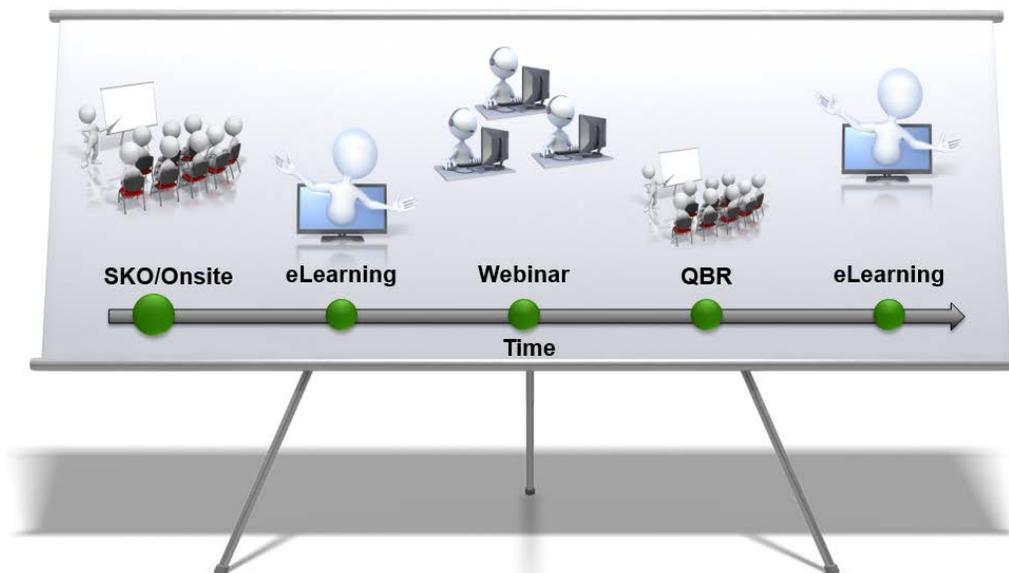


BACKGROUND

Today's financial buyers require sales teams to understand their organization, their corporate objectives and performance, and the specific requirements of their industry. They expect a knowledgeable vendor to work with their team to credibly quantify the potential financial impact (multiyear costs and benefits) of a proposed solution—to earmark budget and cost justify the investment. Moreover, financial and business buyers expect a certain level of financial acumen in the conversation—the translation of technology features and performance metrics into business benefits and financial metrics.

Technology Finance Partners (TFP) leverages nearly two decades of enterprise technology sales support experience to deliver financial sales execution training. This training focuses on the financial aspect of the sale so that sales professionals are better equipped to manage financial selling activities in parallel with the technical sale. A typical program involves custom onsite training, followed by a mix of periodic reinforcement training throughout the year. Figure 1 provides a conceptual annual timeline.

Figure 1: Financial Sales Execution Training Annual Timeline



CUSTOMIZED TRAINING

TFP sales training is designed to teach sales professionals how to communicate and execute in the financial buyer's language. Customized training is comprised of several key financial selling execution competencies, including:

- Financial Acumen
- Value Selling
- Negotiation
- Executive Presentation

Improving the way technology is valued, priced and sold

■ E-mail: info@technologyfinancepartners.com ■ Web: technologyfinancepartners.com ■ Office: 805-770-2376 ■

Copyright © 2016 Technology Finance Partners. All rights reserved.

FINANCIAL ACUMEN

This core course is designed for sales professionals to learn basic financial acumen through an understanding of the three key financial statements: the income statement, balance sheet, and cash flow statement. We introduce each financial statement, define the key metrics, and illuminate trends to deliver insight into the financial health of an organization—insight that can be leveraged throughout the sales cycle.

We then discuss your solution’s key value drivers and how they can impact a prospect’s key financial metrics, estimating the potential value through industry benchmarks.

Course Objectives:

- Obtain a basic understanding of the financial statements in a 10-K & 10-Q
- Learn how to find key financial information with respect to your key value drivers
- Acquire skills for sleuthing trigger events and other intelligence from earnings releases
- Get educated on leveraging benchmark data to estimate values your solution can deliver

We provide handouts to reinforce learnings after the course is completed.

Figure 2: Example Handout




Quick Reference Guide: Financial Statements

Public companies (those who sell stock to the public) produce financial statements every year, and usually provide quarterly updates. The annual report is called the 10K and it includes a number of required elements including **three critical financial statements**:

Financial statements for public companies may be found on company websites or at <https://www.sec.gov/edgar/searchedgar/companysearch.html>

Income Statement: Measures financial performance over a particular time period.

1. Often called the P&L, is likely the most important financial statement for the sales executive to know when selling to a financial buyer.
2. Components of the income statement
 - a. Begins with top line revenue earned
 - b. Subtracts COGS—the direct cost to produce and deliver its products (raw materials, production costs, etc.)
 - c. Gross profit measures (%and 5) represents the amount left over from sales after subtracting COGS. This is not the same as cash.
 - d. SG&A (selling general and administrative, or overhead) expenses are subtracted next, leaving operating profit
 - e. Technology acquisitions (like the one you are selling) are typically subtracted here.
 - f. Operating profit remains
 - g. Other non-operating income is subtracted next, leaving pretax income
 - h. Estimated taxes are subtracted next, leaving income after taxes.
3. Selling tips
 - a. Something obvious: companies that are growing (becoming more profitable over time) are probably more likely to buy than those that are shrinking, UNLESS you can convince your buyer that you can solve their issues with growth.
 - b. Be keenly aware of your value! You must be able to explain how your solution is going to enhance profitability, either by 1. increasing revenue, 2. reducing expenses (COGS or SG&A), or both
 - c. Always look for trends, not a snapshot. How can your solution enhance a positive trend, or reverse an unfavorable trend?
 - d. Look at SG&A trends for insight into buying patterns

Balance Sheet: Shows what a company owns and owes at a particular point in time

1. Key equation: assets must equal liabilities plus owners’ equity. Think of it this way: take everything the company owns, subtract everything the company owes, and whatever is left belongs to the shareholders.
2. Components of the balance sheet
 - a. Assets
 - i. Begins with current (short term) assets: cash, receivables, inventory, etc.
 - ii. PP&E (property, plant and equipment). Once purchased, your technology sale will likely end up here (if it has been capitalized)
 - iii. Other assets: Goodwill (amount paid above market for an acquisition), intangible, etc.
 - b. Liabilities
 - i. Begins with current (short term) liabilities: borrowing, A/P, accrued expenses
 - ii. Long-term liabilities: bonds, long-term borrowing

Selling tips

- a. You can learn a lot from PP&E trends. PP&E naturally decreases as depreciation takes effect, but will grow if they are purchasing a lot. Look for more detail in MD&A.
- b. Long-term debt may provide insight into willingness to finance purchases, whether they are trying to fund further growth without tapping into operating cash, etc. Are liabilities growing or shrinking?
- c. Shareholder equity is not the same as market capitalization!

Statement of Cash Flows: Shows the flow of cash in and of the company over the course of a period

May be depicted indirectly (starts with income statement, and adjusts non-cash charges), or directly.

Components of the statement of cash flows

- a. Operating activities
 - i. Shows cash generated or lost from primary business activities
- b. Investing activities
 - i. Show cash generated or lost from buying and selling financial and real assets
- c. Financing activities
 - i. Shows cash generated or lost between the company and its owners and creditors

Selling tips

- a. Look for cash on hand! If it’s growing, may be a sign that company is looking for investment opportunities
- b. Increase your awareness of company’s propensity to invest by looking at trends in capital expenditures (under investing opportunities)
- c. Company can be profitable yet cash poor – could be difficulty collecting receivables

1 Copyright © 2015 Technology Finance Partners. All rights reserved

Copyright © 2015 Technology Finance Partners. All rights reserved

VALUE SELLING

We begin the value selling training with a short version of our popular value inventory workshop. The value inventory workshop is a two-part program. First, by buyer persona, we determine and rank the business reasons why prospects buy in your solution category. Second, we assess what your competitive value is for each buying reason and how a prospect can monetize it.

We then teach participants to use this new knowledge to create quantitative discovery questions that lead to a thorough understanding of how to establish the cost of status quo and how to drive value against that cost. We then use status quo costs and your value to calculate the cost of decision delay—a critical tactic in today’s spending-averse selling environment

Course Objectives:

- Obtain experiential training on your solution’s key value drivers
- Use value drivers to develop quantitative discovery questions
- In conjunction with Financial Acumen, learn how to build a business value hypothesis
- Develop a technique for calculating the cost of status quo and decision delay

Figure 3: Value Inventory Example (Excerpt)

Stakeholders	Why Buy	Business Issue	Desired Outcome	Priority	Solution	Advantage	Category	Value Metric
CFO, CEO, COO, VP Services	We need to reduce the time it takes to capture and generate key financial metrics for the business	because it takes too long to get the information we need	therefore I want to reduce the time it takes to gather information to produce the key financial metrics	2	Business Intelligence	1	Reduce cost	Human Capital
CFO, CEO, COO, VP Services	I need to be able to predict revenue	because if we don't (and miss) our shareholder value drops	therefore I want to maintain or increase my shareholder stock price (Mitigate the risk of missing from lack of information)	1	Demand, Project Management, Financial	2	Increase revenue	Shareholder value
VP Finance, CFO, CEO, COO, VP Services	I need to understand my true margins	because it effects our profitability	therefore I want access to better (more, accurate, etc.) information on costs and revenues	2	Financial	2	Increase revenue / Reduce cost	Added new revenue, Reduction in labor costs
VP Services, CFO, Services Delivery Director	We need to increase our billable utilization	because we need to offset costs for our revenue generation workforce	therefore I want to increase revenue per employee	2	Resource	2	Increase revenue	Revenue per employee
VP Services, VP Sales	We need to understand our sales opportunities coming down the pike	because if we don't, we end up spending too much on outsourcing	therefore I want to reduce my outsourcing costs	2	Demand, Resource	2	Reduce cost,	Outsourcing costs
VP Services, CFO	We need to better understand our staffing of the projects and how to more effectively align resources	because we want to drive down the resource cost for every project	therefore improving my margin on each resource assignment on a project	1	Resource, Project Management	1	Reduce cost,	Internal resource / Labor cost

NEGOTIATION

Improving your negotiating skills can help reduce discounting, improve the average deal size, and ensure you don't waste time on deals that will never close. By reducing the amount of discounting your organization gives away each year you could increase shareholder value considerably.

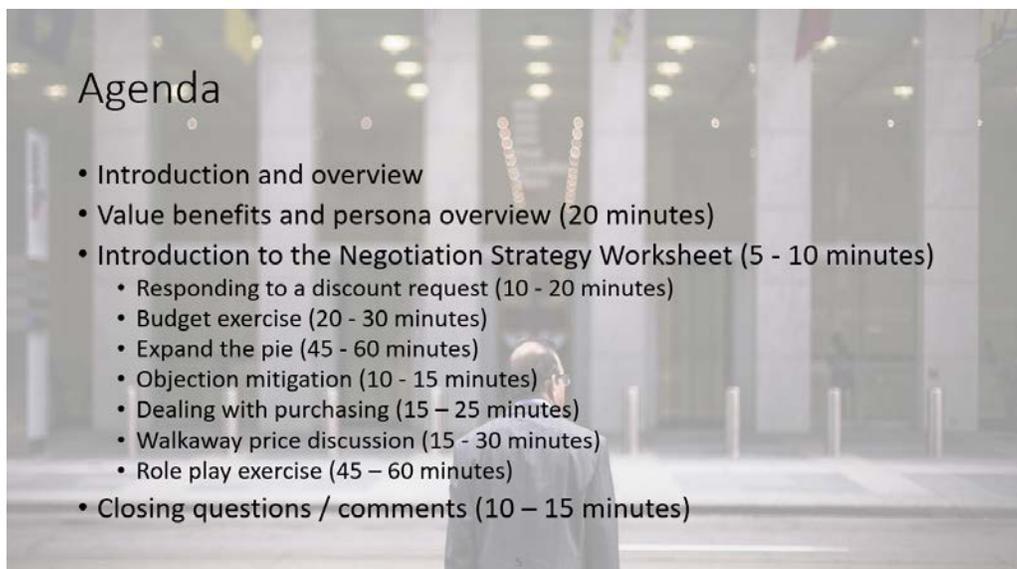
For example, if you were a one billion dollar sales organization and your average discount was 35%, you would be giving away \$538.4M. By working with TFP, you could reduce your discounting by 10% and recover \$53.8M back to your top line revenue. That could be as much as a \$200,000,000 improvement in market cap!

Two keys to negotiation are understanding your prospect's financial drivers and coming from a foundation of value with respect to your solution. This course often follows Financial Acumen and Value Selling training or if a standalone, incorporates concepts from those two courses. In addition to addressing discount requests, objection handling and trading gives for gets, the course is framed by learning how to use TFP's proprietary Negotiation Strategy Worksheet—custom designed for your organization.

Course Objectives

- Improve your negotiating skills, strategy, and sales execution
- Understand how to reduce discounting to increase revenue, margin, and market valuation
- Learn how to use TFP's Negotiation Strategy Worksheet for future negotiations
- Negotiate better deals for both you and your customer

Figure 4: Sample Agenda



EXECUTIVE PRESENTATION

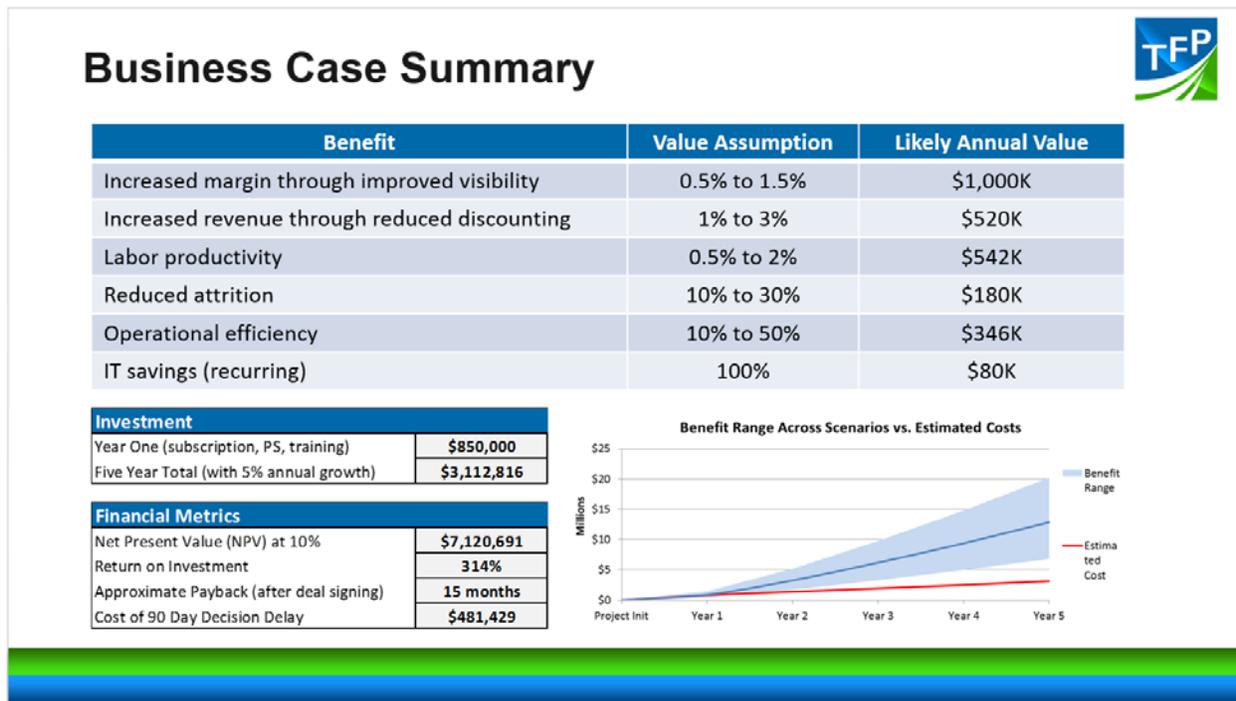
How do you know if your executive presentations are effective? In many cases, you only have one shot at this critical audience—the financial decision makers who are going to make or break your deal. In this training we provide you with insights and techniques you can use to ensure that you are ultimately delivering a winning presentation.

Based on client needs we leverage our field support and tool building experience to share best practices for financial sales execution during an executive presentation. We look at five critical factors to an executive presentation: Education, Value, Credibility, Accuracy, and Delivery. We pursue each topic to help provide a deeper understanding of how to create content that will resonate with your audience. This hands-on training course is designed for participants to take actual presentations and improve their look, feel, and delivery. Our goal is to spark creative thought, while providing new techniques to improve your presentation skills.

Course Objectives

- Develop presentations that educate and provide value
- Gain techniques to improve credibility
- Learn tips to ensure accuracy
- Understand how to succinctly present a business case

Figure 5: Sample Presentation Slide of a Business Case Summary



TRAINING FORMATS

Our custom onsite programs typically run 4-8 hours, but can be tailored to meet the given needs. The trainings generally consist of lecture, interactive exercises, and role-playing activities. In role-playing we encourage sales professionals to present their discovery for financial acumen, value estimations for value selling or perhaps negotiate for prizes and pride.

To reinforce the onsite training program, we offer optional follow up webcasts and eLearning modules. Based on feedback from the onsite training, our team of experts creates custom online programs that are designed to provide sales professionals with the information they need to continue honing their financial sales execution skills.

Figure 6: Some eLearning and Webinar Topics

Financial Acumen	Value Selling	Negotiation	Executive Presentation
Financial fundamentals	Status quo assessment	The negotiation strategy worksheet	The executive summary
Business case metrics	Connecting pain to value	Objection handling	Presenting the business case
Understanding budgets	Building a business value hypothesis	Protecting discount (and margin)	Ensuring accuracy and credibility
Tying value drivers to financials	Building a business case	Negotiating gives for gets	Presentation and delivery tips

To learn more about TFP's financial sales execution training visit our website, email us at info@technologyfinancepartners.com, or call us at the number below.