

OEM & MANUFACTURER INSIGHTS

Creating Revenue Opportunities with an Outsourced Installation Partner

Closing the deal is often just the start of truly booking the revenue from a sale

When the product, parts, or equipment you manufacture requires skilled, professional, or licensed installation, most clients will structure the agreement to pay and allow invoicing when installation is complete. This can have significant impacts on manufacturer revenue – especially for large deals that involve many client sites across a broad geographic area.

There is a very strong business case for developing a partnership with a highly qualified, outsourced installation partner to ensure you are reaping the tangible and measurable financial benefits of both completing installation projects rapidly and having the ability to quickly mobilize installers as new sales opportunities enter your pipeline. In this whitepaper, we cover five compelling reasons to outsource your OEM and equipment installations.




INCREASE BANDWIDTH OF YOUR SALES PIPELINE TO MOVE TO BID QUICKER

In a fast-paced industry, customers are constantly innovating, and the term “speed to market/revenue” has become critical to delivering your products and services to large organizations. Sales executives need the ability to react quickly to RFP and bid opportunities, and they simply cannot allow the need to include the costs for portfolio installs to slow them down.

Think of it this way – according to LeadResponseManagement.org, a survey found that the odds of getting in touch with a lead within five minutes are 100 times greater than getting in touch with them within even 30 minutes. Budgeting may take longer, but the point stands – the pace of opportunities in the modern era is staggering, and you need to empower your teams to match it.

This can be challenging to accomplish with high-volume, high-velocity portfolio rollouts. Resources and turnaround time become problematic as your sales pipeline continues to grow, and there is no installation partner with the reach and depth of experience to provide you with consistent pricing on demand.

The right outsourced installation partner not only allows your organization to turn pricing requests around to your customers quickly, but also to have a consistent and comprehensive end-to-end solution. This will help you deliver the quick total project budgets needed to close on large portfolios. As your pipeline continues to grow and your close rates increase, an outsourced partner can scale up and down quickly to fulfill your operational needs, leaving you more time to focus on innovation.



Arming your teams with the ability to quickly and thoroughly produce a total budget solution for a client will put you ahead of the competition.

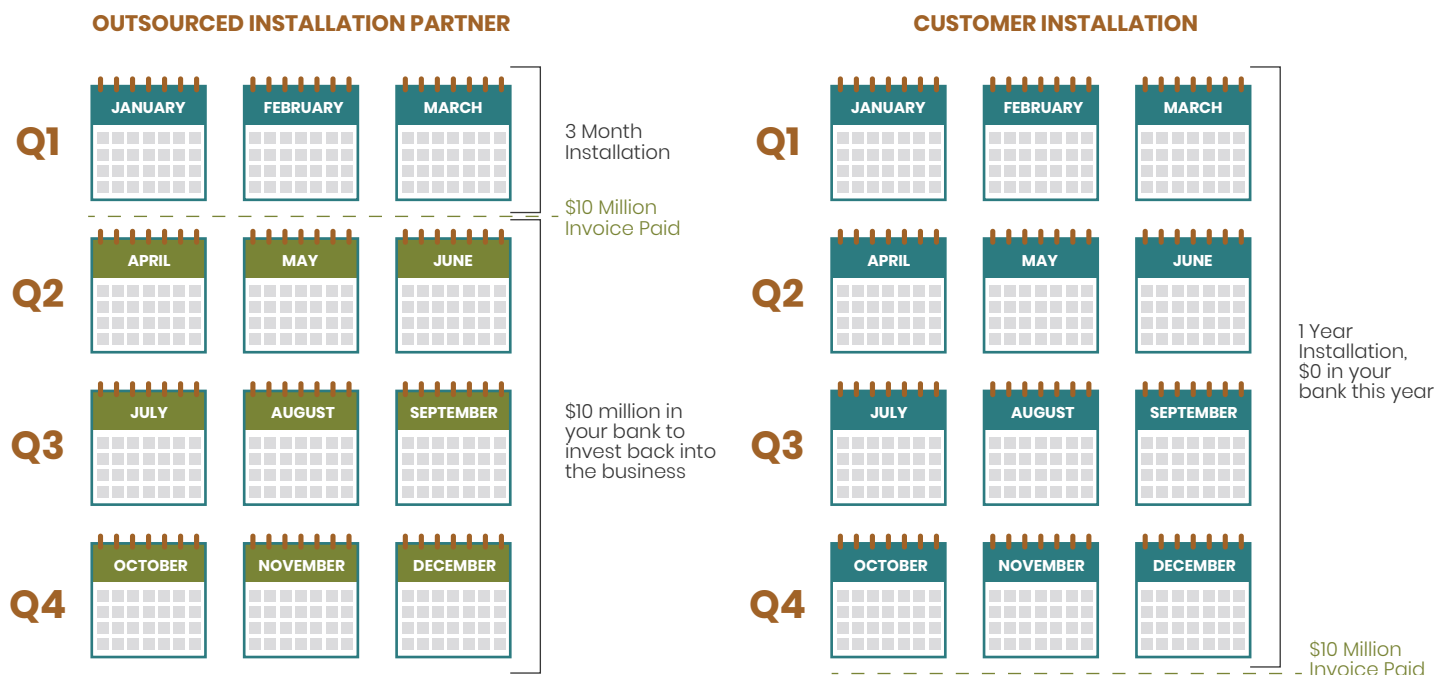
REALIZE YOUR REVENUE SUBSTANTIALLY FASTER

Relying on your customer's operational teams to intake, plan, and complete a large rollout project can be problematic. The installations will usually be a secondary effort added on to their other operational responsibilities. Do they have the tools, resources, and skill set to effectively roll out a large portfolio project in a short amount of time? And, if they're unable to complete the project and the customer shifts the install responsibility back on your organization, do you have the operational reach and resources to drive an effective, high-volume and high-velocity rollout?

Outside of timeline reduction, an outsourced partner can flex its buying power and leverage its service provider network to drive down installation costs. This will drive additional overall margin to help hit your organization's financial goals. And, because an outsourced installation partner completes the installs faster, you can bill your client sooner.

What is the opportunity cost to your business when a client or a stressed operational model manages the installation over an extended timeline? A visual representation of a project completed over three months vs. a full year shows a clear benefit:

THE IMPACT OF PROJECT COMPLETION AND INVOICING DURING ONE CALENDAR YEAR



While the above is a simplistic illustration that doesn't account for complex incremental invoicing scenarios, the bottom line is that completing projects sooner provides the revenue to bootstrap new opportunities by reinvesting in the business.

REDUCE OPERATIONAL BURDEN AND OVERHEAD COSTS

With an outsourced model, you can scale up and down to align with your organization's growth initiatives and client expectations. The ability to provide site surveys, proposals, pilots and total project budgeting within a week of the ask can arm your sales team with a significant advantage.

Common constraints exist when sales opportunities outrun the field and operational infrastructure. When this occurs, the organization is tasked with prioritizing the workload, which can impact your ability to quickly turn on new sales opportunities.

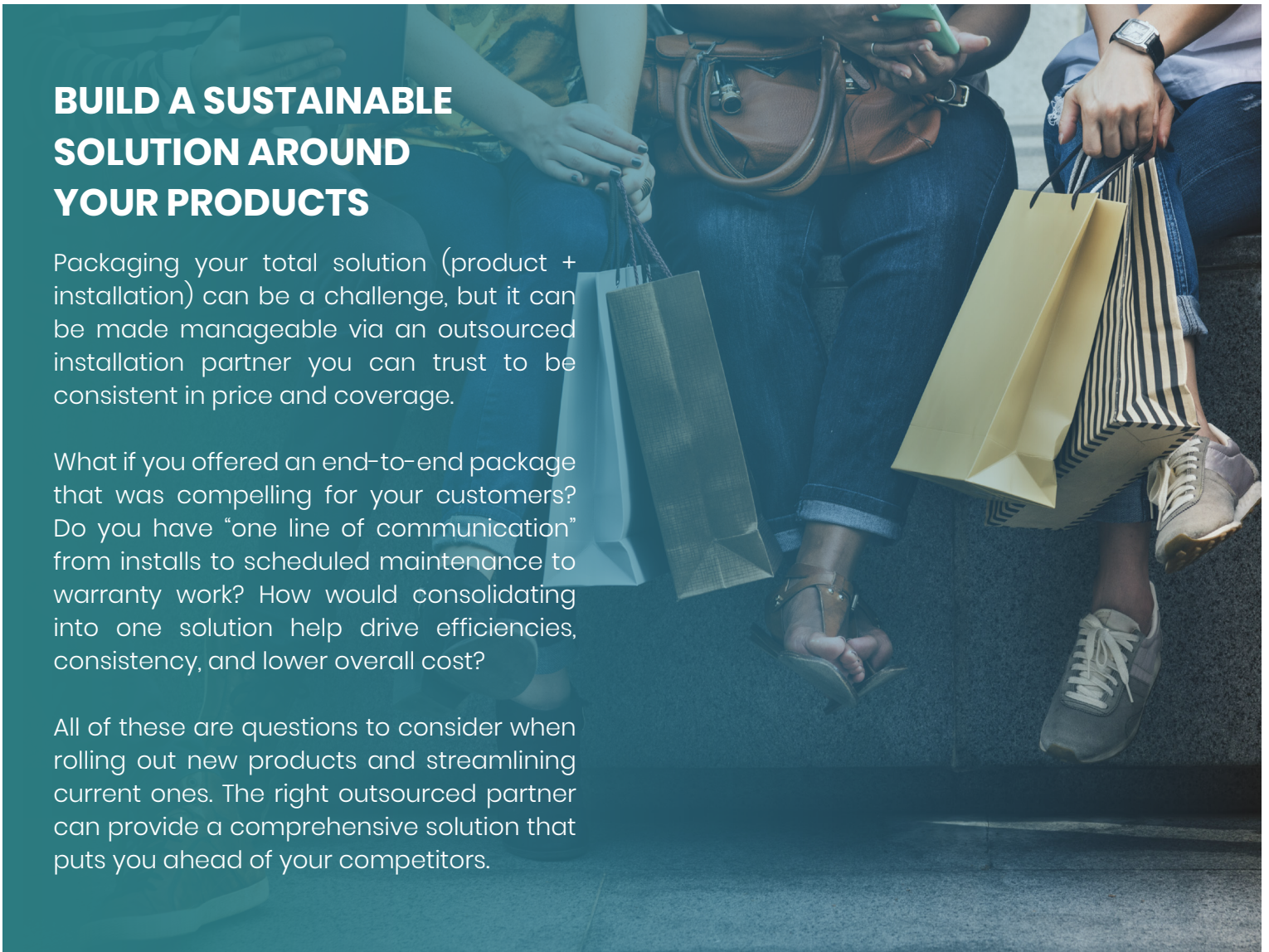
While an outsourced model can flex to your needs, it can also reduce the cost of serving your sales pipeline. Imagine the expenses you can eliminate when your partner's extensive network can pull in local experts, giving you boots on the ground. Eliminating travel, lodging, and food costs will drastically improve your overhead cost and serve your growth model.

BUILD A SUSTAINABLE SOLUTION AROUND YOUR PRODUCTS

Packaging your total solution (product + installation) can be a challenge, but it can be made manageable via an outsourced installation partner you can trust to be consistent in price and coverage.

What if you offered an end-to-end package that was compelling for your customers? Do you have "one line of communication" from installs to scheduled maintenance to warranty work? How would consolidating into one solution help drive efficiencies, consistency, and lower overall cost?

All of these are questions to consider when rolling out new products and streamlining current ones. The right outsourced partner can provide a comprehensive solution that puts you ahead of your competitors.



PROTECT YOUR BIGGEST ASSET: YOUR CUSTOMERS

An outsourced installation partner model often invokes fear around protecting your clients. The thought of losing control is always top of mind, as it should be. However, if you build a viable solution with the right partner, you can drive lower cost, quicker installs, consistent and effective maintenance, and tools that not only protect your customer relationships, but wow your customers.

Often-overlooked aspects of high-volume, high-velocity rollouts include:



1

Resources and systems to organize and manage a large portfolio rollout are essential.

2

Coordinating all the install work, equipment shipping, site scheduling, and service provider training can be overwhelming. If not done correctly, it can be catastrophic to your brand and cost you future customers.

- a. Do you have tools to organize and provide visibility to your customers? Are you able to provide consistent reporting on progress and results?
- b. Does your organization have the ability to flex resources to hit an aggressive timeline?
- c. Where are you shipping your products/equipment for installation? Does it make sense, and how many issues arise from your process?
- d. How do you train your network for installs? Do they provide documentation that satisfies your customer while reducing the risk of failure? Is there consistency across all locations? How do you handle unhappy site managers or field personnel?

3

Skill set: Managing complex and large portfolio rollouts successfully requires a seasoned veteran. Preparation, execution, and documentation are key for success.

BOTTOM LINE: OUTSOURCING INSTALLATION IS GOOD FOR YOUR BOTTOM LINE

As you consider the points made in this document, even if you are not considering outsourcing installations at this time, it's wise to think about making contacts within at least one large-scale outsourced installation partner. Having a vetted and trusted partner will ensure that, as your business grows and new opportunities arise, you can scale quickly on the installation side of the equation.

For the latest on trends that impact manufacturers, tune into Vixxo's podcast, Get Your Fix, found on Spotify and Apple Podcasts, or visit Vixxo.com to discuss insights on the drivers of manufacturers' bottom lines.

*Ready to arm your team with a
total budget solution and
increase revenue?*

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