



Organizing your pricing team for the GenAI era:

**A framework for modern
pricing excellence**

Introduction

The advent of generative artificial intelligence (GenAI) is not just an evolution—it's a revolution that demands a radical rethinking of pricing strategies. Just as the transition from horse-drawn carriages to automobiles required entirely new organizational skills and structures, the shift to GenAI-powered pricing strategies challenges organizations to fundamentally reassess how their pricing teams operate.

This paper proposes a transformative three-pillar framework—focusing on **structure, size, and skills**—to guide organizations through this seismic shift. By reimagining pricing teams for the GenAI era, organizations have an unprecedented opportunity to leverage these advancements for a competitive edge, but doing so requires a complete overhaul of traditional approaches.

To help organizations navigate this transformation, each pillar includes a detailed implementation matrix that maps the current state to the future GenAI-enabled state. These matrices break down key dimensions within each pillar, identifying the primary risks that need to be managed, specific actions required for the transition, and the key opportunities that can be captured. By systematically working through these matrices, organizations can develop concrete action plans while maintaining a clear view of both the challenges and potential benefits of their transformation journey.

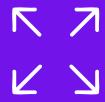


Structure: Reimagining pricing team organization

In most organizations today, the pricing function has evolved organically rather than by design. As companies adopt GenAI, they have a unique opportunity—and imperative—to fundamentally rethink how their pricing teams are structured. The right organizational design will be critical for maximizing both human judgment and AI capabilities, starting with the foundational elements of team structure. It will have direct lines to strategic decision-makers, and centralized models for global consistency.

Reporting lines	Key risk: Political resistance from sales leadership	Action required: Build business case showing revenue/margin impact	Key opportunity: Elevated strategic influence in organization
Organizational model Current state: Decentralized, scattered decision-making	Future state with GenAI: Centralized centers of excellence	Key risk: Loss of local market responsiveness	Action required: Create hybrid model with local pricing champions
Dedication Current state: Often lacks dedicated function	Future state with GenAI: Dedicated pricing function with clear mandate	Key risk: Budget constraints for new function	Action required: Start with pilot in high-value business unit
Integration Current state: Limited cross-functional collaboration	Future state with GenAI: Matrix structure with embedded specialists	Key risk: Role confusion and accountability issues	Action required: Define clear RACI for pricing decisions
Governance Current state: Inconsistent across units	Future state with GenAI: Clear framework for AI-driven decisions	Key risk: Over-rigid processes slowing decisions	Action required: Create tiered governance by decision type
Technical integration Current state: Minimal information technology/data science connection	Future state with GenAI: Close integration with technical teams	Key risk: Technical teams lack pricing business context	Action required: Create joint teams for model development

While getting the structure right is essential, it's only the first piece of the puzzle. The introduction of GenAI capabilities fundamentally changes the economics of pricing team size and composition. As automation takes hold and new capabilities emerge, organizations must carefully consider how to right-size their pricing functions for maximum impact.



Size: Right-sizing for the AI era

Traditional wisdom suggested that more pricing analysts meant better market coverage and faster response times. GenAI fundamentally changes this equation, enabling organizations to do more with smaller, more specialized teams. The key is understanding how to evolve team size and composition in ways that maximize both efficiency and effectiveness.

Core team size	Current state: Large operational teams	Future state with GenAI: Smaller, specialized core teams	Key risk: Loss of operational bandwidth	Action required: Phase automation rollout by process type	Key opportunity: Higher value-add per team member
Process focus	Current state: Manual, labor-intensive	Future state with GenAI: Automated routine tasks	Key risk: Loss of "hands-on" market feel	Action required: Define processes requiring human review	Key opportunity: Substantial reduction in manual tasks
Role types	Current state: Limited specialization	Future state with GenAI: Diverse specialized roles	Key risk: Difficulty attracting specialized talent	Action required: Create AI pricing career path	Key opportunity: Higher team capabilities and retention
Resource allocation	Current state: Based on transaction volume	Future state with GenAI: Based on value potential	Key risk: Under-resourcing smaller but strategic segments	Action required: Develop value-based allocation model	Key opportunity: Better return on team investments
Team distribution	Current state: Inconsistent across units	Future state with GenAI: Strategic placement of expertise	Key risk: Knowledge silos in key markets	Action required: Implement knowledge sharing platforms	Key opportunity: Optimal resource deployment
Technical roles	Current state: Few or none	Future state with GenAI: Dedicated AI/machine learning (ML) specialists	Key risk: Competition for scarce technical talent	Action required: Build internal technical academy	Key opportunity: Proprietary AI/ML capabilities

The shift to smaller, more specialized teams creates new imperatives for skill development and capability building. It requires a significant realignment, moving away from traditional pricing analysis to roles that blend technical expertise with strategic insight. As routine tasks become automated, pricing professionals must develop new skills that enable them to work effectively with AI systems (such as model interpretation, bias detection, and data validation) while providing higher-level strategic value (including scenario planning, competitive strategy development, and value-based segmentation).



Skills: Developing next-generation pricing capabilities

Decision approach	<p>Current state: Experience-based</p> <p>Future state with GenAI: Data-driven with human judgment</p>	<p>Key risk: Over-reliance on AI recommendations</p> <p>Action required: Create AI oversight framework</p> <p>Key opportunity: Better decisions through AI/human collaboration</p>
Technical approach	<p>Current state: Basic Excel modeling</p> <p>Future state with GenAI: Advanced analytics and AI literacy</p>	<p>Key risk: Team overwhelmed by technical complexity</p> <p>Action required: Create tiered technical training program</p> <p>Key opportunity: More sophisticated pricing models</p>
Analysis level	<p>Current state: Surface-level insights</p> <p>Future state with GenAI: Deep pattern recognition</p>	<p>Key risk: Analysis paralysis from too much data</p> <p>Action required: Define key use cases and success metrics</p> <p>Key opportunity: Identification of hidden value pools</p>
Implementation	<p>Current state: Limited change management</p> <p>Future state with GenAI: Strong transformation capabilities</p>	<p>Key risk: Resistance to new ways of working</p> <p>Action required: Build internal change champions network</p> <p>Key opportunity: Faster adoption of innovations</p>
Collaboration	<p>Current state: Siloed expertise</p> <p>Future state with GenAI: Cross-functional integration</p>	<p>Key risk: Unclear decision ownership</p> <p>Action required: Create cross-functional pricing councils</p> <p>Key opportunity: Holistic pricing strategies</p>
Ethical awareness	<p>Current state: Basic business ethics</p> <p>Future state with GenAI: Advanced AI ethics understanding</p>	<p>Key risk: Unintended bias in AI models</p> <p>Action required: Implement ethics review process</p> <p>Key opportunity: Enhanced market/customer trust</p>
Mindset	<p>Current state: Traditional business approach</p> <p>Future state with GenAI: Agile, experimental thinking</p>	<p>Key risk: Team stuck in old ways of working</p> <p>Action required: Create safe spaces for experimentation</p> <p>Key opportunity: Continuous innovation culture</p>

The transformation of pricing teams across these three pillars—structure, size, and skills—represents more than just an organizational change. It's a fundamental shift in how organizations approach pricing in the age of AI. Success requires careful orchestration of these interdependent elements, supported by thoughtful implementation and change management approaches.

Implementation considerations



Organizations embarking on this transformation journey must approach it systematically, recognizing that changes in structure, size, and skills must be carefully synchronized. Several key factors should guide this transformation:

Continuous learning

- Monitor effectiveness of new structure
- Gather feedback from teams and stakeholders
- Adjust approach based on lessons learned
- Stay flexible as GenAI capabilities evolve

Assessment

- Evaluate current structure, size, and skills against future needs
- Identify specific gaps and opportunities
- Define a clear vision for the future state
- Build a business case for transformation



Change management

- Start with pilot programs in receptive business units
- Focus on capability building and training
- Implement new processes gradually
- Ensure strong communication throughout

Design

- Consider various organizational models based on business context
- Define clear roles and decision rights
- Develop skills framework aligned with future needs
- Create appropriate governance mechanisms

Beyond the tactical steps of implementation lies a more fundamental challenge: creating an environment where AI-powered pricing can truly flourish. Success in this new era demands more than just following a roadmap—it requires orchestrating multiple elements that reinforce and amplify each other. Organizations must foster a delicate ecosystem where technology, human expertise, leadership commitment, and continuous learning come together to drive sustainable transformation. The following illustration highlights these critical success factors and their interconnections.

Key success factors:

Balance between human judgment and AI automation

- Human oversight
- AI efficiency



Regular assessment

- Performance metrics
- Feedback loops



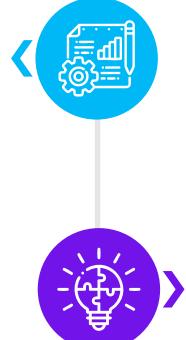
Change management

- Stakeholder engagement
- Communication strategy



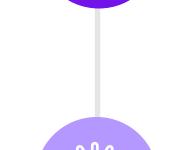
Executive sponsorship

- Leadership commitment
- Clear mandate



Training and development

- Skill training
- Professional development



Value creation

- Customer focus
- Innovation



Organizations must foster a delicate ecosystem where technology, human expertise, leadership commitment, and continuous learning come together to drive sustainable transformation.

Conclusion

The transition to GenAI-powered pricing represents more than just a technological upgrade—it's a fundamental reimaging of how pricing teams operate and deliver value.

Organizations that proactively transform their pricing functions across the three pillars of structure, size, and skills will be best positioned to capture the full potential of GenAI, but success requires careful orchestration of these interdependent elements.

The most successful transformations will be those that recognize this journey is primarily about people and organizational capabilities, not just technology. While GenAI provides powerful new tools, human judgment remains crucial for strategic pricing decisions. Organizations must carefully balance automation of routine tasks with enhancement of human capabilities, ensuring their teams are equipped to provide higher-level strategic value in areas where AI alone cannot suffice.

The key to success lies in viewing this transformation not as a technology implementation but as a fundamental redesign of how pricing teams operate. This means fostering a culture of continuous learning and adaptation, where teams are encouraged to experiment with new approaches while maintaining pricing excellence. Organizations must carefully balance the need for change with maintaining operational stability, while ensuring their teams are equipped with the right skills and support to thrive in this new era of pricing excellence.

Looking ahead, organizations that master this transformation will gain more than just pricing efficiency—they'll develop a sustainable competitive advantage through superior pricing capabilities. This advantage will come from their ability to combine AI-powered insights with human expertise, enabling faster, more precise, and more strategic pricing decisions that drive business value.

How KPMG can help

At KPMG, we focus on the core areas of the pricing journey and help you overcome the specific challenges your organization faces in today's shifting marketplace. Our deep industry knowledge, leading methodologies, and industry-leading data and analytics capabilities can help you choose the right solution to help deliver value for your business and customers.



Authors



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