



# Sales people negotiate price, internally, more than they do with the clients. Why, and how can we change that?

**A Mercuri International White Paper.**

**The LinkedIn Group, Sales and Marketing Executives (CSO/CMO) had an excellent discussion regarding Price Handling.**

We recently asked this respected LinkedIn Group the following question:

“In my travels, working with varying organizations, I hear sales people talking about the challenges of internal price negotiations to get lower prices for their external customers. Something is dreadfully wrong here. What is it?”

The Discussion Group response was robust and quite thought provoking. From the extensive discussion, we've gleaned what could be considered the **Top 10 considerations for Effective Price Handling and Negotiations.**

## **The Top 10**

- 1. Be convinced of the value of your offering.*
- 2. Create tangible value calculations based on the NBA (Next Best Alternative).*
- 3. Mitigate risk of loss with knowledge. (Know the NBA, Know the Competition, Know the Customer, Know their Buying Criteria).*
- 4. Realize that reducing price can devalue your product, your service & YOU.*
- 5. Align and Ensure Sales Management, Product Managers & the Pricing Departments are all on the same page (checklist).*
- 6. Listen to the Clients' Big Picture Goals (profit, market share etc.) and link your offering to that.*
- 7. Prepare a list of Fixed & Variable (Tradable) Elements.*
- 8. Suggest adjustment (reduction) in services as a fair exchange for Price Reduction.*
- 9. Ask for SOMETHING in return for Price Reduction.*
- 10. Know and stick to your BATNA (Best Alternative to Non Agreement).*

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