

# The Career Value of Pricing

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Twenty years in pricing has taught me a lot. The most important lesson is that our pricing skillset is rare, difficult to cultivate, and in demand. It takes a special kind of person to excel in pricing. And when you do, it pays major dividends in career advancement, impact on your company, and personal career fulfillment. Yet, our space is not well understood, is sparsely populated with experts, and is high risk. That makes it the perfect place for a career to flourish – when you have the right skills.

We all love value pricing, so let's apply that same concept to our careers and explore the **Career Value of Pricing**. And guess what? It's high. Pricing expertise unlocks almost every other role in a company. Once you deeply understand how pricing at a company works, you can do any job in Commercial Operations (strategy, sales, marketing, customer service, business operations, etc.). Pricing skills are a catalyst for career greatness.

I have found that pricing executives (e.g., those who manage a global organization's pricing strategy and function) master seven core skills that propel their pricing careers. The level of expertise in these seven skills changes over the years as we progress from pricing analyst to manager to leader to executive. These skills are relevant whether you want to manage an entire pricing organization or whether you prefer to be a strong individual contributor.

## The Seven Skills

The seven skills are divided into technical skills and people skills. Of course some of them overlap across technical and people categories, but as pricers, we like things neat.

### Technical Skills

- ☀ Leveraging data
- ☀ Pattern matching
- ☀ Esoteric expertise

### People Skills

- ☀ Leadership
- ☀ Managing change
- ☀ Collaboration
- ☀ Storytelling

## Technical Skills

**Leveraging Data:** Pricers must use data to drive decision-making. A Level 1 skillset includes using Excel (the world's most common pricing tool). Level 5 leaders own the single version of the monetization truth for their entire organization, leveraging classic as well as emerging technologies.

Stage	Demonstrated Skills
1	Uses Excel to manage pricing data
2	Uses Excel to manage pricing data

Stage	Demonstrated Skills
3	Builds pricing optimization engine logic to achieve desired business outcomes
4	Understands how to use predictive modelling and AI to fuel monetization decisions
5	Owens the single version of the monetization truth for the entire organization

**Pattern matching:** Pricers must be able to recognize how products, services, segments, channels, and markets are similar to each other and different. This is fundamental to the simplification process of pricing. A Level 1 pricer sees recurring patterns. A Level 5 pricer ensures that all new products and services launches follow existing patterns and only create new models when the market absolutely demands it (not when a product manager says that their product is “different”).

Stage	Demonstrated Skills
1	Sees recurring patterns in products and services monetization
2	Create plans to harmonize products and services monetization strategies
3	Executes simplification programs that harmonize monetization approaches across products and services
4	Leads simplification programs that harmonize monetization approaches across products and services
5	Ensures that all new product and services launches follow existing patterns and/or creates new models when absolutely necessary

**Esoteric expertise:** I am constantly amazed at how few people in organizations actually know how the company makes money. They don’t know which services are the most profitable or the value proposition of the products. Yet, they love to wax eloquent about how pricing should be done. Let’s face it. Pricing is esoteric.<sup>1</sup> Level 1 pricers understand pricing concepts. Level 5 pricers understand the inter-relatedness of all products, services, contracts, subscriptions, and other aspects of monetization and lead the organization through the implementation of new business models based on that expertise.

Stage	Demonstrated Skills
1	Understands pricing concepts
2	Deeply understands how a business line makes money
3	Deeply understands how an entire company makes money
4	Understands inter-relatedness of all products, services, contracts, subscriptions, and other aspects of monetization
5	Understands how top three competitors and market disruptors make money

## People Skills

**Leadership:** You don’t have to lead a team to be a leader. Some of the best, most successful pricers I know are individual contributors who advise CEOs or prefer to be in an advisory capacity rather than team

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<sup>1</sup> Let’s review what that means in case it’s been a while since your SAT. **Esoteric:** designed for or understood by the specially initiated alone; requiring or exhibiting knowledge that is restricted to a small group difficult to understand. Source: Merriam-Webster Dictionary <https://www.merriam-webster.com/dictionary/esoteric>

leadership. But in this case, I mean large organization leadership. We need more pricing people who can do this. Period. Level 1 leadership is managing your own work. Level 5 leadership is leading a diverse and inclusive pricing division or organization that achieves its goals with low unplanned attrition.

Stage	Demonstrated Skills
1	Leads a small team
2	Creates vision for an organization
3	Models leadership principles, develops leadership style
4	Leads a pricing division or organization to achieve goals with low attrition
5	Leads the strategy and single version of the monetization truth for the entire organization, ready for any leadership role

**Collaboration:** One of the most challenging parts of pricing is the massive collaboration across myriad teams. Just when you break a leader on a partner team in, they leave. Learning how to quickly develop trust and aligning goals are essential skills for career success in pricing. Level 1 pricers work effectively with their immediate team. Level 5 pricers co-create solutions across divisions in support of an aligned vision and set of goals.

Stage	Demonstrated Skills
1	Works effectively with immediate team when required
2	Seeks to work with others on the team and does so effectively
3	Seeks opportunities to work across teams and does so effectively
4	Balances consensus and action
5	Co-creates solutions with others with competing priorities

**Managing change:** There are two core change management skills required to excel in pricing: leading through market change and implementing strategy change. When change is needed, pricing leaders lean in. We don't have a crystal ball, so we don't know the right answer when major market shifts happen. But our other skills make us likely candidates to get it right and use data to be agile when we aren't. On the process and tools front, pricers who incorporate change management capabilities into their portfolio excel faster than those who throw initiatives over the wall to change management teams to implement. Level 1 pricers follow others through a change and help move it forward. Level 5 pricers lead change management initiatives and navigate market changes to deliver demonstrable business results.

Stage	Demonstrated Skills
1	Follows others through a change
2	Leads a workstream in a change initiative
3	Leads a change initiative
4	Recruits new stakeholders to change vision
5	Leads change management initiatives with demonstrable business results

**Storytelling:** It doesn't matter how amazing and compelling your analysis is if you can't explain it in a simple way<sup>2</sup>. A simple graphic is way more powerful than a detailed table. A Level 1 pricer reports what happened. A Level 5 pricer effectively translates data and insights into compelling stories for executive audiences including C-level and boards.

Stage	Demonstrated Skills
1	Reports what happened
2	Communicates in pictures and insights with a cohesive narrative
3	Simplifies complex topics to drive action and change
4	Translates data and insights into compelling stories that incite action across teams to achieve common goals
5	Effectively presents data and insights through compelling stories with executive audiences including C-level and boards

## What It means

The fascinating part that I have learned as I leverage this model with the pricing community is that we tend to rock the technical skills. Really rock them. And that's great, but it relegates us to back offices and black box modelling that few can understand and leverage. Restricting yourself to the technical skills decreases the Career Value of Pricing. The magic is in the people skills. When you improve your people skills, you become a leader (be it as a manager or as an individual contributor), a visionary, and a sought-out expert.

I have done a lot of interviews of pricing analysts, pricing managers, and pricing executives to generate a typical profile for each. Every pricer's journey and goals differ, so there is a lot of room for customization of these profiles. They provide a baseline for career path management and development.

Check out the results below. Pricing analysts tend to be skilled on the technical side. It's growth on the people skills that set the pricing executives apart from the pricing analysts.

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<sup>2</sup> As Albert Einstein famously said, "If you can't explain it simply, you don't understand it well enough."

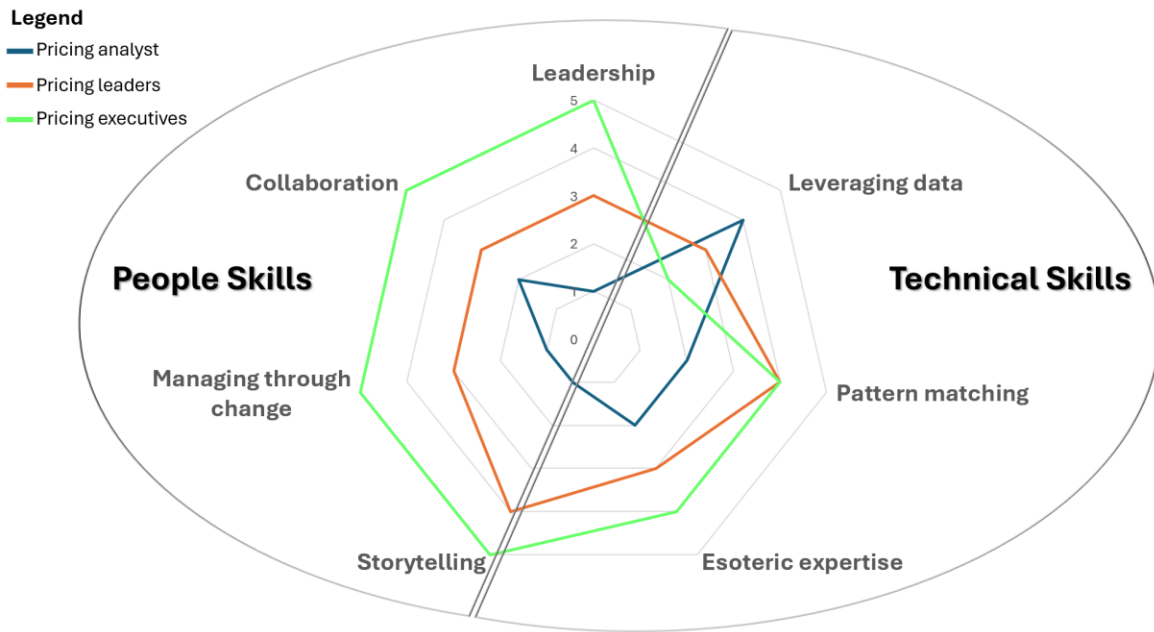


Figure 1: Career Value of Pricing Radiograph by Organizational Role, Copyright, Advoture, Inc. August, 2024

## Actions to take

The great, I mean, really great news is that these people skills can be learned. Pricing executives weren't born being able to translate tables into beautiful graphics. We learned how. Many of us shied away from the spotlight or from cross-team projects because we tend towards being more introverted. If you want to maximize your Career Value of Pricing, you need to lean in on these people skills. Keep reading for some ideas on how to do that.

## Self-development:

Here are a few ways that you can improve your skillset:

1. Take skill-building classes (all available on LinkedIn Learning and other platforms):
  - a. Giving presentations
  - b. Creating compelling graphics
  - c. People leadership
  - d. Leveraging AI for decision-making
2. Join Toastmasters to practice presentation skills
3. Get certified on a change management methodology, like ProSci or Design Thinking
4. Read books (links to the books are in the footnotes):
  - a. *Switch: Change when Change is Hard*<sup>3</sup>
  - b. *Multipliers: How the best leaders make everyone smarter*<sup>4</sup>
  - c. *egonomics: What Makes Ego Our Greatest Asset (or Most Expensive Liability)*<sup>5</sup>

<sup>3</sup> [Switch: How to Change Things When Change Is Hard by Dan Heath and Chip Heath](#)

<sup>4</sup> [Multipliers: How the Best Leaders Make Everyone Smarter by Liz Wiseman](#)

<sup>5</sup> [egonomics: What Makes Ego Our Greatest Asset \(or Most Expensive Liability\) by David Marcum](#)

d. *The Pyramid Principle*<sup>6</sup>

## Career Development

After you have figured out your maturity level on the one to five scale for each of the seven skills, there are tons of actions you can take on your own and with your manager. Here are a few:

1. Sign up to lead a virtual team on a strategy project:
  - Review three different contracting methods to find commonalities and create a plan to unify them
  - Research a different industry and leverage ideas from that industry in a stretch project
  - Learn the business models for two different product or service lines and figure out a strategy to make them more similar
2. Work with your manager on a documented plan for promotion that includes:
  - a. The skills you must demonstrate to achieve the next level
  - b. How you will demonstrate those skills
  - c. How you will work together to identify advocates and mentors
  - d. A timeline
3. Work with a career coach to define your future vision and how to achieve it; many companies offer this or will allow you to use your training budget to hire a career coach

## Skill and experience-building next steps

Skill	Stage	Improvement opportunities for moving to the next stage
Leveraging data	1	Take advanced Excel training and/or implement pricing software (or modernization of internal software)
	2	Explore AI, big data, and data science
	3	Leverage AI to inform decision-making
	4	Manage teams of data scientists to create AI monetization models
	5	Improve your reputation for making data-based rather than “gut feel” decisions
Pattern Matching	1	Document examples where harmonization of approaches are possible
	2	Present ideas to management for approval to proceed
	3	Use influence without authority to implement changes
	4	Expand beyond your own service or product line
	5	Develop a companywide launch process that includes understanding when to leverage an existing model and when to create a new one
Esoteric information	1	Deepen your pricing expertise (note: getting your PPS pricing certification is a great way to do this!)
	2	Improve your product and service line understanding
	3	Study your company’s P&L and how to manage the metrics that drive it, then study the competition
	4	Develop expertise-based strategies for how to create new business models

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<sup>6</sup> [The Pyramid Principle by Barbara Minto](#)

Skill	Stage	Improvement opportunities for moving to the next stage
	5	Lead your organizations through the implementation of new business models based on expertise
Storytelling	1	Look for insights and actions – don't just report the news
	2	Practice top three messages or insights; prepare presentations in case you only have two minutes
	3	Ensure there's a "so what?" in every insight
	4	Improve presentation skills
	5	Volunteer to present to c-suite execs and the board
Managing through Change	1	Learn a change management methodology
	2	Improve stakeholder management
	3	Deepen program management and master a change management methodology
	4	Demonstrate vision in the face of market or organizational change
	5	Develop and deliver a change initiative and create an impact scorecard
Collaboration	1	Improve communication and skills
	2	Increase your skills for influence without authority (e.g., getting people to do things when they aren't in your reporting line)
	3	Identify and improve relationships with stakeholders
	4	Improve conflict resolution capabilities
	5	Lead design sessions with expanding network of stakeholders and create joint visions
Leadership	1	Take a people management class
	2	Improve situational leadership capabilities and develop a growth mindset
	3	Model leadership philosophy
	4	Create a team that others want to join
	5	Create and land a new vision for an organization and measure the results

## The Instrument

Here are the five questions per skill that I use to measure a pricer's maturity level and opportunities for development across the seven pricing skills. There are many more questions that can be asked to get truly prescriptive, but this is a good start.

The more honest your answers, the more rich the development opportunities.

### 1. Leveraging data:

- 1.1. What are the top three ways data informs decision-making for your recommendations?
- 1.2. How do you use data to prove your company's value proposition for products and services?
- 1.3. How often and in what way do you leverage big data, predictive modelling, or AI in your pricing decisions?
- 1.4. How do you use data to create your decisions, e.g., do you use data to support decisions you've already made or does data lead your decision-making process?

- 1.5. When formulating recommendations, what percentage of the time do you start sentences with “I think that...” versus “the data shows that...”

## **2. Pattern matching**

- 2.1. How do you look for patterns across products and services?
- 2.2. What has your role been in projects that reduce the number of pricing, channel, or market approaches at your company?
- 2.3. What have you done with the information when you have identified a repeatable pattern?
- 2.4. How have you driven simplification efforts across your company, e.g., how did you do it, what role did you play, and what was the scope?
- 2.5. What governance process is in place at your organization to launch new products and services and their resulting pricing and go-to-market motions?

## **3. Esoteric Information**

- 3.1. How well do you understand your company’s products and services? In other words, do you know which ones are most profitable? Loss leaders? Stickiest? Which ones tend to lead to purchasing which other ones?
- 3.2. How well do you understand your company’s quoting and contracting processes? How have you worked with operations to implement or execute a contract?
- 3.3. Have you negotiated deals? If so, what role did you play?
- 3.4. How well do you know your competitors’ products and services? How do you keep this information fresh?
- 3.5. How well do you understand the strategy for each product and service that your company sells or delivers?

## **4. Storytelling**

- 4.1. What is your default or preferred communication tool for data (Excel, PowerPoint, Infographics, etc.) and when do you present in tables and when do you present in pictures?
- 4.2. How do you prepare to share data with colleagues? How, if at all, do you change your approach when presenting information to executives?
- 4.3. How do you split your presentations by data and insights, e.g., what percentage of the data you present are backward-looking or reporting what happened versus the percentage of your prep time and presentation dedicated to generating insights, why the numbers are what they are, and what to do about it)??
- 4.4. How often are you asked to simplify your message?
- 4.5. How often do you present to your own team’s leadership team? Other team’s leaders? C-Suite of your company? Board of Directors or equivalent?

## **5. Managing through Change**

- 5.1. How have you participated in a change initiative?
- 5.2. How have you led a team through a major change?
- 5.3. How do you bring market and competitive information to leaders to drive change?
- 5.4. How do you recruit others to your vision?
- 5.5. How do you track the results of change initiatives that you have led?



## **6. Collaboration**

- 6.1.** What are some of your key learnings in working with others?
- 6.2.** Describe a time when you had to convince someone to change their mind? How did you do it? What was the outcome?
- 6.3.** How to you use your influence when you need to motivate people who do not work for you?
- 6.4.** What are your thoughts on driving consensus? How do you manage differing priorities across teams?
- 6.5.** Describe how you create a cross-team vision, e.g., how do you identify stakeholders, how do you learn about each team's priorities, and how do you manage the process for coming to a common vision?

## **7. Leadership**

- 7.1.** What is your management philosophy?
- 7.2.** What is your leadership philosophy (and how does it differ from your management philosophy)?
- 7.3.** How do you lead by example? Please include a story about when and how you do that.
- 7.4.** Have you ever created a vision for a team? If so, describe the process you went through and the scope of the team.
- 7.5.** How do you hire people to be on your team? What are the top three traits you look for? What are the top three questions you ask?

## **Conclusion**

Each person's path is different. Options available to you in your job are different. If you would like to work together to customize your plan, contact me at [laura@advoture.com](mailto:laura@advoture.com).