

Strategic Alliance Performance

Situation: This 160 year old organization with membership of over 5,000 companies remained unknown to many and perceived as “passé” even by its own members. Most members would only use the company’s services for access to experts to answer specific questions regarding employee/employers issues in the areas of HR (Compensation, Training, Health and Safety, Sexual Harassment). The organization was not perceived as a HR software solution provider and was often overlooked by even its own members to the benefit of their competitors.

When they did have the opportunity to compete, the organization was perceived as being very transactional – handling specific situations at the HR Specialist level as opposed to guiding a company through a strategic shift in Human Capital Management at the executive level. The company had no way of predicting a revenue stream, for there were no services or products that provided a recurring revenue source other than memberships, which were on the decline. In order to be closer to their customers, they opened offices in LA, San Diego, Inland Empire, and Orange County increasing their expenses, but not improving the touchpoints with the existing and prospective customer base.

The company signed a strategic alliance agreement with Advantius, a HR Solution Outsourcer and reseller of Ultimate Software based in Utah. Advantius heard about me through a mutual contact and contracted me to act as the Strategic Alliance Performance Consultant. My role evolved into the Acting VP of Marketing and Sales as both companies realized the importance of this alliance. Management of the negotiations, deal structuring, and launch had to be well planned in order for both sides to achieve the desired ROI.

Adding to the challenge, the organization quickly realized that their Business Development Managers had never been trained in selling solutions to a company outside of the HR department. They were capable of selling a simple consulting engagement at the HR analyst level, but not a HR solution that involved putting together a very compelling value proposition (including a ROI) that needed to be positioned at the finance, executive, and HR levels if it was to be approved. Not a good position to be in when competing against well established companies like ADP, Ceridian, and PayCheck.

Actions:

- Developed training programs for the Business Development Managers based on solution/consultative selling.
- Directed the product launch strategy and participated in the re-branding of the company's image.
- Worked with the CEO and his executive team to establish a new vision, set performance metrics, and reorganized the sales infrastructure to be more customer-centric while reducing overall costs.
- Restructured the sales organization: streamlined the number of sales regions from four regions to two, eliminated non-revenue generating positions, and cut operation costs by 35%.

Results:

- Established a recurring revenue stream by launching a new product, expanding their solution portfolio, and building executive relationships.
- Reversed declining membership sales and met first year projected revenue by 28%.
- Created an effective client-specific sales process for the new alliance, developed a successful sales strategy/training program, and closed the first sale four months ahead of projections.
- Improved sales performance, leading the sales team through the entire sales process, reduced cycle time by 120 days and increased sales closure ratio by 33%.