

An Anova Client Success Story

**Global Travel Management Company
Addresses Pricing Model Issue**

The Situation

A global travel management company (“TMC”) partnered with Anova Consulting Group to conduct debriefs with its recently closed enterprise prospects. Throughout the first year of the win / loss program, lost prospects repeatedly cited the TMC’s pricing model as being confusing, lacking transparency, and challenging to calculate a total cost of ownership.

In the first year of the win / loss program, only:



**Two in four
loss prospects**

**were satisfied with the TMC’s
pricing model**

63%

**of loss prospects felt the TMC’s pricing
model was clearly communicated**

Addressing the Situation

Based on the findings from the first year of the win / loss program, the TMC created an action plan for the following year and prioritized rolling out a new pricing model as part of the plan. The TMC knew there were five steps it would have to undertake to make improvements.

Steps to Improve Pricing Transparency



Understanding the Problem



Creating a Solution



Accepting the Risk



Utilizing Internal Support



Measuring the Results

Understanding the Problem

The internal global pricing team had to first fully understand where the breakdown was happening in its pricing discussions with prospects. The prospect feedback captured in Anova's interviews pinpointed specific problem areas with the TMC's pricing model and their approach to discussing fees with their customers.

"The fee structure was very convoluted and complicated. They had different rates for different regions. They showed us a huge, complicated spreadsheet. I could not tell if their structure was comparable to the others."

-Prospect verbatim captured by Anova

"You cannot compare apples to apples on rates. You must break down the rates on one tab of a spreadsheet and then look at the fees on another tab. The information is there, but you have to dig for it. It is not simplified."

-Prospect verbatim captured by Anova

Creating a Solution

After gaining a deep understanding of where the confusion was happening, the pricing team designed a simplified pricing structure. When the new structure was finalized, it included some services that used to be a la carte as part of the new core price, eliminating some additional costs for their clients.



"Anova highlighted the degree and quality of the issue, which was helpful. The debriefs helped us understand just how inconsistent our pricing outcomes were, and where we felt the bulk of the uncertainty was showing up for customers."

**-TMC's VP of Pricing
Strategy**

Accepting the Risk

With the new pricing strategy came the risk of lower margins and questions as to whether the new model would be sustainable long-term.

However, company leadership believed the benefits of improving the pricing model were worth the associated risk. The TMC had the potential to increase its win rate by offering a clearer, more competitive price point and package.

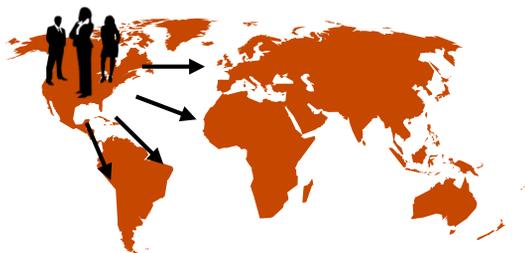


“We knew we weren't going to be 100% right the first time, and that gave us some confidence to try something new as well as the flexibility to adapt what we were doing when we knew it needed to change. I think there's a lot to be said for feeling a sense of freedom to take some chances.”

-TMC's Senior Manager of Customer Experience & Insight

Utilizing Internal Support

The new simplified pricing structure was rolled out to sales teams across the globe, beginning with the US sales team. The pricing team made sure to gain strong support from sales leadership before the new model was rolled out to the broader sales team. In the US, sales VPs endorsed the new pricing strategy and encouraged their sales teams to adopt the new model. This support helped drive adoption in the US and helped set an example to other regions as the model was rolled out across the globe.



“The visible encouragement from sales leaders helped drive adoption of the new models. When teams in other regions saw what we were doing in the US, we were able to encourage local teams to simplify their existing models within the frameworks they already had and later expand the new simplified models to cover the other markets.”

-TMC's VP of Pricing Strategy

Measuring the Results

The TMC tracked the impact of the new pricing structure by analyzing insights from Anova's interviews with recently closed prospects.

Anova's analytics team worked with the TMC to customize the interview guide and target specific feedback about the new pricing model. Anova and the TMC then established relevant key performance indicators that tracked the marketplace's reaction to the new pricing model throughout the year.



"Anova was critical here, too. Being able to say not just that things are better, but that things are x% better went a long way to engaging and nurturing the championship and support we had."

-TMC's Senior Manager of Customer Experience & Insight

The Outcome

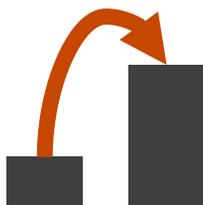
Pricing, particularly how the model was being communicated, substantially improved in the following year. Anova's research verified that more prospects were satisfied with the TMC's pricing model and the model's transparency, which eased the prospects' decision-making process.



Three in four loss prospects

were satisfied with the TMC's pricing model

32% Increase



in the number of loss prospects who felt the pricing model was clearly communicated

"Anova's value, for this effort, was in our ability to surgically define our problems (what exactly was "wrong" with our pricing), to gather a rich data set (probing interviews with qualitative and quantitative feedback), and to tell the story of how those problems were being address and how meaningful those improvements were to the outcomes of our deals."

-TMC's VP of Pricing Strategy

Anova Consulting Group

Experts in Sophisticated B2B Markets

We work with market-leading companies that build and maintain their businesses through complex and multi-layered sales and servicing processes



Anova Programs

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- Post-Implementation
- Client Satisfaction
- Departed Client
- Intermediary Perception
- Custom Research

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Completed: 300+ Win / Loss Studies 100+ Client Satisfaction Studies

Clients: 12 Fortune 100 Companies

3 of the 10 Largest Software Companies	7 of the 10 Largest Financial Services Providers	1 of the 2 Largest Healthcare Companies
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