



# Tim J. Smith, PhD

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## **Pricing is becoming more and more sophisticated, what do you see as the next step for pricing professionals to master?**

Pricing has evolved. When I started, it was considered an excel-jockey job under accounting or sales support.

Today, it is its own profession. We aren't just managing deal prices to hit a margin while enabling sales, we are managing the company's approach to value exchange. This drove us into the area of offering development and discovering the drivers to value for customers, the area of commercial policy and managing price segmentation that cross over from typical market segments and channel strategies, and the area of price management and software deployment. Moreover, the science of pricing is continuing to evolve and, as pricing professionals, it is our duty to stay on-top of the science of pricing to guide our companies in designing algorithms and approaches for pricing aligned with the company's strategy.

## **What do you see as the main development in B2C pricing nowadays?**

Consumer markets are experiencing multiple pricing revolutions concurrently. On one side, we have advances in deploying consumer psychology and behavioral economics impacting pricing. On the other, we have dynamic pricing with artificial intelligence and algorithms driving pricing. Concurrent to these revolutions, we still have open issues in the science of pricing, price setting, and the coupling the role of pricing with category management.

## **Which are the major trends in B2B?**

Business markets are experiencing many of the same challenges as consumer markets and others as well. Specifically, the software market for managing pricing at the salesperson-customer interaction level has recently exploded, beyond Configure-Price-Quote and into the area of automating commercial policy, discount decisions, and rebate management. On top of this change, many business are still learning how to implement proper pricing analytics and price setting within their organization.



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**Dr. Smith is the founder and CEO of Wiglaf Pricing, an Adjunct Professor of Marketing and Economics at DePaul University, and the author of Pricing Done Right (Wiley 2016) and Pricing Strategy (Cengage 2012).**

**At Wiglaf Pricing, Smith is helping executives manage price better through consulting, workshops, books, and other media. He provides productized and actionable consulting services for firms of many sizes and across many industries.**

**For IQPC he will be chairperson of the 2018 European Pricing and Commercial Excellence Summit.**

#### **PRICING LEADERS FACE UP TO SHARE AND DESIGN SMART BUSINESS SOLUTIONS**

The European Pricing and Commercial Excellence Summit 2018 is a place for pricing leaders to exchange their perspectives and and take advantage of collective consideration of the problems, that they already think about. This is what at the end of the day helps you to build the pricing policy with a strong impact.

Source: <http://wiglafpricing.com/about-us/team/tim-j-smith/>

**Can you name some good old pricing strategies, that still work in digital age and will continue to do so further?**

The core pricing challenges have not gone away. Beyond choosing between a penetrate/neutral/skim strategy, firms must choose their competitive response strategy and price structure as well as how they will develop pricing expertise internally. Price structures such as unit, add-on, good-better-best, bundled, subscription, and revenue management are still areas ripe for improvement in their deployment. The digital age is forcing firms to re-think their price structure as the unit that is sold continues to evolve from “Cap-X” into “as a service”.

**What do you think is the most compelling topic to discuss nowadays in pricing?**

The most compelling topic to listen to is how people are actually using these ideas in their company. What did they do? What went wrong? What went right? And, what will they do next? As companies go through the pricing transformation, I am interested in hearing where they are and where they are going. The best thing about meetings is being free to ask for and give advice.



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