



Pricing Strategy Worksheet:

Setting Prices for Profitability and Growth.

Your pricing strategy can make or break your business. Setting the right price helps you attract and retain customers, but it also ensures you're covering costs and making a profit. This worksheet is designed to help you evaluate your current pricing strategy and make adjustments to optimise profitability, without losing sight of the value you provide to customers.

Step 1: Review Your Current Pricing Structure

Start by reviewing your current product or service pricing. Does your pricing reflect the value you deliver? Are you covering all your costs and generating enough profit to sustain and grow your business?

Product/Service Name	Current Price (£)	Cost to Produce/Deliver (£)	Profit Margin (%)
_____	£ _____	£ _____	_____ %
_____	£ _____	£ _____	_____ %
_____	£ _____	£ _____	_____ %

Action Step:

List any products or services where your profit margin is too low and needs attention.

- Product/Service 1: _____
- Product/Service 2: _____

Step 2: Understand Your Costs

To ensure your pricing is sustainable, you need to know all the costs involved in delivering your products or services. These may include direct costs (materials, labour) and indirect costs (overhead, marketing).

1. Break Down Your Costs

Identify all the costs that go into producing your key products or services.

Cost Category	Amount (£)
Materials	£ _____
Labour	£ _____
Shipping/Delivery	£ _____
Marketing	£ _____
Overheads (rent, utilities)	£ _____
Other	£ _____

2. Compare Costs vs. Price

For each of your main products or services, ensure that your price covers all associated costs and leaves room for a healthy profit margin.



Product/Service Name	Total Cost (£)	Current Price (£)	Is the Price Sufficient? (Yes/No)
_____	£ _____	£ _____	Yes / No
_____	£ _____	£ _____	Yes / No

Step 3: Evaluate Your Pricing Strategy

Your pricing strategy should be aligned with your business goals. Consider whether your prices reflect the value you deliver and how they compare to competitors in your market.

1. Identify Your Pricing Objectives

What are you aiming to achieve with your pricing strategy? Check the boxes that apply:

- Maximise Profitability
- Increase Market Share
- Compete on Value, Not Price
- Position as a Premium Brand
- Attract Price-Sensitive Customers
- Other: _____

2. Evaluate Competitor Pricing

It's important to understand how your pricing compares to your competitors. Fill in the table below to see where you stand.

Competitor Name	Product/Service	Their Price (£)	Your Price (£)	How Do You Compare?
_____	_____	£ _____	£ _____	Higher / Lower / Same
_____	_____	£ _____	£ _____	Higher / Lower / Same
_____	_____	£ _____	£ _____	Higher / Lower / Same

Step 4: Adjust Your Pricing for Profitability

Once you've reviewed your costs, competitors, and pricing objectives, it's time to make adjustments. Do you need to increase prices, reduce costs, or reposition your products/services in the market?

1. Decide on Pricing Adjustments

For any product or service where the price needs adjustment, define your new pricing.

Product/Service Name	Current Price (£)	New Price (£)	Reason for Change
_____	£ _____	£ _____	_____
_____	£ _____	£ _____	_____
_____	£ _____	£ _____	_____



2. Communicate Price Changes

If you decide to adjust your prices, plan how you'll communicate this change to customers. Be transparent about the reasons behind the price increase, such as rising costs or added value.

Communication Method	Message	Timing
Email Announcement	_____	_____
Website Update	_____	_____
In-Person/Phone Discussion	_____	_____

Step 5: Monitor Customer Reactions and Adjust as Needed

Changing your prices can impact customer behaviour. After implementing a new pricing strategy, keep an eye on how customers react. Are sales affected? Are there more inquiries about pricing? Make adjustments as needed based on feedback.

Customer Feedback	Action Plan
Positive Feedback	Continue with new pricing model.
Negative Feedback	Reassess pricing or communicate added value.
Mixed Feedback	Monitor further and make gradual adjustments.

Achieving Balance with Your Pricing Strategy

Your pricing should reflect the value you offer while covering costs and generating a healthy profit margin. By regularly reviewing your costs, competitive landscape, and customer feedback, you can make informed pricing decisions that lead to long-term profitability.