

## SUCCESS STORY

# How ServiceSource Increased Quote-to-Sale Conversions by 8% in 3 Months for an Industrial Manufacturer.

## Overview

In recent years, new equipment sales for Industrial OEMs (Original Equipment Manufacturers) have slowed significantly. Due to the recent pandemic, many industrial manufacturing customers are shifting focus from spending vast amounts of capital expenditure (CAPEX) to operational expenditure (OPEX) to make sure there are zero unplanned downtime events of the equipment they currently have. In order to capture recurring revenue potential, many Industrial OEMs are increasingly turning their focus to offering aftermarket services, such as spare parts, consumables, and preventative maintenance packages. In fact, aftermarket sales are critical components to improving customer loyalty, increasing every customer's lifetime value, and, most importantly, increasing profit margins and revenue potential.

Many traditional industrial manufacturers lack the latest sales tools needed to properly analyze their pipeline, processes, and customer data to capitalize on every sales opportunity. The aftermarket sales competition is fierce for OEMs. Oftentimes, a customer can get a part or

maintenance plan at a fraction of the cost as the manufacturer, so why would a customer want to stick with the OEM above a third-party vendor? The key is to treat each customer like they're the only customer you have, and become a value-added partner - not just an equipment vendor working to justify a price premium.

## Challenges

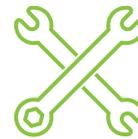
ServiceSource started working with this industrial manufacturing client in December 2020. The initial goal was to increase aftermarket sales in the spare parts vertical, which was not growing as planned. The challenge was mostly caused by the reactive stance of their sales team, which lagged in responding to and following up with customer inquiries. Moreover, their follow-up threshold of \$5,000 means they missed out on many long tail opportunities that could have added up to a significant amount of revenue.

The client's sales team also lacked knowledge of the competitive landscape within various local markets. As a result, the company lost sales to regional third-party competitors who were offering more proactive and personalized

## The Facts:



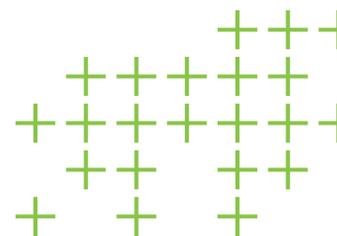
**86%** of buyers are willing to pay more for a great customer experience (PwC)



Aftermarket services produce an average of **26%** higher EBIT than new equipment sales (McKinsey)



Many manufacturers generate **40-50%** of their overall profits from services (McKinsey)



services. Additionally, they did not have a CRM solution to provide visibility into their sales pipeline and help them better manage their warehouse SKUs and orders.

They needed a partner who could improve their global customer aftermarket sales experience and had the ability to mirror their internal language capabilities, which included English, Spanish, French, Italian, German, and Russian, right off the bat.

“Within the first three months, ServiceSource increased quote-to-sale conversion rates by 8% and have already achieved over 36% of the total revenue goal.”

## Solutions

To lay the groundwork for success, ServiceSource built and launched a CRM solution for the client in just two weeks. The system enabled the team to properly track customer data, conduct health checks, capture the voice of the customer (VOC,) analyze customer sentiment, and more. The CRM platform also improved visibility into the client's overall pipeline. It digitalized warehouse management to help the client track SKUs and order data effectively so they could gain valuable business insights for improving parts forecasting and operational efficiency.

Despite the many components, the solution was a straightforward process for the client. They simply sent an Excel

file of their current customers, which the team loaded into the CRM. ServiceSource then reached out to those customers, found out how they used their equipment, and collated the information to recommend an aftermarket service solution.

ServiceSource helped the client promote and sell bundled spare parts and consumables, called “essential parts packages,” increasing average order value. The sales team was trained to communicate the value proposition of these high-quality parts. They also promoted the usage of the spare parts customer web portal to their customers to drive awareness and traffic to the site. ServiceSource was also able to cover the client's required extensive language capabilities and researched competitors in the local markets so the sales team could effectively communicate and capitalize on the benefits of the client's offering to its customers.

The solution combined account management with a strong inside sales component to nurture each customer relationship while generating significant recurring revenue for the client. The proactive engagement and follow-ups delivered a personalized and value-added experience for their customers, helping to generate additional sales through cross-selling, upselling, and highly targeted recommendations.

## Outcome

ServiceSource repositioned the client from a vendor to a value-added partner while delivering

## Results

**8%**



Improved aftersales quote-to-sales conversion rates in first 3 months (from 28% to 36%)



**Over 36%**

Of incremental sales goal achieved in first 3 months



**In 2 weeks**

Developed and deployed a customized CRM solution

a proactive, personalized experience for their customers. The team helped the client increase aftermarket service sales through the cross-selling and upselling of new solutions, services, spare parts, and consumables that they were offering.

The initial goal was to increase quote-to-sales conversion by 7% and capture a 30% increase in YoY incremental sales within the first year. Within the first three months, ServiceSource increased quote-to-sale conversion rates by 8% and have already achieved over 36% of the total revenue goal. Not to mention, the CRM solution we implemented in record time will continue to enhance customer data tracking and warehouse management while providing valuable business insights to support long-term success.

# About ServiceSource

ServiceSource International, Inc. (NASDAQ: SREV) is a global outsourced go-to-market services provider that accelerates B2B digital sales and customer success transformation. Our expert sales professionals, data-powered insights, and proven methodologies scale and reimagine customer journey experiences (CJX™) into profitable business outcomes. Backed by more than 20 years of experience, ServiceSource drives billions of dollars in client value annually, conducting commerce in 45 languages and 170 countries.



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