



# How to Budget for Your 2027 Price Increases

## Executive Summary

*For the fifth consecutive year, Blue Ridge Partners has surveyed company CXOs to understand their current plans to raise prices in 2027. This report is intended to help CEOs, CFOs, and boards forecast their own price increases as part of 2027 planning and budgeting.*

## Key Findings:

- Despite Middle East supply chain and AI market disruptions, price increases implemented in 2026 were widely successful, with only 7% of companies reporting unsuccessful results. As in previous years, companies that pushed larger price increases reported the same or less market pushback than those with lower increases.
- Revenue growth expectations vary by sector. Software companies are projecting materially higher revenue growth in 2027 compared to 2026, increasing to a median of 12% from 7% last year. Business services companies expect an increase to 8% from 6% last year, while industrial companies project a slight reduction in growth to 6% from 7%.
- CXOs are currently planning a 4-5% price increase next year with only modest variance across sectors, company sizes, and geographies.
- Many business services and industrial companies estimate a bigger increase in 2027 costs than they plan to cover through price increases which would cause a margin decline if more aggressive pricing actions are not taken.
- Industrials companies plan to roll back most of the 2026 price increases they passed on directly in response to Persian Gulf-driven cost spikes, potentially giving back more than necessary.
- Five pricing enablement programs are key to successful execution. Software CXOs estimate that implementing all five could generate 6.7% in incremental revenue growth, yet only 7% of software companies currently have all five in place.
- 50-60% of companies across all sectors, regions and sizes plan to conduct a significant pricing optimization initiative in 2027.



## About the Survey

In August 2026, Blue Ridge Partners surveyed 255 CXOs from software, industrial, and business services companies in the US and Europe with revenue between \$100M and \$5B (and equivalent € and £ ranges). 57% of respondents were CEOs or CFOs, and 43% were COOs, CMOs, and CROs. Respondents were evenly distributed among the three sectors as well as three company size tiers: Small (\$100M - \$499M), Medium (\$500M - \$999M), and Large (\$1B - \$5B).

### What REVENUE GROWTH are you forecasting for 2027 over 2026?

| SECTOR                                                                            |                          | All    | Large  | Medium | Small  | US     | Europe |
|-----------------------------------------------------------------------------------|--------------------------|--------|--------|--------|--------|--------|--------|
|  | <b>Software</b>          | MEDIAN | 12.0 % | 8.0%   | 10.0%  | 20.0%  | 8.0%   |
|                                                                                   |                          | MEAN   | 18.4 % | 9.8 %  | 20.8 % | 23.7 % | 16.0%  |
|  | <b>Business Services</b> | MEDIAN | 8.0%   | 6.0%   | 8.0%   | 8.0%   | 6.0%   |
|                                                                                   |                          | MEAN   | 9.9%   | 9.3 %  | 9.0%   | 11.5%  | 7.7 %  |
|  | <b>Industrial</b>        | MEDIAN | 6.0%   | 6.5%   | 7.0%   | 5.0%   | 7.0%   |
|                                                                                   |                          | MEAN   | 9.0%   | 7.5 %  | 7.6 %  | 12.2 % | 9.5%   |

Small (\$100M - \$499M) Medium (\$500M - \$999M) Large (\$1B - \$5B) and equivalent € and £ ranges

### What average PRICE INCREASE or DECREASE are you currently projecting for 2027?

| SECTOR                                                                              |                          | All    | Large | Medium | Small | US    | Europe |
|-------------------------------------------------------------------------------------|--------------------------|--------|-------|--------|-------|-------|--------|
|    | <b>Software</b>          | MEDIAN | 5.0%  | 5.0%   | 5.0%  | 5.0%  | 5.0%   |
|                                                                                     |                          | MEAN   | 6.2 % | 4.4 %  | 5.2%  | 8.9 % | 6.9 %  |
|  | <b>Business Services</b> | MEDIAN | 5.0%  | 4.0%   | 5.0%  | 5.0%  | 4.5%   |
|                                                                                     |                          | MEAN   | 5.1%  | 4.1%   | 5.6%  | 5.6%  | 4.7%   |
|  | <b>Industrial</b>        | MEDIAN | 4.0%  | 4.0%   | 4.0%  | 4.0%  | 4.0%   |
|                                                                                     |                          | MEAN   | 4.5%  | 5.0%   | 4.2 % | 4.2 % | 4.5 %  |

Small (\$100M - \$499M) Medium (\$500M - \$999M) Large (\$1B - \$5B) and equivalent € and £ ranges

We also asked CXOs what they expected the key drivers of 2027 top line growth to be, excluding M&A. Go-to-market (GTM) improvements were the largest category, of which commercial productivity driven by AI was the most significant, followed by improved channel performance. Pricing is expected to drive 11% of revenue growth.

### Key drivers of 2027 top line growth (% of 2027 growth driven by this factor)

GTM improvements (sales productivity, AI, channel, churn)



New products, markets



Market growth tailwinds



More leads, more sales headcount



Price increases



0% 10% 20% 30% 40%

Understanding what CXOs believe will most impact 2027 revenue growth is important to planning and forecasting accuracy. We asked CXOs an open-ended question about what keeps them awake at night regarding their company's revenue growth performance. Their top five responses were categorized as follows:

|   | Software                                           | Business Services                                  | Industrials                                 |
|---|----------------------------------------------------|----------------------------------------------------|---------------------------------------------|
| 1 | AI disruption                                      | AI disruption                                      | Macro / geopolitical / economic uncertainty |
| 2 | Competitive pressure / market share                | Competitive pressure / market share                | Competitive pressure / market share         |
| 3 | Sales execution / productivity / GTM effectiveness | Customer concentration / churn / retention         | Supply chain / input costs                  |
| 4 | Macro / geopolitical / economic uncertainty        | Macro / geopolitical / economic uncertainty        | Demand softness / buying delays             |
| 5 | New product / innovation                           | Sales execution / productivity / GTM effectiveness | Talent / labor / hiring                     |



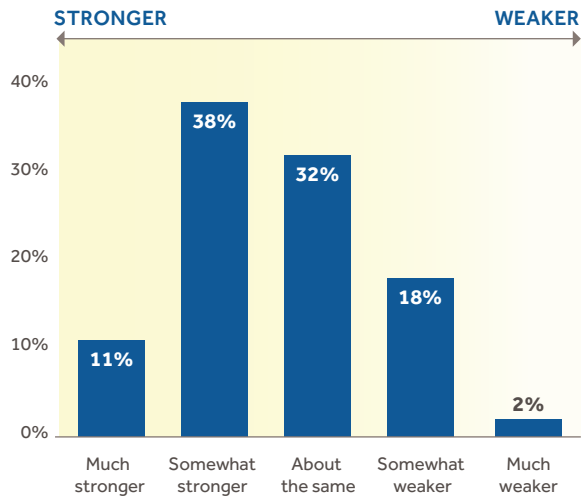
## Software

Software CXOs are more bullish about 2027 than they were about 2026. Our survey of software firms highlighted some key findings:

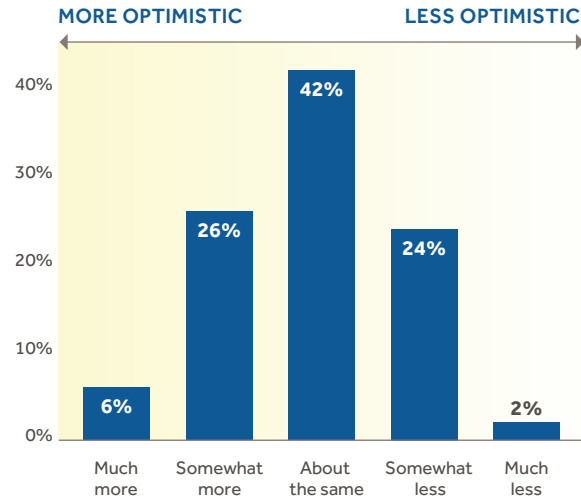
- Overall, software companies are currently projecting 12% revenue growth in 2027, compared to 7% a year ago, with higher growth for medium and smaller companies and slightly higher growth in the US than Europe.
- Software companies are planning on a median 5% price increase in 2027, up slightly from 4% in 2026. Price increases implemented in 2026 were viewed as very successful, and as we consistently see, software companies that pushed larger price increases reported the same or less market pushback than those with lower increases.
- Over the next 2 years, 18% of software companies expect to switch away from user-based pricing and an equal 18% expect to switch to outcome-based pricing metrics. 55% of software companies currently use either hybrid or consumption-based pricing metrics and this is not expected to change over the next 2 years.
- Only 1% of software companies say they are fully monetizing the AI functionality in their products ([see Blue Ridge Partner's research, The Five Keys to AI Pricing](#)) and 75% do not have an AI pricing enablement program for the commercial team. 60% of software companies plan to conduct a significant pricing optimization initiative in 2027.
- The key to pricing execution success is five pricing enablement programs for the commercial team. Software CXOs estimate that executing all five of these programs would generate an incremental 6.7% in revenue growth. While most companies have at least one of these programs, only 7% have all five in place.

Software companies are somewhat more optimistic about 2027 economic strength than 2026, with little change in these views over the past 90 days.

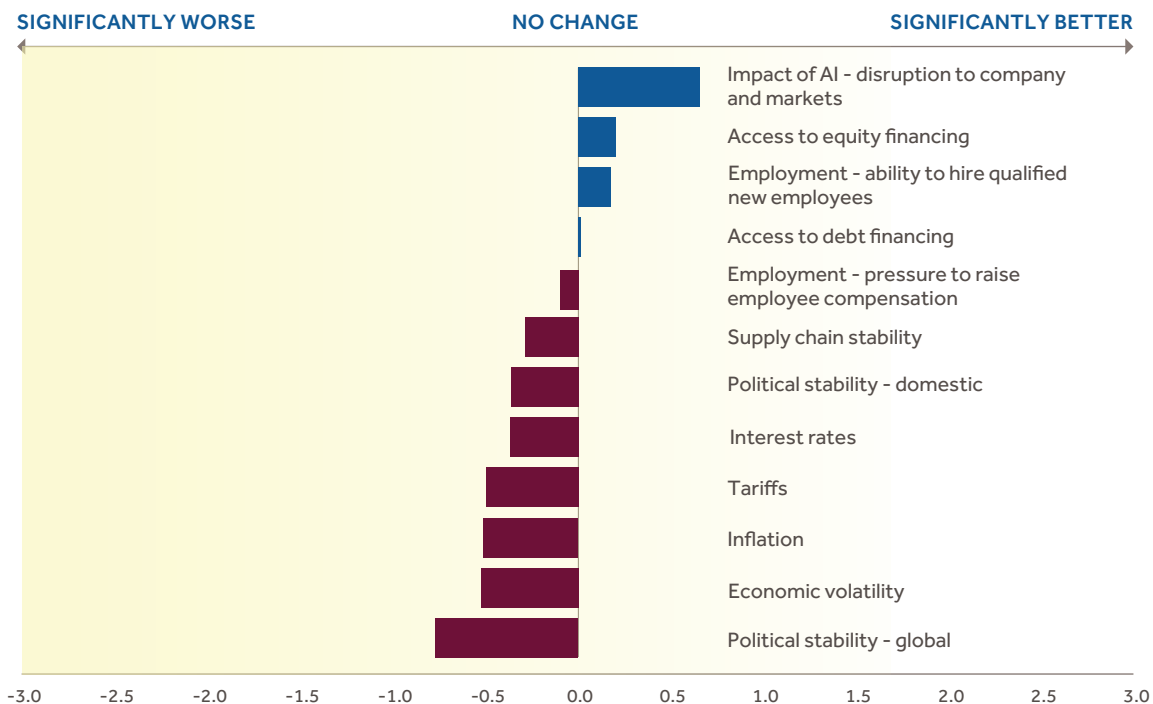
**How much stronger or weaker do you anticipate the economy will be in 2027 versus 2026, considering economic trends which are relevant to your business?**



**How has your confidence in the economy changed in the last 90 days?**

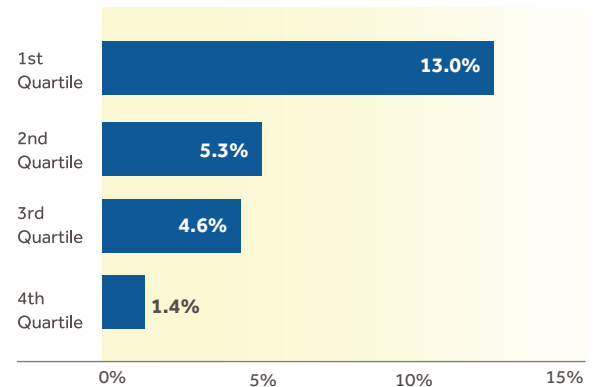


**How have macroeconomic factors changed for your company in the past 90 days?**

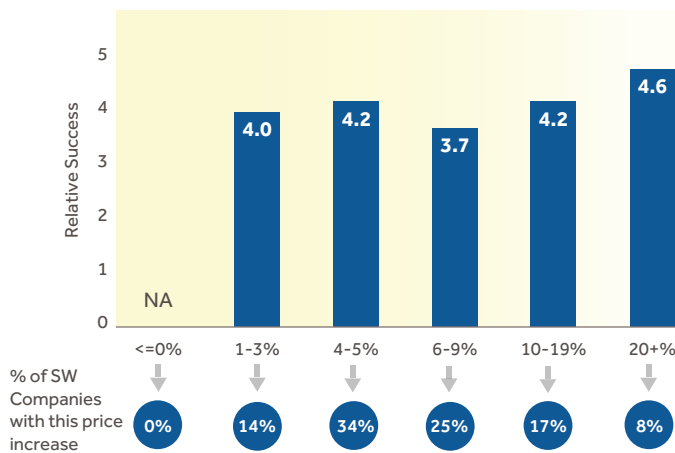


There continues to be a wide gap between software companies pushing price increases more aggressively and those that are falling behind. Software companies with higher 2026 price increases did not see more negative market pushback.

**What average price increase or decrease are you currently projecting for 2027? (average by quartile)**



**Relative Success of 2026 Price Increase (1-5 scale)**



**5 Very Successful**

Little-to-no market/customer negative reaction and a very positive financial result

**4 Moderately Successful**

A small amount of market/customer negative reaction and a positive financial result

**3 Neither Successful nor Unsuccessful**

Some market/customer negative reaction and limited if any financial benefits

**2 Moderately Unsuccessful**

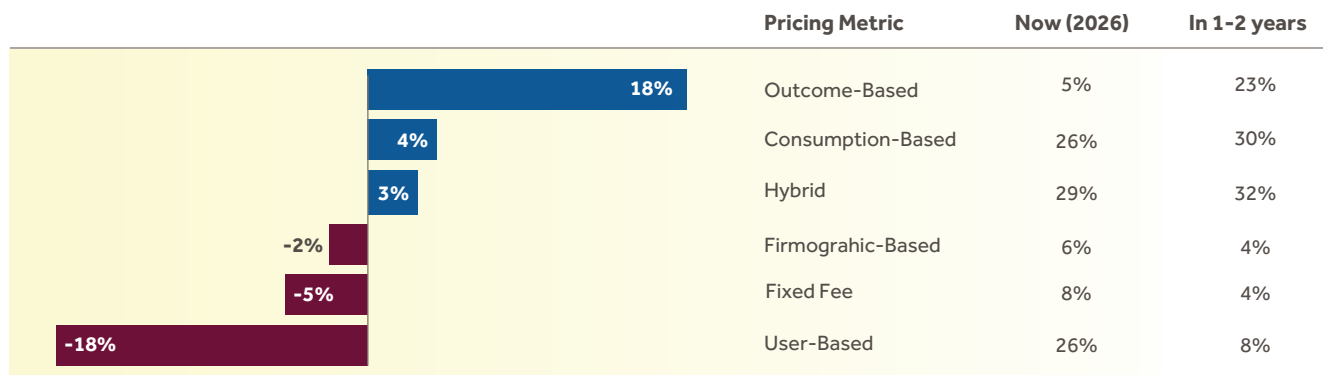
Considerable amount of market/customer negative reaction and a negative overall financial result

**1 Extremely Unsuccessful**

Significant market/customer negative reaction and a significant negative overall financial result

AI is accelerating the change in pricing metrics. As shown in the graphic below, user-based metrics are projected to decline sharply with outcome-based metrics increasing commensurately.

**Change in Expected Pricing Metric (2028 vs Today)**



In our experience with commercial execution of pricing programs, we recognize five pricing enablement tools/programs that have the biggest impact on price capture success. In the survey, **CXOs estimate that having all five pricing enablement tools would result in +6.7% incremental revenue growth.** While most software companies use some of these programs, very few are using all five.

**Pricing Enablement Tool/Program** (% of Companies now using this)

Pricing positioning for new customers

66%

Renewal price increase positioning for current customers

55%

Cross-selling pricing enablement tool

41%

Renewal upsell/cross-sell tool

38%

AI pricing training and tools

26%

**YES TO ALL FIVE**

7%

0% 10% 20% 30% 40% 50% 60% 70%



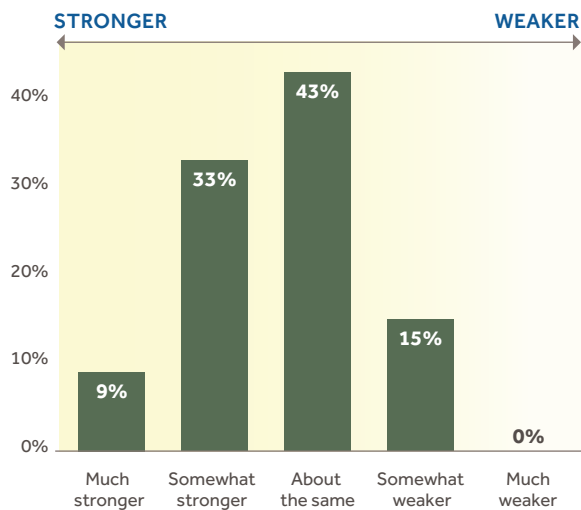
## Business Services

Business services CXOs are somewhat more bullish about 2027 than they were a year ago about 2026. Our survey of business services firms highlighted some key findings:

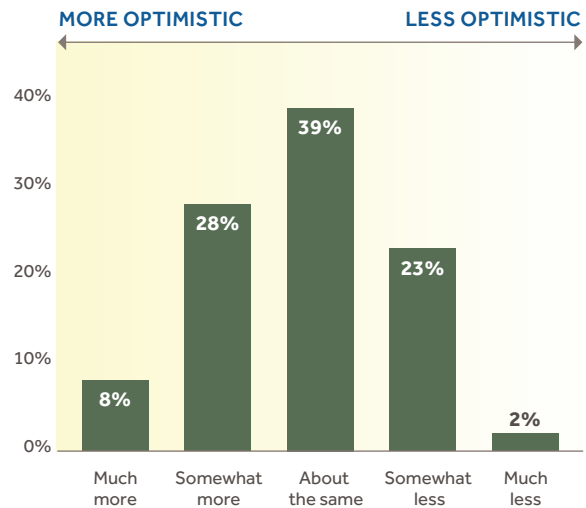
- Overall, business services firms are expecting 8% revenue growth with somewhat higher growth in the US than Europe.
- Business services firms are planning on a median 5% price increase in 2027, with little variation across firm size or geographic location. This is slightly below the expected 5.4% increase in their variable costs which would cause a margin decline if more aggressive pricing actions are not taken.
- AI has already reduced business services firms' delivery cost by 7% in 2026, with a 17% reduction expected in 2 years (2028). CXOs report that 29% of their customers are expecting these AI cost savings to result in some price reductions. Firms need a pricing strategy and positioning talk track to navigate these changes.
- Currently, about 24% of business services firms' revenue is based on outcome-based pricing structures. This is expected to increase modestly, to 27%, by 2028.

Business Services companies are somewhat more optimistic about 2027 economic strength than 2026, with little change in these views over the past 90 days.

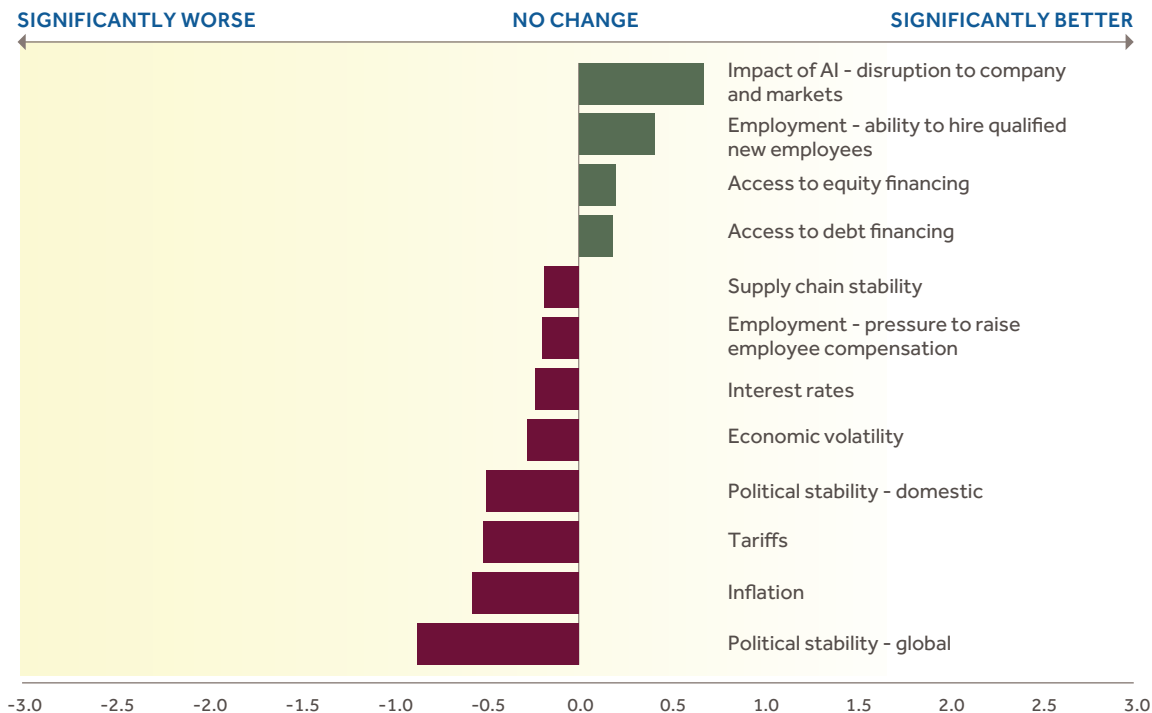
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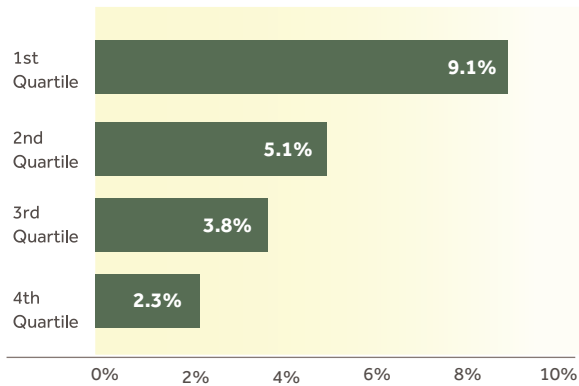
**How has your confidence in the economy changed in the last 90 days?**



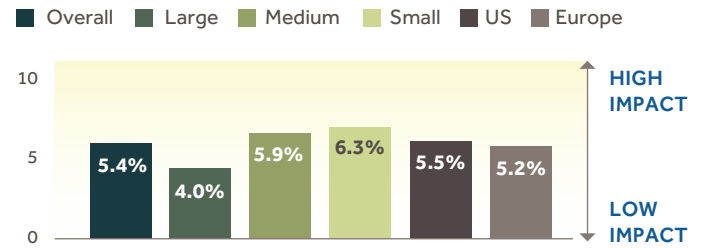
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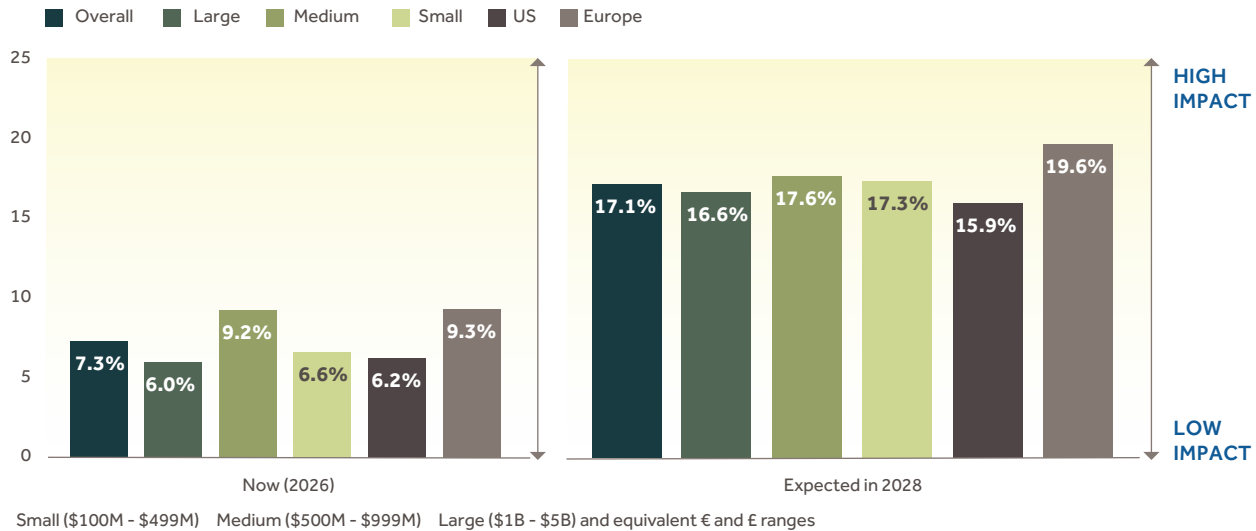
What average price increase or decrease are you currently projecting for 2027? (average by quartile)



How much do you expect your variable costs (e.g., labor, fuel, T&E) to increase in 2027 compared to 2026?



How much has AI reduced your cost to deliver services to your customers?





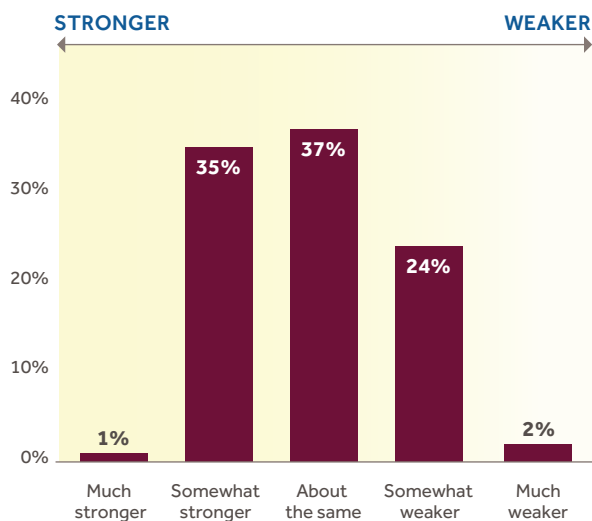
## Industrial

Industrial, manufacturing and distribution CXOs are slightly more bullish on 2027 than they were a year ago about 2026. Our survey of industrial firms highlighted some key findings:

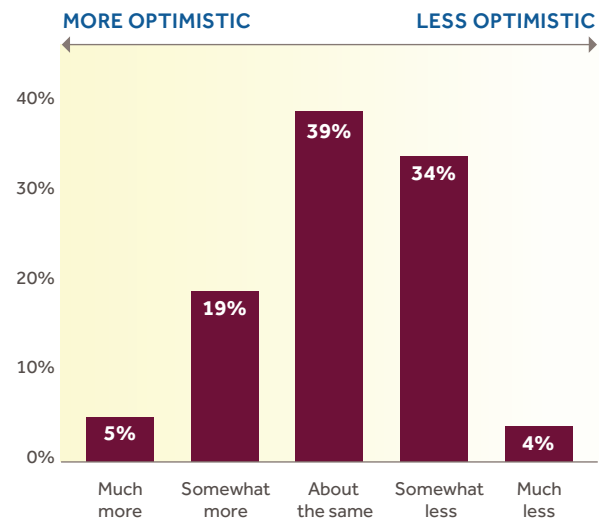
- Overall, industrial companies are expecting 6% revenue growth in 2027.
- Industrial companies are planning a median 4% price increase in 2027, with little variation across firm size or geographic location. This falls below their estimated COGS increases of 5.5% in the US and 4.3% in Europe, which would cause a margin decline if more aggressive pricing actions are not taken.
- In 2026, industrials companies increased prices by 4.7% directly in response to cost increases stemming from the Persian Gulf crisis, but they plan to give 4.4% of that back once the crisis winds down. There is likely an opportunity to maintain higher prices rather than giving so much back.

Industrial companies are slightly more optimistic about 2027 economic strength than 2026, although confidence in the economy is slightly more negative than 90 days ago.

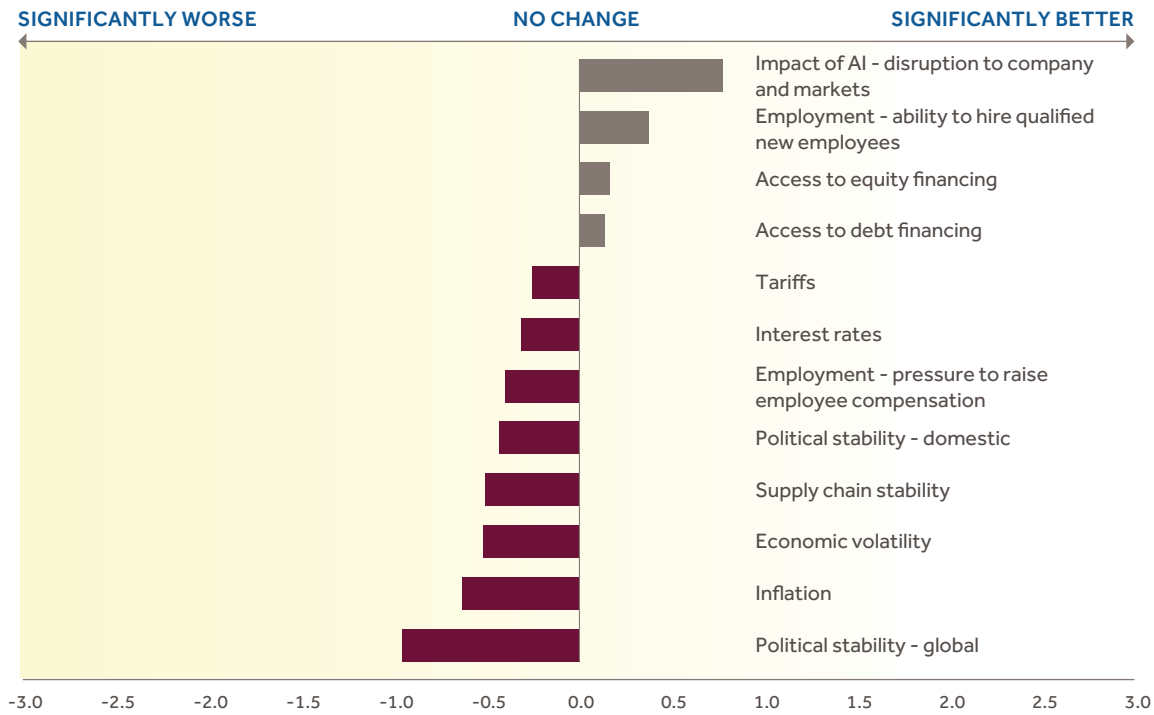
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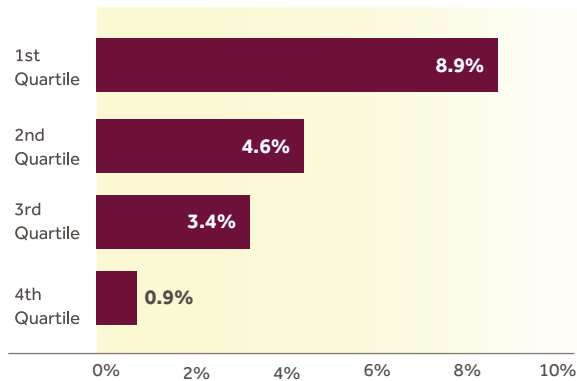
**How has your confidence in the economy changed in the last 90 days?**



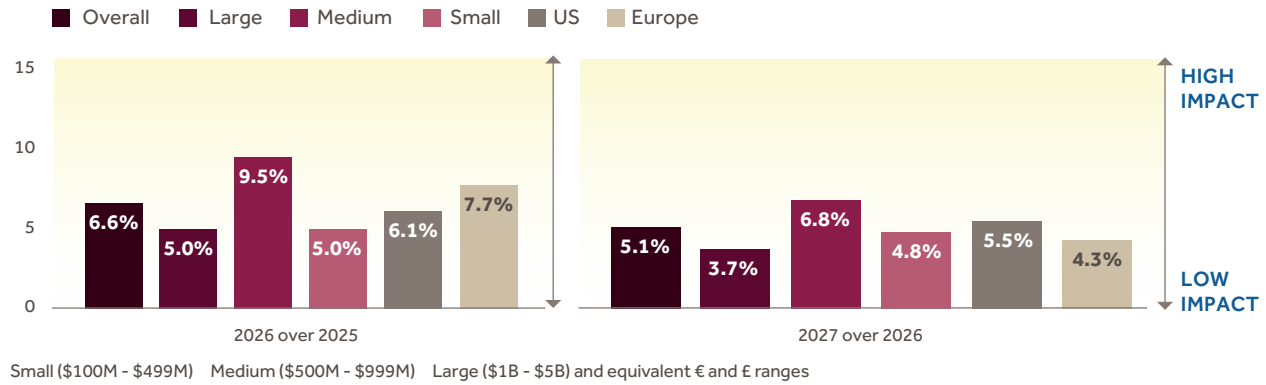
### How have macroeconomic factors changed for your company in the past 90 days?



### What average price increase or decrease are you currently projecting for 2027? (average by quartile)



### How much did your COGS increase from 2025 to 2026 and how much do you expect them increase in 2027?



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## About Blue Ridge Partners' Pricing Practice

We have extensive experience assisting software, industrial, business services, healthcare and consumer companies in the US and Europe to improve pricing performance, accelerate revenue growth, and expand margins and valuation. In addition to pricing strategy, structure, and list and discount price setting, we excel at enabling commercial teams to capture more of the pricing upside. We achieve this through a variety of pricing enablement programs focused on price capture, such as sales positioning of pricing changes, cross-selling, and migration programs supported by sales plays and account targeting, training, and other tools. For more information, contact us at [Pricing@BlueRidgePartners.com](mailto:Pricing@BlueRidgePartners.com).

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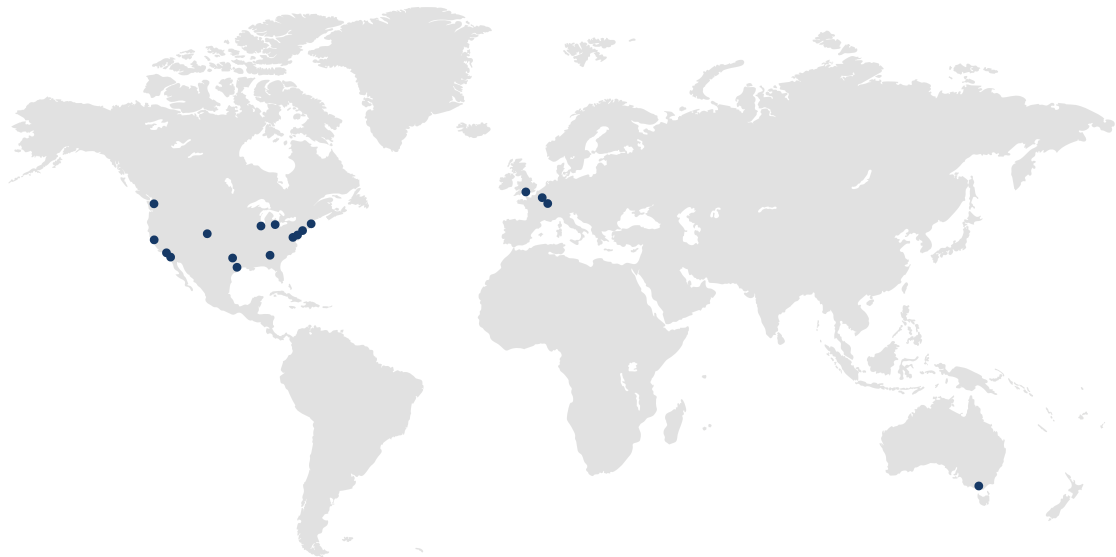
## Why Blue Ridge Partners?

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](mailto:info@blueridgepartners.com) or visit us at [www.blueridgepartners.com](http://www.blueridgepartners.com).

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