

WHITE PAPER

7 Keys to Control the Conversation on Price

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"Your price is too high."

"We just don't see the value in what you do."

"The competition is much cheaper."

"I can buy from someone else for less."

If you're a salesperson, you have probably heard something like this from prospects, and it stings. Most people react by trying to defend or justify the pricing—or just caving in and going into negotiating mode. Either way, we are no longer selling. We are no longer operating on our terms, we're operating on the terms of the prospect.

The problem is that most of the time, we hear this at the end of the conversation. It's after we have spent hours in meetings and presentations, after we take our team on a flight to do our presentation. It's after we think that we have a pretty good chance to get the business. Here's the thing, though: It isn't really about the price. It's about the approach.

1. Talk About Price Early in the Conversation

One of the biggest issues in sales is that the majority of salespeople are afraid to talk about money and price, because



Key Rule

**It isn't really about the price.
It's all about the approach.**

we're raised to think it's impolite. That stays with us, so we put the price at the bottom of the quote. We quote things right before leaving a meeting. We send quotes via email to avoid prospects' reactions.

But prospects have learned that this will happen, so buyers allow money and price to never come up. They wait quietly for the price, and then say that it is more than they want to spend—because it usually is. By waiting to discuss price and money, we are playing right into the prospects' hands.

The best way to handle this is to move conversations about money, budgets, and price earlier in the conversation, so the prospect is forced to talk about it.

The best time to have the conversation is somewhere shortly after we have found their compelling reasons to use us or buy from us, and before we tell them if and how we can help them. You must qualify that the prospect is both willing and able to spend money on you before you tell them how. If the "how" comes too early, they will pick it apart in an effort to reduce the price.

2. Make Sure the Compelling Reasons Have More "Cost" Than You

If the price was the only determining factor in buying, you might just steal everything that you wanted or needed. But that doesn't happen because the "cost" of going to jail or getting in trouble exceeds the price you are willing to pay for the item. A stolen item is not free, its cost is just interpreted in a different way.

Buying decisions work the same way. If a vendor can save me 1% but the administration costs, paperwork, or the headaches



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of a whiny vendor are not worth the savings, I won't do it. If the gas station on the other side of town has cheaper gas but I'm late to work already, I will pay a little more to save the time.

The price isn't the reason for my decision, but it does reflect value to me. I might make that trip across town if gas is halfprice, but not to save a nickel a gallon.

To resolve this as a salesperson, you must make sure that the compelling reasons to choose you overpower the reasons not to choose you. There must be a compelling reason, and the threshold of that compelling reason must be low enough that they do not question making the change or doing things differently.

To be effective in this area, the prospect really has to turn the tables and begin selling you. The prospect must get to the point where they are telling you all of the reasons why they should switch to you or change how they are doing things.

They have to become the salespeople and you have to become the prospect. This is the point where compelling reasons are really exposed and are usually enough to cause an action. Start asking questions like, "Why would you want to change?" or "Why choose us over them?" You must be skilled enough and strong enough to turn the tables.

3. Learn to Build Value

Value is only created in the mind of the buyer. For some reason, sales people think that by telling the prospect all of the reasons that something has value, value will be realized. But the exact opposite thing happens: when statements are made about why things have value, prospects automatically start disqualifying you rather than buying you.



Key Rule

Make sure that the compelling reasons to choose you overpower the reasons not to choose you.

If I tell you that I'm the best business writer in the world, you won't accept that at face value—you'll question it, and at that moment I've already lost the debate.

For a salesperson to create value, he or she must assist the prospect in discovering the value on their own. Ideally, the prospect must actually be thinking, "this is really good stuff, so I better hide how much I love it." If you discover something, you believe it. If you hear it, you disqualify or discredit it.

Discovery comes from asking good questions, like "If you discovered that there was a way to solve this \$100,000 problem, what would that mean to your company?" When the prospect begins telling you what you mean to them, they are creating value, and you are selling.

4. Learn to Create Urgency

If you have ever really had to go to the bathroom and couldn't get to one quickly enough, you have felt urgency. Sales people need to create this same urgency to get their prospects to act.

Urgency comes from impending events, like deadlines, and thoughts of what could happen in the future if certain actions are not taken. To create urgency in the prospect's mind, you must highlight or help them discover that one of these events exists. There may be deadlines that seem distant, but are really pretty close. There might be enough money being lost on a daily basis that stopping the loss makes things important. An absence of a succession plan might cause someone to purchase a life insurance policy. An upcoming presentation might cause someone to install a new projection system.

What sales people aren't typically good at is exposing that there is urgency when the prospect doesn't think that there is.



Discovery comes from asking good questions.

They ask the question, “What would make this urgent for you to act?” and the prospect doesn’t really know. More effective questions include, “Is it ok that you are losing about \$1,000 an hour?” or “What would you do if while we were in this meeting, your machine broke down? How much would it cost per day to get a replacement?”

To put together questions, think about conditions that would make acting urgent for your prospect and then ask questions about those conditions.

5. Have Them Give You Reasons Why They Don’t Care About the Price

If you have created enough value and urgency to act, your prospect will likely not care about the price anymore.

This is the time to turn the tables and ask them about how much they would be willing to spend or budget toward fixing things. This is when they say things like “As long as it costs less than \$X, we would do this.” Then you can share your price.

Budget questions should come after they know and understand the reasons to buy from you or change, because it is now congruent with the problem rather than your solution.

6. Work to Build Trust Rather Than Making it Transactional

To expose the problems, create urgency, discuss money, and have constructive conversations, you must be constantly building trust with your prospect.

Think about how differently you act when you trust someone from how you act when you don’t. Building trust is about decoding human behavior and helping people become



Think about what would make acting urgent for your prospect.



Takeaway

Budget questions should come after your prospect knows and understands why they want to buy.

comfortable with you. Prospects don't usually trust sales people because they think that the sales people are out to get something for themselves. It is only by shifting the focus from "taking" to "helping" that trust is really built.

You must focus on finding out what kind of help your prospects need, why they need help, and asking them if they want your help.

If you are sincere in your desire to help the prospect rather than to get their business, you will see trust beginning to form. If you understand their needs as a person, you know the way they filter things when communicating, and you are actively listening to and understanding them, trust will be built.

7. Stop Telling Prospects How You'll Help Them

Prospects should decide that they want your help. If you are trusted and know how to help them, it really doesn't matter that they know all the details up-front.

If your basement is full of water, do you really care how it is going to get cleaned up? If you have cancer that can kill you, do you really care how to treat it? You trust the person to help you, then you find out how they will help you.

Your sales process needs to work the same way. Stop telling them how you will help them, what your price is, or what your awesome services are until they decide that they actually would like your help. The only thing that happens when a prospect knows what you do and how you can help is that they will decide that they don't want that kind of help.

You know that you are doing this wrong if you hear things like "we are happy with our current supplier," and "we are ok doing it ourselves now," or "we just hired someone that does that."




If you're trusted and know how to help your prospect, it really doesn't matter that they know all the details upfront.

In all of those cases, the prospect knew the solutions before they fully understood the reasons to implement the solution. Change your sales process to be able to ask “Do you want my help?” before you present or propose anything.



In Conclusion

These concepts, while they may seem like common sense, are certainly not common practice. Revamping your sales process so that it’s aligned with this approach can help you jump ahead of your competition. 

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