



THE SYSTEM CFO SERIES  
HINDOL DATTA

FREE ASSESSMENT

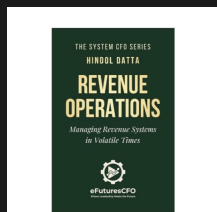
PILLAR 4: PLANNING & GROWTH STRATEGY | TOOLKIT #26 OF 37

# THE PRICING STRATEGY AND MARGIN ARCHITECTURE

*Ensuring Your Pricing Reflects Value,  
Not Just Cost-Plus Guesswork*

20-Question Diagnostic | 5-Page Assessment

Score Your Organization 1-5 Across Four Dimensions  
Identify Gaps and Build Your Action Plan



EfuturesCFO.com

Where Leadership Meets the Future

(C) 2026 Hindol Datta. All Rights Reserved.

QUESTIONS 1-5

# Section A: Pricing Strategy Foundation

*Do You Have a Pricing Strategy — or Just a Price List?*

*Pricing is the most powerful lever in the P&L. A 1% improvement in price has 2-4x the profit impact of a 1% improvement in volume or cost. Yet most organizations set prices based on cost-plus arithmetic, competitor matching, or sales intuition rather than systematic value analysis. The System CFO builds a pricing architecture grounded in customer value, willingness to pay, competitive positioning, and margin requirements.*

## A. PRICING STRATEGY FOUNDATION

1	The organization has an articulated pricing strategy — not just a price list, but a documented approach that defines the basis for pricing (value-based, competitive, cost-plus) and	1	2	3	4	5
		Non-Ex	Ad Hoc	Dev	Estab	Best
2	Pricing reflects customer value — prices are set based on the quantified value the product or service delivers to customers rather than solely on the cost to produce plus a target	1	2	3	4	5
		Non-Ex	Ad Hoc	Dev	Estab	Best
3	Price segmentation exists — different customer segments, use cases, or tiers have different pricing that reflects their different willingness to pay and value received.	1	2	3	4	5
		Non-Ex	Ad Hoc	Dev	Estab	Best
4	Pricing authority is defined — it is clear who can set prices, who can offer discounts, what approval levels exist for non-standard pricing, and what guardrails prevent excessive	1	2	3	4	5
		Non-Ex	Ad Hoc	Dev	Estab	Best
5	Competitive pricing intelligence is gathered systematically — the organization monitors competitor pricing, packaging, and positioning to inform its own pricing strategy without blindly	1	2	3	4	5
		Non-Ex	Ad Hoc	Dev	Estab	Best

**SECTION A SCORE: Total: \_\_\_\_ / 25      Average: \_\_\_\_ / 5**

**QUESTIONS 6-10**

## Section B: Discount Management and Revenue Leakage

*How Much Revenue Are You Leaving on the Table Through Undisciplined Discounting?*

*Discounting is the silent margin killer. Uncontrolled discounting erodes pricing integrity, trains customers to negotiate harder, and destroys the relationship between list price and realized price. The System CFO measures discount depth, frequency, and justification to ensure that every discount is a deliberate value exchange — not a lazy path to closing a deal.*

**B. DISCOUNT MANAGEMENT AND REVENUE LEAKAGE**

6	Average discount depth is tracked by segment, product, and sales rep — the organization knows exactly how much it discounts from list price on average and which areas have the	1 Non-Ex	2 Ad Hoc	3 Dev	4 Estab	5 Best
7	Discount approval requires justification — discounts above a defined threshold require documented business rationale (competitive situation, strategic account, volume commitment)	1 Non-Ex	2 Ad Hoc	3 Dev	4 Estab	5 Best
8	Revenue leakage is quantified — the organization calculates the total revenue difference between list price and realized price, identifying the annual dollar impact of discounting	1 Non-Ex	2 Ad Hoc	3 Dev	4 Estab	5 Best
9	Non-price concessions are tracked — extended payment terms, additional services, custom features, or other concessions that reduce deal profitability are captured and included in	1 Non-Ex	2 Ad Hoc	3 Dev	4 Estab	5 Best
10	Win/loss analysis includes pricing — when deals are won or lost, the pricing component is analyzed to understand whether pricing was a factor and whether discounting actually	1 Non-Ex	2 Ad Hoc	3 Dev	4 Estab	5 Best

**SECTION B SCORE: Total: \_\_\_\_ / 25      Average: \_\_\_\_ / 5**



**QUESTIONS 11-15**

## Section C: Margin Architecture and Profitability Analysis

*Do You Understand Your Margin Structure at Every Level — Product, Customer, Channel?*

*Blended margins hide the truth. An overall gross margin of 60% may include 80% margin products subsidizing 20% margin products. A profitable customer portfolio may include deeply unprofitable accounts. The System CFO deconstructs margin at every level — product, customer, channel, geography — to identify where value is created and where it is destroyed.*

**C. MARGIN ARCHITECTURE AND PROFITABILITY ANALYSIS**

11	Gross margin is calculated at the product or service level — the organization knows the true cost to deliver each product including direct labor, materials, hosting, and support, not	1 Non-Ex	2 Ad Hoc	3 Dev	4 Estab	5 Best
12	Customer-level profitability is calculated for key accounts — the fully loaded cost to acquire, serve, and retain each major customer is known, and unprofitable customers are identified	1 Non-Ex	2 Ad Hoc	3 Dev	4 Estab	5 Best
13	Contribution margin by channel is understood — the organization knows the margin impact of each go-to-market channel (direct, partner, marketplace) including channel-	1 Non-Ex	2 Ad Hoc	3 Dev	4 Estab	5 Best
14	Margin trends are monitored for erosion — the organization tracks margin by segment over time, with automated alerts when margins decline beyond acceptable thresholds, triggering	1 Non-Ex	2 Ad Hoc	3 Dev	4 Estab	5 Best
15	Pricing and margin analysis informs product and portfolio decisions — products with structurally low margins are evaluated for price increases, cost reduction, redesign, or	1 Non-Ex	2 Ad Hoc	3 Dev	4 Estab	5 Best

**SECTION C SCORE: Total: \_\_\_\_ / 25      Average: \_\_\_\_ / 5**



**QUESTIONS 16-20**

## Section D: Price Change Management and Market Testing

*Do You Change Prices Strategically — With Data, Communication, and Courage?*

*Price increases are the highest-anxiety activity in most organizations. Fear of customer backlash leads to years without price changes while costs rise, competitors adjust, and value increases. The System CFO builds a disciplined approach to price changes — testing before implementing, communicating value rather than apologizing for cost, and measuring elasticity to optimize the balance between price and volume.*

**D. PRICE CHANGE MANAGEMENT AND MARKET TESTING**

16	Price changes follow a structured process — including market analysis, elasticity estimation, competitive assessment, customer communication planning, and financial impact modeling	1 Non-Ex	2 Ad Hoc	3 Dev	4 Estab	5 Best
17	Price increases occur on a regular cadence — the organization reviews and adjusts pricing at least annually, rather than allowing years to pass between price changes and then	1 Non-Ex	2 Ad Hoc	3 Dev	4 Estab	5 Best
18	Price sensitivity is tested before full rollout — new pricing is tested with a subset of customers or prospects to measure actual demand response before committing to organization-wide	1 Non-Ex	2 Ad Hoc	3 Dev	4 Estab	5 Best
19	Customer communication for price changes is proactive and value-focused — increases are communicated with clear messaging about the value delivered, improvements made, and	1 Non-Ex	2 Ad Hoc	3 Dev	4 Estab	5 Best
20	The financial impact of price changes is measured post-implementation — the organization tracks volume changes, mix shifts, churn impact, and net revenue effect to validate	1 Non-Ex	2 Ad Hoc	3 Dev	4 Estab	5 Best

**SECTION D SCORE: Total: \_\_\_\_ / 25    Average: \_\_\_\_ / 5**

**OVERALL ASSESSMENT SCORE**  
 Section A: \_\_\_\_ / 25    Section B: \_\_\_\_ / 25    Section C: \_\_\_\_ / 25    Section D: \_\_\_\_ / 25    TOTAL: \_\_\_\_ / 100    AVG: \_\_\_\_ / 5

**GAP TO GOAL**

# Gap-to-Goal Action Plan

*Bridging the Gap — Pricing Strategy and Margin Architecture Diagnostic*

Transfer your five lowest-scoring questions. For each gap, define the target state, specific actions, owner, timeline, and success metric. Focus on highest-impact gaps first.

GAP #	Q REF	CURRENT	TARGET	SPECIFIC ACTION TO CLOSE GAP	OWNER	DEADLINE	METRIC
1	Q__	___/5	___/5	_____	_____	_____	_____
2	Q__	___/5	___/5	_____	_____	_____	_____
3	Q__	___/5	___/5	_____	_____	_____	_____
4	Q__	___/5	___/5	_____	_____	_____	_____
5	Q__	___/5	___/5	_____	_____	_____	_____

## ASSESSMENT SUMMARY

Completed by: \_\_\_\_\_ Date: \_\_\_\_\_

Overall average score: \_\_\_ / 5    Items scored 1-2 (critical): \_\_\_

Items scored 3 (developing): \_\_\_    Items scored 4-5 (strong): \_\_\_

Top strength: \_\_\_\_\_

Most critical gap: \_\_\_\_\_

One action this week: \_\_\_\_\_

## READY TO GO DEEPER?

This free assessment identified your gaps. The Premium System CFO Toolkits provide the frameworks, templates, and action plans to close them. Visit [EfuturesCFO.com](http://EfuturesCFO.com)





READY TO GO DEEPER?

## This Assessment Identified the Gaps. The Premium Toolkit Closes Them.

**PREMIUM: The Enterprise Value Driver Map (12 Pages)**

The full premium toolkit includes the seven-driver value assessment with deep pricing and margin analysis, revenue quality decomposition, competitive positioning evaluation, and the enterprise value bridge connecting pricing decisions to valuation impact.

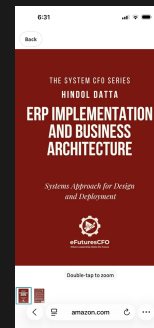
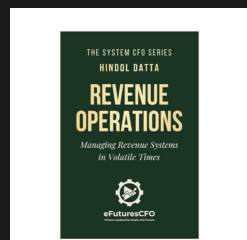
*Plus: Access the Super Exclusive 46-Page  
System CFO Organizational Finance Assessment Kit*

### ABOUT THE AUTHOR

## Hindol Datta

25+ years as CFO and VP Finance | \$150M+ in M&A | CPA, CMA, CIA, PMP, CPIM

Author of The System CFO Series | MS Analytics, Georgia Tech



**EfuturesCFO.com**

LinkedIn: Hindol Datta | YouTube: @efuturescfo

*Where Leadership Meets the Future*