

SUCCESS STORY

How ServiceSource Improved Renewal Rates by 15% for a Medical Device Healthcare Provider

Overview

It's not only cheaper to retain an existing account, but loyal customers are also more likely to purchase more products or services through upselling and cross-selling. Improving customer retention and driving timely contract renewal is the key to improving sales forecasting, cash flow, and long-term profitability.

Effective account management helps maintain strong connections with customers throughout the life of the contract and sets the stage for a successful renewal conversation. A comprehensive renewal management program must also have the technology needed to cleanse and enhance customer data, enabling a 360° view of the entire install base.

These critical insights allow sales teams to derive actionable intelligence to optimize their service packages and personalize the sales approach based on the customer's unique needs.

Challenges

ServiceSource partnered with this global medical device provider to help improve their on-time renewal rates and bookings of service contracts for several modalities (types of medical equipment). These types of equipment included CT, Ultrasound, MISPECT, PET SCAN, MRI, and X-ray machines in their lower-tiered segment.

The client needed a high-caliber, experienced sales team that could effectively represent its core business knowledge and values to

its customers. The sales reps also required a deep understanding of the nuances of selling to SMB customers, like 'mom-and-pop' medical facilities.

Due to the size of the company and the large amounts of contract and customer information coming from different sources, there were many quoting inconsistencies, which created confusion and inefficiencies along the renewal process. The client needed a structure to provide:

- Consistent and accurate quoting for equipment
- Improved reporting capabilities
- Customer relationship management (CRM) coverage of customer data

The Facts:

5%

A **5%** increase in customer retention can improve profits by **25% to 95%**.
(Bain)

<30%

80% of companies spend less than **30%** of their budget on customer retention-focused messaging.
(Accenture)

60-70%

The probability of selling to an existing account is **60-70%** compared with **5-20%** for new customers.
(Marketing Metrics)

82%

82% of companies agree that customer retention is cheaper to execute than acquisition.
(Econsultancy)

5-25X

It's **5-25X more expensive** to acquire a new customer than to retain an existing one. (HBR)

Solutions

ServiceSource initially provided account management and quoting support for two modalities. We then evolved our relationship in 2021 to own all SMB customer accounts in the U.S. market and expanded coverage of service and maintenance contracts for all 14 modalities provided by the client.

ServiceSource provided the following solutions to improve renewal rates and recurring revenue:

- A team of 17 highly trained, dedicated resources to cover SMB renewals for the U.S. Market
- A deep analysis of contracts, warranties, expiring asset reports, and sales data to identify upsell/cross-sell opportunities
- Regular engagement with the customer to better understand usage patterns to tailor renewal contracts
- Collaboration with the client's internal team on customer data and opportunity management to scale sales coverage and improve selling capabilities
- Implementation of specific contract types for SMB customers, support for ongoing win-back campaigns, and focus on contracts set to expire in the fiscal year
- A focus on multi-year engagements, with an average contract length of 4.1 years

In addition to improving renewal rates, our campaigns generated a high level of business intelligence that the client could use to better inform business decisions and strategies. We improved the average win rate from 52% to 60% across 14 modalities, timely renewal rates by 15%, and achieved 105% of our Annual Booking Value goal in just 10 months.

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



15%

improvement in timely renewal rates



105%

of Annual Booking Value in 10 months



60%

average win rate across 14 modalities



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