MSME OWNER'S PLAYBOOK · BONUS 10

How to Set the Right Price

Stop discounting out of fear.

WORTH ₹499 — YOURS FREE

For every founder whose team caves on price before the customer's even finished the objection.

THE PROBLEM

Every Quote Comes Back the Same Way: "Can You Do Better?"

Every single quote Priya's team sent out this month has come back with some version of "can you do better on price." She always says yes. She couldn't tell you exactly why — she just doesn't want to lose the deal, and a discount feels like the fastest way to keep it alive.

You've watched this happen to businesses you know — the friend whose margins keep shrinking quietly, quote after quote, the cousin whose team "always has a little room" the moment a customer pushes back.

This isn't a negotiation problem. It's a conviction problem — nobody, including the founder, actually believes the number enough to defend it.

WHY THIS HAPPENS — AND WHO'S REALLY RESPONSIBLE

The Number Was Never the Problem. The Story Behind It Was Missing.

This sits with the founder, always — because you set the price, and only you can build the conviction (and train the team) to defend it. A number with no story behind it is just a number, and numbers are always negotiable.

Three reasons discounting becomes the default in businesses like yours:

The sales team caves the moment price is questioned because they don't have anything else prepared to say.

The price was set by copying competitors or gut feel, not by calculating the value actually delivered.

There's no value story behind the number — so the number is the only thing anyone, customer or salesperson, has to hold onto.

ROOT CAUSE ANALYSIS

Let's Actually Get to the Root of It

Run the "5 Whys" on Priya's discounting habit — the same drill-down you should run on your own pricing:

THE SYMPTOM	***"We discount almost every deal, out of habit."***
	↓ **Why?**
WHY #1	The sales team caves the moment price is questioned.
	↓ **Why?**
WHY #2	They don't have anything else to say once price comes up.
	↓ **Why?**
WHY #3	The price was set by copying competitors or gut feel, not value delivered.
	↓ **Why?**
THE ROOT	**There's no value story behind the number, so it's the only thing anyone has to hold onto — and numbers are always negotiable.**

Run this on your own last discounted deal. The root is rarely "the customer was tough." It's almost always that nobody had a story stronger than the number.

LIKELY SOLUTIONS — AND WHAT EACH ONE ACTUALLY GETS YOU

Four Ways Owners Try to Fix This

A Match Competitor Pricing Exactly

What you get: A price that feels "safe" and easy to justify.

What it costs you: You're now competing on price alone — a race to the bottom with no floor.

B Price Low to Win Volume

What you get: Fast initial traction and easier first wins.

What it costs you: Margin erosion that's brutal to reverse once customers anchor on the low price.

C Set Price Once, Never Revisit It

What you get: Simplicity — one less thing to think about.

What it costs you: Costs rise, the market shifts, and you're stuck defending a stale number that no longer makes sense.

D Price on Value Delivered, With a Defensible Story

What you get: Healthier margins and a team that can actually hold the line under pressure.

What it costs you: Real upfront work to quantify and communicate your value clearly.

THE RIGHT DEFAULT BEFORE YOUR NEXT QUOTE

THE RECOMMENDED PATH — STEP BY STEP

Build a Price You Can Actually Defend

01 **Calculate the real cost of the problem you solve**
In rupees, not adjectives. What does the customer's problem actually cost them if unsolved?

02 **Write your walk-away price before you're in the room**
Decide it in a calm moment, not during the pressure of a live negotiation.

03 **Prepare 2 non-price things to offer instead of a discount**
Extended terms, added service, faster delivery — something besides cutting the number.

04 **Train the team to answer "can you do better" with a question**
Not a number. "Better than what, exactly?" reopens the value conversation instead of closing it.

05 **Review win/loss reasons monthly**
If you're losing on price often, that's a value-story problem — not actually a pricing problem.

HOW TO AVOID THIS GOING FORWARD

Make It a Habit, Not a Hope

Pricing discipline erodes quietly, one "just this once" discount at a time. Build these guardrails in permanently.

- **Never let a salesperson discount without sign-off** above a set threshold — a small friction point that stops casual discounting.
- **Revisit pricing every 6 months** against actual costs and value delivered — not just what competitors are doing.
- **Track discount-adjusted margin monthly.** See the "discount tax" clearly instead of letting it hide in the topline.
- **Rehearse the "hold the price" conversation** before it's needed — not while you're already losing the deal.

A price you can't defend isn't really a price. It's a suggestion, waiting for the first objection to change it.

THE SIMPLEWORKS FRAMEWORK

The V.A.L.U.E. Price Check

Run this before you quote — and before you ever agree to discount.

V — **Value**
What specific, quantifiable outcome does the customer actually get?

A — **Alternative**
What would they pay to solve this without you — the real cost of the status quo?

L — **Line**
Where's your walk-away price, decided before the negotiation starts, not during it?

U — **Upside**
What do you offer instead of a discount — terms, bundling, timeline, service?

E — **Evidence**
What proof — a case study, a number, a testimonial — backs up this price?

> *Run the VALUE check before every quote. A price with evidence behind it doesn't need a discount to survive contact with a customer.*

ABOUT SIMPLEWORKS

One Consultant. Four Connected Disciplines.

Simpleworks Consulting is a boutique advisory practice built for Indian MSME owners — founded by **Prem Menon**, drawing on 39 years across Consumer Durables, Tyres, Telecom, and IT/SaaS. The philosophy is simple: strip away complexity, and give founders tools sophisticated enough to work — and simple enough to run without a large team.

Every Simpleworks engagement draws on four connected practice areas, because strategy, go-to-market, execution, and measurement are rarely separate problems in a real business.

01 Business Strategy

The smallest set of choices that makes every later decision easier — where to play, and how to win.

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02 Go-to-Market

Turning the strategic choice into revenue — the right segment, message, channel, and price, working as one coherent system.

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03 Execution Enablement

The operating rhythm — meetings, decisions, ownership — that converts intent into outcome.

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04 OKRs

The feedback loop that tells you honestly whether the strategy is working, and holds the system accountable.

Four lenses on the same question: how does your business get from where it is, to where you've decided it should be?

LET'S TALK

You've Seen the Problem.
Let's Build a Price You Can Defend.

If this booklet described your last quote, that's usually the first sign it's worth a real conversation — before the next discount, not after it.

Reach out. No pitch, no jargon — just a straight conversation about your pricing, your growth, or whatever's keeping you up tonight.

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