Deal Shaping 101

Idea In Short

A deal that closes on price alone is a deal that could have closed for more. The sellers who consistently win at strong margin do not negotiate harder than everyone else, they shape the offer before the negotiation starts. That means building tiered packages around a clear value metric, presenting genuine options instead of a single take-it-or-leave-it configuration and treating every concession as a trade rather than a gift. Buying committees make faster, more confident decisions when they can compare a good, better and best option against their own priorities. Sales teams protect margin when discount requests are met with a scope or term adjustment rather than a straight markdown. This article lays out the mechanics of deal shaping: how to structure packages around willingness to pay, how to design options that reveal what a customer actually values and how to run trade-offs that raise win rate without eroding profit.

Deal shaping is the work of designing an offer's architecture before a single word is exchanged across the negotiating table. It sits upstream of pricing and downstream of positioning, translating a value proposition into packages, tiers and trade-off rules that a buying committee can evaluate quickly and a sales team can defend without capitulating on margin. Companies that treat this as a design discipline, rather than an improvisation exercise for account executives, consistently report faster cycles, higher win rates and better price realization. The remainder of this article breaks down the three levers that make deal shaping work:

> packaging structure, choice architecture and trade-off discipline

Packaging as the foundation of the offer

Packaging determines what a customer is actually choosing between and most B2B sellers underinvest in this step relative to how much time they spend negotiating individual deals. A well-built package line-up starts with a value metric, the unit that price scales against, chosen because it correlates with the outcome the customer cares about rather than because it is convenient to track internally. A cybersecurity vendor pricing by protected endpoint, for instance, sends a different signal than one pricing by seat count, because the former ties spend to the customer's actual risk surface. Simon-Kucher's research into SaaS packaging found that more than 60% of top-quartile performers use a good-better-best structure and that the businesses succeeding with it are precise about which features sit in which tier rather than distributing them arbitrarily.1

The entry tier needs enough substance to close deals on its own, not just to exist as a decoy that pushes buyers toward the middle option. Rafi Mohammed's guidance on tiered pricing design in Harvard Business Review points to the importance of fence attributes, the features or usage caps that stop existing customers from trading down while still giving new customers a credible reason to start small. A staffing software company might fence its entry tier at a fixed number of open requisitions, a limit that feels natural to a smaller buyer but becomes an obvious upgrade trigger once the business grows. Getting the fences right is what separates packaging that expands accounts over time from packaging that simply segments a static market.2

Price levels within the package line-up should track value differences, not arbitrary round numbers chosen for their look on a slide. Harvard Business School's value stick framework offers a clean way to reason about this: willingness to pay sits at the top, cost sits at the bottom and the price a company sets determines how the space between is split between customer delight and firm margin. Packaging decisions that raise a customer's willingness to pay, by bundling in outcomes the customer could not achieve alone, expand that space for everyone rather than simply shifting value from one party to the other. This is a materially different exercise than cutting price, because it grows the pie instead of dividing a fixed one more generously toward the buyer.3

Options that reveal what buyers actually value

A single proposal forces a binary decision: accept or reject. A structured set of options, by contrast, turns a negotiation into a series of smaller, more legible choices and those choices tell a seller something a single fixed price never could. Consider an illustrative scenario: a mid-market logistics software vendor stops sending one configured quote and instead sends three, varying implementation timeline, support tier and data retention period. The buying committee's chosen combination becomes a proxy for what the account actually prioritizes, information the seller can then use to sequence the expansion conversation a year later.

Options also change the internal dynamics of a buying committee, which in enterprise deals typically includes procurement, finance, the economic buyer and one or more technical evaluators, each weighting different attributes. Bain's research on B2B pricing behavior found that companies making the strongest pricing decisions are more likely to have both the tools and the internal discipline to act on customer segmentation consistently across a sales cycle, rather than defaulting to a single list price adjusted only by discretion at the point of sale. Presenting genuine options, rather than one plus a discount, gives each committee member a lever they can pull that satisfies their specific mandate without requiring a renegotiation of the whole deal.4

The mechanics of building good options come down to isolating the variables that matter to different buyer types and letting those variables move independently. Term length, payment timing, service level and scope of included modules are the four levers that show up most often in enterprise software and services deals and each one has a different cost to the seller and a different value to the buyer. A finance-led buyer will often value payment timing more than a technical buyer, who instead cares about service level commitments; separating those levers lets a seller trade the one that costs least while protecting the one the buyer values most. Bundling them all into a single take-it-or-leave-it configuration forces every trade to run through price, which is precisely the outcome deal shaping is meant to avoid.

Trade-off discipline and the economics of concessions

Every concession made without a matching ask from the buyer trains that buyer and every future counterpart who hears about it, to expect the same treatment next time. The Program on Negotiation at Harvard Law School frames this as the cardinal rule of concession-making: do not make a concession without getting something of comparable value in return, because an unreciprocated concession signals weakness rather than goodwill. In commercial terms, that means a request for 10% off the proposed price should be met with a specific counter, such as a two-year term instead of one, payment in advance rather than net-60, or a defined reduction in onboarding scope, not a silent markdown.5

Discounting discipline works best when it is anchored to three explicit price points defined before the deal reaches negotiation: list price, which serves as the anchor a buyer sees first, target price, which is the realistic expected price for a customer who fits the ideal profile and floor price, the level below which the deal's underlying economics break. Sellers operating with only a list price and unlimited discretion below it tend to drift toward the floor over time, because every individual concession looks small in isolation even as the cumulative effect erodes margin across the portfolio. Structuring trade levers in advance, so a seller knows exactly what a term extension or a reduced onboarding scope is worth in price terms, keeps negotiations fast without keeping them loose.

Discount requests are also a diagnostic signal that most sales organizations ignore in favor of simply approving or denying them. A pattern of requests clustered around a specific competitor, a specific segment or a specific package tier usually means something in the packaging or the proof points is misaligned with what that segment needs, not that the sales team is negotiating poorly. McKinsey's research on B2B pricing, drawing on a survey of more than 400 pricing executives, found that pricing functions increasingly expect gains not just in efficiency but in commercial outcomes such as win rate and reduced margin leakage when governance and analytics are applied consistently to discount decisions rather than left to individual seller judgment.6

Sequencing packaging, options and trade-offs into one motion

The three levers described above only compound when they are sequenced correctly inside a sales cycle. Packaging should be set before a seller enters a specific opportunity, since decisions about tiers and fences are portfolio-level choices, not deal-level ones. Options should be introduced early in the opportunity, ideally before the buyer has anchored on a single configuration, because it is far harder to introduce alternatives once a committee has mentally committed to one. Trade-off rules apply last, in the closing stage, where the specific levers a seller can pull have already been defined by the packaging and options work done earlier.

An illustrative scenario makes the sequencing concrete. A commercial real estate technology vendor selling a leasing platform builds three tiers around number of managed properties, introduces two implementation-timeline options within its mid-tier during the demo stage and equips its sales team with a pre-approved list of five trade levers, including a three-month implementation delay in exchange for a longer contract term, for use once procurement engages. Because the packaging and options work happened before the deal reached its final stage, the seller enters the trade-off conversation with levers ready rather than improvising a discount under time pressure. This is the difference between deal shaping as a discipline and deal shaping as a slogan:

> the structure exists before the pressure does, not after

Sales leaders who want to move from ad hoc negotiation toward this kind of structured deal shaping should start by auditing how many of their closed-won deals in the past year involved a straight discount versus a structured trade. A high ratio of straight discounts is usually the clearest evidence that packaging, options and trade-off rules were absent or unused and it is also the easiest metric to track quarter over quarter as the discipline takes hold.

- 1Proven packaging and pricing designs
- 2The good-better-best approach to pricing
- 3A beginner's guide to value-based strategy
- 4The secret to B2B pricing in a digital world
- 5Making concessions in negotiation: best practices
- 6B2B pricing: navigating the next phase of the AI revolution

Summary

Deal shaping treats the commercial offer as a design problem rather than a negotiation outcome. Packages built around a clear value metric let buying committees compare options quickly and commit with confidence. Genuine choice architecture, not a single fixed proposal, reveals what customers value and creates room to trade rather than discount. Every concession should be paired with a reciprocal ask, whether that is a longer term, faster signature or reduced scope, so margin is protected even as deals move. Sellers who treat discounting as a diagnostic signal, rather than a routine lever, find and fix the packaging or proof gaps that caused the request in the first place. None of this requires new products or lower prices. It requires deliberate structure applied before the first conversation with a buyer, so that win rate and margin rise together instead of trading off against each other.