

VAR Uses Partner Discovery Process to Grow Services Business

Channel management helps SMS proTECH build customer intimacy and increase sales.

EXECUTIVE SUMMARY
<p>SMS proTECH</p> <ul style="list-style-type: none"> • Technology Solutions Provider • Sidney, Ohio • 32 employees
<p>CHALLENGE</p> <ul style="list-style-type: none"> • Successfully compete with national service providers • Protect existing business (reduce customer churn), and gain new customers • Expand services business as a percentage of overall business, to increase profit margins
<p>NETWORK SOLUTION</p> <ul style="list-style-type: none"> • Re-engage with Cisco channel management team • Take advantage of Cisco Partner Discovery process and program resources • Carry out 90-day action plan based on Cisco recommendations
<p>RESULTS</p> <ul style="list-style-type: none"> • Identified new ways to develop revenue opportunities including the expansion of its healthcare client base • Discovered opportunities for increased customer intimacy and grew services business within existing accounts • Strengthened working relationships with Cisco channel team, to provide increased value to end customers

Challenge

SMS proTECH began as the systems integration division for a technology company, and today operates as an independent, employee-owned subsidiary of the Perry Corporation. The value-added reseller (VAR) delivers technology solutions to small and large businesses located in mid-market cities in Ohio and Indiana, and specializes in wireless and unified communications. With more than two decades of success, this relatively small provider competes very effectively against Tier 1 service providers by focusing on underserved markets and delivering exceptional service and value to customers.

When it was purchased in 2007, SMS proTECH went through many changes, and a new president joined the team. The company's strong culture, loyal employee base, and reputation contributed to a smooth transition with minimal turnover. This year, SMS proTECH has sustained its business levels, even within automotive and other segments hard hit by the current economic downturn, and is also seeing growth in some areas.

Not satisfied to just survive tough times, the new management team at SMS proTECH has set aggressive goals for growing the business. "Our managed services business is currently about 20 percent of our overall business, but we aim to double this side of the company by 2012," says Jeff Boate, division president of SMS proTECH. "Being an employee-owned company, our profits flow back to all employees. This creates a unique level of teamwork within our company, but it also poses challenges. As employees become more vested, they tend to become more adverse to risk. Change is necessary for growth, and we have to make sure that everyone is onboard to take full advantage of innovation and meet our goals."

Growing the services business requires that SMS proTECH rely more than ever on its strong channel partnership with Cisco. Management recognized that they needed to strengthen the working relationships to ensure maximum value being delivered to each customer, and yet the sheer size of the Cisco organization posed challenges for the VAR.

Solution

The Cisco channel account team came to SMS proTECH with suggestions for meeting their goals and overcoming the challenges that they faced. Because the organization at SMS proTECH had undergone so many changes over the last couple years, it was determined that a Partner Discovery workshop could introduce a framework for a holistic evaluation and planning process and help them gain a 5000-foot view of their business.

“We didn’t know what to expect from Cisco’s channel management team, but we knew it was a good time to re-engage and strengthen the relationships across our organizations,” says Boate. “Cisco can be a giant labyrinth of individuals, but the channel management team and the Partner Discovery process connected us on a much more personal level. That’s been powerful. I’m a believer of sharing ideas, and the Cisco team brings me invaluable insights based on their experience in our industry.”

The Discovery Process

The engagement with the Cisco channel management team began with an informal get-together the evening before the Partner Discovery workshop. Then a full-day on-site meeting brought together the SMS proTECH service management team and Cisco channel experts. A complete company profile was created during discussions that covered all aspects of the build, sell, and deliver processes for managed services.

After the workshop, the Cisco team created a summary of results. Presented to SMS proTECH as an “Observation Dashboard,” the report detailed both observations and recommendations. Observations were color-coded to indicate areas of strength (green), opportunities for improvement (yellow), and areas that required immediate attention (red).

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The SMS proTECH engagement with the Cisco channel management team took advantage of a structured program process, but was very tailored to this specific reseller’s business model and goals. “We’ve all been very impressed with the time and effort from the Cisco team,” says Boate. “They pulled in high-level people from the field, built a detailed dashboard for us, and are meeting with us regularly as we put the 90-day follow-up action plan into effect. No other partner is doing anything even remotely similar in terms of building relationships with us and helping us succeed. Others make half-hearted attempts, but nothing on the scale of Cisco’s efforts.”

90-Day Follow-Up Plan

The initial workshop gave SMS proTECH a specific action plan for implementing recommendations for change. The company is currently about halfway through the plan and has already put new practices and ideas to work. For example, it was determined that SMS proTECH managers could be more engaged with the company’s top-10 clients. As a result, the company plans to host an event at an upcoming airshow in Dayton. A tent has been rented on the runway, and key customers invited to bring their families. “The response has been great,” says Boate. “Our customers are thrilled, and we are all looking forward to the event. It’s easy to get busy with operations, and the Cisco engagement reminded us that we need to take time to build personal relationships with our customers. Our Cisco team has been great; we are really getting things done together.”

Results

Crucial to the success of the engagement was SMS proTECH's willingness to be introspective. "Our goal is to outwork the competition, but we can't do that if we can't take criticism and be willing to hear about areas where we need to improve," says Boate.

The engagement paid special attention to the company's goals for growth. Specifically, the process identified the healthcare segment as an opportunity for future expansion of the SMS proTECH customer base. As a result of the workshop, the company now has a great story for healthcare and is more successfully referencing its installed base. "The discovery process has shown us ways to build on our past successes in healthcare to gain new business in the future," says Boate. "It was right there in front of us, but it took outside eyes to help us focus on it. Already we are seeing an increase in our uptake rates for Cisco sales incentives in this area. We were doing pretty well in the past, but with this engagement, we are going to be great. I get excited just talking about it. Growth is what it is all about, and Cisco is helping us make it happen."

The channel partnership engagement process has also helped SMS proTECH develop a more efficient account planning process. "It's clearly cheaper to go deeper in an existing account than it is to get a new account," says Boate. "Again, this is so fundamental and easy to do, but we weren't seeing areas where we could be doing it better. We changed that very quickly as a result of the discovery process, and we have already uncovered many great opportunities."

SMS proTECH account teams now meet regularly to discuss each account, identify the top customers, create business review plans, and take advantage of other ideas that came out of the discovery process. SMS proTECH has also established a client advisory council based on Cisco's recommendations. At the first meeting of the council, both customers and SMS proTECH teams recognized the benefits of this new channel for sharing information and getting feedback.

"We've acted on everything we can act on, and very quickly," says Boate. "The results of the Cisco engagement were even shared in our recent two-day offsite for annual planning. It's amazing how much from the observation dashboard has made it into our business plan. That's how on-target the results were. Cisco managed to look at what was happening in our company and build a very intuitive and effective plan around that. I know they will help us stay on track going forward."

For More Information

To find out more about Cisco Services, go to: <http://www.cisco.com/go/services>

To find out more about SMS proTECH, go to: <http://www.smsprotech.com>

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