

10 Power Questions to Handle Discount Pressure

Andrew Sobel, coauthor of
[Power Questions: Build Relationships, Win New Business, and Influence Others](#)

How do you respond to a request for a discount? The answer is a question. Read on.

Most corporations are under pressure from their own investors and customers to do more for less. And they are passing that pressure onto their own service providers and suppliers. They want more value for money, plain and simple.

Unfortunately, the easiest and most direct way to increase value (which is benefits minus price paid) is to pressure suppliers to lower their price. When this happens, it's important to remember that clients ask for discounts for different reasons. I have observed no less than four types of clients who ask for discounts:

1. *Red Ink*. These clients are in genuine financial trouble.
2. *RFP Czar*. Some clients want to bid every project out. GE is known for this. These clients think you are a commodity and therefore only focus on price.
3. *Bargain Hunter*. This type of client is always searching for a deal.
4. *Chicken Little*. Some clients just like to complain about how much everything costs, and don't actually need a discount to be satisfied. They want to be heard and understood.

Generally speaking you should never give a discount without also reducing scope, benefits, and inputs. But the best way to parry a discount demand is to ask a question rather than just give a blanket "No!"

Your job is to ask thoughtful questions that will create a dialogue and enable you to learn more about your client's motivations, expectations, and priorities.

Here some power questions that you might use.

You might preface any of these by saying, "Before I respond, would you mind if I asked you a couple of questions so I can better understand your request?"

1. "Occasionally a client asks me for a discount, as you have, and I find I am able to be more helpful if I understand what's behind the request. Can you say something about why you think my fee is too high and would like a discount?"
2. "I can reduce the price when the scope and breadth of the proposal is also cut back. Would you like me to develop an option to do this for you?"
3. "We are able to reduce price in exchange for terms and conditions that help lower our risk and long-term cost of doing business with you. Would you like a proposal for a long-term service arrangement?"

4. “I know you are talking to other service providers about this project. Do you feel my price is dramatically out of line with the market?”
5. “Where will the budget come from for this? Who can give this final approval?” (this discussion may uncover other facts about the buying process that you were unaware of)
6. “I’m not sure we had thorough discussion about the benefits you expect from this. Can we review those, as you see them?”
7. “Would you mind if I briefly reviewed several aspects of my proposal that I think represent value above and beyond what our competitors offer? I’m not sure I articulated these very well.”
8. “What parts of this proposal are most important to you? Which aspects of it do you find less valuable?”
9. “Can we review one more time what your goals are here? What are you hoping to accomplish?” (It always helps to tie your proposal to higher-level goals)
10. And finally, depending on the type of service you offer, you could ask, “Do you give your own customers discounts?” And if they say “Yes,” you respond, “That’s why you need me.” And if they say “No,” you respond, “So why should I?” (not for the faint-hearted, however!)

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