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Pricing Review Procedure

1. Purpose

The purpose of this Pricing Review Procedure is to ensure that pricing for products, services, rentals, deposits, and associated charges remains fair, commercially sustainable, competitive, and aligned with operational costs and market conditions.

This procedure provides a structured process for reviewing and approving pricing changes across the business.

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2. Scope

This procedure applies to:

- Bottled spring water products
- Water cooler rental charges
- Plumbed-in (POU) cooler services
- Sanitisation and maintenance charges
- Delivery charges
- Consumables and accessories
- Deposits (coolers, stillages, bottle covers, bottle deposits)
- Contract and account pricing
- Promotional pricing and discounts

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3. Responsibilities

Management

Management is responsible for:

- Conducting pricing reviews
- Monitoring business costs and margins
- Approving pricing changes

- Ensuring customers receive appropriate notice of increases
- Maintaining pricing records

Finance / Administration

Finance or administration staff are responsible for:

- Updating price lists and systems
- Issuing revised quotations and customer notifications
- Maintaining records of historic pricing

Sales Team

The sales team is responsible for:

- Applying approved pricing only
- Reporting competitor activity and customer feedback
- Escalating requests for non-standard pricing approvals

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4. Triggers for a Pricing Review

A pricing review may be conducted due to:

- Annual scheduled review
- Increased supplier costs
- Fuel or transport cost increases
- Wage increases
- Inflationary pressures
- Utility cost increases
- Changes in taxation or legislation
- Changes in market conditions
- Reduced profitability
- Competitor pricing changes

- Significant operational cost increases
- Introduction of new products or services

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5. Pricing Review Process

Step 1 – Gather Financial Information

Management shall review:

- Product purchase costs
- Packaging costs
- Fuel and delivery costs
- Labour and wage costs
- Equipment maintenance costs
- Sanitisation/service costs
- Utility and overhead costs
- Current profit margins
- Customer account profitability
- Outstanding deposits and asset recovery costs

Step 2 – Market Review

The business may compare pricing against:

- Local competitors
- Industry averages
- Market conditions
- Customer expectations
- Service levels provided

Consideration should also be given to:

- Customer retention
- Service quality
- Delivery reliability
- Product quality
- Business sustainability

Step 3 – Determine Proposed Pricing Changes

Management shall determine:

- Percentage increases or decreases
- Revised product pricing
- Revised rental or service charges
- Deposit adjustments
- Contract pricing amendments
- Discount structure changes

Where possible, pricing increases should be reasonable, proportionate, and commercially justified.

Step 4 – Approval

All pricing changes must be approved by authorised management before implementation.

Approved pricing shall include:

- Effective date
- Products/services affected
- Customer groups affected
- Notice period required
- Any temporary promotional arrangements

Step 5 – Customer Communication

Customers shall be informed of pricing changes where applicable.

Notice should normally include:

- Effective date of the change
- Reason for the review (where appropriate)
- Revised pricing details
- Contact details for queries

Where contractual notice periods apply, these must be followed.

Step 6 – System Updates

Following approval:

- Price lists shall be updated
- Internal systems shall be amended
- Sales teams shall be informed
- Quotations and contracts shall reflect revised pricing
- Website or marketing material shall be updated where necessary

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6. Discounting and Non-Standard Pricing

Any non-standard pricing, discounts, or promotional offers must:

- Be approved by management
- Be recorded in writing
- Include review dates where appropriate
- Be commercially sustainable

Temporary discounts should include a defined expiry or review period.

7. Record Keeping

The business shall retain records of:

- Historic price lists
- Approved pricing reviews
- Customer notifications
- Cost analysis documents
- Margin calculations
- Discount approvals

Records should be retained in accordance with company document retention procedures.

8. Monitoring

Management shall monitor:

- Gross margins
- Customer profitability
- Competitor activity
- Customer feedback
- Fuel and supplier cost fluctuations
- Financial performance

Additional pricing reviews may be carried out where required.

9. Related Documents

This procedure should be read alongside:

- Customer Contracts
- Quotation Templates

- Finance Procedures
- Credit Control Procedures
- Deposits and Asset Recovery Policy

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10. Procedure Review

This procedure shall be reviewed annually or sooner if:

- Significant market changes occur
- Business operations change
- Regulatory requirements change
- Major supplier cost changes arise