



RECAPTURING PREDICTABLE, PROFITABLE MAINTENANCE REVENUE STREAMS

A BAO CASE STUDY

OVERVIEW: Uncovering Revenue Opportunities by Identifying and Re-Engaging Lapsed Maintenance Customers

Like many technology companies, this global security software vendor relies on maintenance renewals for a predictable, profitable revenue stream. And when it comes to one of their secondary product lines, the company has a core community of loyal customers who automatically renew maintenance on an annual basis. But with a field sales team focused on other vertical and product campaigns, driving renewals throughout the rest of the customer base was a challenge due to the sheer volume of companies.

The company had another problem: they simply did not have accurate information about their own customers. In fact, they didn't even know who had maintenance agreements in place – a fairly common problem for large technology companies. The company knew that they could recapture a significant amount of revenue if they could identify and speak to those companies through strategic marketing outreach. And they knew they could rely on long-time partner BAO to help them achieve this goal.

CHALLENGES AND GOALS: Efficiently Recapturing Maintenance Revenue without Distracting From Prospecting Activities

Challenge 1: Leaving Money on the Table

The Client wanted to make sure they were maximizing the revenue potential of maintenance renewals. They were confident that core brand-loyal customers were being taken care of. But they wanted to ensure they weren't losing revenue opportunities by not actively engaging the rest of the customer base to encourage maintenance renewals.

GOAL: The Client needed resources that could quickly navigate a large number of companies and accurately focus on capturing maintenance revenue without sacrificing other sales priorities.

Challenge 2: Identifying Lapsing Maintenance Customers

Like many large technology organizations, the Client had no visibility into this sub-segment of their customer base. So, even before the Client could increase maintenance renewals, they needed to identify which accounts in their database were, in fact, maintenance customers with lapsing contracts.

GOAL: The Client needed to pinpoint the right customers within its vast database of contacts to target.

BAO: Drives Maintenance Renewals and Delivers Up-to-Date Customer Intelligence

Having worked with BAO for many years, the Client was familiar with its capabilities and how BAO services align with sales and marketing goals. They knew that BAO could quickly and successfully execute targeted, telephone-based outreach aimed at increasing the company's predictable revenue stream from maintenance renewals.

RESULTS

BAO was able to drive more than 600 lapsed customers into the maintenance sales cycle, with 200 of those opportunities closing quickly for a boost to the Client's predictable and profitable revenue stream.

The Client provided BAO with an initial list of customers who they believed had previously purchased maintenance but who had not renewed their contracts. The Client also developed a special promotion designed to woo back this audience, which was timed to coincide with an important launch of a new product version, so the promotion offered substantial value and savings to the lapsed customers. By engaging with these customers, BAO was able to drive a significant number of prospects into the sales cycle and uncover valuable intelligence for the sales and product marketing teams.

RESULTS: Better Intelligence, Additional Revenue, Engaged Customers, and Key Competitive Insight

Result: Increased Revenue while Minimizing Opportunity Costs

BAO was able to drive more than 600 lapsed customers into the maintenance sales cycle, with more than 200 of those taking advantage of the promotion for an immediate boost to the pipeline – all without distracting from other sales priorities.

Result: Validated List of Maintenance Customers

BAO was able to quickly validate and update the list of maintenance customers. More than 50 percent of the list had lapsed maintenance agreements. BAO also discovered that while 15 percent of the list did have a maintenance agreement in place, other companies had gone out of business or been acquired, allowing BAO to deliver the Client an accurate list of maintenance customers.

Result: Customer Re-Engagement

In addition to the short-term increase in revenue, the campaign enabled the Client to re-engage with lapsed maintenance customers, moving more than 400 – representing real medium- and long-term revenue potential – into an active nurturing cycle that referenced the specific account intelligence uncovered by BAO's efforts.

Result: Valuable Competitive Intelligence

Even in cases where the lapsed customers were not interested in re-engaging, BAO was able to uncover valuable competitive intelligence. BAO gathered specific details about why they switched vendors (performance, price, etc.) and which vendor(s) they were currently using – delivering key information that can be used to develop effective positioning and objection-handling messaging.

Result: A Repeatable Campaign for Long-Term Business Value

The Client can repeat the success of this campaign in other product lines that have a similar profile. That means capturing additional revenue streams, re-engaging with more customers, and acquiring additional intelligence to refine competitive positioning and differentiation.

ABOUT BAO

BAO is the de facto partner for sales and marketing teams in the high-tech industry developing powerful, profitable go-to-market strategies. BAO gives organizations the real-time insight, tools, and resources they need to transform their businesses – to drive new revenue while increasing the profitability of existing accounts; to optimize sales and marketing operations; to kill the competition; or all of the above. Founded in 1997, BAO is based in Andover, Massachusetts. Learn more at www.baoinc.com.



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