

Never Negotiate Your Value

By Duncan MacPherson

As we enter into uncertain market conditions, there is a tendency for many business professionals to deviate on their set pricing and fees out of fear of losing out on new clients.

Ultimately it's your business and you live by the rules you set. However, allow me to outline my case for maintaining consistency.

First of all, during turbulent economic times, it is far easier to stand out from the pack. Prospective clients spend more time contrasting potential new service providers and you can use this reality as an opportunity to differentiate yourself from others.

Chances are, your competitors will amplify their salesmanship and in the process project a high degree of neediness and desperation to prospective clients. A more professional consultative approach where you focus more on mutual fit rather than simply making a sale is far more attractive, especially to high caliber potential clients. Keep in mind, top business professionals don't chase new clients, they attract them.

When a prospective client realizes that you are more fixated on the lifetime value of a relationship than on an immediate commission, you project scarcity and disarm him to the point that they are far more predisposed. This not only positions you as a superior alternative, it enables you to respond to the inevitable:

"I've met with 2 of your competitors and they have both offered to lower their fees."

At this critical moment of truth, you have to convey your rules of engagement with an understated calm:

"You know, I hear where you're coming from. Especially in these market conditions we all want to be shrewd in terms of how we invest our money. However, you need to know that I never negotiate my value. You see, someone who is prepared to lower their fees is simply trying to make a sale. That isn't my approach. I focus on long term relationships based on trust and I think if price is what's really important here you run the risk of overlooking what is utterly important in this type of relationship over the long haul. So I'm probably not the provider for you because I never negotiate my value."

A really important question to consider is this. Do you really want to do business with someone who is completely focused on getting something cheap? The relationship is going to last long after you've spent the money you'll earn on the deal. And how you start a relationship ultimately impacts how it will unfold over the long haul.

I'll close with a simple story to illustrate the point of understanding one's value:

A wealthy homeowner contacted a plumber complaining about some pipes that were rattling in his majestic yet aging mansion. The plumber walked in, quickly surveyed an array of pipes, calmly took out a hammer and tapped in one specific area of the pipe network. Sure enough, the rattling stopped. The plumber then pulled out his invoice book and wrote out a receipt for \$500. When the homeowner objected and demanded an explanation for what appeared to be a simplistic task, the plumber methodically wrote these words: \$20 for hitting pipes. \$480 for knowing where to hit.