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The Revenue Engine

Turning Disruption into Strength

What Smart CEOs are Doing Now to Strengthen Pricing Capability Amid Uncertainty

Executive Summary

- **Volatile swings in trade policy are exposing broad weaknesses in pricing capabilities.** Regardless of whether the impacts are felt in their own or in their partners' supply chain, many companies are (understandably) focusing on their short-term tariff response at the expense of their longer-term pricing strategy. However, the real threat is a dynamic new pricing environment where traditional approaches can't keep up.
- **Nearly 90% of industrial companies failed to realize planned price increases in 2024.** The root causes aren't external, they're internal: weak enablement, unclear governance, and reactive execution.
- **Most pricing systems aren't built for nonlinear risks, like rapid shifts in trade policy.** As a result, teams are delaying pricing strategy decisions not out of caution but confusion, leading to discount spikes, override creep, and margin erosion.
- **Leading CEOs are using this moment to level up pricing capabilities, not wait.** They're aligning teams on scenario plays, empowering faster decisions, and reestablishing clarity of pricing as a trust signal.
- **Pricing must now be a collective, organizational capability.** It needs to integrate strategy, sales, finance, and procurement around shared logic, dynamic triggers, and credible narratives.

This article outlines how to develop that capability, drawing on Blue Ridge Partner's pricing transformation framework and scenario modeling insights. It builds on the near-term recommendations in our 4 Pricing Strategies for Dealing with Potential Tariffs and Labor Shortages guidance, shifting from a short-term response to address a deeper challenge: how to **strengthen pricing capability itself.** Because if pricing teams continue to meet volatility with static tools, disconnected systems, and outdated cadences, they risk more than short-term disruption. They risk falling behind.

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Separating Trade Policy Shocks from Pricing Opportunity: Building Capability for What's Next

Many leadership teams are treating the rapid swings in trade policy as serious, but likely to blow over. The instinct is familiar: take tactical action, but otherwise wait for clarity and hope the system reverts to something recognizable.

That instinct is risky in a highly volatile world. Tariffs are a symptom but not the core story. What's emerging now is a structurally different operating environment: one in which pricing risk is not just about cost inputs or customer sensitivity, but about how quickly a company's internal processes and systems can respond to nonlinear disruptions (that is, rapid shifts in business conditions across several fundamental factors, such as supplier access, trade policy, or FX rates).

> Pricing is now exposed to disruptions that are not only more frequent, but more entangled

For decades, pricing strategy operated on the assumption that most variables affecting margin moved gradually within a forecastable band. If demand softened, discounts could be tuned. If input costs shifted, they could be passed through in annual (or less frequent) pricing efforts, or managed in isolation (e.g., using surcharges to handle fluctuation in fuel costs). The job of pricing was to adapt within a largely stable regime.

That's no longer the case, as companies that only recently navigated the disruptions of COVID and inflation spikes are finding out. Pricing is now exposed to disruptions that are not only more frequent, but more entangled, with tariffs, FX swings, supplier exits, and customer-side recalibrations happening simultaneously. These shocks don't hit in isolation; they interact across functions, triggering overrides, eroding buyer trust, and distorting forecasts, often before teams can surface the cause.

In this world, understanding and preparing for more complex scenarios is no longer optional or episodic. It must become a core operational discipline. The job isn't to predict precise outcomes, but to anticipate the shape of change and align pricing, sales, finance, and procurement around shared response paths. That adaptation must happen at the speed of today's commercial reality.

An example of a tool to accelerate decision readiness under nonlinear change is ArcSyne's Bayesian reasoning engine. We teamed with ArcSyne to develop the insights in this article, developing scenarios based on signals from a rapidly evolving tariff regime, along with modeled downstream GTM, pricing and procurement implications. This work has revealed not only the risk of focusing exclusively on tariff response at the expense of pricing strategy, but also the deeper need for pricing capability that adapts dynamically to long-term shifts underway.

Pricing Capability as a System

In most companies, pricing still lives between functions. Product or marketing leads it, finance controls it, sales communicates and negotiates it with buyers, procurement navigates sourcing based on it, and strategy checks in occasionally. That division (or variations on it) worked when pricing was anchored in historical market norms or cost models. It may not have been efficient, but it didn't break.

That structure no longer holds. In a world defined by rapid change and complex interplay across trade policy and economic conditions, pricing must function as a system. Risks now hit across domains all at once: cost volatility, sales friction (due to gaps in enablement), trust erosion (as reps improvise messaging and exceptions), and forecast instability. Any disconnect between functions becomes a margin leak. And by the time it shows up in reporting, the damage is done.

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What pricing capability requires now is alignment. Organizations need shared assumptions about how volatility evolves and what each function must do. That means pre-defined pricing plays, governance of overrides and escalations pre-wired to scenarios, and messaging that unites price, margin, and trust under one signal system.

> Too many teams assume they've paused pricing strategy beyond tariff response out of strategic caution. In reality, they're drifting

Too many teams assume they've paused pricing strategy beyond tariff response out of strategic caution. In reality, they're drifting. Pricing decisions are delayed not because of planning, but because functions lack the confidence to act. That delay erodes both margin and credibility.

The Blue Ridge pricing transformation framework outlines ten levers that remain the most proven roadmap for building pricing capability under pressure. Structured into three imperatives – **Set the Price, Get the Price, and Manage the Price** – these levers include defining segment-level strategy, aligning packaging and bundling to buyer needs, building price ladders by exposure tier, and activating governance around quoting, discounting, and overrides. They also support renewal plays, customer migration, and field enablement, all tied to dynamic data systems that keep pricing aligned to evolving market signals.

Root Causes of Pricing Capability Shortfalls

Most companies aren't applying all the pricing levers available to them. Recent research from Blue Ridge Partners shows that nearly 90% of industrial companies failed to realize the price increases they planned for 2024[1]. The causes were not customer resistance or macroeconomic headwinds. They were internal: weak sales enablement, unstructured negotiations, and poor visibility into price realization. In a volatile market environment, those same weaknesses are likely to compound. Execution gaps that were manageable in a stable market are now becoming structural liabilities.

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The issue is only likely to get worse. In ArcSyne's analysis of more than 150 earnings calls since mid-April, a clear pattern emerged: teams are reactive, and sales enablement can't keep up with the moment. In many cases, procurement is now leading the conversation, while commercial teams improvise in response.

Pricing doesn't fail all at once. It frays (quietly) until the CFO sees it in the P&L or the customer stops responding. The first sign is usually messaging drift. Reps, caught off guard, start discounting without a shared narrative or coordinated plan. Then comes override escalation. Discounts spike in tariff-exposed SKUs or volatile segments. Soon, the breakdown spreads. Buyer trust fades and forecasts slip. What began as drift becomes a system failure. By then, it's not a pricing issue. It's a failure of leadership.

Some firms, however, are beginning to shift. They're aligning escalation guidelines to an understanding of which scenario they are in and communicating price adjustments as structured and credible.

Pricing power still exists. But it must now be earned through clarity, coherence, and discipline. Companies that build it now will become stronger in this world of uncertainty: more trusted, more resilient, and better equipped to lead.

Is your pricing system aligned, responsive, and ready for volatility or quietly drifting under pressure? Check out this diagnostic for questions CEOs can ask their teams.

1. Blue Ridge Partners, "Industrial Pricing Power in 2025: Overcoming Execution Challenges to Drive Growth"

What Forward-Thinking CEOs Are Doing Now

The most effective CEOs see the tariff rollercoaster as an opportunity to address newly exposed pricing system weaknesses and act before volatility becomes contraction. They see this as a moment to strengthen capability when others are likely to stumble.

Their first move is alignment. In volatile environments, functions receive conflicting signals – sales sees buyer hesitation, procurement sees cost exposure, finance sees margin wobble. These leaders bring teams back to a shared scenario model, anchoring messaging, pricing posture, and governance to a common logic. They don't rely on perfect forecasts; they work from structured plays that flex with external signals while keeping intent intact.

They're also changing cadence. Pricing updates are no longer annual. Instead, they are reviewed in-year and can be triggered based on scenario shifts. Override reviews are mapped by SKU exposure. Strategic account playbooks are refreshed quarterly. Margin accountability is rising, from the deal desk to the ELT.

More importantly, they shift the posture. These CEOs give their teams permission to act. Pricing becomes a trust signal: structured, credible, and reinforced by consistent messaging that is guided by scenarios. It stabilizes the field, reassures customers, and projects internal coherence when the environment doesn't.

Check this out for more action steps CEOs can take now.

Resetting Pricing Capabilities Under Pressure

Pricing now needs a reset of capabilities, not just a tariff response. For too long, pricing has been treated as a one-time project -built, deployed, and forgotten when negotiations heat up. That mindset is no longer tenable.

Leading firms aren't waiting for trade policy to stabilize. They're using this moment to clarify pricing logic, streamline decision rights, and rebuild customer trust. That starts with a clear view of where their pricing system stands, and for many, that view will be uncomfortable.

The diagnostic to assess Pricing Readiness for Disruptions offers a fast way to evaluate that reality. It assesses a range of critical dimensions: visibility, pricing cadence, an understanding of market dynamics under different scenarios, field enablement, exception logic, cross-functional alignment, process agility and scenario responsiveness. In our experience, firms that haven't recently completed a pricing transformation fall short on at least one, if not several of these.

That gap isn't failure. It's focus. The real question is whether leadership is ready to take ownership of a reset.

That reset doesn't require a full transformation overnight. It starts with short-cycle pricing sprints, clean escalation thresholds, messaging that reflects buyer-side volatility, and internal alignment on how margin should be defended.

Blue Ridge Partners supports these resets with a structured set of levers built for high-volatility environments. ArcSyne's scenario development engine provides the dynamic context which shows when pricing decisions need to shift based on external signals, without waiting for conditions to settle.

Most companies will wait. A few will lead. The difference will show up in margins and in boardrooms before the year is over.

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ACTION STEPS FOR THE CEO:

Building Pricing Readiness for Disruptions Now

The organizations that will emerge stronger from this volatility cycle won't be the ones with the "best" pricing model. They'll be the ones with the most cohesive and dynamic pricing strategy and capabilities.

That means building the muscle to respond quickly – not just once, but repeatedly – across sales, finance, procurement, and product. Pricing capability now means treating pricing as a system-wide discipline: scenario-informed, margin-conscious, and coordinated under pressure.

Here's what that looks like:

- **Build scenario intelligence [2] into pricing processes.** Pricing teams should work from a shared map of likely scenarios – not last quarter's cost curves.
- **Establish playbooks for pricing under different market conditions.** Pricing shouldn't be reinvented every time volatility hits. Having scenario-specific plays in place allows your team to act with speed.
- **Track overrides by pattern, not just policy.** Monitor where discounting spikes, and tie it to scenario exposure – not just rep discretion.
- **Equip the field with pricing narratives that build trust.** Reps need tools to explain volatility-linked pricing as credible and consistent – not arbitrary or opportunistic.
- **Align pricing cadence with market volatility.** Pricing shouldn't be annual. It should refresh on a rhythm – calibrated to market signals and scenario shifts.

Pricing capability isn't built in one project. It's exercised in moments like this – and shaped by how well the system responds under stress.

2. Scenario intelligence is the organizational ability to continuously re-align strategic thinking and action in response to a changing reality – especially when that reality breaks prior assumptions.

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DIAGNOSTIC: Are Your Pricing Capabilities Ready for Disruptions?

HOW TO USE: This 5-minute check is designed for CEOs, CFOs, and pricing/GTM leaders. Each "No" or "Not Sure" signals a potential exposure point under conditions of rapid market change.

SCORING GUIDANCE

8-9 "YES" = Strong baseline. Refine and stress-test.
6-7 "YES" = Key gaps. Consider targeted upgrades to pricing capabilities to drive resilience
5 or fewer "YES" = High risk of pricing drift under volatility. Immediate attention recommended.

	Signal & Scenario Awareness: *Can your pricing system detect what's changing — and anticipate what it means?*	Yes	Not Sure	No
1	Do you have visibility into the external signals (e.g., FX, input costs, tariff shifts, buyer behavior) most likely to affect your pricing posture in the next 90–180 days?	☐	☐	☐
2	Have you defined 2–3 plausible future scenarios that could impact how you price, package, or communicate value to customers?	☐	☐	☐
3	Do your pricing, product, and finance teams share a common view of how those scenarios would shape pricing decisions?	☐	☐	☐

	Pricing Execution Readiness: *Can your organization respond quickly — with clarity and consistency — when volatility hits?*	Yes	Not Sure	No
4	Are there predefined pricing plays tied to specific scenarios (e.g., when to hold, adjust, or repackage)?	☐	☐	☐
5	Do you have the ability to implement pricing changes within a 30-day window — including systems, approvals, and messaging?	☐	☐	☐
6	Is your sales team equipped with a messaging toolkit to explain pricing moves tied to external events (e.g., surcharges, scarcity, discount withdrawal)?	☐	☐	☐

	Cross-Functional Alignment & Governance: *Is your pricing system coordinated across GTM, finance, and procurement — or operating in silos?*	Yes	Not Sure	No
7	Do pricing decisions involve clearly defined roles across sales, finance, and product — with escalation paths that don't create drag?	☐	☐	☐
8	Are pricing overrides monitored for pattern shifts that reflect volatility, not just deal-specific pressure?	☐	☐	☐
9	When conditions change, does your organization adjust pricing strategy intentionally — or default to reactive improvisation?	☐	☐	☐

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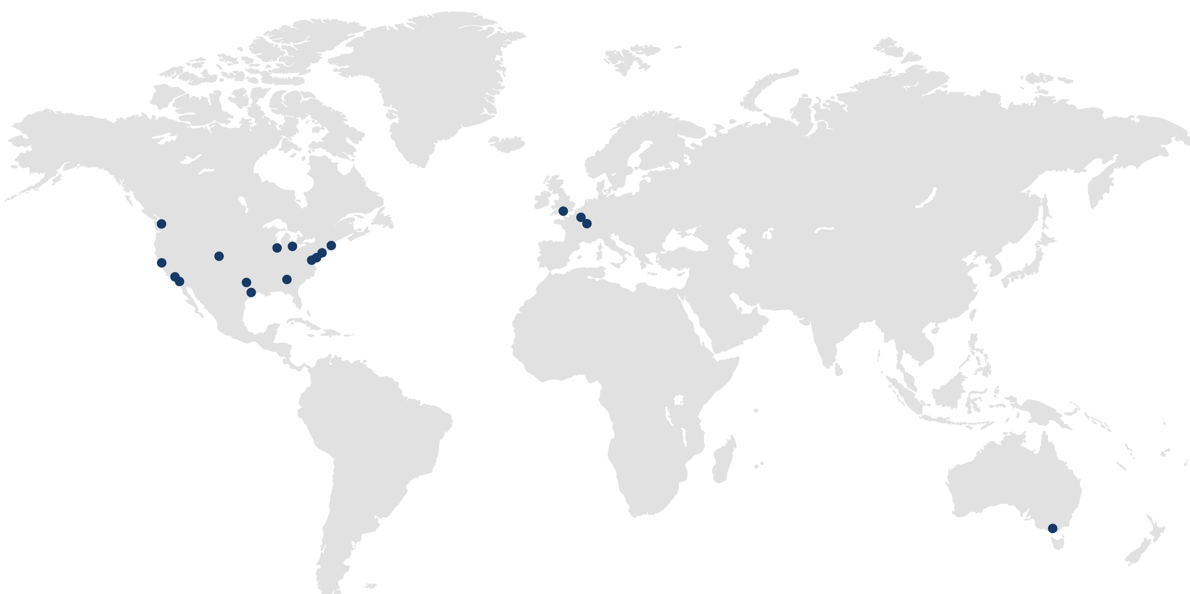
Why Blue Ridge Partners?

Blue Ridge Partners is recognized as the most experienced, impactful and respected firm that is exclusively focused on helping companies accelerate profitable revenue growth. We have worked with over 1,300 companies worldwide on commercial model transitions, strategic pricing engagements and due diligence assignments. We are known for rolling up our sleeves, being pragmatic in our analyses and delivering tangible results that focus on the "how" of execution. Based on our significant experience we have amassed extensive knowledge of the issues that affect revenue performance.

For further information please contact us at info@blueridgepartners.com or visit us at www.blueridgepartners.com.

Our Locations



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