Trade-Off Interpretation
- Segment Fences and Good-Better-Best Tiers
- Bundle and Add-On Pricing Rules
- Competitive Price Positioning Map

Day 4: Designing Dynamic Pricing and Discount Governance

How are prices adjusted to demand and capacity while exceptions stay under control?



- Yield and Revenue Management Principles
- Capacity Allocation and Demand Forecast Bands
- Dynamic Price Rules and Floors
- Discount Approval Matrix
- Price Performance Indicator Dashboard

Day 5: Applying Pricing Strategy to One Product Line

Is the pricing and margin improvement plan ready for leadership review?

- Applying the Session 2 Waterfall to the Chosen Line
- Testing Session 3 Price Structures on Sample Quotations
- Matching Session 4 Discount Limits to Account Types
- Rehearsing the Leadership Review
- Completing the Pricing and Margin Improvement Plan

Methodology

The programme uses a data workshop method built on anonymised price lists, invoices and quotation histories. Participants work in small groups to rebuild waterfalls, test price changes and draft rules, with peer and facilitator feedback on each work product.

- Suggested activity: Building a price waterfall from a sample invoice set and ranking the leakage points.
- Suggested activity: Estimating the profit effect of a price rise using an elasticity range.
- Suggested activity: Drafting a discount approval matrix and testing it against ten past quotations.

Capstone Output

Each participant completes a pricing and margin improvement plan for one product line. It holds a value summary, a waterfall with leakage points, a segment and tier structure, a discount approval matrix and a short list of indicators. The plan is used to brief senior colleagues and agree the first price actions.

Frequently Asked Questions

Is value-based pricing and margin optimisation suitable for leaders without a pricing specialism?

Yes. Value-based pricing and margin optimisation starts from the basics of value and margin and assumes you have some responsibility for prices, quotations or margin reporting, not prior analytical training.



Which models does value-based pricing and margin optimisation rest on?

Value-based pricing and margin optimisation rests on value-based pricing, price elasticity of demand, price waterfall analysis, and conjoint and willingness-to-pay research.

How is the plan from value-based pricing and margin optimisation used at work?

You use the pricing and margin improvement plan to brief senior colleagues, agree discount limits and set the first price actions for your product line.

How does value-based pricing and margin optimisation differ from a programme on sales negotiation?

Value-based pricing and margin optimisation centres on how prices, segments and discount rules are set, while sales negotiation centres on the conversation with an individual buyer.