Category

Commercial Excellence

Pricing & Discounting Guardrails and Approval Workflow Playbook

Giving sales enough discount flexibility to close deals without discounting away your margin

- Practitioner
- Intermediate
- Template Included

- Administrator
- 04 April 2021
- 3 minute(s)

Overview

A framework for pricing and discounting guardrails and approval workflow — tiered discount authority, clear approval escalation, and margin-impact visibility — balancing sales team flexibility to close deals against the genuine risk of uncontrolled discounting eroding margin without commensurate strategic benefit.

Doesn't strict discount approval workflow slow down sales and

hurt deal velocity? Poorly designed approval workflow does add friction, but well-designed tiered authority — giving sales reps genuine discretion within reasonable bounds while requiring approval only for larger discounts — balances velocity and margin protection better than either unrestricted discounting or universal approval requirements.

What's the biggest risk of inadequate discount guardrails?

Discount creep — individual deal-level discounting decisions that seem reasonable in isolation but collectively erode margin significantly over time, without anyone having visibility into or accountability for the aggregate pattern.

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