S A L E S G E E K

The Pricing Confidence Playbook

Stop Giving Away Profit. Start Selling Value.

From the Mastery Podcast — Episode 9: The Pricing Conversation

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How to use this playbook: Use Part 1 to show your team the real profit impact of discounting. Use Part 2 to diagnose why discounting is happening. Use Part 3 to coach the pricing conversation. Use Part 4 to audit your recent deals.

Part 1: The Discount Profit Calculator

Show this table to your team. Most salespeople have never seen what a discount actually does to profit.

How much profit does a discount actually cost?

Discount Given	On 20% Margin	On 30% Margin	On 40% Margin
5%	25% profit lost	16.7% profit lost	12.5% profit lost
10%	50% profit lost	33% profit lost	25% profit lost
15%	75% profit lost	50% profit lost	37.5% profit lost
20%	**ALL profit gone**	**67% profit lost**	**50% profit lost**

How much more do you need to sell to make the same money?

Discount Given	On 20% Margin	On 30% Margin	On 40% Margin
5%	33% more	20% more	14% more
10%	100% more	50% more	33% more
15%	300% more	100% more	60% more
20%	**Impossible**	**200% more**	**100% more**

The flip side: A 10% price increase on a 30% margin increases profit by 33% — and you can sell 25% less volume and still earn the same money.

Part 2: Why Salespeople Discount Too Early

Use these six reasons as a diagnostic. When you spot unnecessary discounting, identify which reason is driving it — then coach accordingly.

1 Fear of Losing the Deal

The salesperson assumes the buyer will reject the price and discounts preemptively — before the buyer has even responded.

Coaching question: *Did the buyer actually ask for a discount, or did you offer one before giving them the chance to say yes?*

2 Negative Price Perception

The salesperson thinks the price is too high based on their own frame of reference, not the buyer's.

Coaching question: *Do you believe this price represents fair value for the problem it solves? If not, what would change your mind?*

3 Lack of Value-Selling Skill

The salesperson hasn't built a commercial case that makes price secondary. They default to discounting because it's the only tool they have.

Coaching question: *Can you tell me, in one sentence, what this buyer's problem is costing them today?*

4 Authority to Discount

The salesperson has been given the power to reduce price — so they use it. The floor becomes the norm.

Coaching question: *If you couldn't discount at all, how would you approach this deal differently?*

5 Confusing Urgency With Generosity

The deal is close. The salesperson offers a discount as a sweetener — but the buyer was already going to say yes.

Coaching question: *Was this discount necessary to close the deal, or did it just make you feel good?*

6 Seller Stockholm Syndrome

The salesperson empathises so deeply with the buyer's situation that they advocate for the buyer's interests over their own company's.

Coaching question: *Are you solving the buyer's budget problem, or presenting fair value and letting them decide?*

Part 3: The Six Pricing Principles

Coach these six principles into every pricing conversation your team has.

1. Establish the cost of the problem first

Before price is discussed, the buyer should be able to articulate what their problem costs them — in time, money, or risk. When the cost of inaction is clear, the price of fixing it makes sense.

2. Present price with confidence, then stop talking

State the number clearly. Do not justify, qualify, or apologise. Let the buyer respond. Their reaction tells you whether the value work was done properly.

3. Never discount without getting something in return

Every concession must be traded. Longer term? Upfront payment? Reduced scope? Referral? A discount given for nothing tells the buyer the original price was inflated.

4. Use odd numbers to break the round-number trap

Never discount in round numbers (5%, 10%, 15%). Use odd or fractional numbers instead (3%, 4.75%, 6.5%). Round numbers create a ladder — the buyer sees 10% and immediately targets 15%. Odd numbers feel calculated and precise, disrupting the negotiation rhythm. Start at 2.5% or 3% and you are likely to land around 8–10%, not 20%. This is one of the simplest disciplines to implement and one of the most effective at protecting margin.

5. Use the “compared to what?” reframe

When a buyer says “that’s expensive,” ask: compared to what? A competitor? Their budget? Doing nothing? The answer tells you what to address — without touching the price.

6. Make discounting structurally difficult

Require approval for discounts above a threshold. Build commission structures that reward margin, not just revenue. Track discount rates by person and deal type. Systems protect profit better than willpower.

Part 4: Discount Deal Audit

Review your last 10 closed deals and answer these questions for each one. The patterns will tell you where to focus.

- ☐ Was a discount given on this deal?
- ☐ Was the discount requested by the buyer, or offered by the salesperson?
- ☐ Was the cost of the buyer’s problem quantified before the price was presented?
- ☐ Was anything received in exchange for the discount (term, scope, referral)?
- ☐ Would the deal have closed at full price? (Be honest.)
- ☐ Was management approval required, or did the salesperson act alone?
- ☐ What was the profit impact of the discount given?

Remember: *A discount is not a sales tool. It is a profit decision. And profit decisions should be made by leaders, not gifted by salespeople in the heat of a conversation.*