



*Driving Business to
Peak Performance!*



The Most Important Decision

MasterMind Consulting Network
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PRICING is the most important decision you make in a business. However, this decision is often made without any evaluation of its impact on profitability. It may be obvious that too low a price means losing money on every sale, while pricing too high will result in too few sales, but how can you know the right price in advance?



Because pricing decisions are made frequently, they can become routine; simply a TACTIC used in an often futile attempt to increase sales. This approach simply ignores the strategic nature of pricing in a competitive environment. The truth however, is that economics, fashion, season, weather, competition and other external factors substantially impact determination of the RIGHT price.

So where should we start? First, the business must understand its direct and indirect costs. Then they can be used to calculate the cost of any product by using a properly constructed and maintained pricing model. Such a model allows the business to estimate profitability at various price points or to evaluate the impact of changes to the company's financial structure.

With these tools, you can survey your strategic position, evaluate alternative pricing strategies and make informed decisions based on having studied the likely financial outcomes in advance.

For more information on pricing models go to [Price It](#) or to learn about pricing strategies click [White Paper](#) or [Article](#). If you have questions about pricing click [Ask the Guru](#) to receive a personal response from me. I would love to discuss PRICING with you!

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