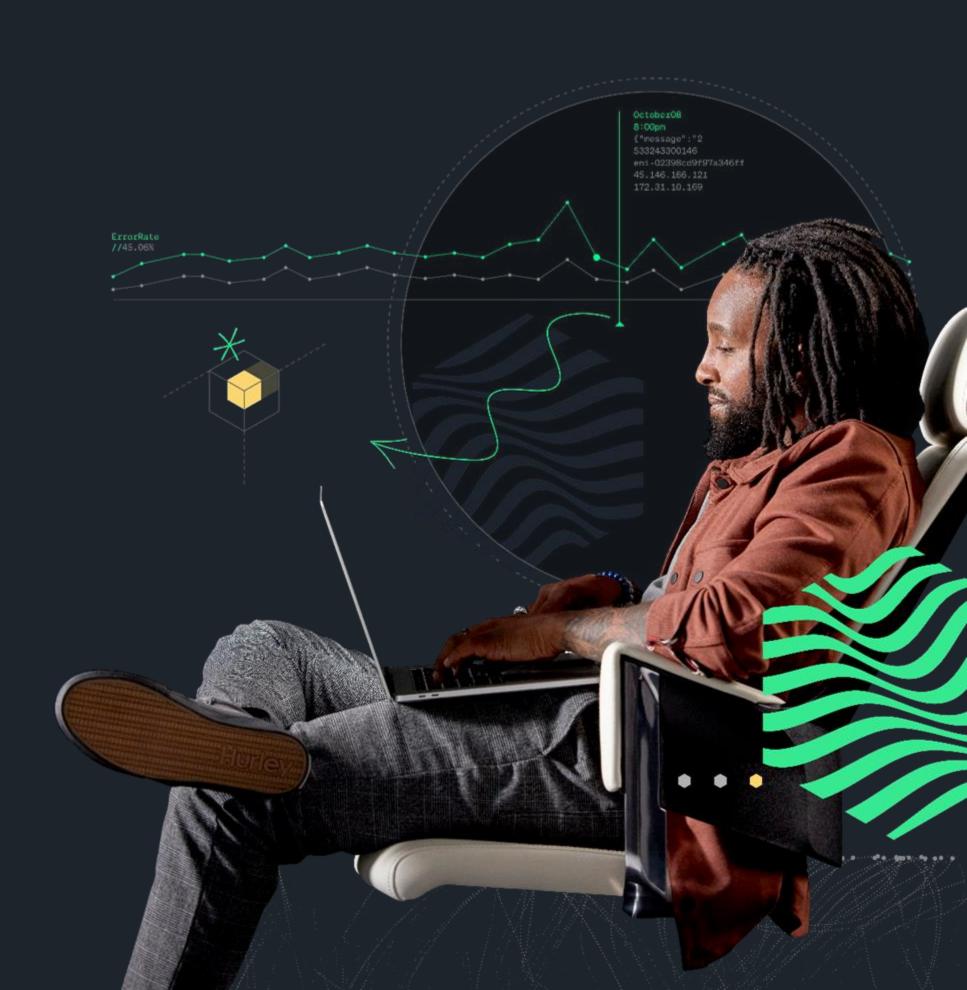
# Negotiation and Pricing Curriculum

David Benz



## Challenges



#### Newer AEs/ New Pricing Models

#### Account Executives ....

- Jump too quickly to discussions around price
- Not sure how and when to position Savings and Volume Plans
- Don't know how to respond when customers raise pricing as a concern
  - Move too quickly to "Let me see what I can do …"
- Struggle with our pricing differentiation story against competitors like Datadog; Can't explain how pricing is a differentiator

#### Business Value/ Differentiation

- Don't anchor in business value or try to anchor too late in the sales process
- Are afraid to pitch significant uplifts
- See significant competitive pressure on deals; Most often from Datadog
- Face challenges in uplifting previous aggressively discounted sales

#### **Negotiation**

- Don't know NR gives/gets and how to use when negotiating deals
- Face hardball negotiation tactics such as budget boxing and threatening to leave
- Discount too deeply, too early
- Struggle with customers stalling until end of quarter/year to try to get better long-term contracts

### Proposed Curriculum

100 - Baseline

200 - Intermediate

300 - Advanced

- Focused on consumption-based pricing, the most common scenarios AEs face and how to price, and how to lead customers to pricing
- Included in New Hire training
- For existing AEs, focus on the pricing model changes (Savings and Volume plans) and how to use with customers
- Focused on business value and differentiation
- Blend of sessions that can be delivered directly to teams, peer-critiqued practice activities, and on-demand microlearnings

- Focused on negotiation
- Cornerstone is a four half-day negotiation workshop for AEs/FLMs plus a half-day coaching workshop for managers



### Baseline

#### **Learning Objectives**

- Describe the consumption model and recognize how the ACR/CRR flywheel works
- Discuss the 3 vectors of the pricing model (Editions, Users, and Buying Programs) and how these are used to create a quote for customers
- Recognize how to use the pricing model to provide gives/gets to customers in negotiations
- Identify when to recommend PAYG, Savings Plan, and Volume plan to customers
- Build a pricing proposal for a new customer and a renewal
- Paint the path to pricing Handle customers who want to jump straight to a
  quote without sufficient discovery
- Estimate future customer growth

# Live

- Pricing 45-minute webinar
  - Pricing example walk through and follow-up activities
  - Includes 15 minutes discussion/Q&A



- The Savings and Volume Plans in 10 Minutes
- How to Walk a Customer to Pricing
- What You Need to Know About New Relic Billing
- Introducing New Relic's Value Framework

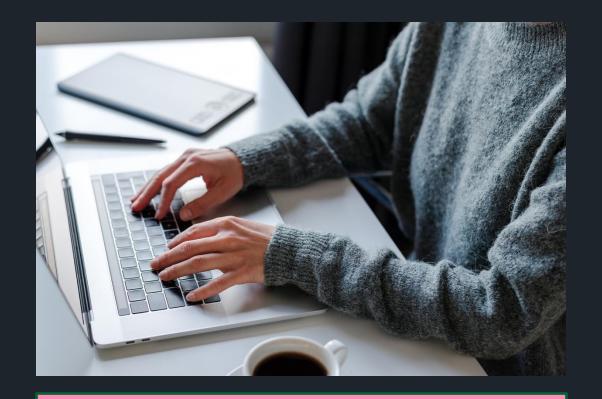


- Pricing Proposal New Customer
- Pricing Proposal Renewal

### Tools & Job Aids



- Pricing Flowchart and Questionnaire Walking a Customer to Pricing
- Savings and Volume Plan Side by Side Comparison



### Intermediate

### **Learning Objectives**

- Perform a business value assessment (BVA) to anchor pricing discussions
- Create a consolidation pricing analysis and story
- Pitch the value of pricing as a competitive differentiator ability to scale
- Quantify and position the added value of New Relic pod support
- Position uplifts for synthetics, IAST, and extended retention
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- Describe partner pricing and how it's similar/different

- Pricing as a Differentiator 45-minute workshop
  - Common objections as voiced by customers
  - The New Relic differentiation story
  - Includes 15 minutes discussion/Q&A
- Building a Business Value Case- 45-minute workshop
  - Conducted by Value Engineering team

### Microlearning



- Partner Pricing in 6 Minutes
- Synthetics Monetization
- How to Pitch Extended Retention
- Positioning Interactive Security Testing (IAST) Pricing

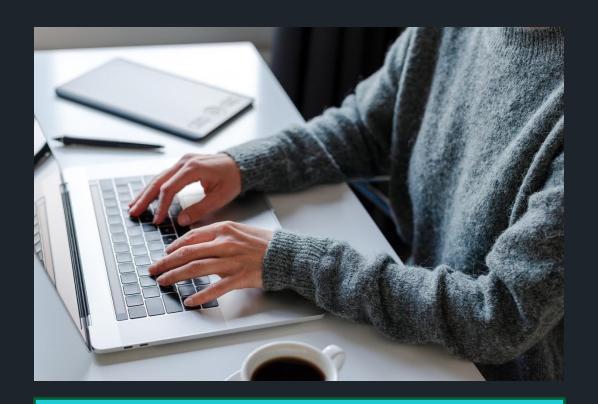


- Scenario/Role Play Positioning versus the competition
  - Run with teams after the differentiation workshop
- Business Value Assessment Peer Review
  - Run with teams after the BVA session

### Tools & Job Aids



- Pricing Differentiation Slides
- Business Value Assessment Template & Examples
- List + Videos of Common Customer Objections and **Tactics for Responding**



**Advanced** 

#### **Learning Objectives**

- Use a systematic approach to planning for important sales negotiations
- Leverage discovery and apply fundamental Sales Negotiation Principles to manage customer perception of value (anchoring on value)
- Use proven negotiation behaviors and tactics in critical customer negotiations
- Make small concessions (focused on understanding New Relic's gives/gets) with a particular emphasis on avoiding unnecessary
- Create custom pricing analyses and stories for unique observability use cases
- Prepare and respond to hardball negotiation techniques including working with procurement

- Negotiation Skills- 4 half days workshop
  - Includes how to deal with common challenges AEs face like price boxing
  - Participants build a negotiation planner for an existing customer
- Coaching and Reinforcement for Managers Half day
  - Best practices for coaching teams

### Microlearning (4)



- Negotiation Gives and Gets in Consumption Pricing
- **Negotiation Case Study Series**
- **Customer Business Value Series** 
  - Improve System Resilience
  - **Ensure Peak Demand Performance**
  - Increase Software Release Velocity



- Negotiation Practice Role Plays
  - Discovering what works
  - 2. Planning for your negotiation
  - Concessions
  - Relationship behaviors

Run with teams during the 4 half day sessions

### Tools & Job Aids



- New Relic Gives and Gets Pricing Negotiation
- Sales Negotiation Planner
- Negotiation Skills Coaching Toolkit