



What Does Price Mean?

A value that will purchase a definite quantity, weight, or other measure of a good or service.

What are the 3 components of price (among other things):

1. _____
2. _____
3. _____

What Determines Price?

**Quantity/ Weight/Any
Other Measure or is There
Something Else?**

Example

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What Determines Price?

**Do You Want to Buy My
Car for \$55,000?
It's 2 Liter, Automatic,
Leather Seats etc!
The Answer is On the Next Slide**

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What Determines Price?

Answer the Following Questions:

Would You Buy It if the Car I just mentioned is Proton?

Your Answer: _____

What if it is a Porsche?

Your Answer: _____

What Determines Price?

It seems there's something else that determines Price, otherwise you would buy a Proton or Porsche for the Same Price if Quantity/ Weight/Any Other Measure, were the standards of determining the price of anything

What is that Something Else?

What is The Other Thing that Determines the Price that Clients are Willing to Pay?

Answer: _____

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How Important is Value Then?

Answer:

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What Does Value Mean?

The worth of all the benefits and rights arising from ownership.

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The extent to which a good or service is perceived by its customer to meet his or her needs or wants, measured by customer's willingness to pay for it. It commonly depends more on the customer's perception of the worth of the product than on its intrinsic value.

What Does Value Depend On?

**Value Depends Upon 2
Things & They are:**

1.

2.

What Benefits Do We Offer/Why Clients Chose Us?

1.

How to Negotiate & Reduce Supplier Cost

"I attended your just concluded seminar 2 days ago. Just started working today and this afternoon I applied what I learned ... and applied it just now to negotiate price for diesel.

... supplier offered me a discount which is equivalent to 0.8%. I studied ... and found out that it is in the region of 2%. Therefore, I asked them for a 2% reduction ... The supplier at first lamented the price I offered is too low. I said it is a reasonable demand, and should they not agree to it, I would bring it elsewhere. 5 minutes later, they call me up and said "Your will shall be done"

What Benefits Do We Offer/Why Clients Chose Us?

2.

3.

A. .

B. .

"Artin, I couldn't give more praises to your course. Believe me, I have attended 2 procurement courses, and it is nothing as compare to yours. I would say it is money well spent for your course".

What Benefits Do We Offer/Why Clients Chose Us?

4. The Only Organization that Provides a Guaranteed Investment or TCO:

A. 100% Money Back Guarantee for Public Trainings – No Questions Asked

B. .

What Perception Do We Want to Create?

We are the Only Organization that Any Company Should Chose for Procurement Trainings, Because it's Only Us Who Can Help Them to:

1.

2.

Who Are the Clients we Want to Attract?



Serviced at a Repair Shop – Chai is the Owner - Always quoting a Low Price (and yes I was asking for the lowest Price)

Who Are the Customers that he's going to Attract?

What is his mindset about his Customers?

Attracting the Clients That Will Give Us More Money & More Commissions?

1.

2.

3.

Shall We Then Not Accept Other Clients?

OFFCOURSE WE SHALL

✓ What Is McDonalds Known For (Perception)?

How else does McDonalds make money?

Sealing The Value for Prospects?

Based on FY 2011 for 'company name' this is
What The Prospect Could Be Missing?

Cost Type	Total Cost in Millions	5% Savings	3% Savings	1% Savings
Raw Material	1,500	75	45	15
MRO/Indirect	250	12.5	7.5	2.5

Ask Yourself: When You Look at It this way, would the price we charge for any course be high?
 No, it's too low.

