



Optimizing your renewals will lead to increased profitability and reduce customer churn

Background

We frequently hear the common adage that 80% of a company's revenue comes from 20% of customers¹ yet of the leading technology companies, only 13% invest in recurring revenue technology to help get the most of out of their customer base.²

Did you know that...

- Recurring revenue can be 2X more profitable than net new revenue³
- Pace-setter companies are getting 30-40% of their top line revenue from renewals⁴

While no two businesses are the same, over the past 10 years, we engaged with many companies that express similar challenges. they face with regards to renewals teams.

Below are some of those challenges:

1. Renewal teams are typically treated as 'another sales function':

They are handed the same tools as net-new or product sales teams. These tools are implemented and after a few fiscal quarters, renewals teams begin to see holes in the processes as the applications provided weren't designed to capture and share the right information. To address this, workarounds are built consisting of more applications, more processes and more people. This results in renewals processes inevitably taking longer, becoming more complex, and more expensive. Table 1 provides a quick overview of the differences between Net-new or Product Sales and Renewals Sales.

1. Pareto Principle - www.encyclopedia Britannica.com
2. 2014 TSIA Member Technology Spending Report

3. Morgan Stanley
4. TSIA Report

2. Renewal workloads are growing:

The 'internet revolution' the era in which cloud computing, big data, mobile devices and social media is disrupting traditional business revenue models. Shifts from perpetual ownership and annual maintenance to cloud-based monthly subscription or variable compensation models are creating more work for renewal sales teams.

3. Customer's expectations are increasing:

Today, anybody can log into Amazon to see their last purchase for \$20, but obtaining the same information from suppliers for purchases of \$200,000 is not always so easy. The absence of

a centralized repository for customer contracts and quotes makes tracking customer requests, quote statuses, quote expiry dates, and order conversions difficult.

4. Renewals teams are faced with complex operational environments

Businesses expanding through mergers and acquisitions are slow to integrate and usually continue running parallel systems. This results in isolated and non-standard business processes, reduced visibility of customer information, and a complex operational environment.

Table 1. A comparison of Net new or Product sales and Renewal sales

NET-NEW or PRODUCT SALES	RENEWAL SALES
Customer information collected over course of business deal	Customer expects knowledge of transaction history
No specific timeframe: lead develops into opportunity and order over time	Timeframe to complete transaction is based on expiration date
Staff usually receive training and have direct selling experience	Positions often evolve through other support functions, such as administration, customer service or collections and receive little to no training
Role tenure is usually longer	Staff turnover usually higher
Primarily use a single CRM system to store and review customer information	Interact with multiple applications (including ERPs, CRMs, Excel, Entitlement, Quoting, Supplier data) to collect required data to build renewals quotes, determine co-term, up-sell, or refresh feasibility
10-20 deals a quarter	150 - 500+ deals a quarter
Focus on the solution	Focus on speed

Why does it matter?

The ERP and CRM systems that most companies use, don't effectively capture renewals-specific data. As a result, a series of manual workarounds are developed by internal teams to help track and manage renewal opportunities. Typically these processes have been built to be managed on basic applications such as spreadsheets, which require extensive customization and limit collaboration.

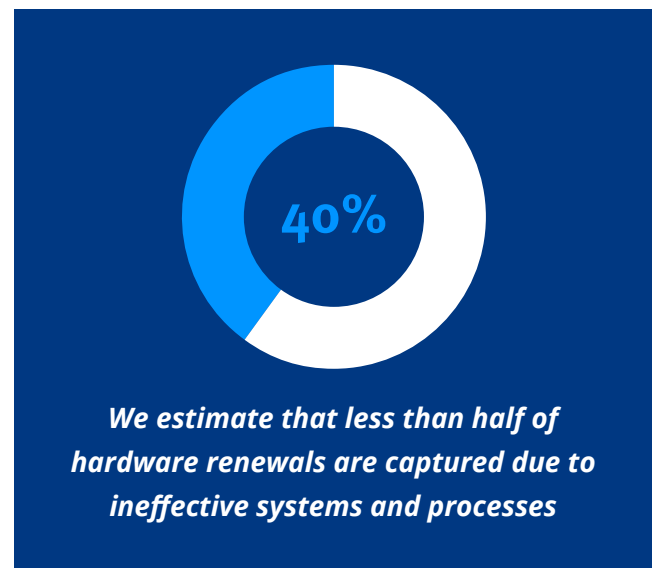
Experience tells us that renewals teams are spending more time processing and checking information rather than renewing or upselling.

This results in:

- Fewer touch points per customer
- Difficulty in tracking customer changes or requests
- Poor quality or unprofessional work
- Slow response times

Organisations suffer because poor customer service usually leads to customers defecting to the competition and then consequently lost revenue.

In some industries, it's becoming increasingly easy to switch vendors or service providers, indicating a greater need to focus more attention on customer retention.



A dedicated renewals management platform may be the solution

In addressing the challenges faced by renewals teams as well as unlocking millions of dollars in revenue, it may be worth considering a dedicated renewal sales system.

iasset.com has developed a cloud-based platform that makes it easy to programmatically identify and manage renewals without the need for additional headcount or complex systems. The platform allows you to track any asset including hardware, software or cloud based from original sale through to replacement.

It captures renewals data from disparate systems into one streamlined workflow that can be accessed securely online.

With its automated quote creation, price management, notifications and scalable platform, iasset.com ensures on-time renewal of contracts, reduced workloads associated with manual processes and can exponentially improve data integrity enabling accurate and productive conversations with customers.

How a renewals management platform works

To operationalize the renewals management platform, iasset.com follows a three-stage process.

STEP 1

Data is consolidated and imported into the platform from multiple sources and applications, for example CRMs and ERPs

STEP 2

Workflows are built using logical data flows that are customised by individual business rules, and automated with predictive analytics to guide quoting, ordering and much more

STEP 3

Within the specified period (usually 90 days before expiry), pre-populated quotes are automatically emailed to internal teams or channel partners to follow up and engage in the renewal management process

Once the renewal process is completed, a loop occurs where data is not only fed back into the platform, but also into the relevant internal systems (eg ERP).

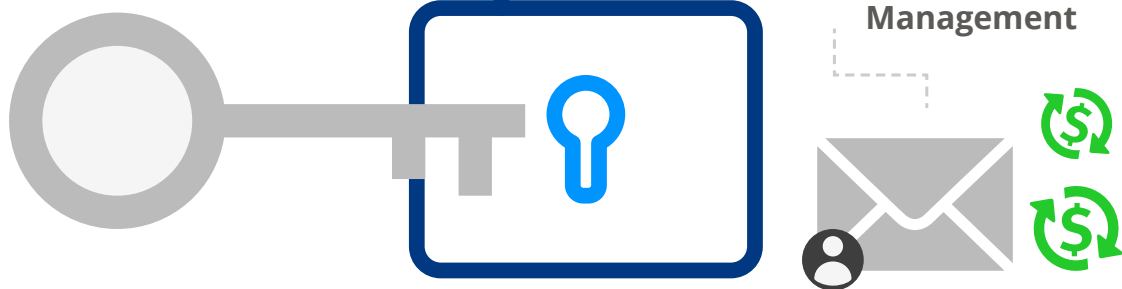
1 Consolidate Data



2 Automated workflows



3 Renewal Management



Benefits of a dedicated renewals management solution

1. Increase Revenue

By leveraging renewals process automation, iasset.com shortens renewal process time, thereby increasing capacity for renewals teams to engage with more customers leading to more revenue and profits.

2. Sustained Customer Retention and Engagement

As a result of fewer workarounds, teams are spending more time with customers with more insight into each account leading to better customer retention and engagement rates.

3. Reduced Operational Cost and Improved Productivity

Through the automation of quotes and contract renewals process, this not only leads to improved productivity of existing team members but also offers opportunities to reduce operational cost.

4. Actionable Insights using Analytics

Leverage business intelligence reports to identify upsell and cross-sell campaigns.

5. Visibility across the channel

Improved data accuracy creates an independent install base offering a central source of information for all channel participants including vendors, distributors and VARs.

About *iasset.com*®

iasset.com® is the leader in revolutionizing global IT channel efficiency. Our cloud-based platform helps reduce complexity and increase revenue for our customers each day. *iasset.com*® empowers the entire IT channel ecosystem – from vendors, distributors/ aggregators, to service providers and value added resellers. We accomplish this by automating the product lifecycle for any type of product or service – including cloud consumption and subscription contracts, and hardware or software maintenance renewal contracts. As a result, our customers achieve superior business outcomes including faster and more streamlined processes, compliance, added intelligence, cost savings and the ability to service their own channel and customers more effectively.

Today, *iasset.com*® manages over \$20B worth of assets in more than 150 countries, and continues to be the solution of choice for leading technology organizations.

For more information on how we can help improve your recurring revenue business, please visit www.iasset.com or email us at info@iasset.com.

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