

OVERCOMING THE PRICE OBJECTION



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Your Price Is Too High!

How often do you hear this familiar response? If you're like most salespeople, you hear it far more often than you would like. Everything has a price. The question is simply this: "What is someone willing to pay to get it?"

That answer can vary, depending on the value that your customers and you place on the service being offered. And the perceived value depends on the answers to these equally important questions:

- Who are you selling your service to? Do they appreciate value, or are they purely a commodity buyer?
- What are you willing to comfortably ask for the services you perform?
- Are you really sold on your service - its price and value?
- Are you prepared to - and capable of - defending your price?

- How capable are you of presenting your service in a way that it will never be seen as a commodity?
- Are you entering accounts too low... so low that every purchase decision is driven by price?

Overcoming the Price Objection

It's inevitable: many customers and prospects question price. Your ability to present your staffing services, justify their cost, and ultimately withstand the price assault depends on how well you carry out these responsibilities:

- Never prematurely present your price. You should always be able to justify how the perceived value of your service exceeds your asking price. If you prematurely or incorrectly present your price, you will never be able to justify it to your customer.
- Unless you're sold, no one else will be either. Bottom line? If you don't legitimately believe your price is fair for the staffing

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service you are offering (100% of the time), you will never present it with conviction.

- Never give the impression that your price is negotiable or that you are not presenting your best price the first time for every customer.
- Always be ready to justify and defend any assault on your price. Be in a position to explain how the benefits of your staffing solution far outweigh the price being charged.

The Most Valuable Lesson

The biggest lesson to understand is the importance of gross margin. In the case of staffing services, gross margin is your selling price, less the cost of the temporary employee's pay and statutory costs. Want to be successful in sales for the long term? Then you must realize that gross margin ultimately pays for commissions, bonuses, profit sharing, 401(k) plans, incentive trips, recognition programs, and everything else!

The one person who can control gross margin is you! You can lose the entire ballgame in 45 seconds of poor negotiation. You can erode the entire profit picture by caving into customer or prospect pressure, gamesmanship, threats, or intimidation. Don't allow this to happen!

Justify how the perceived value of your service exceeds your asking price.

You can maintain margin and price by mastering the following five strategies:

- Remember that the selling price you initially settle for is the one you'll establish as the ongoing standard for subsequent staffing purchases. This is true whether it is a high or low price!
- Remember that you should never present price until you understand what your prospect or customer perceives as value. Then present your price in terms of the benefits they'll receive in relationship to that value.

- Always differentiate between the initial price and the long-term cost of resolving a problem. This is particularly important as you compare your competitor's price and cost structure.
- Never cave into price cutting attempts. The only real way to do this is to have an ongoing supply of qualified prospects who are able to justify your price and are willing to pay it. You should always be willing to refuse business if it is not profitable enough.
- You must know your cost structure and margins as well as you know your own name. You must know which staffing services carry the highest perceived value and lowest cost—these are the only areas for negotiation. Negotiate only on those items, and then only as an ultimate, last resort.

When it comes to staffing services, your customers have a purchasing choice. In the absence of value, they will actively seek another supplier. Don't give them a reason to do that. Sell value—not price!

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The content of this article was provided by guest author Bill Brooks, who is CEO of The Brooks Group, an international sales training and business growth firm based in Greensboro, NC. For more information about The Brooks Group, visit the website at www.brooksgroup.com or call (336) 282-6303.

Selling Staffing – a few ideas from Haley Marketing

Bill's article is especially relevant for the staffing industry, where pressure to sell staffing services as a commodity remains great. Here are some specific tips to help make selling the value of staffing easier:

1. **Some services justify a higher price.**

The trick is to prove it by quantifying the benefits of using your unique service. For example, you may offer superior testing procedures. Compare the percentage of qualified candidates using your method

against the percentage using another method (or no method at all). Offering testimonials from other customers is another great way to justify your price.

2. **Not all clients are equal.** Some deserve better pricing because of lower cost to service, longer term assignments, or higher volume of similar positions (resulting in recruiting efficiencies).

3. **Continue to focus on recruiting.**

The best candidates can always be placed—for the best margins. Continue recruiting for great candidates, and when you find them, proactively market these candidates to your clients and prospects.

4. **Get to the people with problems.**

Managers and executives have the biggest problems to solve, so find a way to talk to them. To be successful, you may have to get your own senior management involved in the selling process. It's worth the extra time and effort. Remember, you get higher margins by solving problems, not by simply filling orders.

5. **Cut the strings.** If customers aren't willing to pay for the value of your total package, find costs you can remove. Unbundling may be the best way to lower prices, retain customers, and maintain margins.

6. **Don't give without getting.** If you do cut your price for a client, negotiate an exchange (e.g., reduced level of service, a first call promise, or even better, a primary vendor relationship).



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What we do:

At Haley Marketing, we are staffing industry specialists. We offer a range of services to satisfy the marketing needs and fit the budgets of all kinds of staffing firms.

We founded our company with a simple mission: to make great marketing more affordable.

Whether you're looking for an effective way to stand out from the competition or you just need a new website or brochure, we can provide it.

Our services include:

- E-newsletters & email marketing
- Website design
- Blogging and social media marketing
- Integrated staffing campaigns
- Marketing strategy
- Content writing and creative services



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