

COSTING AND PRICING PRINCIPLES

Pricing Smart, Profit Strong

US 263455 / NQF Level 4 / Non-Credit Bearing

"The moment you make a mistake in pricing, you're eating into your reputation or your profits."

Katharine Paine

Pricing isn't just about choosing a number - it's a strategic decision that affects your profitability, competitiveness, and long-term success. Whether you're launching a new business, setting prices for a new product, or managing existing pricing strategies, understanding costing and pricing principles is critical.

Many businesses fail because they underprice their offerings, miscalculate costs, or fail to adapt to market conditions. This course will equip you with the skills to price effectively, balance costs and profits, and make informed financial decisions that drive business success.

WHO SHOULD ATTEND

- Entrepreneurs and business owners seeking to improve pricing strategies
- Managers responsible for financial decision-making
- Sales, marketing, and procurement professionals who influence pricing
- Anyone involved in setting or reviewing pricing policies

HOW YOU WILL BENEFIT

- Understand the pricing process and its impact on business sustainability
- Differentiate between costing and pricing to make informed decisions
- Identify and apply internal and external factors influencing pricing
- Learn cost structures, including fixed, variable, and total costs
- Use key pricing models to determine profitable price points
- Analyse profitability, mark-ups, and competitive pricing strategies
- Implement a structured approach to setting and adjusting prices

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Two-day course 08:30 - 16:00

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WHAT WILL BE COVERED

Setting the right price: strategy and structure

- The importance of a structured pricing policy
- Pricing vs. value - understanding customer perceptions
- The role of pricing in profitability and market positioning
- The trading cycle and its impact on financial decisions
- Key cost components: fixed, variable, and total costs

The factors behind profitable pricing decisions

- Internal influences: cost structures, profit targets, and business objectives
- External influences: market demand, competition, and economic conditions
- Recognising business activity level limitations
- Break-even calculations and pricing adjustments for profitability

Costing methods, profitability, and forecasting

- Steps in the price-setting process
- Key pricing models: cost-plus, mark-up, breakeven, and competitive pricing
- Psychological pricing and market-driven strategies
- Calculating and analysing profit margins
- Competitive pricing analysis for business growth
- Using forecasting to refine pricing strategies

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