

Negotiation and Pricing Curriculum

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Challenges



**Newer AEs/
New Pricing
Models**

**Business
Value/
Differentiation**

Negotiation

AEs ...

- 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
- 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
- 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

- Focused on NR 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

200 - Intermediate

- Focused on business value and differentiation
- Blend of sessions that can be delivered directly to teams, peer-critiqued practice activities, and on-demand microlearnings

300 - Advanced

- 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 New Relic consumption model and recognize how the ACR/CRR flywheel works
- Discuss the 3 vectors of the New Relic 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



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

Microlearning



- 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

Activities



(includes evaluation & coaching for managers)

- 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 New Relic 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

Live



- New Relic 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

Activities



(includes evaluation & coaching for managers)

- Scenario/Role Play – Positioning New Relic vs. Datadog
 - 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

Live



- Negotiation Skills- 4 half days workshop
 - Includes how to deal with common New Relic 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



- 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

Activities



(includes evaluation & coaching for managers)

- Negotiation Practice Role Plays
 1. Discovering what works
 2. Planning for your negotiation
 3. Concessions
 4. 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