

POWERING REVENUE ENGINES

Repairing a Flawed Go-To-Market Strategy

Blue Ridge Partners is the most experienced, impactful and respected firm exclusively focused on helping companies improve the performance of their “revenue engine”. This is one in a series of case studies that describes our work and demonstrates the value we create for our clients.

A market leader in business ethics and legal compliance services recently acquired two smaller firms to expand their portfolio of services into an end-to-end customer offering. Sales forces from all three firms were combined into a universal sales organization to provide a single point of contact for customers. But they were falling significantly short of their aspirations for cross-selling and were losing market share to competitors in each service area.

Blue Ridge Partners was asked to evaluate the company’s sales approach, identify the root causes of cross-selling challenges, and determine the appropriate positioning for its end-to-end solution. We found that each component of the integrated offering had unique buyers with significant divergence in buyer values and decision processes. We recommended major changes to the company’s go-to-market model.

“This wasn’t evolutionary. This was revolutionary. We should have involved Blue Ridge Partners much earlier. They identified critical fallacies in the company’s strategy that marginalized a large amount of the money and effort already incurred. Now we’ll have to fix it.”

– Principal Owner

HEADQUARTERS

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What we recommended for accelerating revenue growth

- ▶ Eliminate “relationship manager” concept and return to separate sales forces
- ▶ Create referral incentives between the sales forces
- ▶ Develop account plans for major customers as a basis for coordination between the sales forces
- ▶ Shift cross-selling initiatives away from overly optimistic large dollar opportunities and toward accounts representing the best fit for additional services
- ▶ Focus sales messaging and enhance customer relationships by excluding “distraction” products or services



Tools we used to improve their revenue growth

- ▶ *The Nine Voices of the Market*™ to gather critical input from customers, industry experts, and competitors to analyze:
 - Needs and values of customers and prospects related to an end-to-end solution and its individual components
 - Relative strengths and weaknesses of the company versus its competitors
- ▶ In-depth interviews with sales team members to understand practices and identify opportunities for performance improvement
- ▶ Internal revenue drivers analysis, including
 - Cross-selling analysis
 - Sales by product line and customer segment
 - Sales representative performance
 - Win/loss analysis

Key market factors clearly required a cross-selling model for expanded service offerings versus a bundled or ‘end-to end’ strategy

	Bundled Offering	Cross-Selling Model	Standalone Business Units	Questionable Value in Common Ownership
Incremental Economic Value to Customers from Product/Service Integration	High	Medium	Low	Low
Strategic Value of Bundled Pricing Relative to Independent Competitive Offerings	High	Medium	Low	Low
Efficiency Value from an Integrated Sales Force (e.g., Common Buyers)	High	Low	Low	Low
Other Factors	High	High	Medium	Low
	High	High	Medium	Low

Other findings identified the need for major strategy changes

- ▶ Our research and analysis strongly indicated that cross-selling is driven more by established customer relationships and handoffs to different buyers or departments than by an appeal to an integration of services
- ▶ Investment decisions had been focused on integrating loose fitting/unrelated products not on prioritizing investment based on individual product line ROI
- ▶ Cross-selling initiatives for new services targeted the wrong customers – high dollar value opportunities but with low product fit
- ▶ Integration of the sales forces had created numerous unnecessary operational challenges, including
 - Overcoming differing skill sets
 - Significant sales cross-training
 - Incentive challenges that resulted in neglecting various product lines
 - Distractions from core sales messages
 - Unnecessary complexity in the integrated structure that required excessive management intervention and oversight

If you aren't seeing superior growth in profitable revenue, contact us for an actionable evaluation of your company's revenue engine.

