

Success factor Services sales

Presentation to management

Hans-Peter Henkel
Senior Business Consultant

Agenda

Customer relationship and revenue increase

- ▶ Focused service sales is key to succeed

Productivity gain

- ▶ Lead Management
- ▶ Automated customer data base mining

Sales planning

- ▶ Customer coverage model, sales processes
- ▶ ServLogix

Next steps

Focused services sales

Delivers revenues to 130%-210%

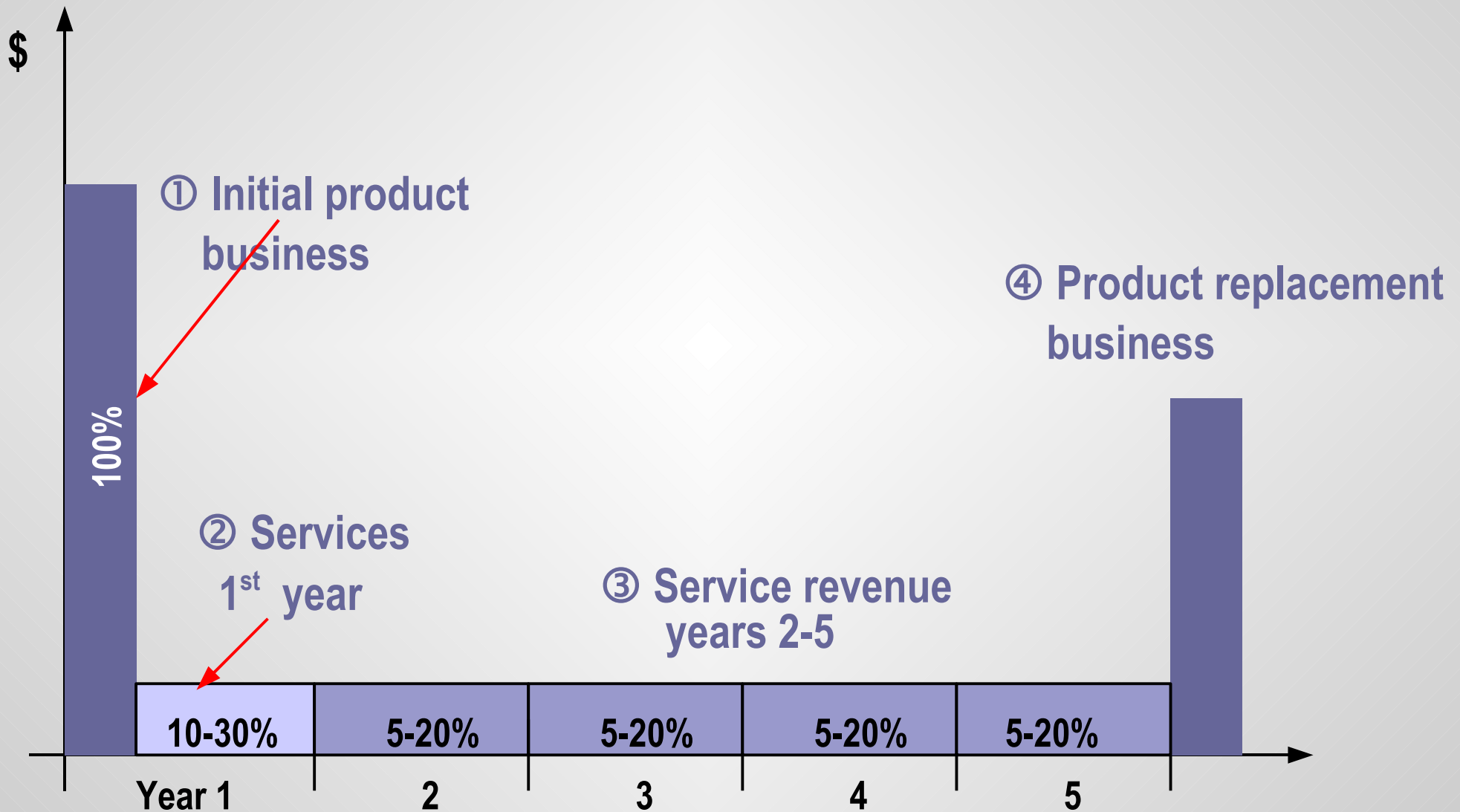
Dependable profit margins

Customer relationship & satisfaction

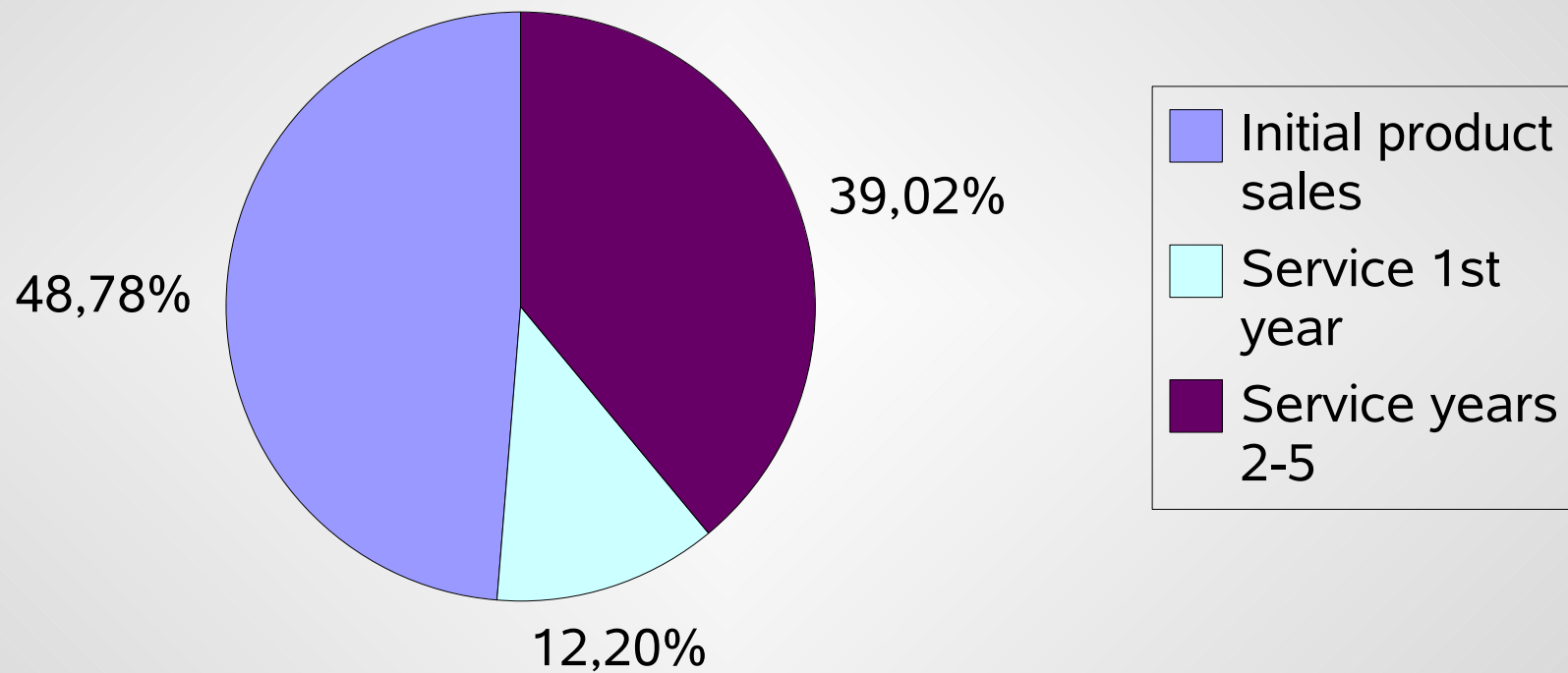
Reduced exposure to competition

Secured replacement business at
end-of-life of product

Five years revenue forecast



Contributiun to five year aggregated revenue



Five year view

Revenue source	Revenue Contribution	Service sales Leverage
① Initial product business	100%	0%
② Services 1 st year	10-30%	70%
③ Services years 2-5	20-80%	100%
Five years total	130 – 210%	20% - 52%
④ Replacement business	100%	30%

Boost your long term business up to 210% via focused service sales

Focused service sales

Customer presence: time phasing

- ▶ Project phase : 3-6 months
- ▶ Service phase : 3-5 years
 - ▶ Technicians AND dedicated service sales

Customer presence: contents

- ▶ Technology upgrades / customer messaging
 - ▶ Early positioning of replacement business

Customer satisfaction

- ▶ Original manufacturer's service
 - ▶ Highest motivation to prevent malfunctions
- ▶ Competitor or 3rd party maintenance
 - ▶ High interest to replace / no brand loyalty

Dedicated service sales

Specialised service sales competency

- ▶ Hot-Box selling vs. Sustaining investment
- ▶ Different value proposition

Conflict of interest at sales compensation

- ▶ Hot-Box commission / one year service 5 / 1

Service sales = Installed Base Selling

- ▶ Customers are well known

Service sales = Data Base Selling

- ▶ Lead Management
- ▶ Data mining & data quality

Service sales requirements

Comparison to product sales

- ◆ Higher load factor
 - ◆ Lower level of annual sales per account : 5-20%
 - ◆ Compensated by covering more accounts
- ◆ Productivity environment mandatory
 - ◆ Lead management
 - ◆ Automated data mining of client data
 - ◆ Online personal & management reporting
 - ◆ Tool based forecasting
- ◆ Limited sales bandwidth
 - ◆ Engagement of ServLogix for volume customers

Core products

Maintenance contracts & subscriptions

- ▶ Continuous & stable revenue and margin stream

Contract renewals & extensions

- ▶ Low cost-of-sales
- ▶ Customer and products are pre-identified

Warranty Upgrades

- ▶ Best success rates during first 90 days

Replacement program

- ▶ Early identification of product end of life cycle at customer
- ▶ Need to be faster than competitors

Sales productivity requirements

State-of-the-art lead management system

Every customer gets attention in time
Opportunities won't get lost

Customer data are available to all members of
sales process (need-to-know basis)

Enables consistent client management
Simplifies partner management

Team work / work share with full transparency

More requirements Sales Management System

Performance indicators with early warnings

Standardised reports and automatic escalations

Scalable inclusion of
TeleSales resources : ServLogix

Customer requirements

Responsive resolution of requests

Seamless support of stand-ins

Transparency of customer issues
to management chain

Platform : [salesforce.com](https://www.salesforce.com)

Key technology for focused service sales

Fast and cost effective customization

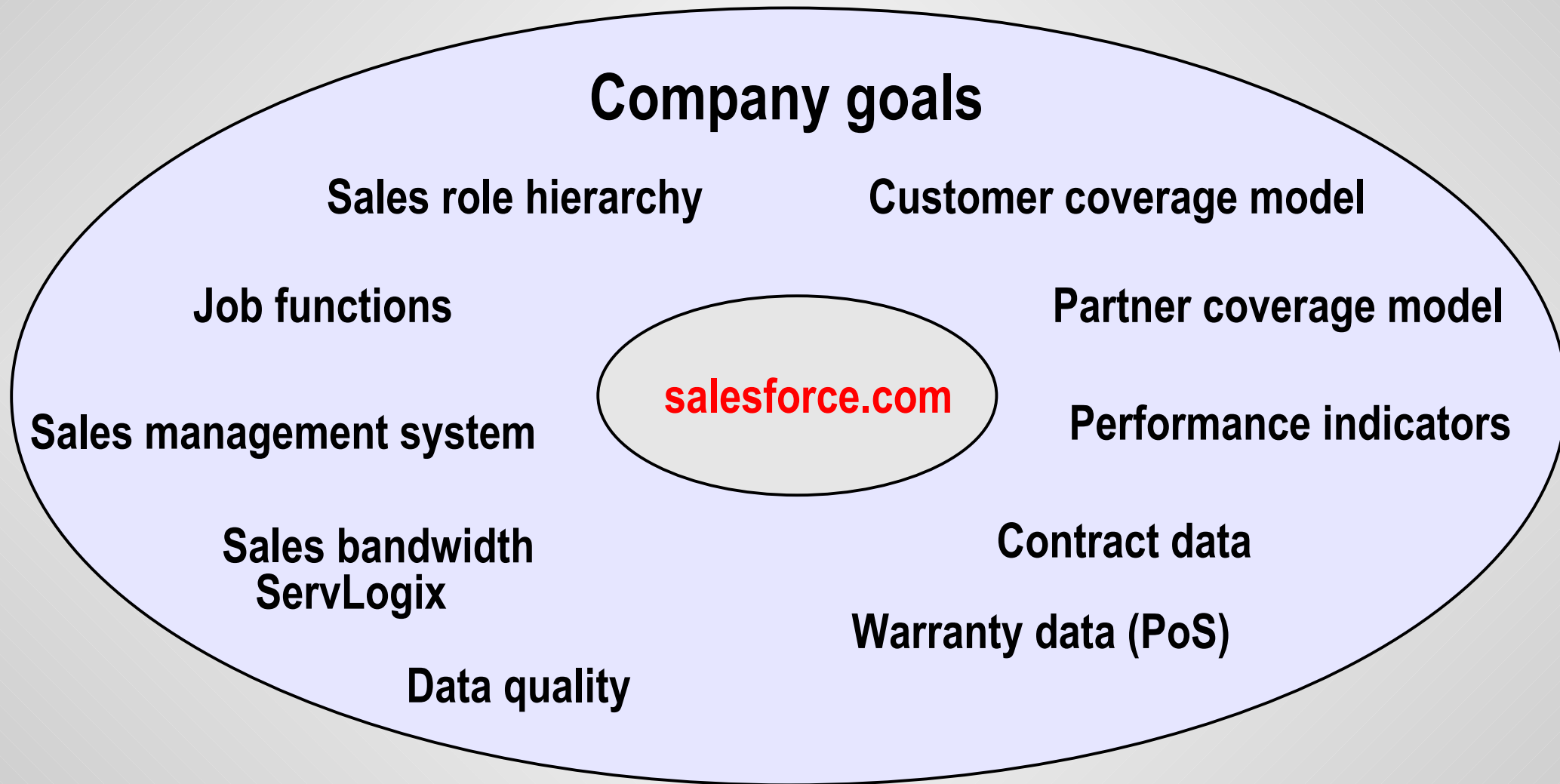
Shortest possible project-to-productivity time

Scalable to future demands

No conflict with current IT architecture

SaaS concept : Software as a service

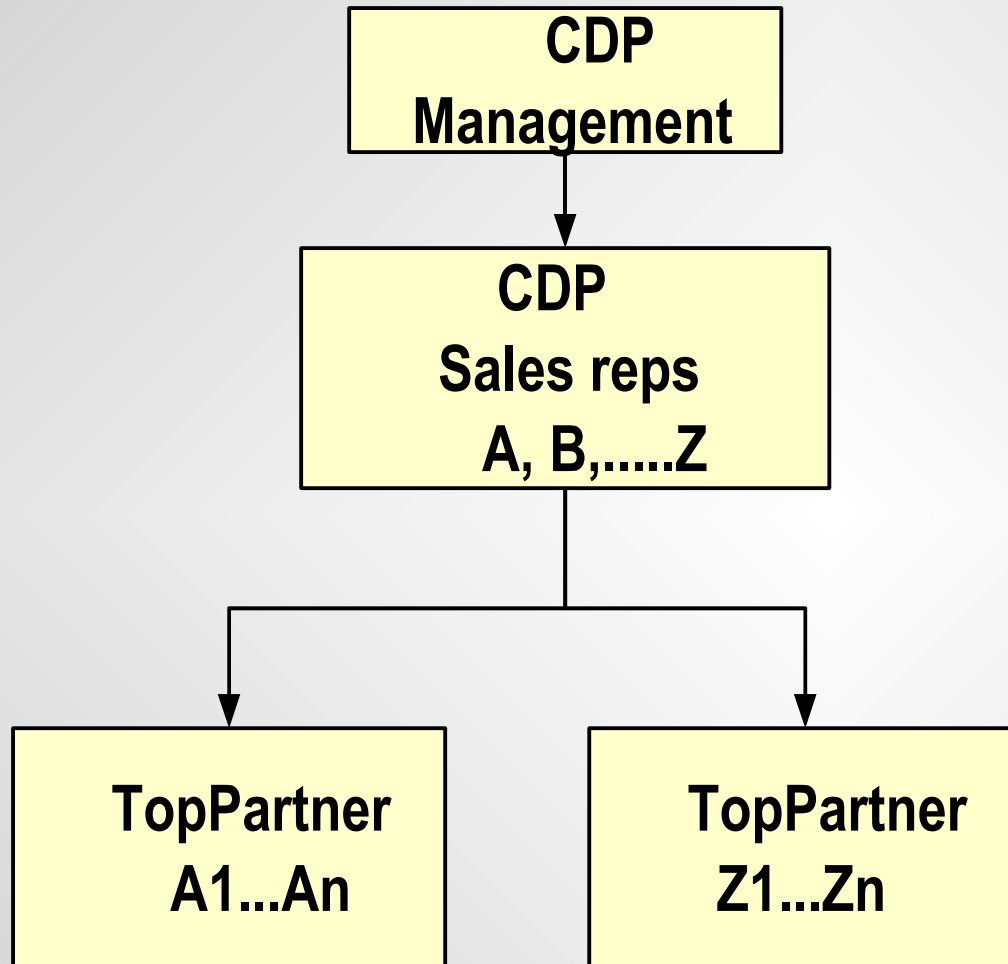
Implementation elements



Standard Workflow

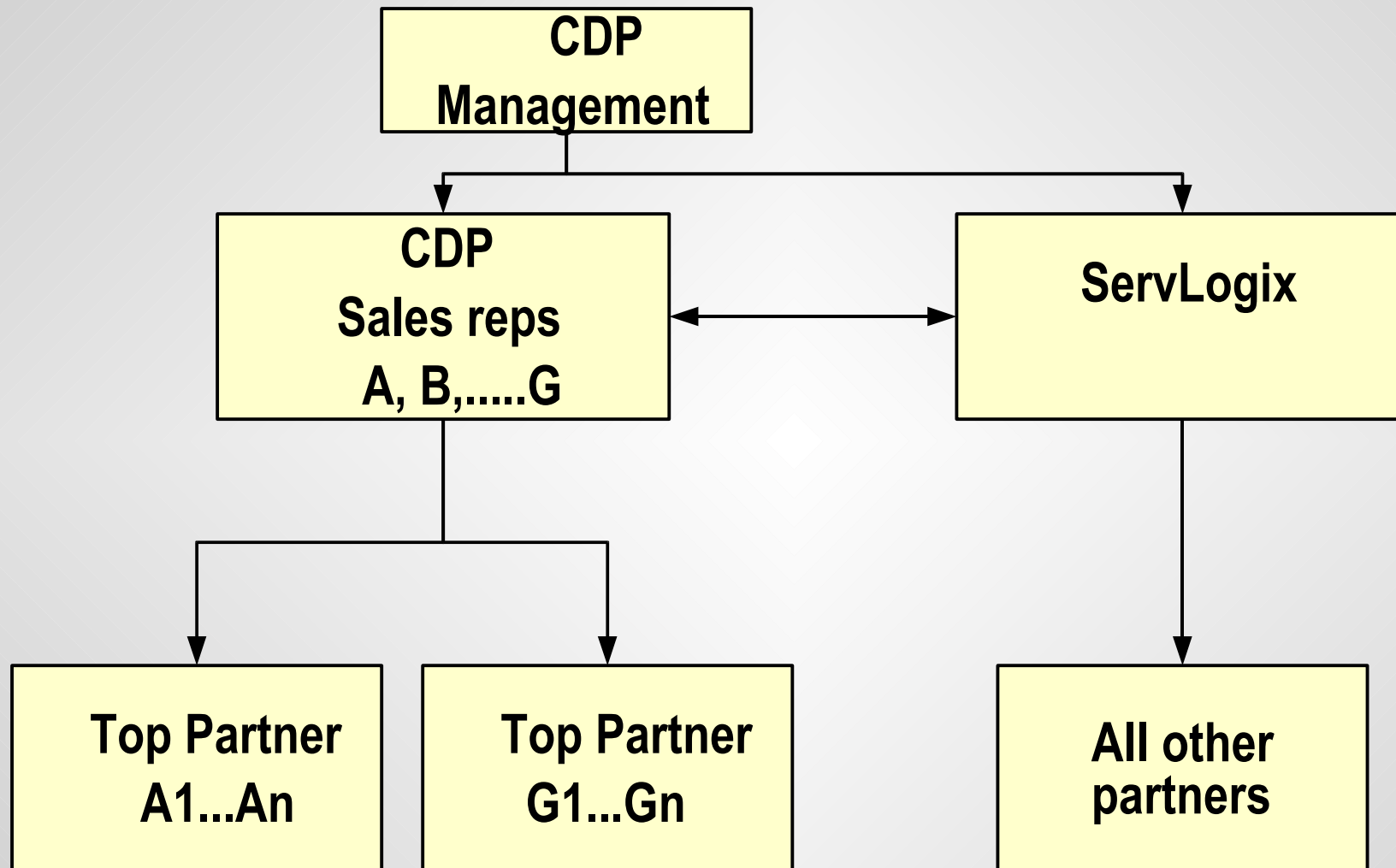


Sales model A



Reports, indicators, priority lists, forecasts
Sales reps, partner, management

Sales model B



Reports, indicators, priority lists, forecasts
Sales reps, partner, management

Standard functionality

Leads, accounts, opportunities

- Renewals & warranty opp's
- Monthly, manual load (Ops)

Role hierarchy

- CDP Sales manager, CDP sales reps, Ops
- Reseller rep (one per reseller), ServLogix reps

Reports

- Standard & selected customized
- Performance Indicators
- Forecasting / pipeline

Standard functionality

Leads

- ◆ Contracts
 - ◆ Expired < 3 months, < 6 months
 - ◆ Expiring laufendes & nächstes Quartal
- ◆ Warranty
 - ◆ Delivered last 30 days, 90 days
 - ◆ Warranty expiring in 90 days
 - ◆ Closed/Won : attached to contract #
- ◆ Single vendor

Standard functionality

Sales process

Prospecting	Open	10%
Qualifikation	Open	10%
Needs more info	Open	20%
Value proposition / budgetary quote	Open	50%
Decision makers identified	Open	60%
Perception analysis	Open	70%
Proposal/Price quote	Open	75%
Negotiation/Review	Open	90%
Closed / Won	Closed/Won	100%
Closed / Lost	Closed/Lost	0%

Optional functionality

Higher level of automation

- Data imports leads, opportunities
- Aktivität lists
- Management escalations

Account teams

Products

Multiple vendors

Optional functionality

PRM Partner portal

Goaling

Assets (Installed Base), Price lists

Multi currency

Marketing campaigns

Data management

High data quality required

- Doubles
- Missing data
- Outdated data

Lead data quality management and intelligent filters

- Filtering by Ops
- Root cause analysis how to improve

Project phases

Beta version with Live data

- Authorisation required
- Data interfaces
- Customization of user pages
- Customer / lead assignment rules

Enrollment to selected resellers

User trainings

Change management

Reviews

e-SM portfolio

Data imports contracts & warranty

Customization of user pages

Report & performance indicator generation

Reseller enrollment

User training

User support

Improvements & enhancements

Referencing salesforce.com licenses

Contact

e-SM Services & Consulting GmbH

<http://www.e-sm.de>



Hans-Peter Henkel

hphenkel@e-sm.de

+49 89 628 37 826