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Does your Enterprise IT Sales Model Scale to Handle Digital Transformation?

InterComms had a conversation with Steven and Melissa to gain insights on the impact digitization and other megatrends are having on Communications Service Provider and Value-added Reseller sales processes for enterprise IT solutions

Steven Madick, Growth Advisor, Business Process Consultant

Steven Madick has over 20 years' experience in the technology industry with a focus on streamlining business processes. Steven helped Nexus IS create and build their Cisco business, taking it from the ground floor to a $500 million business. With their acquisition by Dimension Data he managed the assimilation of Nexus IS into the Dimension Data workflow. He leveraged the best practices approach Nexus IS had developed to efficiently quote professional services, and Dimension Data is deploying the Dimension Data Professional Services Advisor throughout the world. Steven now consults with solution providers to help them scale their businesses.

Melissa Borza, Netformx Vice President of Marketing and Product Strategy

Melissa Borza has responsibility for orchestrating the Netformx Digital Ecosystem-as-a-Service product strategy and promoting it in the marketplace. During 23 years at CA Technologies, including as global VP Product Management, she built new businesses, invented new IT management products, penetrated new markets, and ensured operational excellence. Through carefully structured, repeatable processes, she has driven products from concept through market launch to end of life management.

Q: Steven, you have been deeply engaged with solution providers as they and their enterprise customers make the journey to become digital entities. What is their biggest challenge?

A: Steven Madick: The biggest challenge for everyone is the human element. While the sales process is quite automated for the consumer market, enterprise sales continue to be complex technically and solutions are custom, designed by an individual at their desktop to meet an enterprise's specific needs. To achieve digitization profitably, solution providers need to productize the IT solution design process. Productization brings consistency

and automation that dramatically reduce expensive and time-consuming rework caused by human errors, eliminate manual handoffs in the design process, and enforce the use of best practices.

Melissa Borza: I agree, Steven, and the pre-sales process is becoming even more complex with megatrends like IoT that involve new equipment, unique initial conditions, and significant professional services and partner components. There is so much room for error when individuals work in silos relying on personal practices.

A lot is at stake. Business customers are expected to be a larger source of communications service provider revenue than consumers, but sales methods that don't scale will kill profitability. The pre-sales process needs to be repeatable, efficient, accurate, and faster. It can't rely on knowledge in the minds of individual designers or sales people. Quick proposals are differentiators that win business. Accurate proposals increase customer satisfaction since they reduce time-consuming rework and speed implementation. And since enterprise customers tend to stay with their suppliers, the solution provider will not only make the initial sale but also hold the customer for the long term, all while increasing profitability.

Steven: Yes, scale is a major issue and thankfully one that Netformx addresses. Without Netformx, to create a solution that incorporates multiple vendors' products, designers would need to access each manufacturer or distributor's tools and develop configurations from each without seeing the total picture. That disjointed effort is very dependent on the individual designer's experience and expertise and may

not take advantage of bundle opportunities or maximize rebates or discounts. The person may not have the time, energy, or knowledge to pursue economic trade-offs, stay up to date with the company's best practices, or take advantage of excess inventory. The choices they make to create the proposal may be best or easiest for them, but may not be best for the overall business.

Scale and productization can be achieved with an integrated, collaborative, and automated solution. The Netformx Digital Ecosystem-as-a-Service (ESaaS) makes it easy to access—with a single tool—a broad set of vendor pricing, configuration rules, reference architectures, and suggested product substitutions that reduce excess inventory or increase discounts and rebates. When decisions are made quickly and accurately, the business benefits.

Q: Melissa, tell us more about the Netformx Digital Ecosystem-as-a-Service.
A: Melissa: The Netformx ESaaS speeds IT transformation and digitization by taking a holistic approach to enterprise sales enablement and profit acceleration. Through collaboration, analytics, and a wealth of supporting information, the Netformx ESaaS integrates business and design functions into a comprehensive and coordinated whole that improves quality and profitability and thereby ensures customer satisfaction. This enables solution providers to design, analyze, and sell IT offerings from pre- to post-sales while unlocking key customer and business insights.

Data from vendor and distributor sources and from the company's proprietary intellectual property, such as salesforce.com or professional services pricing, are ▶

Unlock Key Customer and Business Insights

Design · Analyze · Sell

▶ analyzed and made available to multiple parts of the sales organization. Sales and design projects are stored in the Netformx Hub in the cloud and can be shared efficiently across the sales organization throughout the sales lifecycle, from opportunity to quote to post-sale analysis and channel management. The projects are also analyzed and available in dashboards with key business insights and prescriptive actions so that management can stay on top of the business.

The Netformx ESaaS empowers solution providers throughout the business cycle with a closed loop process of design, analyze, sell, analyze again, design, and so on. It is basically a coordinated 360-degree infinity loop that results in won deals and happy customers.

Steven: What's great about bringing business and design functions together in Netformx' integrated ecosystem is that solution providers can eliminate individual silos and personal decision-making and significantly reduce manual processes. With a consistent, rules-based environment that automatically highlights best practices, solution providers can ensure that their business priorities are being followed with fewer errors, more consistency, and a better product at the end of the day. This is the epitome of profitability, margin retention, and efficiency.

Q: Steven, as digitization is taking hold and hardware is becoming commoditized, professional services are becoming very important. How can services quoting be made more efficient?
A: Steven: As enterprise customers transform their businesses and migrate to cloud and service-based infrastructures, savvy solution providers are now leading with services, not hardware sales. So accurate quoting of professional services in proposals and Statements of Work has become mission critical. Yet today professional services quotes are often pulled out of the air or calculated with arbitrary risk factors. They are attached to quotes as an after-thought or once the design is complete. Without governance controls, services can be overlooked or heavily discounted. Services have higher margins, but if quoted incorrectly can negatively impact profitability and customer satisfaction.

Another issue with services is the importance of staying up to date on the latest professional services tasks, labor rates, exchange rates, etc. Keeping sales engineers informed of the latest services information by emailing spreadsheets does not result in consistent implementation. And using an old exchange rate can lead to massive pricing errors. What's important is to standardize and automate professional services quoting.

Melissa: Solution providers can differentiate themselves in the market and increase profitability by leveraging their own high margin service offerings. Software-based guided professional services advisors enable sales engineers to generate professional services quotes while they are creating the hardware design. High-margin professional

services are automatically incorporated into quotes as part of the standard workflow, so the service attach rate—and therefore margin—is increased in every quote. That way, a total budgetary quotation can be presented to the customer early in the sales process.

As Steven said, it's important for services quotes to reflect the latest information, such as a need to use higher-cost subcontractors because of resource constraints or a change in exchange rate. The professional services catalog information is created once and then seamlessly and consistently distributed globally in real time to all users through a cloud-based interface. Users don't need to take any action to ensure that every engineer or designer around the world has the same up-to-date information at their fingertips at the same time.

Automated advisors speed the quoting process and increase its accuracy and consistency. As a result, the "service attach" rate for professional services increases, costs go down and a proactive focus on higher margin services increases gross profit. Since automation increases productivity, the designer can spend more time evaluating manufacturer programs, rebates, and special options that increase profitability.

Q: There are major changes happening in the IT and Telecom industries right now beyond digitization, things like virtualization and IoT. How are these megatrends impacting solution providers and their enterprise customers?
A: Steven: The big solution providers have labs to develop, design, and test new technologies in-house before they are deployed. That enables them to determine what it will take to deploy the technology, what the challenges will be, and to develop appropriate processes. The technical and business intelligence from that effort is usually very slow to disseminate into the sales organization and the lab experts may not be readily available to assist with quoting the new capabilities. Meanwhile the vendors are pitching the new technology to the market and designers are being asked to incorporate them into their designs.

You can reduce the dependence on the handful of experts and get a quote out quickly by disseminating "hot out of the lab" guidelines to the sales team. This is particularly important as new technologies are rapidly hitting the marketplace. The faster you can distribute that new intelligence, the faster you can get to market with the new capabilities, get asked back, and win the business.

Melissa: There is a seismic shift in the telecoms industry toward complex networking solutions, cloud, and service-based infrastructures such as virtualization and "as-a-service" business models. With the Internet of Things (IoT), for example, there are a multitude of devices and many service and technology providers and partners involved in creating a solution. With digitization, all those pieces must work together as a seamless ecosystem. The sales process needs to be dynamic, automated, and scalable.

The Essentials For Enterprise IT Sales Transformation and Profitability: Automation, Consistency, and Scale

By making it easy to store, retrieve, and analyze rapidly changing parts, services parameters, and reference architectures—whether provided by vendors or the solution provider themselves—the business can keep up with the rapid pace of change brought about by the megatrends.

Managers can also gain easy visibility into the business, channels, and customers via dashboards and actionable insights as the business and market change. This provides more effective logistics and control, quality implementations, better procurement and cost management, and increased profits.

Q: What are your closing thoughts?
A: Steven: What's happening in the IT industry is very exciting, but it will all fall flat on its face if there isn't more focus on automation and consistency in the sales process. By leveraging the Netformx ecosystem and hub, traditional design processes can be automated and other processes once considered tertiary can be incorporated into the normal workflow.

Melissa: Netformx is here to help solution providers sell more effectively to enterprises as they transform and digitize and adapt to rapidly evolving megatrends. Through prescriptive analytics and actionable intelligence, centralization and integration, the Netformx Digital Ecosystem-as-a-Service empowers solution provider collaboration for efficient delivery of IT solutions in the transformation journey.

Find out more about Netformx at:
www.netformx.com