Price: How to Delay Talking About Price Until AFTER You Have Identified Value

by Alan Rigg

Talking about price is an important step in the sales opportunity qualification process. After all, if a prospect can't afford your price, **are they really a valid prospect?** Do you really want to invest your valuable time trying to sell to them?

That said, it often does more harm than good to discuss price before you and the prospect have determined whether your product or service can provide **value** to the prospect. **Just about any price sounds high when it is quoted "in a vacuum".** Yet, that very same price can sound very reasonable, or even cheap, when it is compared to the **quantified impact** of a prospect's business problems.

What is a quantified impact? This concept requires a little explanation...

Just about every product or service can solve specific **problems** for your prospects. Your mission as a salesperson (and it is definitely to your benefit to choose to accept it) is to ask questions to determine whether a prospect has any of the problems that your products or services can solve.

Once you determine that a prospect has one or more of the business problems your products or services can solve, the next step is to ask questions to uncover **how each problem impacts the prospect's business**. Then you should ask questions that encourage the prospect to **quantify** (associate **dollars** or **percentages** and **time frames**) with their business problems.

Here are several examples of quantified business impacts:

- Our top-performing salespeople produce **$200,000 more net profit per year** than our average-performing salespeople.
- (Problem) generates **an extra million dollars in operating costs in a six month period**.
- (Problem) **increases our administrative expense by 22% per month**.

Quantified impacts are an invaluable aid to closing sales

How? If the quantified impact of a business problem exceeds the investment required to fix the problem, a buying decision is easy to justify. **The larger the difference** between the quantified impact and the required investment, **the easier it becomes to close the sale**. If the quantified impact is a **multiple** of the required investment (for example, a quantified impact of millions of dollars versus a required investment of thousands of dollars), the buying decision becomes "a no-brainer".

IMPORTANT NOTE: In order for a quantified impact to favorably impact the sales process, **your prospect must be the source of the numbers**. Why? In general, prospects don't trust salespeople. Many have dealt with salespeople who were more interested in making sales than they were in providing value. Plus, prospects recognize that salespeople have a vested interest in building a convincing business case that can be used to support a buying decision. This causes prospects to **discount** any quantified impact information that salespeople provide. However, if the prospect is the source of the quantified impact information, they perceive it as **unquestioned truth**. This makes learning how to ask questions to quantify the impact of business problems a valuable skill indeed!

What do you do if a prospect asks for the price of your product or service before you have had a chance to uncover the quantified impacts of his or her business problems?

Depending upon where you are in the opportunity qualification process, **you might respond in one of the following ways:**

"(Prospect Name), I promise that I will provide complete pricing information before we finish our conversation today. However, **at this point I don't even know:**

- **Anything about your business.** What does your company do?"

- **Whether you have any of the kinds of problems we address.** (Then ask a qualifying question that will help determine whether the prospect has one or more of the business problems that your products or services can solve.)"

- **Whether it even makes sense for you to consider buying anything from us.** (Then ask a question that will help the prospect quantify the impact of a specific business problem that has been identified.)"

In my experience, nine times out of ten the prospect will be willing to defer the pricing conversation. In the rare case where the prospect refuses to answer your question and continues to push for price, you might say something like:

"(Prospect Name), at this point we don't have anything to compare the price with. My experience has been that **a price quoted in a vacuum always sounds high**. Would you agree?"

(Prospect responds.)

"If we can't establish value, would **any** price convince you to buy?"

(Prospect responds.)

"Could we spend a little time trying to figure out whether (product or service name) will produce value for you?"

The prospect may not be willing to engage in a value discussion

This is especially likely if your product or service is seen as a **commodity**. If that is the case, you will need to decide whether you want to try to win the prospect's business based upon price. However, remember that **this situation is the exception**. Nine times out of ten the prospect **will** be willing to defer the pricing conversation and answer your questions.

So remember, the key to successful price discussions with prospects is first determining whether your product or service can provide **value** to the prospect. This value creates **a frame of reference** against which price can be compared.

To determine value, ask questions to discover whether your prospects have any of the **business problems** your products or services can solve. Then, ask questions to identify how each business problem **impacts** the prospect's business. Finally, ask more questions to **quantify the impact** of each business problem. The greater the quantified impact, the better your price will look in comparison, and the greater your chances will be of making a sale!