

Forging Ideas for the Future

NewLeaf and Partners Present Cutting-edge Sales Technologies and Concepts

Asking the provocative question of „Is your coffee too cheap?“, this year’s *Future of Sales* workshop introduced a subject that is often underestimated despite its significant impact on corporate success: pricing. While sales management and sales representatives tend to focus on revenue as key success driver, they usually underestimate both the opportunity and the risk associated with margin.

Many workshop participants were surprised to learn about the enormous leverage that successful price negotiations have with respect to a company’s profitability. In this context, Andreas Goldmann, managing director at NewLeaf Partners Europe, showed how one company was able to increase profit more than eight percent just by negotiating a one percent higher price. Vice versa, another company had to sell 70 percent more units because its salespeople had granted a twenty percent rebate to a customer.

The insight from these examples is clear: it is crucially important that salespeople are able to hold up their target price during negotiations and know how to deal with price pressure.

Dr. Kai-Markus Müller from Neuromarketing Labs in Stuttgart showed how psychological and neurobiological factors influence customers’ price tolerance and need to be taken into account during business negotiations. This is true not only for consumers but even for commercial buyers. Applying neuroscientists’ principles and approaches, Neuromarketing Labs have developed methods and processes to predict how buyers will react to different price levels for a given product. Authors like Dan Ariely and Daniel Kahneman have translated neuroscientists’ findings into concrete recommendations for businesses and individuals. Their work implies that traditional strategy approaches may be tricky when it comes to pricing and product portfolio management. For example, companies that are planning to eliminate the famous „dogs“ (products with little market share and low growth potential) from their product portfolio should first consider the potentially positive influence that these products have on the company’s overall pricing ecosystem and customers’ price perception. Consequently, sales training should always include pricing issues such as the ones discussed by Dr. Müller.

Enpatech, a company that originated from Hohenheim University, demonstrated how pricing negotiations can be simulated and trained with the help of Enpatech’s Encore software solution.

Most companies are struggling to achieve sustainable results with their sales training. In this context, Matthias Kopp from Xenodon presented Q MINDShare, an innovative training and education solution. Salespeople typically forget almost 70 percent of what they have learnt during sales training, and this happens within only a few weeks after the training sessions have taken place. Q MINDShare leverages people’s inherent curiosity and play instinct to ac-

tivate and anchor training content, improve the training participants' memory curve and thus protect a company's training investment. The system spoon feeds high priority content to them and then reports back whether the content was received and understood – independent of the hardware device or software platform that the participant is using. Salespeople answer a few select questions every day while the system ensures that content is trained until it really sticks in participants' memories. Using Q MINDShare, companies like Verizon, American Express and Coca Cola have seen a substantial improvement in their training success.

Co-sponsor Samsung Electronics GmbH concluded the official part of the event with a demo



of the company's electronic learning solutions. Samsung's Thorsten Springer and Yeun-Woo Lee showed how these solutions can be used to enhance modern learning in a corporate as well as public environment. In this context, they demonstrated how tablet computers can be used effectively to collaboratively generate, present and verify content. The picture on the left-hand side shows workshop participants testing these

learning solutions on tablets supplied by Samsung.

After the presentations had shed light on various issues associated with pricing – from general physiological and psychological concepts to specific applications – the 50 workshop participants were able to test the solutions that had been presented.

One participant couldn't wait to get home after the event, though. This was not because he wanted to see the soccer World Cup match in the evening, not because he wasn't enjoying the event. Just the opposite was the case, as he explained: „I can't wait to ask my sales reps tomorrow morning how many discounts they granted last month.“

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