

How to use the Pricing Scorecard to build a better business_ Solocast (E70_Live with the Pricing Lady)

[00:00:00] **Janene:** Hello, everyone. It is Live with the Pricing Lady. I'm Janene Liston, your hostess. Welcome to the show. In today's episode. I'm going to be sharing with you how to get the most out of my new self assessment pricing scorecard. If you don't already have a copy of it, you want to head on over to www.jananeliston.com/pricing-scorecard and grab yourself a copy.

[00:00:29] Let me throw that into the comments there so those of you who are joining me live can head right on over and grab a copy for yourself right now.

[00:00:39] Now, let me give you a bit of background about the scorecard before we get into it.

[00:00:44] One of the things that's really important when it comes to starting your own business is not just that you set prices, but you understand how to use pricing effectively in your business. I always say this, I'm going to say it again, that [00:01:00] when you understand pricing and use it correctly, it helps you make better business decisions. Which leads you to being able to have a more sustainable profit picture.

[00:01:11] Which is ultimately what we want for you, so you can have that thriving business that you want and have the free time to go out and do the other things that you want to do. I developed this scorecard, the original version, about three years ago. It wasn't a self-assessment, it was a little bit different.

[00:01:27] Recently I decided, I want to give you guys a tool that you can use within your companies more easily. I changed it about, I reduced number of questions, and I made it so that you can take this and for those of you who are in companies where you're not the only person, you can take this and you can do it as a team or each of you individually can fill it out. Then you can compare and discuss where there's differences and figure out from there what you want to do with it.

[00:01:56] That's why I changed the scorecard from what it was. I wanted to run [00:02:00] through it with you today so you understand best how to use it. And you get more information about how it can be effective in your business.

[00:02:08] So here you go. This is what the scorecard looks like. You'll find there's quite a bit of information in here. Let me point out that it's your choice in your business, whether or not pricing is helping or hurting. By doing the scorecard, you're showing me that you believe you can do better with pricing in your business. That is a great thing for you and your future.

[00:02:29] What I want to start with is the five competencies. This Scorecard uses these five core pricing competencies as the basis for understanding where you can start improving upon things.

[00:02:42] The first one is called profit awareness. Some of you may recognize, this as also the five steps to pricing success. Yes, I changed the nomenclature here on all of these, but

what's behind it is still the same. Profit awareness used to be build the right mindset. I changed it to profit [00:03:00] awareness because I wanted to shift it from just being mindset, to really being you understanding and having a close and personal relationship with profit in your business.

[00:03:10] This is a telltale sign of a savvy business owner. When you understand profit in your business, it makes you feel it, it makes you more, let's say in a sense of powerful within your business, because you're understanding the influence of your business decisions on profitability, including what you do around pricing. This is extremely important and we'll also talk about how in this area, you also look at how things hold you back or core beliefs or different aspects of your mindset, holds you back in here.

[00:03:48]The second core competency is called business alignment. This is about making sure that your pricing is aligned with things like your business values, with your brand, with [00:04:00] your personal values and with other aspects of your business and personality. Business line alignment is also critical because when these things are all aligned, it has like this resonance effect, right? Where things really take off because people see the congruency in your messaging. Brand alignment is also very critical.

[00:04:21]Price definition is core competency number three. This means you have to understand how you're going to set those prices, what things you need in your pricing in order to deliver it effectively to your customers. And of course your price positioning.

[00:04:37] Then we move on to executing prices, which is how you're going to get the prices. Once you've set them, you got to go out there and get them how you're going to communicate those prices, the psychology around your prices, how you're going to handle objections. And or if in your business, you give them discounts or negotiations. That's what the execution piece is.

[00:04:57]Then the last core competency is how you're [00:05:00] managing those prices over time, because let's face it prices are going to change as time goes by.

[00:05:07] This scorecard will help you score yourself in these five areas. What you'll see as you go through the scorecard is there are. There are a few questions in each of these areas, and you're going to give them, give yourself a score in each of those statements or questions here about, you know, something you're always doing something you do, to some extent and or something you're not really doing at all.

[00:05:31] Let me be clear about it something here, if it's something you've thought about once, but you're not really actively doing then don't give it a green score, probably a red score would be the most accurate. My point here is to really be honest with yourself about the scoring.

[00:05:47] This scorecard will help you to see where you are, but it's only going to give you back information, if you're honest and upfront with yourself about the status of things in your business. [00:06:00] You will go through and you will complete the questions.

[00:06:03] I think there's five or six questions per competency. Then you'll go ahead and you'll add up your scores and then you have a nice little executive summary here where you can summarize your results and start thinking about, "Okay, what can we do or what can I do to start improving my prices?"

[00:06:22] Then there's a bit here to help you understand how to interpret the results and start defining the next steps and actions. And then at the end of the scorecard, you have a page on each of the competencies.

[00:06:36] Here you'll find a few things. You'll find a description of that core competency. You'll find a few tips on how to improve that score. And then you also find something around the common mistakes that people make in this area. Things that I've seen over the years and observe as I'm working with or seeing what different companies are doing. You'll find one page for each of [00:07:00] those core competencies.

[00:07:01] With all that, you should be able to start to define where the gaps are in your business when it comes to pricing.

[00:07:11] To summarize this, what I'd like to do is I would like to take a look with you very briefly on the Cardinal rules that are in the scorecard. Cardinal rule number one is know what it will take to be profitable in your business. This is a Cardinal rule related to step one, right? Which is profit awareness. When you understand what it's going to take for you to hit the profit numbers that you want, then you have command and control over the destiny of your business, which is super important.

[00:07:48] Cardinal rule number two is pricing, it's not just the number, it's your actions that matter. What you do, how you talk about pricing, [00:08:00] how you talk about the value that you or your products and services deliver that matters. That's related to alignment.

[00:08:09] Then we have number three, pricing is rooted in a deep understanding of the, what the customer. I know you guys have heard this from me before, but it is absolutely probably the most important piece of advice or information that I can provide for you. Pricing has got to start with an understanding of the customer.

[00:08:30] Then Cardinal rule number four, pricing is all about the psychology baby. And you've got to do that with the eyebrow wiggle. Otherwise it doesn't work, right? When it comes to execution, the psychology, the value communication, these types of topics are what is going to take you that next step and then enable you to get those prices with more ease.

[00:08:53] The last Cardinal rule on here is Cardinal rule number five, keep a finger on the pulse of what's [00:09:00] influencing, influencing your prices the most.

[00:09:03] Most people just sit around and don't really pay so much attention to their prices until one day their business is suffering so much that they can't take the pain anymore. If you are constantly monitoring what is influencing your prices, then you'll know when to make changes, not after the fact, but at the time when it's most advantageous to you and to your customers.

[00:09:27] Those are the five Cardinal rules. How does this scorecard really help you make better decisions in your business? As I said at the beginning, most of you are setting prices, right? So you have prices and you're setting them, but you've not optimized what you're doing with your pricing.

[00:09:49] Maybe you don't really have a process for setting them. Maybe you don't really understand. You know, the profit side of your business, maybe you feel very uncomfortable talking about prices with your [00:10:00] customers, or even setting your prices. What the scorecard does is helps you look at these five areas of competency and figure out where you're struggling the most, so you can start to figure out how to change that and make it better.

[00:10:16] Almost any type of improvement that we make in life or business, it starts with some sort of assessing of where we are and then thinking about where we want to get to, and then the plan of attack on how to get there and then the execution.

[00:10:31] This is a very first step for you, when comes to assessing where you are currently. Since you may not understand or know all the aspects that are related to pricing, the scorecard will give you a more holistic overview of where pricing is working best in your business and where you have the most opportunity to improve.

[00:10:53] That's what I wanted to share with you today. To grab a copy of the scorecard, head on over to [00:11:00] [www.jananeliston.com | pricing-scorecard](http://www.jananeliston.com/pricing-scorecard).

[00:11:02] Thank you for joining me today. Until next week, I wish you all the best and as always enjoy pricing everyone. .