

Fahrenheit

Consulting Group

Case Study – Organic Growth With Existing Customers

A technology services client wanted to identify opportunities for growth with new and existing customers due to stagnant sales

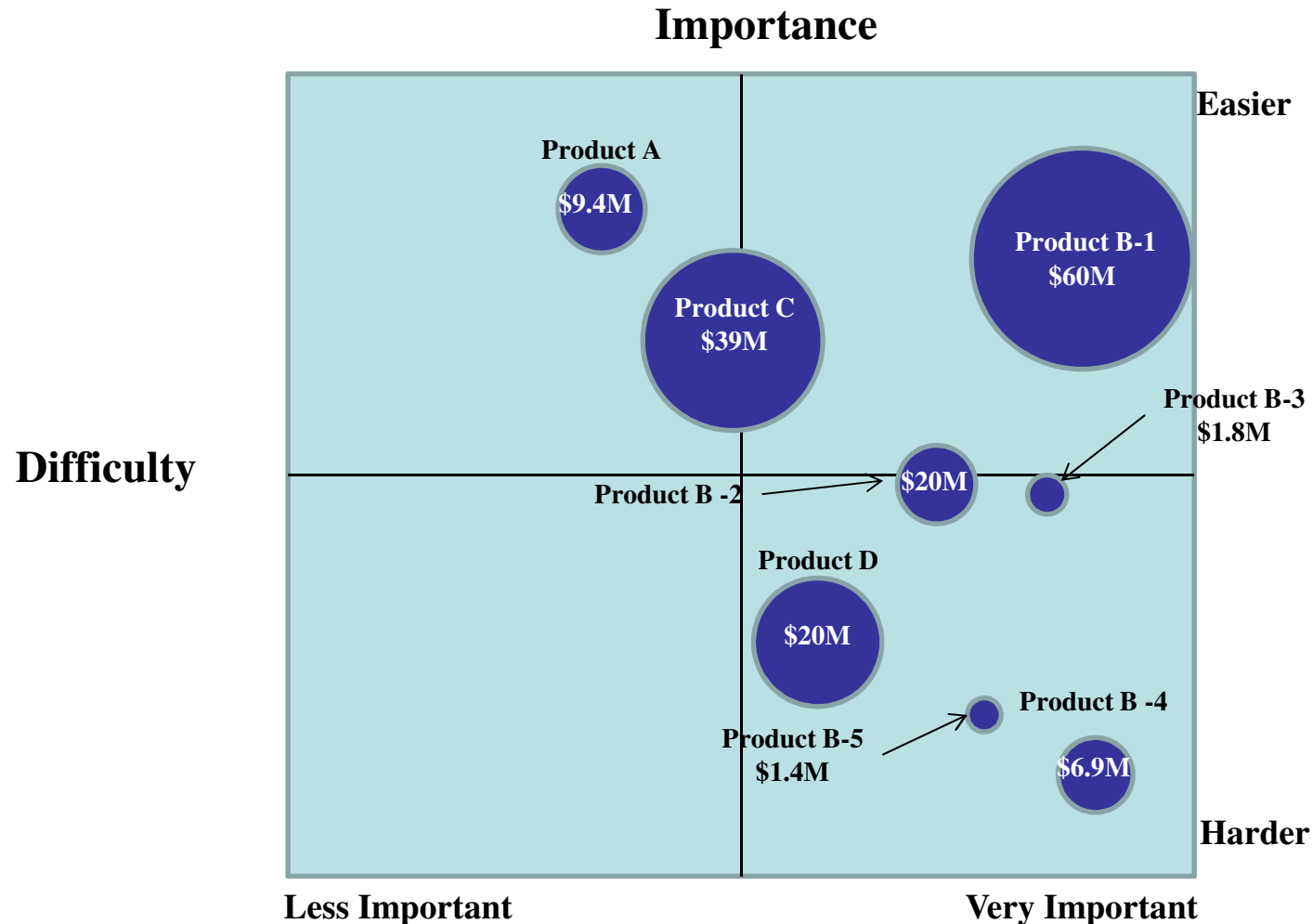
KEY ISSUES

- What are the most attractive product and service growth opportunities?
- What is the size of these opportunities?
- What are the revenue opportunities by major product/service area over the next two to three years?
- What are the major business problems that customers are trying to solve?
- What are most acute unmet needs and what types of capabilities / service offerings will be required to meet those needs?
- What is the perceived value of Client's current product and service offerings?
- What is the best go-to market approach to capture available opportunities?

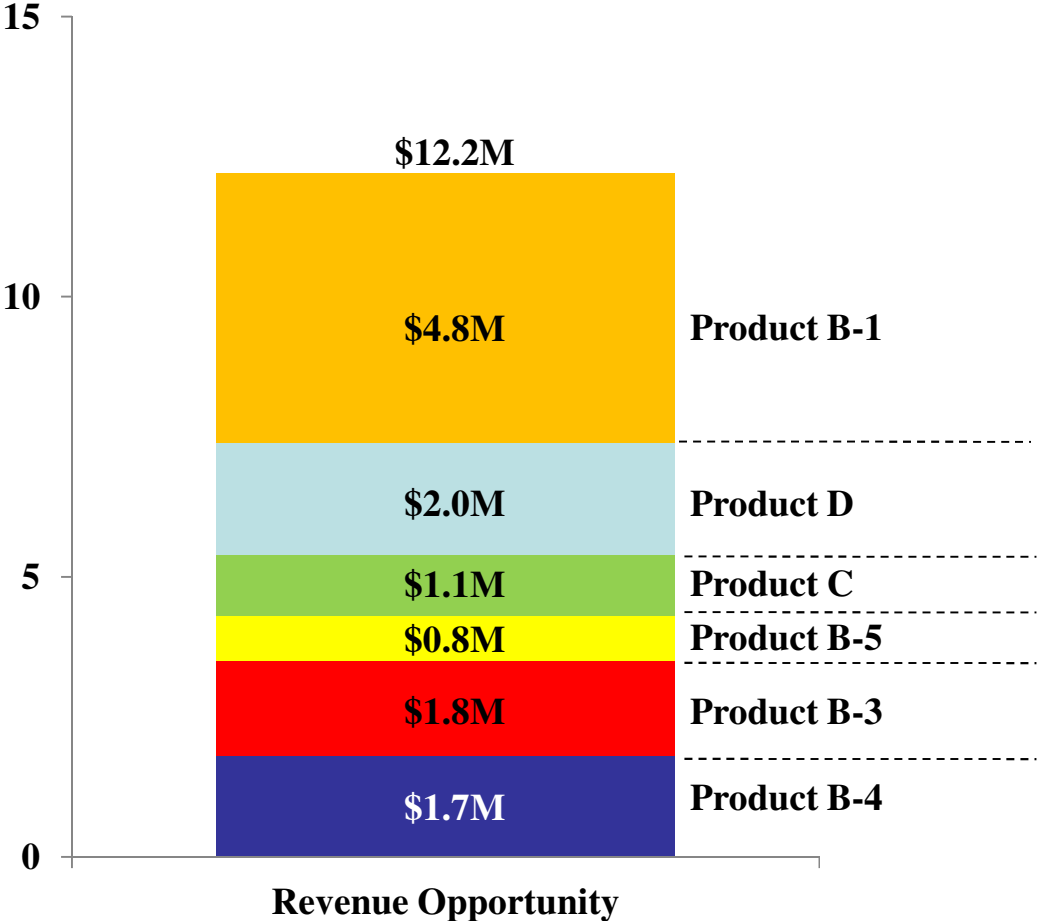
APPROACH

- Conducted 14 one hour interviews with Client management and sales team
- Completed over 60 interviews within 15 major customers
- Facilitated 3 management workshops with senior executives
- Conducted over 13 interviews with competitors, potential partners and industry experts
- Identified growth opportunities and areas needing improvement on a customer by customer basis
- Mapped "go to market" approach and strategic views of other industry players
- Defined priorities based on several considerations including -- consistency with strategy, customers' current needs, the size of available market opportunities and the Client's ability to overcome identified hurdles
- Identified organizational structure, capabilities and behaviors required to achieve growth goals

While B-1 sales growth is difficult to achieve, it drives all other sales and it is core to the Client's relationship with customers



Identified near term growth opportunities in North America are estimated to be over \$12 million



- High priority connections (5% of connections, 20% of orders)
- Connection and annual Fees
- An additional 10% penetration
- 10% of target category potential
- Increase penetration by < 1%
- Increase penetration from 4.7% to 6.4%
- Increase penetration from 6% to 7.6%

Customers had good things to say about the Client, but they want a much broader relationship with the Client

- Interview findings based on input from over 90% of Client's revenue
- Customers had a lot of positive things to say about Client
 - Satisfaction with past performance
 - Healthy relationships
 - The quality of technical skills, software and tools
- However, customers want more from a business partner. Client needs to develop broader and deeper relationships
 - Listen more closely to customers
 - Be more proactive
 - Expand customers' understanding of the full product portfolio
 - Regain status as a partner (vs. a vendor) with major customers. This trend must be reversed to rebuild Client's position with major customers



Normally, customers almost exclusively identify product improvement needs. In this case customers identified organizational behaviors as the major issue. *Customers believe in Client's product and capabilities, representing a HUGE opportunity to address product issues and organizational behaviors with existing customers.*

The team identified several potential causes for the behaviors that customers identified

- **Client is stretched too thin**
 - To lower cost, we've lost our high touch model
 - This has under-mined personal relationships at clients
 - Risk of revealing Client weaknesses

- **May be missing skill set in some areas**
 - Client has a lot of generalists
 - Client may not have the account manager mindset or skill set
 - Account managers may not be sure of what Client does
 - Lacking people with expertise to be thought leaders
 - Few client-facing staff can “walk to the white board” with clients

- **Sales force lacks confidence in product**
 - Lack of technological capability and/or foundation
 - ROI for products is not very high
 - Complicated connections that customers do not understand
 - Unsure of own products and low confidence because of organizational issues
 - Concern that the development team is already overloaded – so avoid bringing back more challenges from customers

Fahrenheit had several recommendations

Capitalize on Near Term Client Opportunities

- Act on immediate customer priorities/issues in a consultative manner
- Communicate back to all customers regarding what the organization intends to do differently as a result of this project (*they expect to hear something*) even if details need to be worked out
- Create a “punch-list” to ensure that all immediate unmet needs are addressed

Re-Structure the Go-to-Market Team

- Re-organize the team based on the capabilities/skills that are needed
- Execute aspects of the plan that can be executed in NA and collaborate with the global organization where necessary
- Make required investments in personnel and products to execute the plan

Strategic Plans

- Created a 3-year revenue (by account) and profitability forecast illustrating the upside associated the new go-to-market plan as well as the costs/risks associated with the recommended plan
- Created execution milestones, accountabilities and timeline