

Sales Coach Series

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Closing the sale - last minute price negotiations

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The Dilemma

Your prospect is ready to buy but at the 'closing' meeting tells you that you need to reduce the price in order to get the order.

The Coaching

You have three options - agree, refuse or negotiate. Any of these might result in an order - but at what cost?

Dropping the price will probably result in an order but, not only have you given away valuable margin, but your customer will respect you less and will expect this tactic to work again next time!

Refusing takes guts and you will need to re-justify the price. If they genuinely can't afford it then you'll lose. If they can then the customer may respect your position and accept it is the best deal you can offer. Be aware that your customer may be under pressure from their company to negotiate the price down and failure to do so may reflect badly. This is particularly true of procurement departments. Make sure they can present the deal as win-win to colleagues.

Negotiating benefits from forethought. Be prepared for last minute price negotiations and decide in advance what you can and can't concede and what you want in return, for example one order for the whole project or reduced payment terms.

Where possible add more value, such as extra services or features, rather than reduce price. Try to gain commitment to what you want before making your offer to them. 'If you can do X for us, then we can do something for you...'

Finally, whichever approach you adopt don't give too much away early in the sales cycle or you will seriously limit your closing options.