

SUCCESS STORY

How ServiceSource's Engagement Models Led to a 10% Increase in Renewal Rates at Red Hat

The Facts:

83% of B2B buyers say personalization is key to decision-making (Salesforce)

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



in customer retention equals **25% increase in profit** (Bain)



would **leave a brand they love** after just **one bad experience**, while



would **completely abandon a company** after **two or three negative interactions** (PwC)

Overview

Modern customer loyalty is a case study in extremes. On one hand, exceptional experiences, personalized touch points and meaningful connections can build a community of powerful advocates, fierce in their support of your business. On the other hand, an increasingly competitive landscape means that customers are hyper-aware that they have options elsewhere.

For businesses seeking consistent, healthy and long-term growth, developing existing customer relationships is equally as important as forging new ones, if not more so. With a keen understanding of customers' organizations, sales leaders can identify new opportunities for partnership, while ensuring the long-term renewals cycle that businesses rely on.

Fostering these customer relationships not only leads to greater goodwill, but it has a direct impact on the bottom line. But how can businesses stand out and deliver the relationship-first, data driven approach to a renewals strategy?

Challenges

In 2009 when Red Hat software began its relationship with ServiceSource, its needs were relatively simple: it needed a partner to help manage and grow its revenue retention and renewals strategy. Given ServiceSource's unique approach and industry-leading expertise, the relationship quickly blossomed, leading to renewals growth and a strong, transparent dialog. ServiceSource team members worked via Red Hat email address and collaborated internally on shared systems - The team worked as a single, cohesive unit. This dialog would be vital as Red Hat's needs changed so ServiceSource could pivot and deliver the right value at the right time.

This included experimentation with different strategies and sales motions. In 2018, however, the Red Hat team realized its own operational limitations in certain motion areas, and found that a reset was needed to effectively chart a path forward. It needed to get back to basics, focusing on the rock-solid renewals foundation that ServiceSource had built from the start.





“ServiceSource gave us the ability to go global immediately. Their renewals team was able to provide the complete end-to-end customer relationship support that we needed. They effectively became Red Hat representatives almost instantly.”

— MARK ENZWEILER SVP, GLOBAL PARTNERS AND ALLIANCES, RED HAT



Solutions

Under this new direction, ServiceSource and Red Hat partnered to expand its renewals strategy around the globe with a primary focus on Small-to-Medium Business (SMB) customers. They also used this new partnership as a catalyst to uncover and capitalize on upsell and cross-sell opportunities. Using a predictive model and proactive renewal programs for direct and channel customers, ServiceSource delivered a detailed assessment and recommendation based on key renewals data and metrics. There was now real-time visibility into the key performance indicators of the revenue lifecycle of Red Hat customers. The result was a 10% boost in renewal rates. Simultaneously, it provided the opportunity to better understand customer needs, and grow relationships. Ultimately, this led to a 15% overall account growth over a 2-year period.

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.

Results



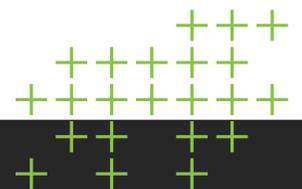
10%
Increase in
On-Time
Renewal Rates



120
Representatives
covering 6
Global Sites and
22+ Languages



15%
Account Growth
Between 2018-
2020



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