



**WHITE PAPER**

**iasset****com**<sup>®</sup>

# How can technology vendors achieve profitable customer success?

## State of the channel

There's no doubt that the tech industry is a complicated beast. If you consider the total number of vendors and partners, the sheer volume of products and services available on the market, plus the endless data silos sitting across each organization, it's no surprise that countless opportunities get missed somewhere within each ecosystem.

In addition to these complexities inherent within the IT channel, tech providers are facing countless other challenges. According to a recent report by CompTIA<sup>1</sup>, profit margin leaks are cited as a major concern by channel firms. Key factors contributing to this loss are commoditization, pricing pressures, as well as operational inefficiencies – particularly when it comes to sales processes and tracking financial performance.

Whilst customer retention and success has been a major focus in recent years, 36%<sup>2</sup> of channel firms still claim to be spending a significant amount of time/effort on retaining customers. On average, it takes 22 steps and more than 8 independent systems to process a renewal quote the traditional way. These severe inefficiencies are no longer sustainable for channel firms seeking scalability and profitability.



# The formula to a profitable customer success strategy

As a vendor, you need to consider whether your customer success strategy is geared for maximum profitability. Beyond simply adding more people to your customer success team, you need to ensure that you are building a strong, sustainable pipeline of opportunities within your existing customer base, in the most efficient, cost-effective way.

In this whitepaper, we explore six steps which can help you achieve this.

## 1 Consolidate and monetize your data

Many technology providers are still struggling with their data. In a recent report by Ovum<sup>3</sup>, the following data management challenges were cited by tech firms:

- Capturing the right customer data points
- Integrating customer data
- Ensuring ongoing data integrity
- Analyzing data for real-time insights

So what can be done?

With such a vast network of channel partners, you need an automated, efficient way to track your entire installed base and POS data in one place. This data must flow in real-time up and down your channel to ensure you are not leaving any potential revenue behind, or making it difficult for your partners to sell your products.

You need a platform (beyond just a PRM system) which can cleanse, validate and consolidate all of your products and partner sales activity into a single view.

This will allow you to focus your efforts into analyzing the data and delivering further value to your partners and end customers throughout the entire product lifecycle.

## 2 Proactively manage and grow recurring revenue

Maximizing customer value via customer expansion and extension strategies is critical for long term growth. You want to remain “sticky” and protect/retain as much of your existing business as possible.

According to McKinsey & Company<sup>4</sup>, the growth of subscription models has forced vendors to move from a “land and refresh” mind-set to one of life-cycle selling. For example, Cisco is looking to grow its recurring revenue business through partners by incentivizing them to sell across the lifecycle of its products.

*“It is more than just adding some services somewhere. It is more about how the customer can get the full advantage of our solution, so they don’t only buy the product and install it, but they see the value and then activate additional functionality.”*

Oliver Tuszik  
SVP Global Partner Organization - Cisco

Some examples of proactive growth campaigns include:

- Upsell campaigns (deeper use of existing assets)
- Cross-sell campaigns (complimentary assets to existing investments)
- Trade-in schemes
- Asset retirement/End of Life (EOL) opportunities
- Refresh options
- Proactive renewal and maintenance initiatives

Whilst most vendors are already familiar with the above list and are executing similar campaigns, the most important factor is *how* they are doing it. Many are still *manually* extracting, manipulating and analyzing their data and relying on partners to then *manually* run campaigns or produce quotes, making the process far more complicated than it needs to be. You must remember that the more steps you add to this process, the smaller your margins are going to get due to unnecessary labour overhead.



### 3 Uncover potential opportunities before your competitors

According to Gartner<sup>5</sup>, global IT spend is expected to grow by 3.7%. However, if we take a closer look at these numbers, this forecast does not look as healthy if we were to exclude the enterprise software market, who is contributing the majority of the forecasted growth. Whilst enterprise software anticipates double digit growth, all other markets such as devices will remain flat as a result of saturation and commoditization.

This is why remaining competitive has never been more important. Not only do you need to deliver value to your customers more than your competitors, it needs to be *before* your competitors.

Following on from the last point, more steps within the process not only means smaller margins, but also lost time. You need to take action on potential opportunities before your competitors do, which means that your processes for customer expansion, growth and renewal must be seamless, proactive and as automated as possible. This automation must start at the initial point of sale and continue throughout the entire product and customer lifecycle. You simply cannot afford to let this process be governed by manual data manipulation, analysis and execution. Instead, you should have this information available automatically in real-time, with pre-validated quotes (using the right pricing tiers) sent to your partners - *months* before your competitors do. This is extremely important in today's market, where commoditization is rife and customer loyalty is a rarity.



## 4 Consider the operational efficiency of your channel

Take a walk in your partners' shoes for a moment. Consider that an average partner may work with six or seven top-line vendors, and communicate with another 25 or more on a regular basis. Each vendor has different portals, content, pricing tools, procedures, and program requirements. If those points of interaction are cumbersome, frustrating, or time-consuming, partner's will simply avoid the extra work.

The more difficult it is to work with you, the less likely you are to get what you want out of a partner relationship, or worse - they may choose to work with your competitor instead. Forrester<sup>6</sup> is predicting that the partner experience (PX) will soon become just as important as the customer experience (CX) for the channel.

Cisco claims that their partners expect a simplified experience with accurate data and automation. They expect to process renewals or expand opportunities in 20 minutes or less, especially when it comes to low value renewals which have minimal profitability to begin with.

So it's extremely critical that you consider your channels' operational excellence at the same level as you consider your own, by adopting:



Business processes that are streamlined and easy to follow



Automated data management, order tracking and reporting



Support throughout the entire customer lifecycle including new sales and renewals

By doing this, you will be a channel-led vendor – not a vendor with a channel.

## 5 Scale customer success through partners

Enabling your partners to help scale your customer success and ultimately, customer retention is essential. But how do you help them so they can help you?

You must provide your partners with the data insights, product intelligence and pre-prepared quotes which they can leverage quickly and easily. Most distributors, VARs/ resellers and service providers don't have the time to log into yet another partner portal to try and identify these opportunities themselves. They are already spreading themselves thin trying to manage increasingly evolving price lists, cloud consumption, inventory cycles, compliance, sales targets, different processes and systems and of course, portals.

What the channel needs is a single source of truth. A standardized platform where your partners and even your partners' partners can interact and exchange data in a secure, automated manner.

*"It is critical that channel pros have a 360-degree view of partner data to make better decisions and streamline programs. Without this single source of truth, brands are missing cross-sell and up-sell opportunities, spraying their marketing tactics, depleting resources on manual tasks, setting too wide of a berth on recruitment, and overpaying on partner programs."*

Jay McBain

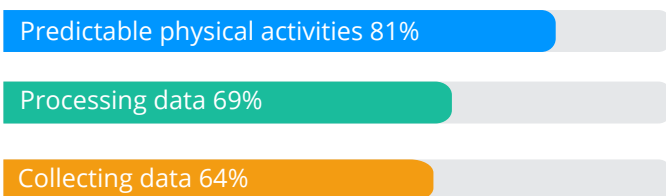
Principal Analyst: Channels, Partnerships Alliances  
Forrester Research



An installed asset lifecycle management platform such as iasset.com - which has been built specifically to benefit tech providers, can offer that single source of truth and 360-degree view of partner data. If one of your channel partners already has their own iasset.com instance, once permission is granted, the two instances can exchange data, facilitating a fully automated process immediately and in real-time. The more integrations you can achieve within your partner ecosystem, as well as with your existing applications (such as your ERP/CRM) - will enable a complete, accurate view to help identify and action opportunities with minimal effort.

## 6 Enable efficiencies via automation

According to a recent report by McKinsey & Co<sup>7</sup>, activities with the highest potential for automation are:



As you can see, data management dominates here. Repetitive tasks that require a heavy administrative load are unsustainable for any future-looking organization. Not only is it inefficient, but it can be rife with inaccuracies and human error.

As a vendor, you should understand the countless benefits automation can bring. In fact, you are likely preaching this to your own end customers right now! So, it's no surprise then, that if your objective is to maximize customer lifetime value as *efficiently* as possible, then automation within your sales and customer success processes is a must. You should not be analyzing spreadsheets, hiring more staff, or building custom applications to process basic functions and tasks that can easily be achieved with the help of existing technology. With the right technology, you will be able to automatically drive growth opportunities via tech refresh, upgrade and/or migration campaigns based upon where your customers are within the product lifecycle.

For example, with an installed asset lifecycle management platform, you can:

- Create automatic, pre-validated opportunities using pricing tiers/certifications
- Trigger alerts when products reach end of life or service (EOL/EOS)
- Automatically program and deploy campaigns or promotions
- Gain full visibility into all of your customers' installed products
- Integrate into any ERP/ITSM/CRM system to ensure data integrity

## Closing remarks

So, where to begin? The first step is to place more focus on the how. *How* are we executing our customer success strategy? *How* do we ensure it can be scaled as the business grows? *How* can we achieve maximum profitability and operational efficiency?

Opportunities for improvement are vast - but that doesn't mean it needs to be complicated. By streamlining processes, introducing integrations and a platform like [iasset.com](https://www.iasset.com), technology vendors can realize the benefits and achieve a ROI - sometimes even in the matter of a days.



### Sources

- <sup>1</sup> CompTIA - Operational Efficiency in the Channel, May 2018
- <sup>2</sup> TSIA - The State of Customer Success 2019
- <sup>3</sup> Ovum report: "High-Tech Digital Investments Lead to Customer Experience Gains".
- <sup>4</sup> McKinsey & Co - Article, Introducing customer success 2.0: The new growth engine
- <sup>5</sup> Gartner Market Databook, 2Q19 Update.
- <sup>6</sup> Forrester Channel Partnerships & Alliances - 2020 predictions
- <sup>7</sup> Driving impact at scale from automation and AI, Feb 2019

iasset.com's installed asset lifecycle management platform helps you manage:

#### RENEWALS

Boost on-time renewals with automated, pre-validated quotes.

#### POS DATA

Automatically cleanse, consolidate POS data for an accurate view of sales.

#### PRODUCT LIFECYCLES

Execute refresh, upgrade and migration campaigns, extend CLV.

#### CLOUD REVENUE

Stay on top of cloud usage and billing, stop contracts from lapsing.

Americas +1 415 745 3568  
Asia Pacific +61 2 8915 6222  
Europe 0800 048 8970

Email us at [info@iasset.com](mailto:info@iasset.com)  
Or visit [www.iasset.com](http://www.iasset.com)

**iasset.com**  
The Global Channel Ecosystem

iasset.com® is the leader in revolutionizing global IT channel efficiency. Our cloud-based platform helps reduce complexity and increase revenue for our customers each day. iasset.com® empowers the entire IT channel ecosystem - from vendors, distributors/ aggregators, to service providers and value added resellers. We accomplish this by automating the product lifecycle for any type of product or service - including cloud consumption and subscription contracts, and hardware or software maintenance renewal contracts. As a result, our customers achieve superior business outcomes including faster and more streamlined processes, compliance, added intelligence, cost savings and the ability to service their own channel and customers more effectively.

Today, iasset.com® manages over \$20B worth of assets in more than 150 countries, and continues to be the solution of choice for leading technology organizations.