Automating the Customer Engagement Lifecycle

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In today's highly competitive IT solutions market, outstanding customer experience is an important differentiator. Gone are the days of drop-shipping a box, installing, configuring and collecting maintenance fees down the road. In today's subscription economy, every customer touchpoint is contributing to the ongoing revenue generation process. Whether it is the initial concept solution sale, adoption, or renewal, solution providers require continuous engagement with their customers.

Whether you are a communication service provider or systems integrator creating IT solutions for the enterprise, government, or education market, you need to focus on business fundamentals. Margins are thin, which makes it critical to reduce or eliminate manual and time-consuming tasks and to consider end-to-end deal profitability. As Vijay Gurbaxani, professor of business and computer science at the School of Business, University of California, Irvine, writes: "In short, any investment that allows you to boost the capabilities of your workforce, or increase efficiency or productivity in a material process, is a no-brainer."

This is easier said than done. IT solution sales engagements are complex and data-intensive—and rife with manual processes. Intricate vendor deal registration processes determine the cost structure and discounts. Vendor promotions and

incentives impact the backend rebates and bonuses. Then, solution providers need to determine the end customer pricing as they assess overall deal profitability. And we haven't even addressed the competitive landscape.

Eliminating the drudgery by moving from manual processes to automation, optimization, and analytics can enable customer-facing teams to focus on their customers and on winning and renewing profitable deals. Streamlined and consistent sales processes provide efficiency and scalability to ensure profitability and competitiveness, while simultaneously delighting customers.

Difficulties streamlining the customer engagement process

As solution providers respond to world events and crises, the climate and customer needs are ever-changing, which makes selling IT solutions even more complicated. IT technologies are evolving continually, as are markets, channels, and end-customer requirements. Each vendor's products, price models, and incentive programs are prone to ongoing modifications, making it difficult to stay current when creating proposals and quotes. This means the resulting designs may not provide the best margins.

Sales can be very technical. Designs and proposals needed for larger customers are unique and require a high level of expertise, which is an expensive and limited resource. In addition, these unique or timely market demands often require quick response and may be technically different from past solutions. This is where manually created designs are risky and can lead to design errors, interoperability issues, and more costly custom implementations.

As solution providers shift to subscription selling, they learn that the proposal generation process itself is rampant with manual activities that don't have a view into their impact on profit or margin. Which purview do subscription renewals fall within: the sales team, maintenance team, or possibly the inside sales team? Consider that refresh opportunities and new emerging products, upgrades and migrations evolve, adding complexity. This means that the customer-facing team needs to determine the optimal solution at every stage of the engagement.

Vendor incentives are another area of complexity. Cisco, for example, generously provides billions of dollars in incentive programs to their channel partners. But to

receive the benefits, the partner must stay up to date on complex and changing qualification criteria. This entails spending hours or days gathering, aggregating, segmenting, and analyzing data from multiple Cisco and distributor sources. One of the most popular programs, the Cisco® Value Incentive Program (VIP), provides substantial rebates on eligible SKUs sold during a six-month period. For the current VIP period, thousands of SKUs were included in the program, and the documentation spanned hundreds of pages covering multiple architecture and annuity incentive tracks as well as compliance and transition rules. It takes a monumental effort to stay on top of the VIP incentives, let alone all the other incentive programs.

The fundamental challenges to profitability across the sales lifecycle are the need to gather data from many complex data sources, analyze it, and use the results to optimize profitability. Sales process automation does just that, sheltering the user from complexity and significantly increasing efficiency and profitability.

Areas ripe for automation

There are usually several organizations involved in the life of a deal. The deal typically starts with the sales architect or engineer employing a discovery process to baseline an existing network and create a design or proposal. The vendor's online ordering system is then used to create an estimate, which is the initial proposal. That estimate gets registered as a deal to determine the costs and basic discount. The solution provider can then analyze the deal to optimize its margin. This can include understanding costs, applying incentives and rebates, and doing "what-if" analyses against competitors. Margin dollars can then be distributed across products, subscriptions, and professional services to yield the most profitable proposal.

Teams such as the deal desk often manage back-end promotions to ensure, for example, that booking targets and shipment dates required to qualify for rebates are met. Further along the sales cycle, the sales team works with its customers on subscription and support contract renewals, replacements, and upsell and cross-sell opportunities for customer assets that may be reaching end-of-life, end-of-support, and so on.

Automation can streamline end-to-end sales operations by gathering and analyzing data from a variety of sources and providing the resulting insights in dashboards. This way, solution providers can spend their time focusing on their customers and their business instead of grinding through data.

Automation across the sales lifecycle

A deal goes through many steps during its life, with countless opportunities for automation, optimization and analysis.

Margin and competitive analyses

With the tremendous competitive pressure to get profitable quotes out quickly, margin and incentive optimization is frequently skipped or done with spreadsheets for the largest deals. Instead, automated processes should be designed to identify all the incentives that apply to a deal, incorporate professional services costs, calculate rebates, and determine the deal's margin. Sale teams should be able to test "what-if" pricing scenarios to determine how much discounting they can do and be able to move margin between product, service, and subscriptions to help

determine their best sales-focused cost and price strategy. In addition, gaining understanding of where competitors may stand based on their certifications and specializations and potential costing structures can facilitate winning more deals. And it must be done so quickly and reliably that the analysis can be done on every deal.

Using automated applications that put the deal analysis information at the fingertips of the sales team will enable them to take advantage of programs and promotions and understand their end-to-end deal profitability. Because the business is very commoditized, small changes can have big impact, so thoroughly analyzing deals up front enables the solution provider to be more competitive.

Automating renewals: IT assets, subscription, and contract management

Another area ripe for automation is the management of customer IT assets, maintenance contracts, and subscription renewals. This can be challenging and time-consuming, especially if you are currently managing them with multiple tools and, even worse, spreadsheets. IT assets are typically spread across multiple sites and networks, and their maintenance varies by location, asset type, etc. In addition, non-aligned contracts expire at different times throughout the year and asset moves may not be recorded.

Automated systems organize the asset management and renewals process so the solution provider can work with their customers proactively to ensure renewals and replacements happen in an optimized and timely manner. The system should provide a unified customer-centric view of assets and contracts, as well as business intelligence on coverage and expiration dates that reflect upsell and cross-sell opportunities. Contract details and move, add, change and disconnect (MAC-D) requests that are made available to end-customer users have an added impact on the customer experience.

The IT Sales Lifecycle
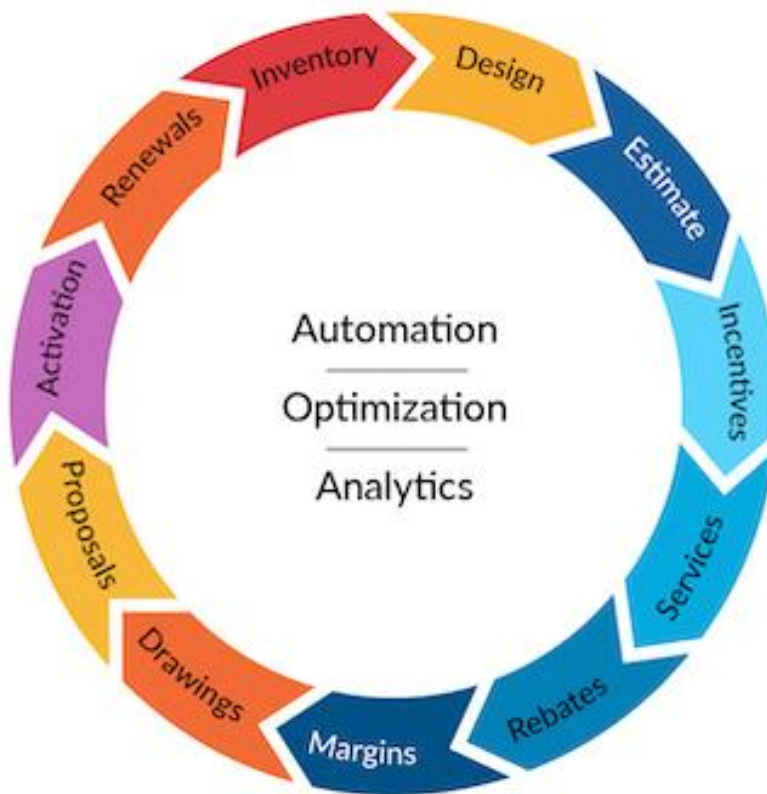
The goal would be that with a single tool, solution providers can see everything they have sold to a specific customer without needing to go to multiple vendor portals. Being able to quickly see all the contracts and what is up for renewal will allow them to prioritize actions and ensure renewals are done on time. A bonus would be to use a tool that could also facilitate co-terming

"A winner with integrated automation tools is having a single pane of glass to evaluate the solutions we are putting in front of our customers. We have visibility into different frontend and backend incentives, bundles and promotions, and VIP calculations as well as VIP forecasts. We can quickly identify gaps and see ways to do things a little differently to be competitive in the market. The analytics enable us to understand our margins and provide the best deal to our customers. Using automation tools for Cisco incentive programs give us a competitive edge."

— Sean Troy
Vice President
AEC Group

AEC GROUP

of large numbers of products to simplify asset management for the customer and the solution provider.

Ensuring the sales process can focus on the business

By automating the customer acquisition and engagement lifecycle, from pre-sales to renewals, IT solution providers can achieve operational excellence and scalability throughout the sales cycle and maximize margins. They can gain easy access to the data they need to manage their business and be proactive with their customers. And proposals that make business sense can be created rapidly, delighting the customer and bettering the bottom line.