Category

Commercial Excellence

Commercial Governance & Decision Rights Playbook

Making it clear who actually decides on pricing exceptions, so the question stops going to five people

- Executive
- Intermediate
- Template Included

- Administrator
- 11 October 2020
- 3 minute(s)

Overview

A framework for commercial governance and decision rights — explicitly defining who has authority over specific commercial decisions (pricing exceptions, deal terms, resource allocation), avoiding the common ambiguity that causes decisions to bounce between multiple people or escalate unnecessarily.

Isn't decision rights ambiguity sometimes useful for flexibility,

allowing case-by-case judgment? Some genuine judgment flexibility is valuable, but ambiguity about who has actual authority tends to produce inefficiency (decisions bouncing between people) and inconsistency (similar decisions resolved differently depending on who happened to weigh in) rather than useful flexibility.

What commercial decisions most commonly suffer from unclear

decision rights? Pricing exceptions, non-standard deal terms, and resource allocation trade-offs between functions — these decisions frequently lack clear ownership, causing them to bounce between multiple stakeholders or escalate further than necessary.

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