COURSE DESCRIPTION

Pricing is the single biggest profit lever for most supply chains. Yet, it is also the most poorly understood and managed profit lever of most businesses. The goal of this course is to provide the student with a solid grounding in the theory and practice of supply chain pricing strategy. Upon completion of the course, the student will:

COURSE MATERIALS

Required
All lecture notes will be available on Blackboard

Pre-Readings
For each session, there’s a list of pre-readings. These readings are meant to supplement and support topics covered during the course. Additional readings may be handed out in class.

LEARNING OBJECTIVES

- Learn a framework for establishing smart pricing strategies
- Learn the importance of customer value and its role in pricing strategy, business strategy and supply chain strategy
- Think holistically about how pricing is influenced and can be influenced by business model design, supply chain and other firm decisions
- Understand the value of supply chain capabilities to customers and how to use these in customer pricing, negotiations, and communications
- Learn how different industries think about pricing strategy
- Understand buyer and seller value exchanges and the role of the supply chain
- Gain practical experience using tools and techniques to set and manage prices

TEACHING METHOD

*The Instructor will:*
- Carefully and diligently prepare 5 Saturday sessions
- Be responsive to feedback and suggestions from students
- Make class interactive
✓ Turn around assignments quickly and respond to email quickly
✓ Start and end each class on time
✓ Know the students individually by their talent

The Students are expected to:
✓ Attend all classes
✓ Prepare for class
✓ Actively participate in class and exercises
✓ Be on time, respect other students and the instructor
✓ Demonstrate effort and care in completing assignments
✓ Make time to study and learn material
✓ Use name card

GRADING

Class participation: 30%
Assignments: 40%
Final project: 30%
Total: 100%

CLASS PARTICIPATION

Class participation is the student’s responsibility: prepare in advance; make thoughtful & insightful contributions; and ask questions. After each class, I’ll make an assessment of participation. If you have to miss class for a legitimate personal or business reason, please let me know in advance.

HOMEWORK ASSIGNMENTS

There will be two assignments. You must complete each individual assignment yourself. Assignments must be handed in on-time; there are no make ups. General feedback will be given on each assignment and we will review common improvement themes in class.

COLLABORATION

You can discuss approaches and strategies for completing assignments. The actual work product that you hand in must be completed individually with the exception of the final project as described next.

FINAL PROJECT – THE PRICING CHALLENGE

Format and Requirements – Choose one of the pricing challenges listed on blackboard
• In no more than 5 typed pages (double space, no smaller than 12 point font), provide your analysis, insights and answer to the challenge.
• Answering the challenge may require some outside research, but not a significant amount.
• You may form groups of up to three, but must notify me by week 3.
Grading for Final Project – Grading will be based on the following:

- Problem Statement: Have you clearly defined the problem?
- Quality of Analysis: Have you identified the critical pricing issues? Is the analysis complete? Is the analysis logical?
- Quality of Recommendation: Is the recommendation well thought out? Are there clear facts and data to support the recommendation? Are critical assumptions clearly identified?
- Linkage to Course - Does the analysis and recommendation draw on concepts, frameworks and learnings from the course?
- Writing & Structure: Is the analysis well structured, in a logical sequence and clear to the reader?

ACADEMIC MISCONDUCT

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. All suspected incidents of academic misconduct will be referred to an Academic Integrity Facilitator for investigation. Unfortunately, Rutgers students are failed or suspended every year for violations of academic integrity. If you have any doubt what constitutes a violation of academic integrity, please visit the Student Judicial Affairs website (http://academicintegrity.rutgers.edu/).

DISABILITY ACCOMMODATIONS

If you need an accommodation based on the impact of a disability, please arrange an appointment with me as soon as possible. We need to discuss the course format and explore potential accommodations. I rely on the Office of Disability Services (http://disabilityservices-uw.rutgers.edu/) for assistance in verifying need and developing accommodation strategies. You should start the verification process as soon as possible.
## COURSE SCHEDULE

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<thead>
<tr>
<th>Week</th>
<th>Topics</th>
<th>Pre-Readings/</th>
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<tbody>
<tr>
<td>Week 1</td>
<td>• Strategic case for pricing</td>
<td><em>Pre-reading: None</em></td>
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<td>• Fundamentals of pricing strategy</td>
<td><em>Assignment: Will be handed out in class; Due week 3</em></td>
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<td>• Costs, Supply Chain &amp; Pricing</td>
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<td>• Competition &amp; pricing</td>
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<td>• Competition game</td>
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<td>Week 2</td>
<td>• Supply chain strategy &amp; strategic pricing</td>
<td><em>Pre-reading: Nagle, Chapter 12 &amp; 13</em></td>
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<td>• Pricing over product lifecycle</td>
<td><em>Assignment: None</em></td>
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<td>• Supply decisions and pricing implications</td>
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<td>• Exercise</td>
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<td>Week 3</td>
<td>• Value based pricing / TCO - purchaser and seller’s point of view on value</td>
<td><em>Pre-reading: Nagle, Chapters 3 &amp; 5</em></td>
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<td>• Techniques &amp; tools for determining value</td>
<td><em>Assignment: Will be handed out in class; due week 4</em></td>
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<td>• Value communication / negotiation – buyer and seller value exchanges</td>
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<td>• Case study (in class)</td>
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<td>Week 4</td>
<td>• Pricing &amp; segmentation</td>
<td><em>Pre-reading: Nagle, Chapters 4 &amp; 6</em></td>
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<td>• Price structure</td>
<td><em>Assignment: None</em></td>
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<td>• Bundling &amp; non-linear pricing</td>
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<td>• Exercise</td>
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<td>Week 5</td>
<td>• Legal issues</td>
<td><em>Pre-reading: Nagle, Chapters 11 &amp; 14</em></td>
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<td>• Pricing &amp; channel</td>
<td><em>Final Project Due</em></td>
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<td>• Final project presentations &amp; discussions</td>
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