ROI CASE STUDIES

tsia TECHNOLOGY SERVICES INDUSTRY ASSOCIATION

What do all technology companies have in common? They're looking for opportunities to grow revenue and profits. TSIA is laser-focused on helping members achieve this by optimizing their services business.

Here's a look at how services organizations were able to utilize their TSIA membership to solve their top business challenges.

Professional Services ROI Case Study
Focus: Core Financial Metrics

MEMBER CHALLENGE

On the heels of a significant acquisition and reorganization of services, this **$700M Electronics Company** was under pressure to rationalize business processes and improve core financial metrics (particularly revenue growth), price performance, and margins.

TSIA RECOMMENDATIONS AND RESOURCES USED

TSIA Benchmark Program
Member benchmarked PS organization and realized they needed to re-calibrate market rates and discount limiting processes to become better aligned with industry and peer standards.

TSIA Operational Best Practices Program

OUTCOMES

5%
Improvement on discounts over $40M+ bookings.

5%
Compounding QoQ improved revenue growth.

10%
Improvement in OI in targeted lines of business.

CSAT
New heights in customer satisfaction scores.

Service Revenue Generation ROI Case Study
Focus: Support Contract Renewals

MEMBER CHALLENGE

This **$500M+ Telecom Company** was experiencing high product growth but had not made investments to optimize the renewal of maintenance and support contracts. Low renewal rate was creating a $56M revenue erosion problem, coupled with no structured process around implementing annual price increases.

TSIA RECOMMENDATIONS AND RESOURCES USED

TSIA Benchmark Program
Benchmark analysis revealed renewal rate was significantly below industry performance, creating a $56 million revenue erosion problem. TSIA recommended reduced reliance on channel partners and more direct customer interaction for renewals, and incorporation of additional renewal pacesetter practices.

TSIA Advisory Engagement
TSIA facilitated a cross-functional advisory engagement to help member implement annual price increases to achieve incremental revenue lift.

OUTCOME

85%

67%
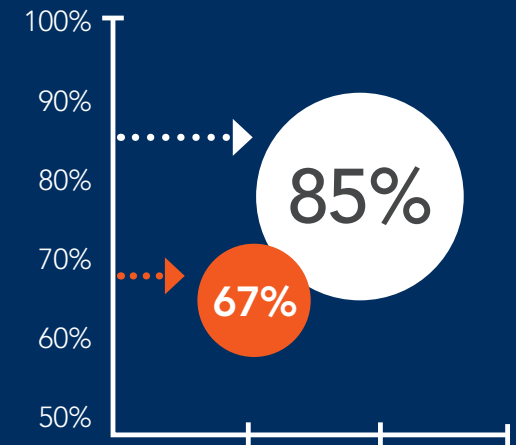
Renewal rate jumped from 67% to 85% and revenue erosion was reduced by 18 points.

Field Services ROI Case Study
Focus: Differentiated Offers

MEMBER CHALLENGE

A division within a **$1.5B Industrial Equipment Company** was challenged with developing outcome based services offerings and creating differentiated field service offers that increased customer value.

TSIA RECOMMENDATIONS AND RESOURCES USED

TSIA Benchmark Program
Completed FS benchmark, which identified excessive number of offers and low contract renewal rates.

TSIA Advisory Engagament
Two-day workshop to rationalize offers and go-to-market strategy. Utilized outcome chains to establish value proposition.

TSIA Research
Member received research on creating differentiated field service offers and B4B pricing models.

OUTCOMES

$19M

SERVICES REVENUE INCREASE

$4.8M

GROSS MARGIN INCREASE

Increased services revenue $19 million by reducing the number of offers from 44 to 4 bundled tiers, increasing attach rates (+32 ppt), and improving renewal rates (+30 ppt), while increasing gross margin by 2 points ($4.8 million).

Managed Services ROI Case Study
Focus: Benchmarking

MEMBER CHALLENGE

The managed service provider within this **$24B+ Hardware Company** was experiencing moderate revenue growth with strong profitability performance. The company's finance organization was mandating a 65% gross margin on all deals, which was starting to impact the company's deal win rate due to artificially inflated prices to meet gross margin target.
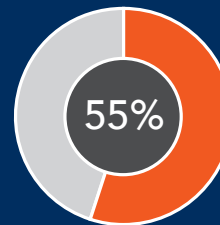
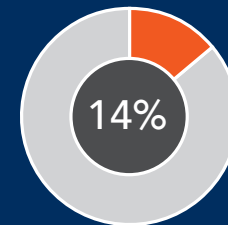## TSIA RECOMMENDATIONS AND RESOURCES USED

TSIA Benchmark Program
Results indicated the company was behind their industry and peer group in revenue bookings. TSIA identified a correlation between high gross margin performance and stalling in-year revenue and total recurring revenue bookings growth.
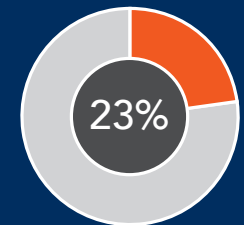
OUTCOMES

55%	14%	23%
GROSS MARGIN	NET NEW REVENUE GROWTH	RECURRING REVENUE BOOKINGS GROWTH

Adjusted their gross margin target to 55%, resulting in lower and more competitive pricing to the market.

Their second annual benchmark results indicated a 2X net new revenue growth and a 4X recurring revenue bookings growth.

Education Services ROI Case Study
Focus: Utilization and Revenue

MEMBER CHALLENGE

Instructors at a **$300M Technology Company** were spending 26% of their time developing content, which was impacting their utilization rate and by default, revenue.

TSIA RECOMMENDATIONS AND RESOURCES USED

TSIA Benchmark Program
After reviewing the benchmark data, TSIA recommended this member aim for the best practices standard of no more than 7% - 8% of instructor time being spent on content development. Additionally, it was recommended that they hire content developers and/or leverage sub-contractors to offset the work that would have been done by instructors, allowing them to act in an SME capacity rather than actually developing content.

OUTCOME

2012	$275K
2014	$405K

Reduced the amount of time spent on non-billable content development activity from 26% to 7%, resulting in a net gain in revenue per FTE from $257K in 2012 to $405K in 2014.

Support Services ROI Case Study
Focus: Maintenance and Support Organization

MEMBER CHALLENGE

This **$500M Enterprise Software Company** had an extremely inefficient delivery organization and needed to implement changes to improve their entire customer experience. There was no synergy between the WW teams, the various product support teams, engineering, and infrastructure systems, and they lacked consistent methodology to support customers.

TSIA RECOMMENDATIONS AND RESOURCES USED

TSIA Advisory Engagement
TSIA took part in their 3-day strategic planning sessions and provided industry insight for organizational design, current trends in delivery models, best practices, and various consultative topics.

TSIA Inquiry
Various inquires for operational metrics, job roles, competencies, customer satisfaction, workflow, and delivery best practices.

OUTCOMES

25% TTR improvement globally and a **12% reduction** in backlog in the first 3 months.

Changed/rebranded from maintenance and support organization to a customer care/customer success organization.

Built a differentiated customer experience designed to drive customer uptime and case resolution at first contact.

Customer Success ROI Case Study
Focus: Social Communities

MEMBER CHALLENGE

This **$7B Enterprise and Consumer Software Company** had piloted internal and external communities to improve customer engagement with mixed success. Executives wanted to accelerate adoption and success rates for both community types.

TSIA RECOMMENDATIONS AND RESOURCES USED

TSIA Research Event
Attended TSIA's Social Media Roundtable web conference series, where leaders from Oracle, EMC, Bentley Systems, BMC and NetApp detailed their social initiatives.

Member Inquiry
TSIA research expert gave guidance about features of high-performance internal communities and use of micro-level analytics.

OUTCOMES

Successfully identified and prioritized communities' efforts.

Currently implementing improvements to their internal communities designed to promote dialogue across hierarchical silos/levels.

Become a TSIA member. TSIA provides a membership experience unlike any other. By joining our community, you will gain direct access to a vast vault of resources and expert advice that will help you achieve the outcomes you want. Let us show you the proven path.

> Let's Talk About TSIA Membership