

ADVANCED SMA TOOLS

ADVANCED SMA TOOLS

- **Strategic pricing**
- **Pricing decisions**
- **Customer profitability analysis**
- **Competitive position monitoring**
- **Competitor appraisal**
- **Competitor cost assessment**
- **Brand value budgeting and monitoring**
- **Strategic cost management**

STRATEGIC PRICING

- **Strategic pricing takes into account market segments, ability to pay, market conditions, competitor actions, trade margins and input costs, as well as other potential factors affecting market position and demand for the product.**

PRICING DECISIONS

- Needs good costing information
- Decide on how to price products
- Cost plus
- Marginal
- Pricing decisions / cost plus / strategic pricing
- Cost information for price and product planning

CUSTOMER PROFITABILITY ANALYSIS

- **CPA is the analysis of the revenue streams and service costs associated with specific customers or customer groups.**

COMPETITIVE POSITION MONITORING

- **Monitoring the market position and competitive strategy (market positioning) of the key competitors.**

COMPETITOR APPRAISAL

- **Looking for strengths and weaknesses in the competitors' financial position using published financial statements.**

COMPETITOR COST ASSESSMENT

- **A technique in which the competitor cost per unit is attempted to be ascertained from available information. It is often at best an estimate.**

BRAND VALUE BUDGETING AND MONITORING

- **Brand valuation assigns financial value to the equity created by the name or image of a brand. It can be represented as the net present value of the estimated future cash flows attributable to the brand.**

STRATEGIC COST MANAGEMENT

- **Strategic cost management is the overall recognition of the cost relationships among the activities in the value chain, and the process of managing these cost relationships to a firm's advantage.**

RISK AND UNCERTAINTY MANAGEMENT

PROJECTS RISK

- **Garrison Chapter 13 NPV**
- **See Reading Pack**