

Beyond discounts: How to negotiate on value

Prepare. Prepare. Prepare. Then negotiate.

Price negotiations are rarely among a salesperson's favorite tasks.

That is especially true in today's environment, where rising costs for energy, raw materials, logistics and trade continue to put pressure on both suppliers and customers. Expectations are high on both sides of the table, making preparation more important than ever.

Simply announcing a price increase is rarely enough. Customers expect clear reasoning and a compelling business case. While higher costs may explain the need for an adjustment, they do not automatically justify it in the eyes of the buyer. Successful negotiations are built on confidence, preparation and a clear articulation of value.

Feedback from procurement professionals reinforces this point. Buyers often report that salespeople rely too heavily on general market developments without explaining the value created for the customer. They also note that many sales representatives enter negotiations poorly prepared, struggle to justify price adjustments and concede too quickly. A lack of confidence and preparation makes negotiations significantly easier for purchasing.

The good news is that successful price negotiations follow a clear seven-step process.

- 1** Analyze the situation – Understand costs, agreements, customer performance and your competitive position
- 2** Build scenarios – Define your objectives and evaluate different pricing options and outcomes
- 3** Set your strategy – Decide your opening position, acceptable concessions and walk-away point
- 4** Prepare your message – Practice value-based arguments and responses to likely objections
- 5** Execute with confidence – Stay disciplined and focus on customer value rather than price alone
- 6** Document the agreement – Confirm commitments and create a clear record of the outcome
- 7** Review and improve – Capture lessons learned to strengthen future negotiations

As Confucius observed,

"Success depends upon previous preparation, and without such preparation there is sure to be failure."



Successful price negotiations should never rely solely on experience or intuition. They require clear objectives, a structured negotiation strategy and compelling value-based arguments.

Organizations that equip their sales teams with practical preparation, effective objection handling and negotiation training are far better positioned to achieve sustainable price outcomes.

Key takeaways

- 1** Preparation—not improvisation—is the foundation of successful price negotiations
- 2** The negotiation starts long before the customer meeting and continues after it
- 3** Customers accept price increases more readily when they understand the measurable value behind them

"We continuously improve our production processes so that we don't have to pass every cost increase on to our customers. This enables us to maintain our promise of quality and innovation while helping customers avoid higher operating and service costs."

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