

Contact: Ann Marie Trebendis, Holden Advisors
978-405-0026
ATrebendis@HoldenAdvisors.com

Avoid the Pitfalls that Pilfer Profits in an Economic Downturn

Holden Advises Companies to Re-Evaluate Pricing Strategies to Weather Tough Times

CONCORD, MASS (PRWeb) – January 7, 2008 – Dr. Reed Holden, Founder of Holden Advisors, issued a statement today advising companies to guard against tactical pitfalls of slashing costs or lowering prices in an economic downturn. Alternatively, companies that re-evaluate their pricing strategies to protect their most valuable products and services can help insulate company profits from the damage of a downturn. Holden’s latest book, *Pricing with Confidence: 10 Ways to Stop Leaving Money on the Table*, details easy to understand steps companies can take to help improve profits and weather downturns.

“Cost cutting can only go so far and most firms are already thin. Pretty soon, you start cutting into the muscle of a company by eliminating or stunting those services and solutions that add value to customers,” states Holden.

Companies also go in the wrong direction by reducing their prices in order to sell more or hold onto their marketshare. “In doing so, they will accomplish two things--neither of them good,” warns Holden. “First, they will be using the wrong pricing approach or strategy during the current market cycle. In a mature/declining market the only pricing strategy should be a neutral one--that is don't drop prices to try to solve the problem. All that will do is cause price wars, eliminate profits and cause revenues to decline further. The second problem is that managers will reduce prices on their high value products and services rather than selling more low value products and services (think Nokia which is doing the latter and Motorola which is doing the former--with predictable results). When they do that, it causes the first problem to worsen and when markets begin to pick up, managers struggle to get prices of their high value products up again.”

For more information on what tactics to take during a market downturn, please see Dr. Holden’s new book, *Pricing with Confidence: 10 Ways to Stop Leaving Money on the Table*. The book is a comprehensive guide to creating value-based, competitive pricing strategies for finance, product, marketing, and sales managers. *Pricing with Confidence* is published by John Wiley & Sons February 2008. To learn more about the book, order a copy, and view upcoming seminars see: www.pricingwithconfidencebook.com.

Companies interested in learning more about Holden Advisors consulting services may contact Ann Marie Trebendis at annmarie@holdenadvisors.com.

About Holden Advisors Authors

Reed Holden and Mark Burton are cofounders of Holden Advisors www.holdenadvisors.com, a pricing consultancy that specializes in working across product, marketing, pricing and selling functions to improve pricing performance. Dr. Holden is an Adjunct Associate Professor at Columbia University. Mr. Burton and Dr. Holden have a long history of developing leading edge yet practical pricing processes for companies in a wide range of industries. They can be reached at: mburton@holdenadvisors.com and rholden@holdenadvisors.com.