

pricing without control

the growing risk to margins,
customers, and earnings

introduction

Most organizations believe they have pricing under control.
That assumption is being tested.

Inflation, cost volatility, competitive pressure, and shifting demand are seen as the primary forces determining pricing outcomes. In response, companies are adjusting prices more frequently, investing more time and attention, and elevating pricing decisions to the executive level.

Pricing has never been more active, more visible, or more important across the enterprise. It influences every transaction, every customer relationship, and ultimately every financial outcome. Yet despite this increased focus, many organizations struggle to maintain consistency, enforce governance, and clearly understand the financial impact of their pricing decisions. As a result, pricing is becoming a growing source of financial risk, not just a lever for performance.

To better understand how companies are navigating this environment, we surveyed 300 senior executives, including CEOs, CFOs, and CROs, across manufacturing and distribution organizations. The findings point to a clear and concerning reality: organizations are not failing to respond to volatility, but they are often doing so within fragmented systems, inconsistent processes, and loosely enforced governance structures.

The result is a widening gap between activity and control. Pricing is being managed but not controlled, and in an environment where pricing decisions directly shape margins, customer relationships, and earnings performance, that gap introduces risk that compounds over time and becomes increasingly difficult to contain.

300
senior executives
SURVEYED

CEOs • CFOs • CROs

across manufacturing & distribution organizations

volatility is driving pricing activity—but not pricing control

Economic pressure is clearly driving action. Pricing has become a constant lever, used repeatedly to respond to changing costs, competitive moves, and shifting demand. Organizations are actively adjusting and recalibrating.

Nearly every company is changing prices.

Only half feel in control of the outcome.

Yet this level of activity is not translating into control. Only half of executives express strong confidence in their ability to understand how pricing decisions are affecting margins. This suggests that while pricing is being actively managed, it is taking place across fragmented systems and processes, making it difficult to maintain consistency, enforce control, or ensure predictable financial outcomes.



99%

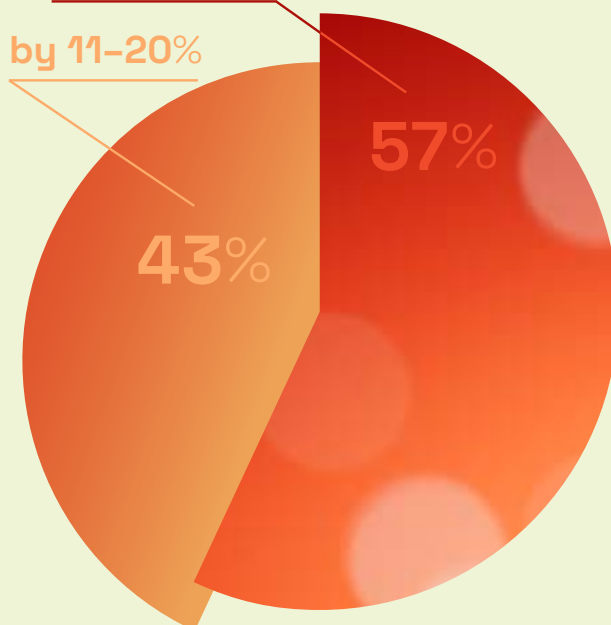
of companies
adjusted prices

in response to
**economic
volatility**

**companies
adjusted prices**

by 6–10%

by 11–20%



only 1 of 2

companies
are very
**confident in
their visibility**
into margin impact

pricing is accelerating, but introducing new instability

The cadence of pricing has fundamentally shifted. Adjustments that once occurred annually are now happening far more frequently as organizations attempt to keep pace with ongoing volatility.

Organizations that cannot keep up with this pace face increasing risk. Delayed pricing decisions can quickly lead to margin compression, misalignment with market conditions, and a weakened competitive position.

However, increased speed is not delivering greater stability. Nearly half of organizations report negative customer reactions, indicating that frequent pricing changes are introducing friction into customer relationships. Pricing is becoming more dynamic, but also more disruptive. This creates tension between responsiveness and consistency in the market.



pricing strategies are conflicting, and customers are responding

Organizations are taking divergent approaches to managing cost pressure. Some are passing increases through to customers, while others are absorbing costs to protect market position. In many cases, these approaches are being applied simultaneously.

This reflects a lack of alignment rather than a coordinated strategy. Pricing decisions are being made in response to immediate pressures instead of within a consistent framework.

Conflicting pricing decisions are driving measurable customer loss.

The impact is measurable. A majority of organizations report customer loss directly tied to pricing changes, suggesting that inconsistent or reactive pricing is not only affecting margins, but also eroding customer relationships.

62% 
report losing

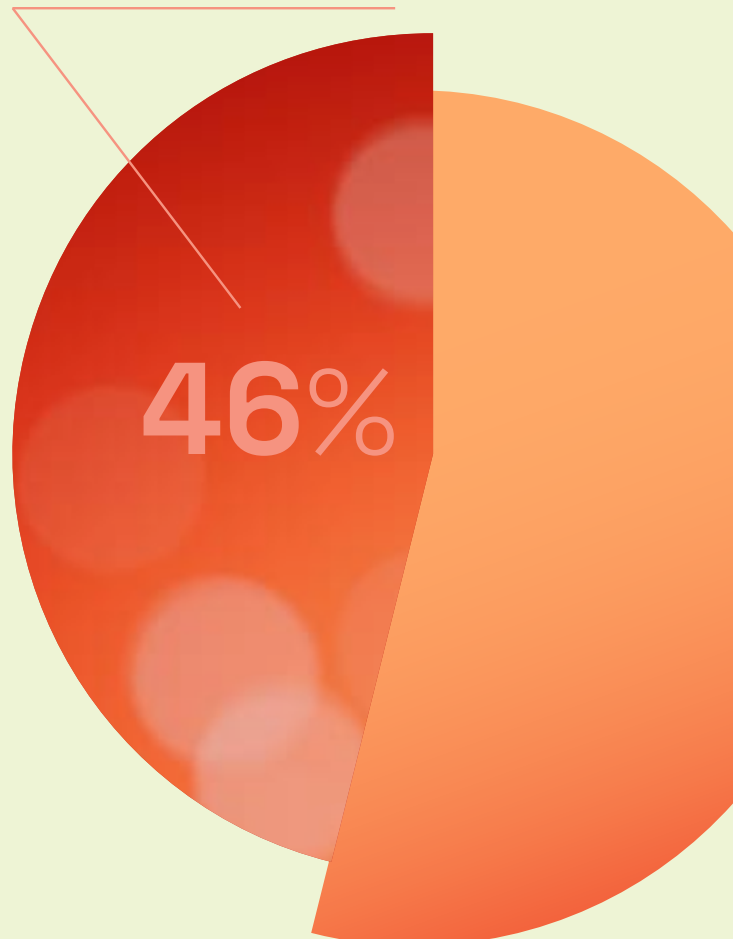
6-10%
of customers due
to pricing changes

46%

of companies are
passing cost increases
to the customer



companies
absorbing costs
to remain **competitive**



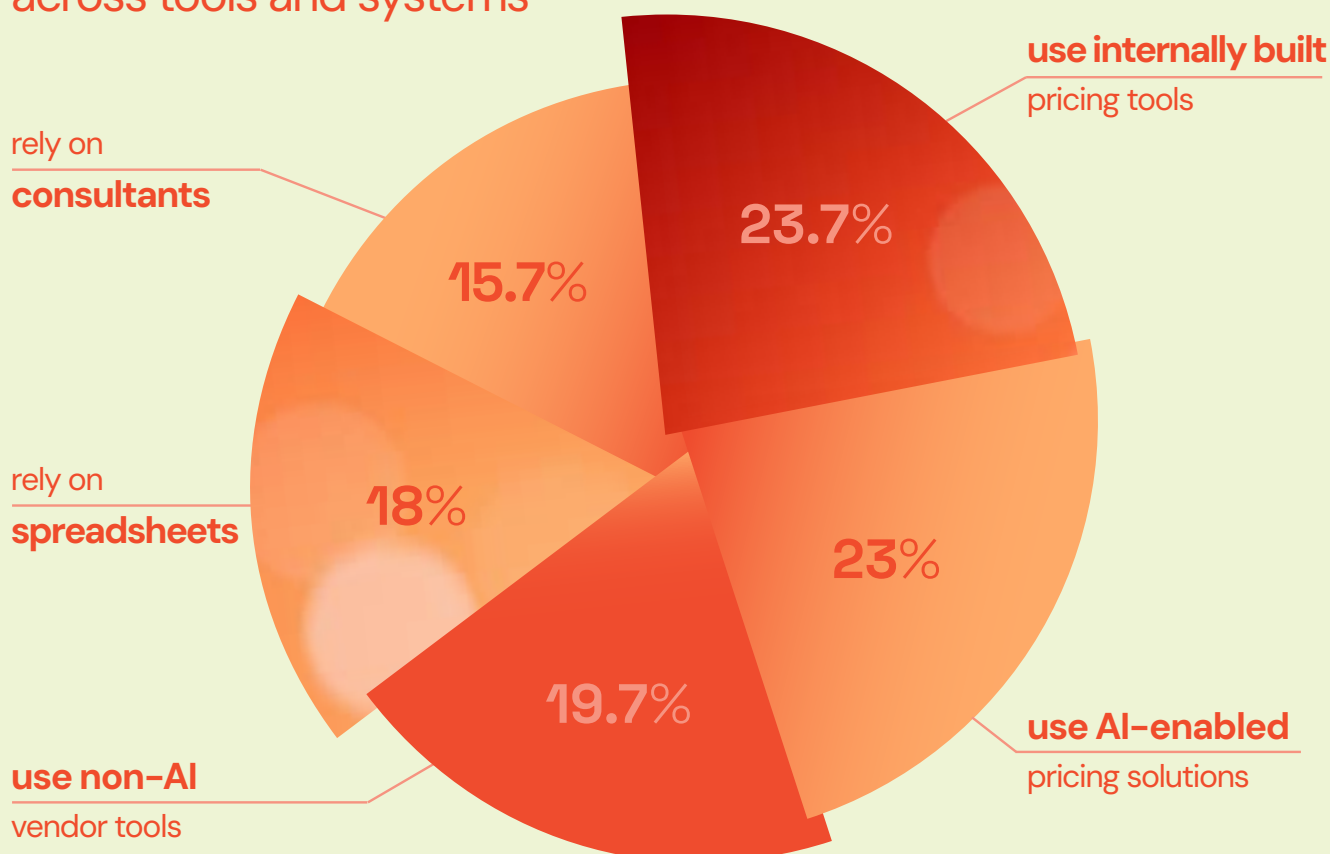
fragmented pricing environments are limiting leadership control

There is no standard system of record for pricing.

Instead, pricing decisions are distributed across a fragmented mix of tools, technologies, and manual processes. While some organizations are investing in advanced capabilities, others continue to rely on spreadsheets or external support.

This fragmentation makes consistent execution difficult. Without a unified approach, pricing decisions vary across teams, systems, and workflows. As a result, governance weakens and the organization's ability to enforce control at scale is limited.

Pricing execution is fragmented across tools and systems



margin leakage is visible, but not contained

Only 50% of executives report strong confidence in their visibility into margin loss.

Organizations can identify the sources of margin erosion, from competitive pressure to internal inconsistencies in execution. The drivers of margin leakage are not hidden.

**Margin leakage is not a
visibility problem.
It is a control problem.**

However, awareness is not translating into control. These issues reflect systemic challenges in how pricing is governed. Overrides, inconsistent discounting, and siloed decision-making are recurring patterns that weaken pricing discipline over time. Without stronger control mechanisms, these behaviors continue to accumulate and increase exposure to financial risk.



top sources of margin leakage

37% pricing wars

34% inconsistent
discounting

29% inconsistent
governance

27% siloed
decision-making

22% overrides

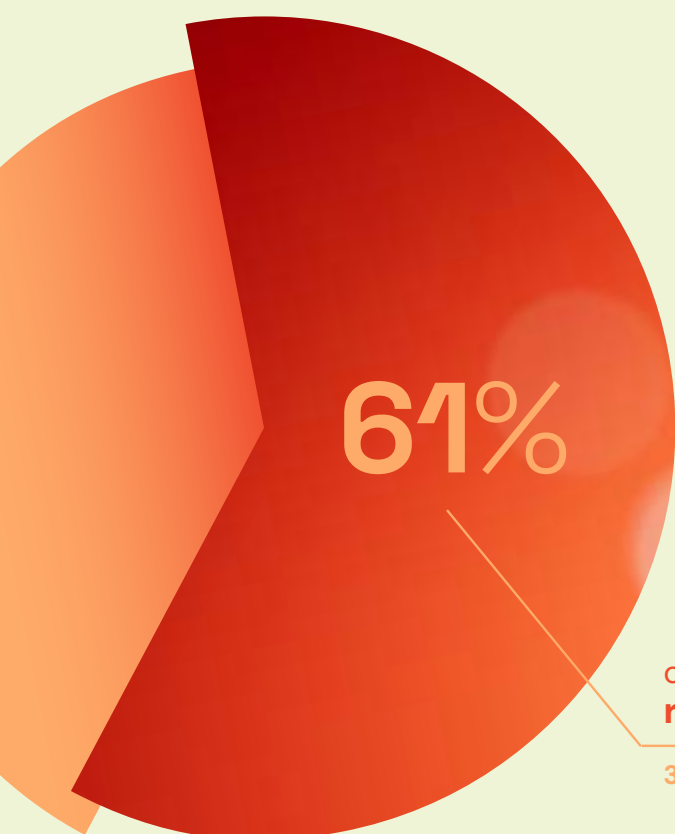
pricing effort is increasing— but control is not

Pricing is consuming more time, attention, and organizational effort than ever before. Teams are revisiting decisions frequently, adjusting to new inputs, and attempting to stay aligned with changing conditions.

In response, many organizations are layering together a mix of spreadsheets, point solutions, AI tools, and manual processes to keep up. While these approaches increase responsiveness, they also introduce fragmentation, multiple points of failure, and inconsistent execution across the

business. The result is not greater control, but increased exposure to risk.

However, greater effort is not translating into greater stability. Rising fatigue, combined with only partial confidence in outcomes, suggests that organizations are working harder to manage pricing without improving their ability to control it. Over time, this imbalance creates a form of instability that is not always immediately visible, but steadily undermines financial performance.



high effort. high fatigue.
continued optimism.

 over **1/3** of executives report **feeling exhausted**

 yet **85%** remain optimistic about **maintaining profitability**

of organizations are
reworking pricing

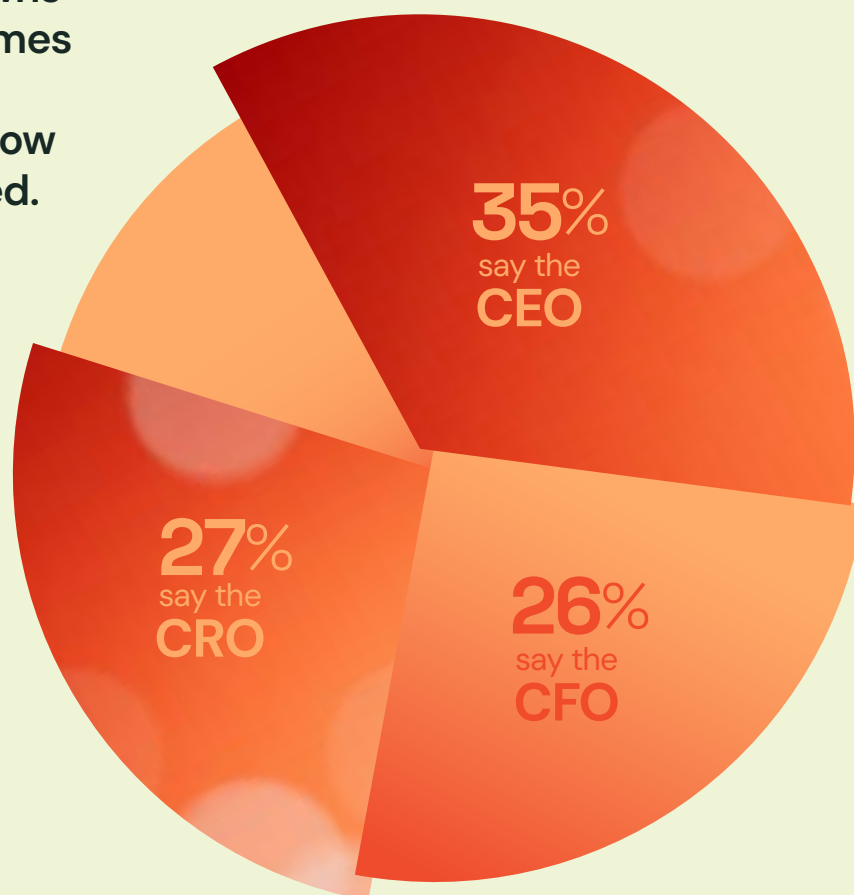
3-4 x per year and more

pricing accountability has moved to the c-suite, but control has not followed

Eighty-eight percent of organizations now place pricing ownership at the executive level, signaling a clear shift from operational responsibility to leadership priority. Pricing has become more central to financial performance, with CEOs, CFOs, and CROs increasingly accountable for pricing outcomes.

However, this shift introduces a new challenge. While accountability has moved upward, control mechanisms have not kept pace. Pricing decisions are still made across fragmented systems and processes, limiting leadership's ability to enforce consistency and ensure alignment across the organization.

Leadership owns pricing outcomes without full control over how they're created.



AI is emerging, but not yet solving the control problem

Organizations are beginning to adopt AI-driven pricing capabilities to improve speed and responsiveness. These technologies offer the potential to enhance decision-making in complex and rapidly changing environments.

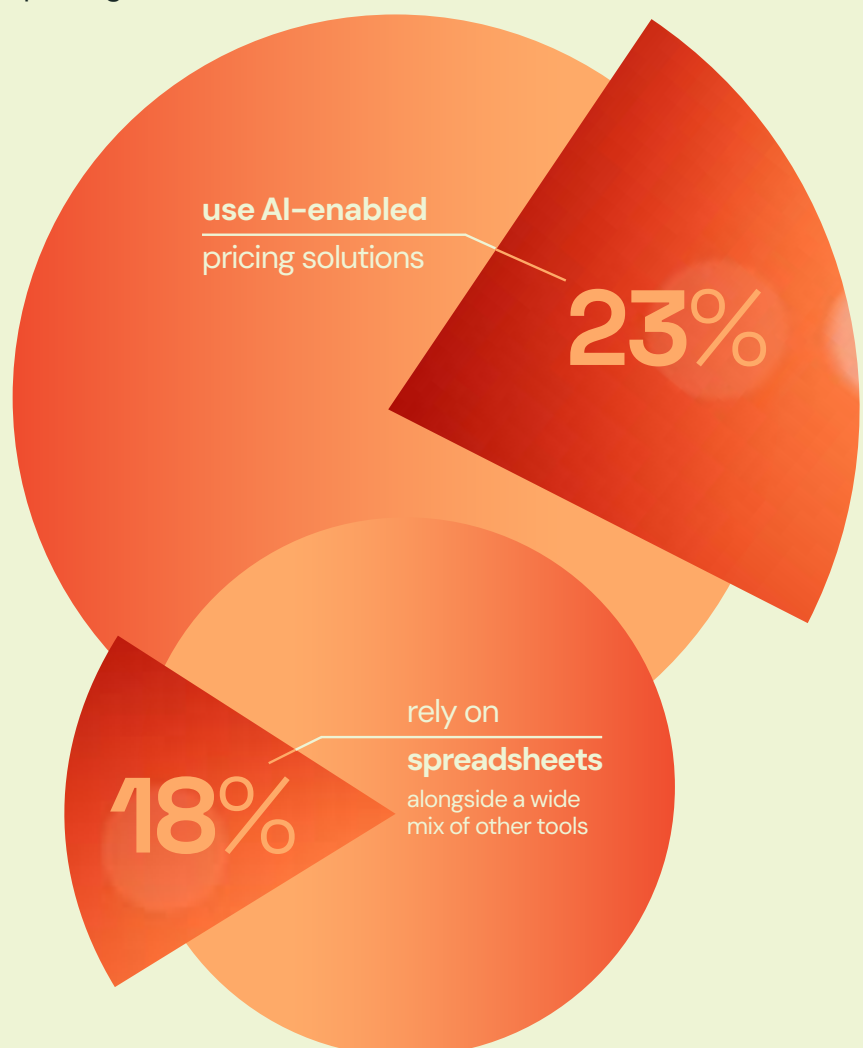
However, adoption remains uneven. In many cases, AI is being layered onto existing pricing environments rather than replacing

them. As a result, the underlying challenges of fragmentation, inconsistency, and governance remain. While AI can improve how quickly pricing decisions are made, it does not ensure those decisions are controlled or consistently applied.

AI IMPROVES
pricing speed



It does not solve
**pricing
control**



what this means for leadership

The findings in this research point to a critical shift in where pricing risk is emerging.

While economic volatility continues to dominate executive attention, the greater risk is internal. It stems from how pricing decisions are made, executed, and governed. Organizations are responding to changing conditions with increasing frequency, but often within fragmented environments where systems are disconnected, execution varies by team, and governance is inconsistently applied.

This creates a growing gap between activity and control.

Over time, that gap compounds. What begins as manageable inconsistency gradually erodes pricing discipline. The impact is measurable in margin compression, customer attrition, and reduced confidence in financial outcomes.

As a result, leadership is accountable for pricing outcomes without having full control over how those outcomes are created.

accountability without control

Leadership is accountable for pricing outcomes, but lacks full control over execution.

conclusion

Pricing instability is not a byproduct of market conditions. It is a structural issue within the organization that directly affects financial performance, and it is no longer contained within commercial or operational functions.

Pricing decisions shape margin, influence customer retention, and determine earnings outcomes, yet they are executed without consistent control. This disconnect introduces systemic risk that is cumulative, difficult to detect through traditional reporting, and already embedded in results.

The impact extends beyond financial performance. Inconsistent and reactive pricing erodes customer trust, creates friction in the buying experience, and contributes directly to churn. At the same time, it introduces volatility into revenue streams, weakening predictability and undermining sustained earnings performance.

As a result, pricing is no longer a functional concern. It is a board-level issue. Boards are responsible for overseeing financial performance, risk management, and long-term value creation. Pricing sits at the intersection of all three. When pricing lacks control, it creates hidden exposure in margins, distorts revenue predictability, and weakens the organization's ability to deliver consistent earnings.

In today's environment, pricing control is not an operational challenge to manage. It is a finite point of failure in financial governance, and without control, exposure compounds with every quarter it remains unresolved.



about zilliant

Zilliant helps B2B companies move from reactive pricing to controlled pricing execution. Pricing decisions are happening across the business every day, but without control they create hidden risk and margin leakage. Zilliant embeds AI-driven intelligence into governed workflows, enabling consistent execution, clear visibility, and faster response to change. The result is stronger margin protection and greater control over pricing performance. Learn more at zilliant.com.