

Sales Scenario Challenge [MASTER COPY] - 6 Questions

Number of questions: 6

Description



Syllabus

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(Multiple Choice): Q1. Enterprise License Agreements



True or False? When a new buyer asks if the Enterprise License Agreement (ELA) you're proposing is just another name for a price discount, you can say yes.

Choices:

- True
- False

Explanation:

Enterprise License Agreements can be the right choice when you are striving to build a long term (and equitable) relationship with a customer.

Although it's easy to get pulled into price per user discussions, ELAs are often a better choice, for several important reasons. First, they establish and preserve your optimal price point, so that when new opportunities appear, you're in a strong negotiating position. Second, ELAs make it easy for your customer to drive adoption and use more of your product, which leads to more opportunity to expand your footprint. Third, it shows your customer that you are a partner who is investing in their success.

An ELA is NOT an alternate way to provide a discount.



Question Topics: pricing

(Multi-correct answer): Q2: Applying Existing Discounts to

Mina, a new prospect in an existing account, is ready to buy. She tells you, "I know my group is going to use a lot less than the other three departments you told me about, but I still think we merit the same discount as everyone else."

From a pricing perspective, what is your best response to Mina?



Choices:

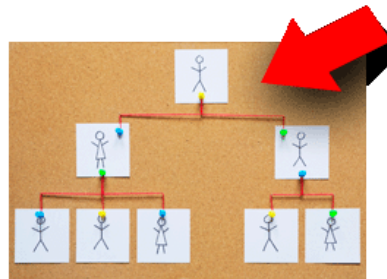
- ✗ Give her the same discount/price, since the account has earned it through cumulative purchases they've already made.
- ✗ Give her the list price and explain that each purchase order represents its own volume commitment that is negotiated independently.
- ✓ Ask her for advice on how you can help her entire organization realize the most value from your product.
- ✓ Find out who at her organization is in a position to help you put an Enterprise License Agreement (ELA) in place.

Explanation:

The best approach is pursue an ELA, to align the emerging high-volume commitment at this customer with the best price for them. Negotiating an ELA will also open the opportunity to "close down" some of the other deals, and let you negotiate for their extension.

If Mina isn't in a position to help you call higher and find the person who can negotiate an ELA, presenting her with a list price proposal for her separate purchase is the best answer.

It is not appropriate to give Mina the same discount as others departments within her company. Doing so would set a too-low "me too" pricing precedent for every future deal and future renewal at Mina's company.



Question Topics: pricing

(Multiple Choice): Q3. Opportunity Identification

Our company requires sales managers to confirm that they have validated differentiated value with their deal sponsor within _____.

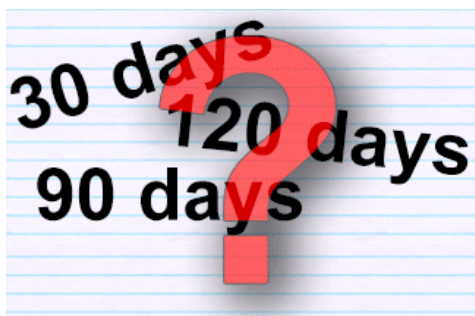
Choices:

- 30 days
- 90 days
- At least 2 quarters before the potential purchase

Explanation:

A sales manager (especially with a new team) needs to work closely with his or her reps to make sure that each deal's progression is based on identified (and agreed upon) business value, not just a successful product demo.

Sales managers need to confirm, and document in salesforce, that business value agreements are in place, within 90 days. As documented in our company's sales portal, deferring confirmation for more than 120 days requires SVP approval, and jeopardizes your team's commission for the quarter.



Question Topics: Sales Strategy

(Multiple Choice): Q4: Business Value

After a successful demo of your product, Sidney says "That looks great. I know I'm going to need to run this by my boss & also the purchasing department -- can you tell me how much this will cost us?"

What's your best move with Sidney?

**Choices:**

- Tell him you'll email him your price sheet right away.
- Offer to email the price sheet if he commits to setting up another meeting between you and his manager.
- Ask him for another meeting to discuss business value and explore possible use cases.
- Invite Sidney, his manager, and the head of purchasing for a round of golf.

Explanation:

Customers often want to move immediately to a discussion about price, however, it is important to establish your value proposition and agree on the tangible benefits that your solution can provide to your customer, first.

Offering to provide the price sheet in return for another meeting with Sidney's boss OR in return for another meeting w/Sidney alone would be the best next step.

In either case, you are asking Sidney to make a stronger commitment to the buying process and signal his willingness and ability to continue. Another meeting w/his boss gets you higher in the org chart, which is always desirable; another meeting with Sidney alone will provide the opportunity to deep dive on potential use cases and benefits, which helps you build the business case (together) that Sidney will need to get management and purchasing approval.

Providing the price sheet right away is not the optimal answer; it gives Sidney the opportunity to "go dark," leaves you blind to what will happen next, and eliminates your control of the sales process. Inviting all three to a social outing is probably the wrong move, and is likely too soon in the process.



Question Topics: Sales Strategy

(Multi-correct answer): Q5. Open Ended

You sell a product that helps companies get new employees certified in food safety handling. The government requires that clerks be certified before they can work on the retail sales floor. You're on a discovery call with a new prospect, Jim, who is the manager of new employee training.

Which of the following questions should you ask Jim to open the call?



Choices:

- ✓ Can you tell me how long it typically takes before a new employee is ready to go?
- ✓ Can you tell me about your training strategy?
- ✗ How much money do you think you lose every quarter because your new clerks haven't been certified?
- ✗ Would you agree that a 15% reduction in the time it takes to certify your new food handlers would be advantageous?

Explanation:

In a discovery discussion, an open-ended question about time is often appropriate; no matter the industry or role of your prospect, time is usually a factor. A question that mentions both time and specifics about the prospect's environment shows that you have insight and a point of view worth listening to.

Open-ended questions let your contact share his or her point of view, and gives you the opportunity to actively listen and be on the lookout for ways to steer the conversation towards your product's potential benefits.

A broader question like "tell me about your strategy" may also be appropriate, however it could weaken your credibility as a solution-oriented seller who has insight into their particular industry or role.

Leaping to a question that you've framed around losing money may be too strong -- your prospect may not yet be thinking in terms of lost revenue or, in this example. Jim's role as the training manager may put him on the defensive since you're accusing him of losing money.

Similarly, opening with a statement about the amount of time your product can reduce is premature -- since you are jumping to a benefit that Jim may not necessarily need. Chewing and spewing your product benefits before actively listening and uncovering Jim's pain is premature.



Question Topics: Discovery Calls

(Multi-correct answer): Q6. Discovery calls

Jason agreed to a meeting after seeing a product demo at a trade show.

After you've gotten the "how was your weekend" niceties out of the way, which of the following questions should you ask him?



Choices:

- ✓ Tell me about your job: what does your team's typical day look like?
- ✗ If you were to make a purchase, whose budget would the funding come out of?
- ✓ What markets do you sell in?
- ✓ Who else will help you choose a vendor?
- ✗ What problem are you trying to solve?

Explanation:

Although any one of the answers could be used with a prospect, selecting the best comes down to timing -- knowing which questions to ask when.

If it's early in your sales cycle and early in your relationship with a prospect, the best questions to ask and the best conversations to have focus on business needs and pain. As you get further down the road with your customer you'll need to learn about their buying process, legal requirements, and so on. But all that should come second to understanding their business, what problem your customer needs to solve, and what potential benefits you have to offer.

Asking about budget, funding allocations, or who is involved in the purchasing decision would not be, typically, appropriate in your initial discovery calls & discussions.



Question Topics: Discovery Calls
