



GROW REVENUE

ANNUITY MANAGEMENT

RENEWALS DRIVE SOLUTION PROVIDER PROFIT

The ability to maximize revenue growth of any offering depends on the processes in place to support that offering. For solution providers, this is especially relevant for annuity and contract management. **Annuity management is a profitable growth area, however it can be a chaotic undertaking with increasing complexity as the business grows.**

Applying standard process methodologies to annuity management can result in revenue growth and improved efficiency. These process methodologies involve implementing well defined interactions between people, processes, and technology.

However, annuity agreement management is often approached with little regard to all three of those components. A common approach is to address the challenge with people, but with little regard to process and tools. As the business grows, the volume and complexity of the agreements quickly overwhelm a company's ability to address the problem solely from a manpower perspective.

WHAT APPROACH ARE YOU USING?

Solution providers manage annuity business in one of three ways:

1

OPPORTUNISTIC

This approach is used when the primary goal is to capture the annuity contract for the products previously sold to the customer. Securing the renewal is often the responsibility of the account executive, with limited support resources, and without automation. In this case, there is a dependency on distribution and OEM partners to track the renewal notifications.

2

MANAGED

Many solution providers recognize the value inherent in managing and growing their contract base. They have assigned dedicated resources to help manage the process and have created tools to facilitate and manage their execution. Here, the revenue is tracked and the renewal team typically owns accountability for this revenue stream.

3

STRATEGIC

The third approach is to treat renewals as a strategic business initiative. This approach requires using dedicated resources, well-defined processes, and purpose-built tools to create a growth engine for renewals revenue. Growth expectations include contract capture from cross-selling, and enhanced sales activities for contract consolidation, product refresh, and managed services integration.

OPPORTUNISTIC

- No dedicated resources
- No formal processes
- Dependent on third parties for key information

MANAGED

- Revenue tracked and managed by the business
- Dedicated resources
- Ad-hoc processes
- Tracking done by non-purpose built tools (Excel, Access)
- Dependent on third parties for key information

STRATEGIC

- Revenue managed as a growth area
- Dedicated resources
- Formalized business processes
- Purpose built tool to enforce processes
- Tools integrated with third party data systems
- Sales differentiation

HOW TO PRODUCE BETTER RESULTS

A STRATEGIC APPROACH LEVERAGES ALL THREE AREAS OF PROCESS METHODOLOGY:

1 / PEOPLE

Solution providers are dedicating teams to grow annuity contracts.

2 / PROCESS

Solution providers are defining repeatable processes to guide how renewals are executed and creating metrics that measure effectiveness.

3 / TECHNOLOGY

Toolsets are being implemented for contract management, allowing solution providers to systematically measure their process execution.

Service providers need to adopt a strategic annuity management program, coupled with well-defined internal processes and quality personnel, to make the best use of customer data to grow opportunities.

Begin with a platform that supports growth through renewals revenue

Choosing an effective management platform is the first step. They need a purpose-built tool set that allows them to identify key business metrics such as revenue, close performance, on-time renewals, and up-sell and cross-sell performance to manage how process effectiveness is measured specifically around time, efficiency, and cost savings.

Our innovative ServTrax platform transforms the way solution providers manage assets and annuity agreements. This comprehensive management solution provides process automation, promotes collaboration, and extends the customer engagement life cycle. Providing access to customer annuity agreement and asset inventories using our cloud-based platform helps solution providers to establish more engaging and productive relationships with their customers.

GROW YOUR REVENUE WITH SERVTRAX

Turn annuity management into a revenue and profit growth stream for your organization, contact us at kayla@servtrax.com for more information.

