



SAP's neGOtiate&WIN Provides Skills to Confidentially Win Contracts

SAP

Best Program for Sales Training and Performance

September 2018



Company Background



Company-at-a-Glance	SAP is the world leader in enterprise applications in terms of software and software-related service revenue. Based on market capitalization, SAP is the world's third-largest independent software manufacturer.
Headquarters	Walldorf, Germany
Year Founded	1972
Revenue	€22.06 billion (Total revenue (IFRS) in FY2016 (preliminary))
Employees	88,500-plus in 130-plus countries.
Global Scale (Regions that you operate in or provide services to)	Worldwide operations in all regions (North America, South America, Asia Pacific and Japan, Australia and Europe).
Customers/Output, etc. (Key customers and services offered)	378,000-plus in more than 180 countries. From pioneering ERP software to new offerings like the SAP HANA in-memory computing platform, SAP innovation goes beyond software – it's developing breakthrough technologies that shape IT and business trends.
Industry	Software
Stock Symbol	SAP SE (XETRA – Frankfurt Stock Exchange)
Website	www.sap.com



Budget and Timeframe

Budget and Timeframe	
Number of (HR, Learning, Talent) employees involved with the implementation?	8 SAP employees
Start date of the program	April 2016

Business Conditions and Business Needs

Over the past several years, SAP's role as a leader in today's competitive IT industry has intensified due to the company's aggressive growth plan and fundamental changes to its core business — specifically, a shift from “on premise” to cloud software deployment (a key ingredient to what's known as the “digital transformation”).

Along with this strategic shift came ambitious revenue goals for 2020, including €7.5 billion to €8 billion in cloud subscriptions and €26 billion to €28 billion in total revenue.

In sales enablement, SAP knew that meeting these goals would rely heavily on its account executives (AEs). Specifically, it would be their role as negotiators capable of uncovering needs and bringing value to the company's customers — at a low cost to SAP — that would be pivotal to the company's success from a 2020 revenue standpoint.

To meet those challenges head-on, SAP developed neGOtiate&WIN — with emphasis on “go” and “win.” This is a program designed to give AEs the skills and tools they need to negotiate with confidence, improve returns, and drive SAP's success.

Overview

neGOtiate&WIN is a blended learning program (with virtual and face-to-face learning) designed to provide insights and practices on how best to use a simple and universal negotiation strategy across SAP. Participants:

- Learn a clearly defined and efficient negotiation process.
- Become proficient in highly effective negotiation tools.
- Gain new confidence for negotiating with customers.

Target Audience: All quota carriers.

Program KPIs: The program's KPIs are tied directly to SAP's 2020 strategic goals, and include reducing discounts, increasing revenue generation and increasing deal size.

Delivery: Three days total — including two days in a workshop setting and one “day” (eight hours total) of pre/post work occurring over the span of two to three months (see program components directly below).

Program Components:

- **Pework:** Six hours total (includes virtual live training, eLearning MOOC, skill assessment survey).
- **Live Classroom Training:** Two-day workshop focused on a four-phase negotiations approach.
- **Post work (Reinforcement):** Two hours total (includes online coaching session, four rapid eLearning modules and an application / business impact survey)
- **Value Proposition:** Boost partner performance and ensure SAP's success in the digital age.

Key Program Objectives:

- Utilize a globally aligned negotiation strategy across SAP.
- Learn alternate variables to price to negotiate on.
- Reduce the level of discount in deals.
- Increase the level of confidence for SAP's sales team.

Key Learning Objectives:

- Apply a simple four-phase approach to negotiations.
- Learn top tips on how to become a better negotiator.
- Practice negotiating and receive feedback from skilled negotiators and coaches.
- Lower the level of discounts in deals.

SAP created a series of ambitious goals for neGOtiate&WIN, including:

- Improve upon the Key Performance Indicators (KPIs) listed above.
- Achieve positive, measurable results in SAP's participant skill-level self-assessments and management appraisals.

Achievement Status of goals:

SAP is proud to report that neGOtiate&WIN has created a significant business impact across all KPIs listed above, as well as in the additional assessment data gathered from its learners. For complete details, see the Measurable Benefits section below.

Design of the Program

The company's neGOtiate&WIN is a blended learning program designed to deliver maximum impact to SAP's learners in a format that fits conveniently into their busy schedules. It's also important to note that the program was designed in response to a thorough analysis of SAP's business/performance and learning needs. The following is a breakdown of SAP's analysis and the program's design:

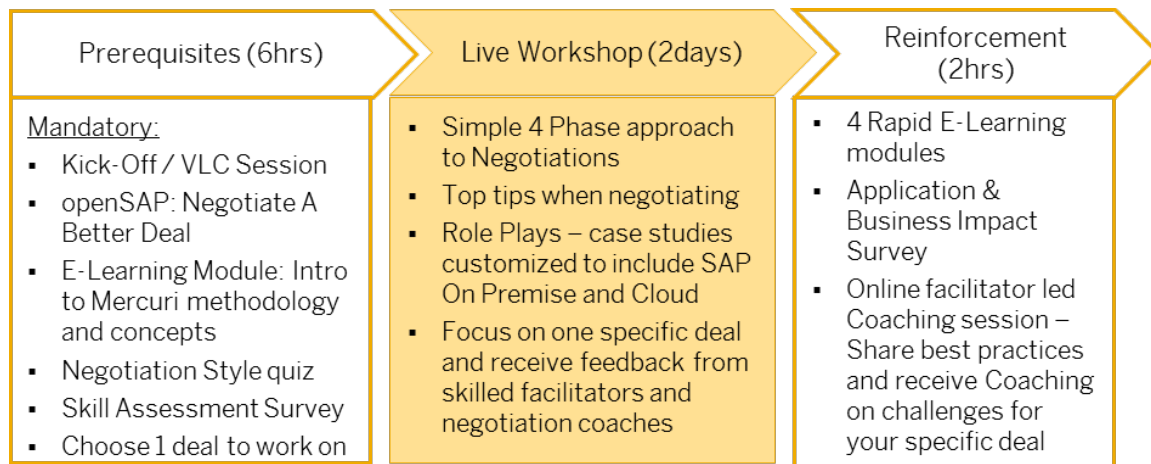
SAP’s Business and Performance Needs Analysis included interviews with sales leadership and a close analysis of all KPIs and their relationship to revenue generation. The result was a list of KPIs management deemed vital to the success of the company’s quota carriers and the subsequent impact they’d have on SAP’s 2020 revenue goals. They included:

- Reducing discounts.
- Increasing revenue generation.
- Increasing deal size.

SAP’s Learning Needs Analysis focused on surveys and interviews with members of its target audience (AEs) to gauge the level of training necessary to boost negotiation skills. SAP also sought to identify the time available in their busy schedules to train on this topic.

With its analysis complete, SAP was able to take information from both analyses and design the neGOtiate&WIN program, which included the pre-work, a two-day workshop, and post-work (reinforcement activities).

Figure 1: Program Design



Source: SAP

At the heart of the program, is SAP's four-phase negotiations progress ("A Focus on Value"), which participants experience first-hand during the two-day workshop using role playing and coaching from skilled facilitators and negotiation coaches. The phases include:

Figure 2: Neegotiation Process

Negotiation Process - A Focus on Value

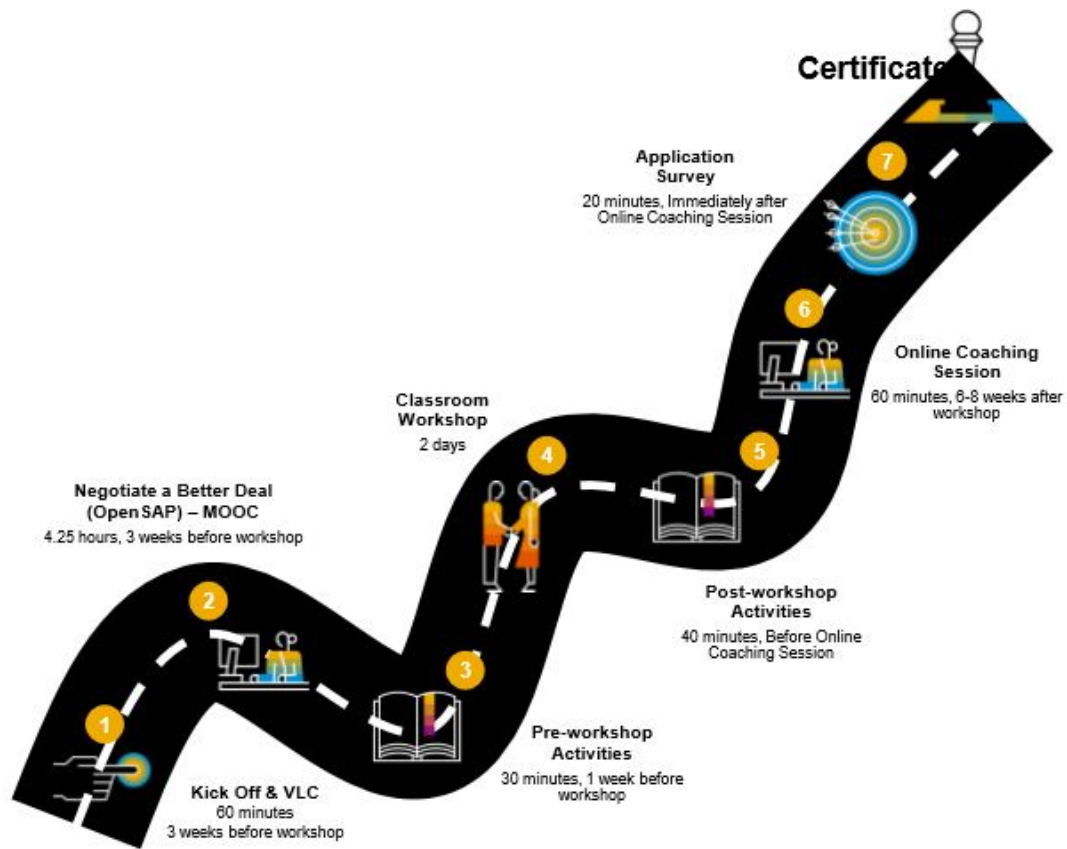


Source: SAP

- **Phase 1: Prepare:** Be confident, knowing areas you can afford to concede.
- **Phase 2: Discuss:** Identify the "shopping list" plus positions and interests.
- **Phase 3: Propose:** Explore possible areas of movement without commitment.
- **Phase 4: Bargain:** Solid commitment is reached on both parts until a deal is concluded.

The following image provides a complete view of the **neGOtiate&WIN** program's overall design:

Figure 3: Overall Design



Source: SAP

Delivery of the Program

Delivery Statistics: neGOtiate&WIN is a global program held in 27 different countries around the world. To date, the program has held 43 sessions with 744 participants (representing 27 nationalities).

Delivery Details: The following is a detailed overview for each phase of the neGOtiate&WIN program’s delivery process:

- **Pre-work:** Following a program kickoff, which is held virtually three weeks before the workshop, participants complete a MOOC (“Negotiate a Better Deal) and other pre-work activities including a skill assessment survey.
- **Two-Day Workshop:** The agenda below provides a detailed look into the two-day workshop:

Figure 4: Two-Day Workshop

Time Slots		Day 1	Time Slots	Day 2
9:00 AM	<ul style="list-style-type: none"> Executive Sponsor Message – Objectives & Introductions The Negotiation Process and Harvard Negotiation Concept – Overview Applying Negotiation Process and Concepts to a Neutral Negotiation Situation (The Islands) Feedback on Harvard Criteria 	09:00 AM	<ul style="list-style-type: none"> Exercise: Analyzing Your Own Negotiation Behavior Preparation Phase - Tactics Position, Interests, Non-verbal Communication & Tactics The Proposing Phase – Impact of Moving on Price Exercise: Moving on Price 	
10:30 AM	Break	10:30 AM	Break	
10:45 AM	<ul style="list-style-type: none"> Gaining control over the entire scope of human conversation! – Using NLP techniques to control conversations through ‘Chunking up, Chunking Down and Chunking Laterally 	10:45 AM	<ul style="list-style-type: none"> Role Play 3: Negotiation Situation – Agreeing to Agree in the Case Review of Customer Meeting 	
1:00 PM	Lunch	1:00 PM	Lunch	
2:00 PM	<ul style="list-style-type: none"> Exercise: Preparing to Negotiate: Introduction and Review of the Case. Deciding on Tactics and Strategy Role Play 1: Initial Discussion with Customer to Understand Value of Offer Review of customer meeting 	2:00 PM	<ul style="list-style-type: none"> Role Play 4: Bargaining Phase – Process, Tactics & Deadlock Deadlock Conclusion & Agreeing to Agree Role Play 5: Managing Deadlock & Agreeing to Agree Review of Customer Meeting 	
3:00 PM	Break	3:00 PM	Break	
3:15 PM	<ul style="list-style-type: none"> Role Play 2: Discussion of Variables & Shape of Offer with Customer Review of Customer Meeting Exercise: Analyzing Competition Daily Action Planning and Application to Own Accounts 	3:15 PM	<ul style="list-style-type: none"> Action Planning and Application to Own Accounts Application of the Negotiation Planner 	
5:30 PM	Close	5:00/5:30 PM	<ul style="list-style-type: none"> Wrap up actions and close program with Call to Action 	

Source: SAP

- **Post Workshop Activities (Reinforcement):** Two hours total (includes online coaching session, four rapid eLearning modules and an application/business impact survey).

As described in the Overview section, neGOTiate&WIN follows a roadmap over the course of two to three months and includes three days total (two days in the workshop and one “day”/eight hours total of pre/post work).

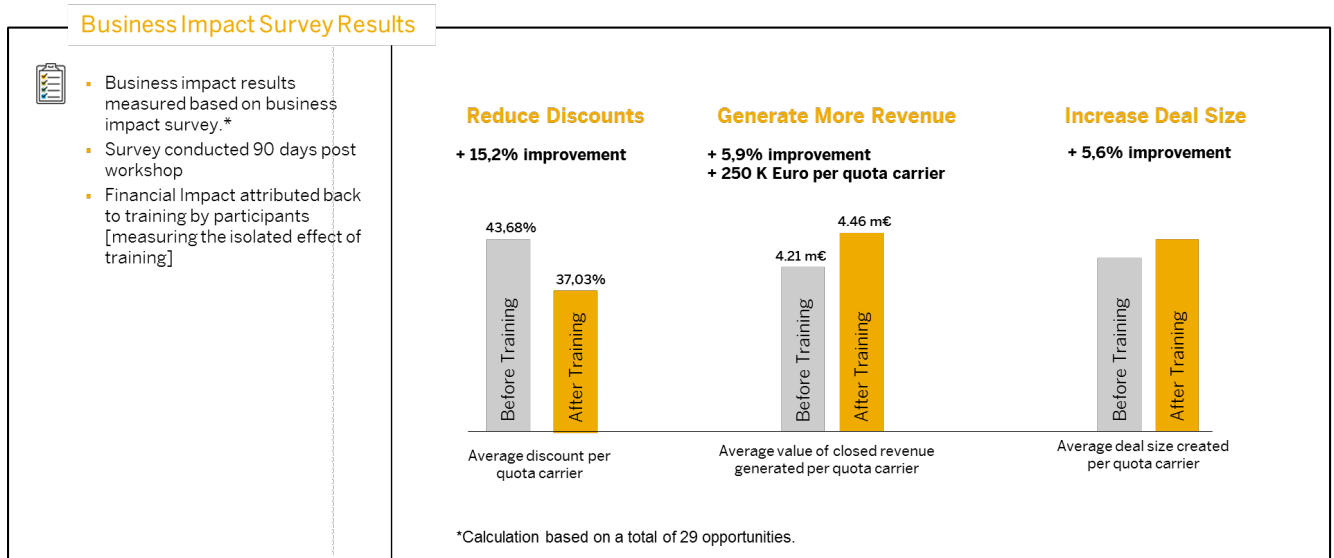
Measurable Benefits

Business Impact Survey results taken from 2017 reveal that neGOTiate&WIN has had a tremendous impact on the organization.

When comparing participant performance before and after training, significant improvements can be seen across each of SAP’s KPIs, including (see chart below for detail):

- **15.2 %** reduction in discounts.
- **5.9 %-plus** increase in revenue generation (equivalent to **€250,000-plus per quota carrier**).
- **5.6%-plus** increase in deal size.

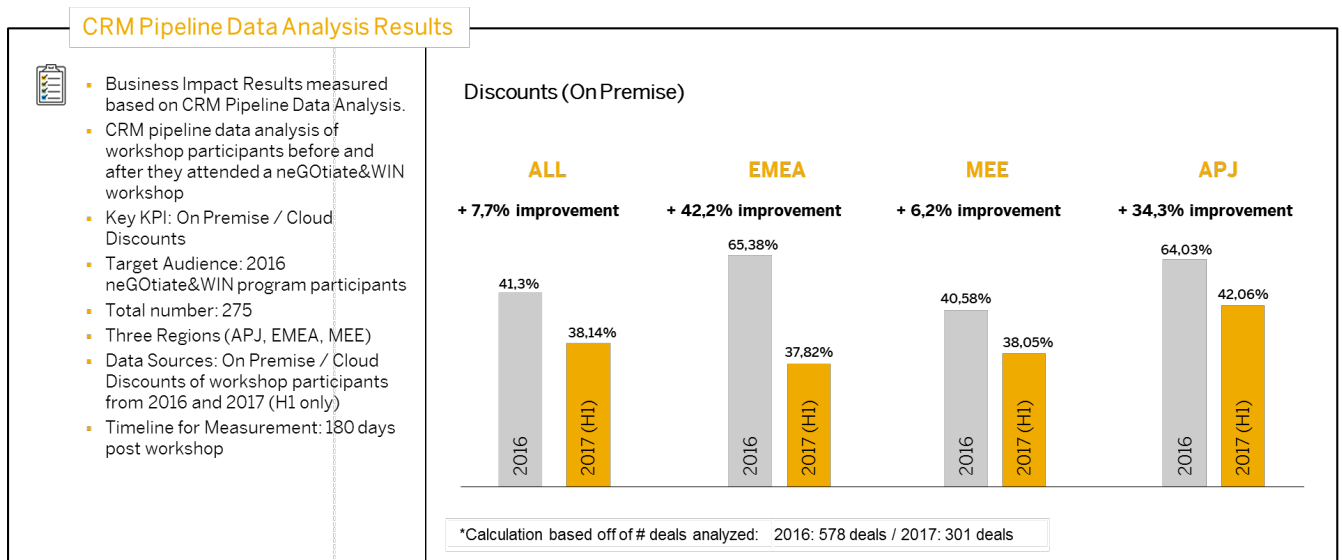
Figure 5: Business Impact Survey Results



Source: SAP

CRM Pipeline Data Analysis also revealed significant year-over-year discount reductions at the regional level for both on-premise and cloud solutions (see charts below):

Figure 6: CRM Pipeline Data Analysis Results

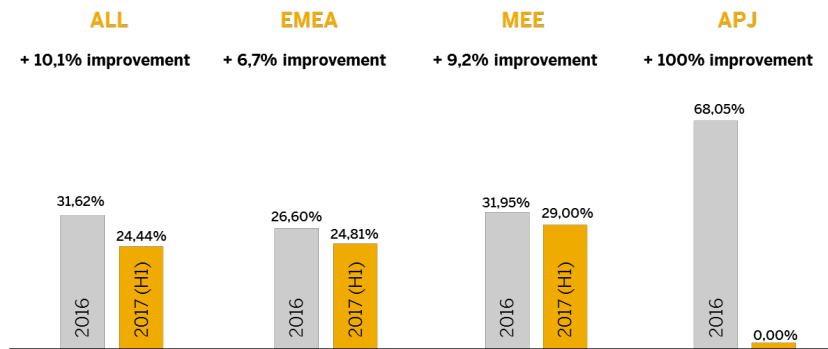


CRM Pipeline Data Analysis Results



- Business Impact Results measured based on CRM Pipeline Data Analysis.
- CRM pipeline data analysis of workshop participants before and after they attended a neGOtiate&WIN workshop
- Key KPI: On Premise / Cloud Discounts
- Target Audience: 2016 neGOtiate&WIN program participants
- Total number: 275
- Three Regions (APJ, EMEA, MEE)
- Data Sources: On Premise / Cloud Discounts of workshop participants from 2016 and 2017 (H1 only)
- Timeline for Measurement: 180 days post workshop

Discounts (Cloud)

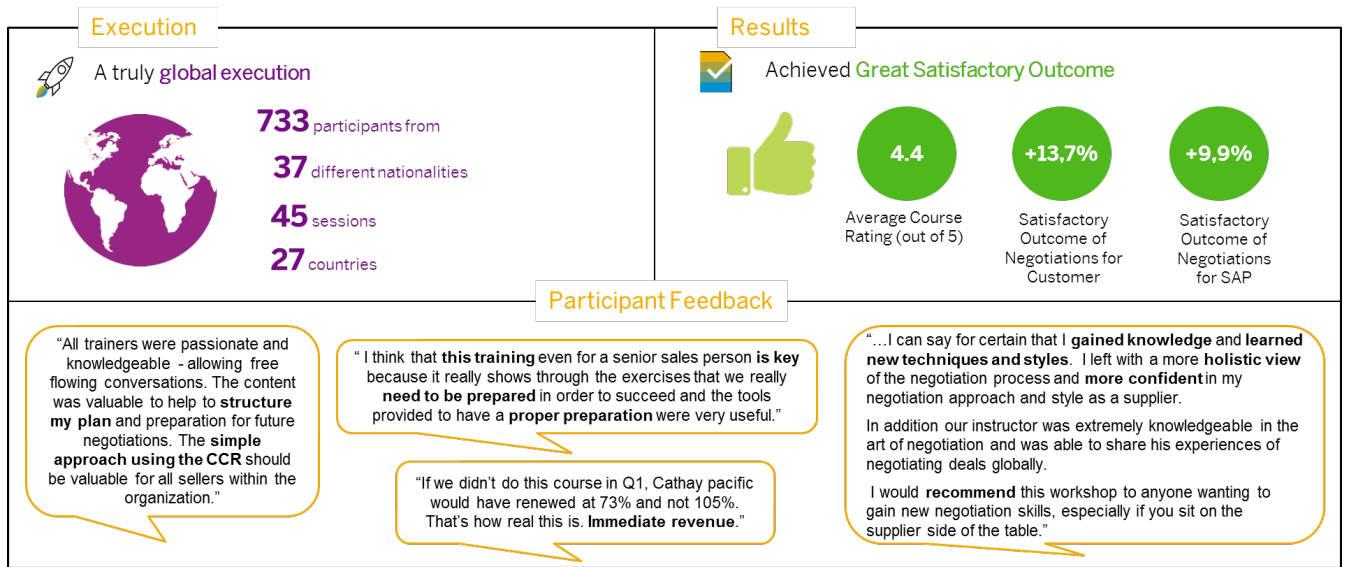


*Calculation based off of # deals analyzed: 2016: 149 deals / 2017: 177 deals

Source: SAP

Participant Satisfaction Rating: SAP's participant surveys also have yielded extremely positive results as detailed in the info graphic below, including a 4.4 out of 5.0 satisfaction rating.

Figure 7: Positive Results



Source: SAP

The program was designed so that it could be easily evaluated using the Phillips ROI Methodology, which is one of the most widely used and credible evaluation methods in the world, and is especially useful when evaluating training programs. **The ROI method includes five levels:**

1. **Level 1 — Reaction, Satisfaction, and Planned Action:** SAP measure participants' satisfaction with the program, as well as their plans to use what they have learned. While most organizations evaluate exclusively at Level 1, this level of evaluation does not guarantee that participants learned new skills or that they will use them on the job.

SAP's measurement approach includes:

- Participation tracking (beginning of classroom training).
 - Evaluation of workshop satisfaction score (end of classroom training).
2. **Level 2 — Learning:** Using tests, skill practices, role plays, simulations, group evaluations, and other assessment tools, the Level 2 evaluation helps determine how much SAP's participants have learned.

SAP's measurement approach includes:

- Participation tracking of online coaching session and rapid eLearning modules (show application of learning while sharing experiences with peers and workshop facilitator) completed 60 days after classroom training.
3. **Level 3 — Behavior, Application and Implementation:** Level 3 evaluation assesses whether or not (and by how much) participants applied new knowledge and skills on the job. The extent to which the new learning is applied in the workplace determines Level 3 success.

SAP's measurement approach includes:

- Application survey (measuring change of behavior with qualitative feedback) at 90 days post-classroom training.
4. **Level 4 — Business Impact:** Level 4 measures the extent to which business measures have improved after training. Typical Level 4 measures include output, quality, costs, and time. It's important to go beyond Level 4 evaluation because there is always a concern that the program's costs may outweigh its business benefits.

SAP's measurement approach includes:

- Business impact survey (participants are asked to indicate reduced discounts of won/closed deals back to the training — monetization of business impact) completed 90 days post-classroom training.
 - CRM pipeline data analysis: SAP compared CRM pipeline data of neGOtiate&WIN participants against data from non-participants and found that neGOtiate&WIN has made a clear and positive impact on the level of discounts (reduced discounts) 180 days after classroom training.
5. **Level 5 — Return on Investment (ROI):** ROI is the ultimate level of evaluation. It compares the monetary benefits from the program with the program costs. Although the ROI can be expressed in several ways, it is usually presented as a percentage or cost/benefit ratio. (Phillips 2005)

SAP's measurement approach will include a final evaluation/comparison of cost/benefit ratio (on a yearly basis) planned for end of 2018.

Overall

This experience has taught SAP many lessons about successful program implementation. The following key success factors are directly inspired from the overall learning experience:

1. Executive alignment:

- Endorsement from upper management is extremely important in stressing the importance, value and benefits of programs for the sales organization.
- Continuous alignment and exchange of experiences with all stakeholders who are responsible for the execution of the program are needed.

2. Program alignment:

- SAP worked diligently to align its internal negotiation methodology with Mercuri International.

3. Global program management to run large scale roll-outs in sales:

- SAP will ensure consistency for managing the program across each region in terms of both content and “look and feel — both crucial elements to the program’s success.

4. Execution across and within regions:

- SAP will maintain close alignment with regional execution teams across all regions to reach target audiences around the world efficiently and effectively.

5. Create relevant training:

- SAP will tailor training to the needs of the sales organization and a company’s target audience.
- Training needs to be interactive, offer role plays and encourage peer-to-peer practice and learning.

6. Constantly evaluate and improve:

- Continuous improvement of the curricula based on organizational requirements and experiences is needed.
- SAP will continuously track participation to reach 100% participation of target audience.

7. **Measurement:**

- SAP will continuously monitor/measure success of the training based on surveys and satisfaction score and key financial metrics (CRM pipeline data).
- Staff will report back successes of program to executive management.

8. **Communication:**

- SAP will share results, successes and key findings across the organization (regions, market units, countries).

About Brandon Hall Group

Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management. With more than 10,000 clients globally and more than 20 years of delivering world-class research and advisory services, Brandon Hall Group develops research to drive performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

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