

Excellent customer service and automation: a winning recipe for IT solution providers

InterComms talks to Ittai Bareket, CEO of Netformx



Ittai Bareket

Under Mr. Bareket's strategic leadership Netformx has become a leader in automating and optimizing the pre-sales, post-sales, and asset management processes for IT solution providers, vendors, and distributors. Netformx helps Cisco-focused IT solution providers and distributors to increase revenues and create a streamlined buying experience for their customers. We do this by offering sales workflow products which provide an easier way to configure, design, and sell Cisco solutions with greater accuracy and speed, all aimed at improving Partner profitability. The result is better business outcomes.

Excellent Customer Experience + Automation = Profitability

To increase revenues, it goes without saying that IT solution providers, such as VARs and solution providers, must provide excellent customer experience. In today's

competitive and commodity-based market, outstanding customer experience is what separates the leaders from the laggards.

Providing a winning customer experience

From our experience working with solution providers for the last 25 years, these are some of the biggest factors in creating a winning customer experience:

- **Excel throughout the customer journey:** As we discussed in the March issue of InterComms¹, the customer engagement no longer ends with the technology sale. Instead, solution providers must focus on the customer and their experience throughout the sales lifecycle, from pre-sales to adoption and contract renewals.
- **Understand the customer's needs:** Stay tuned to the customers' changing needs and help them transform their businesses as the market and technologies evolve.
- **Think about the future:** Don't just find solutions for today's needs, but also consider potential growth and what their business will need in the future.
- **Be proactive:** Instead of waiting for the customer to ask about a new technology or responding when they find themselves with out-of-contract equipment, be a trusted advisor they can count on to be proactive about their needs.
- **Provide tailored solutions:** Don't take the easy way out with a standard, cookie-cutter solution. Provide a solution that really meets their needs for today and tomorrow.
- **Be fast and accurate:** Provide validated solutions quickly; solutions that work the first time.
- **Price your proposals just right:** Pass along supplier promotions and discounts so that your proposals are priced competitively.

Streamlining operations

To provide that level of customer experience the solution provider must have automated sales and operational workflows that treat each customer as a unique party with individual requirements and results. Creating customer proposals using non-standard manual methods may be customer-focused but they do not incorporate best practices. Such lack of scalability directly impacts profitability.

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. That way solution providers can spend their time focusing on their customers and their business instead of grinding through data.

Increasing profitability

Competitive and customer-focused solutions, combined with proactive involvement, increase solution provider revenues. Plus, streamlined and automated processes reduce costs and increase agility. That adds up to a winning approach that will keep the customer engaged and satisfied for the long haul while simultaneously growing solution provider profitability.

Learning from Cisco's Perform and Transform Approach

IT solution providers are challenged by rapidly changing technologies that impact their own infrastructure as well as that of their customers. They worry about the trade-off between transforming to pursue new growth opportunities and running their daily business.

In a recent blog², Cisco discusses the importance of balancing both performing today and transforming for the future. While Cisco's message is focused on Cisco Partners, the same thinking holds true for end-customer enterprises, who are also struggling to keep their business growing while creating new agility to meet their changing marketplace.

Cisco, as well as other vendors, helps its Partners perform through a vast array of discounts and incentives. Cisco's Partner offerings can have a significant impact on a Partner's bottom line but can be quite complex. They also provide transformation incentives, such as encouraging sales of new technologies and architectures or focusing on subscription-based annuity revenues and the full customer lifecycle.

As Cisco says in their blog, "There has never been a bigger opportunity for Cisco and our partners to perform for today and transform to win tomorrow. Together, we have the edge to beat the competition and solve complex customer challenges to deliver measurable business value!"

The same can be said for the relationship between IT solution providers and their customers.

Areas ripe for automation so you can focus on your Customers' needs

The IT sales process is rampant with manual activities that do not lend themselves to profit optimization. Pre-sales teams draw up proposals independently from deal management and post-sales teams who strive to maximize discounts and promotional benefits. And further down the sales lifecycle, contract renewals are managed with spreadsheets.

IT solution providers have the opportunity to transform their businesses and improve their performance by automating sales activities, from pre-sales to renewal management. When they do that, every proposal iteration provided to the end customer maximizes profitability by incorporating the latest qualified promotions and discounts. And every proposal is provided rapidly and is accurate. That results in outstanding customer service.

By integrating program and incentive management into the sales process, and having a feedback system, the Partner can influence the behavior to increase productivity, reinforce best practice guidance, and benefit from larger rebates and rewards.

The feedback system needs to address the entire sales cycle and engage both pre-sales and post-sales stages. By influencing the sales behavior early in the sales process and during customer sales engagements solution providers will significantly maximize their benefits.

Cisco Partner programs

Cisco Partners have many opportunities to benefit themselves—and their customers—by participating in Cisco's numerous Partner sales and incentive programs.

Participation in Cisco programs have become major strategic and financial drivers for Partners, but to receive the benefits, the Partner must stay on top of complex and changing qualification criteria.

Cisco Partners can increase the benefits they receive by incorporating reward management in both pre- and post-sales processes.

Pre-sales automation

Programs and incentives are usually addressed once the Bill of Materials (BOM) has been created. Time-consuming manual methods are typically used to piece together the latest qualification and compliance criteria, pulling from lots of data sources and Cisco systems. The BOM may be sent back to the design team to incorporate changes, which delays the proposal and potentially changes what has already been proposed to the customer.

Instead, Partners should incorporate all incentive-based changes early in the design phase and sales cycle, whenever a Cisco BOM or CCW estimate is being created. It can be analyzed automatically for replacement SKUs that could have higher incentive payout or that the Partner wants to encourage their sales teams to position. These alerts not only increase incentive payouts, but by incorporating them up front, they also benefit the end customer with better solutions and increased functionality. As a result,

optimization becomes part of the pre-sales workflow on every engagement.

A recent podcast³ from Telecom Reseller takes a deeper dive into this area.

Margin and “what-if” analyses

Partners generally do margin analysis through spreadsheet manipulation. This is time-consuming and, with every proposal iteration resulting from customer feedback the Partner needs to repeat all the steps. With the tremendous competitive pressure to get quotes out quickly, margin and incentive optimization is frequently skipped.

Partners should use automated processes to test for “what-if” pricing scenarios early in the sales cycle to help determine their best sales-focused cost and price strategy. It’s important to do these analyses since the business is very commoditized and small changes can have big impacts.



One solution provider's focus on incentive and margin analysis **increased their average base discount by 9%**, which translated into a **\$3.3 million cost savings** that could be passed on to the customer or retained to increase revenues.

Post-sales automation

Post sales, the Partner can make sure they did not miss any rebate-eligible SKUs. For example, analysis can highlight orders mis-identified by Cisco as ineligible, such as having an incorrect address.

They can take actions to increase their payout before the rebate period ends, and to use analysis to help drive sales behavior that will further optimize rebate potential. Deal management is also done post-sales.

Feedback can then be looped back to the pre-sales team to influence and reinforce best practices. More is shared in this podcast on influencing sales behavior post-sale⁴.

Automation of IT asset and contract management

Partners can improve their end-customer satisfaction by being proactive with Cisco SmartNet® and subscription renewals. IT asset and renewal management can enable Cisco Partners to perform and transform not only their own, but also their end-customers' businesses.

Automated systems organize the asset management and renewals process, enabling Partners to be advocates for their customers and to work with them proactively to ensure renewals happen in an optimized and a timely manner. The systems provide a single, unified customer-centric view of assets and contracts, as well as business intelligence on coverage and expiration dates. They can easily visualize the complete installed base to manage and organize the customer's SmartNet contracts and assets.

Customer self-service

More and more enterprise customers are demanding that their Partners provide self-service facilities to grant insight and control over their networking environment. So, more solution providers are focused on creating end-customer portals so end-users can monitor their own contract details and issue move, add, change and disconnect (MAC-D) requests.

Cisco Tribune⁵ shared a podcast on how this improves both Partner and end-customer satisfaction and efficiency. IT solution providers who automate and streamline SmartNet interactions report higher and faster renewal rates, enhanced customer engagement, and greater customer loyalty.

Perform and Transform by Automating the Sales Lifecycle

By automating the sales lifecycle, from pre-sales to renewals, IT solution providers can excel in their daily operations and transform their businesses to address the future. Closed-loop, automated systems maximize margins and streamline productivity by eliminating complexity and efficiently incorporating incentive programs throughout the sales cycle. It can provide a seamless, closed-loop activity for every BOM or estimate iteration.

Partners gain easy access to the data they need to manage their business and be proactive with their customers. And proposals (as well as their iterations) that make business sense can be created rapidly, delighting the customer and the bottom line.

It's a win-win for both solution provider and customer.

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

1. Intercomms - <http://bit.ly/IC-SS-3-19>
2. Cisco Blog - <https://blogs.cisco.com/partner/perform-and-transform-with-cisco>
3. Pre-Sales Podcast - <http://bit.ly/TR19-2of3>
4. Post-Sales Podcast - <http://bit.ly/TR19-1of3>
5. Renewal Podcast - <http://bit.ly/TR19-3of3>