How Logicalis adopted the Netformx Partner Incentive Tool

Identifying the best Cisco incentive programs available is a common challenge that Cisco partner sales teams encounter during their pre-sale stage. Navigating each promotion or incentive, in order to understand its underlying program complexity is a time-consuming task. Cisco's continuous updates and additions of new promotions adds to this challenge.

Logicalis, an IT solutions and managed-services provider, addressed that all-too common challenge by adopting the Netformx Partner Incentive Tool (PIT).

Logicalis wanted to find a solution to two issues that stood in the way of profitability: Lack of visibility and utilization of Cisco programs and incentives; and the time-consuming nature of finding and matching the best incentives that deliver optimal cost structures.

Logicalis adopted Netformx's PIT in March and April and quickly saw that adopting the tool was the right way to address those two challenges. Additionally, they realized that PIT can quickly provide documentation that Logicalis can use in discussions with Cisco to activate the discount or to document what discounts were available at the time of the quote.

After a short trial to validate and confirm the value-add that Logicalis anticipated PIT would deliver, their focus now is on expanding the use of the PIT across their entire sales organization. They plan to increase adoption of the new tool with a set of best practices and with a better understanding of how their different departments will benefit from using PIT.

How did Logicalis implement PIT

PIT is a flexible tool that adapts to different pre-sale and lifecycle management workflows. Logicalis uses a team structure and had one or two members of each team adopt PIT by first creating estimates and entering them into Cisco Commerce Workspace CCW, and then viewing them in PIT.

With the old workflow, those team members would cost out estimates based on data from spreadsheets and often either register for the Opportunity Incentive Program (OIP) only or use Cisco's DSA discount path due to the general complexity using promotions and incentives can introduce.

The new PIT-based workflow exposes more optimized costing, which in turn provides the sales team with the potential for deeper gross margin levels. Better costing visibility allows for improved profitability conversations, since team members can easily review the additional cost impact that every

promotion and incentive can deliver. They can then decide to pass on or retain the additional cost savings when pricing the customer opportunity.

How did PIT create value for Logicalis

Logicalis saw immediate benefits after rolling out the Netformx PIT. The results speak for themselves: In a 90-day period, PIT analysis of 51 estimates ensured the discount yield of nearly $8 million.

"With PIT it takes just minutes to analyze an estimate and see the incentive options. We used to plow through emails and take hours or sometimes even days to analyze estimates manually—if we did it at all. And now we can do What-if scenarios for situations where we don't have deal registration, but the competitor does. PIT enables us to quickly see how we can win the deal and enables us to be much more efficient and profitable."

Cari Lauters, project lead and Alliance Business Development Manager, Logicalis

"PIT is showing itself to be extremely useful. It outlines what's currently available in the constantly changing Cisco programs, so we don't need to sift through documentation. That is enabling us to be more profitable and more competitive as a partner. And for the CMSP program, not everyone knows about our certifications, so they don't know what programs we are in or the program requirements. PIT gives us insights on that so we can decide to use upfront discounts or backend discounts to get the best pricing and get it out faster."

Tim Reindel, PIT sponsor and Business Development Associate, Logicalis

Sales Support Rep (SSR) Use Case

Sales Support Reps sometimes create their own estimates, or the Solution Architect (SA) provides the estimate. Either way, the estimate goes into PIT to determine the business impact of different incentive options. Based on the specific customer, PIT excludes ineligible programs, leaving the account team to decide the best programs and incentives to select for the discounts.

An example of the value provided by PIT was an estimate for a client with a decent Reusable Non-Standard Discount (RNSD). The estimate was entered into PIT, which identified additional qualifying discounts compared to what the Cisco rep provided. Since the Cisco programs are changing all the time, it's difficult for the reps to know the details of all the programs. For this customer, the Cisco rep's price was $8,000 more than what PIT calculated. When price discrepancies occurred in the past, there were many back-and-forth emails with the Cisco rep to get approval of the discounts. Now with PIT, the SSR simply sends the rep one email containing the PIT analysis on which programs should apply. In this way, PIT is also streamlining the work for the Cisco rep. By leveraging OIP/TIP and Spark Reseller, the net savings on the estimate was $425,000, a significant cost reduction.

"Before PIT, we would just take the RNSD discount, assuming it was the best deal. We wouldn't check other programs since it was such a commotion to do. We'd need to find the email and the links to what applies, then go to the right tab and enter all the part numbers. There is a big efficiency gain with PIT and we now actually do the analysis every time instead of just when we have the time to spare. And we are getting more margin by identifying the best programs to apply. Using PIT should be best practice for everyone."

Karen Kulow, Sales Support Rep/SSR, Logicalis

Account Executive (AE) Use Case

When the Cisco Partner Account Manager (PAM) assigns a special cost discount on an end-customer, the Logicalis Account Executive (AE) is never sure whether it is beneficial for Logicalis. By putting the Bill of Materials (BOM) through PIT, the AE can quickly see the impact of the proposed discount. That is particularly important for sizeable deals with OIP and Collaboration.

PIT has also been valuable for handling the K-12/E-Rate educational market. K-12/E-Rate transactions can be complicated, with many steps required for qualification. It is a specialized area and all solution architects (SAs) haven't had K-12/E-Rate training. Since PIT has an E-rate section under the workflow, it is quick and easy to do the analysis. When a K-12/E-Rate estimate was put into PIT it identified Educational SKUs that weren't in the BOM.

"PIT is a confidence builder. It gives me peace of mind to know that the estimate has been done right. Instead of the time-consuming and frustrating process of manually doing the calculations every time the customer changes their mind or programs change, I can quickly review the special program pricing that the Cisco PAM has provided and make sure the DSA is in our best interest. And it will be a game-changer for those complicated K-12/E-rate estimates. I really appreciate PIT. It is easy to use, and the support hours have been great when I've had questions. Bookmark this tool!"

Lisa Nowak, Account Manager, Logicalis

Solution Architect (SA) Use Case

After importing the CCW estimate, PIT analysis shows all the active incentives. Since promotions are often complex and change regularly, and the Cisco incentives pages tend to be very difficult to decipher, Solution Architects (SAs) find it difficult to stay current on all of them. Some incentives may be new. Some may be known by name, but the SA is likely not familiar with their detailed requirements. By using PIT, the SA can quickly see the incentives and their terms and conditions, evaluate different options, and quickly pick the ones that apply and maximize the discount. This encourages self-education and ensures that the incentives selected are correct, avoiding Cisco rejection later.

PIT is also useful for competitive situations where Logicalis is up against another partner or a customers' Request for Proposal (RFP), if the customer doesn't want a particular partner to have preference, or if Cisco has stated that a specific

partner doesn't get pricing advantages. PIT enables Logicalis SAs to identify what they can leverage in the deal and to do What-if calculations against the competitor's pricing. It just takes a couple of minutes to compare various incentive stacks and choose the one to win the deal or decide not to compete.

"Since they are so messy, it was easy to avoid approaching incentives and promos. Even the Cisco Reps don't always know everything about what is or is not in place to be able to make the best recommendation for Logicalis. PIT puts the knowledge of what incentives apply as well as details about each of them at your fingertips. It reduces the risk of making a big mistake and gives confidence that the submitted estimate is correct. There's no other place to get this information without digging it out yourself, which is time consuming."

Keith Schifano, Solution Architect, Logicalis

Opportunities for additional value

With automation, PIT helps Logicalis incorporate incentive-based changes early in the design phase and sales cycle, whenever a Cisco BOM or CCW estimate is being created. By incorporating them up front, Logicalis can decide whether to pass the benefits on to help close the deal or retain the benefits to increase their margin. Using PIT, proposals (as well as their iterations) that make business sense can be created rapidly, delighting the customer and increasing the bottom line.

Logicalis is doing the right thing to focus on an internal push to increase adoption throughout their sales team. Providing best practices and encouraging the use of the Margin Analysis Tool (MAT) to do What-if scenarios will further increase their potential for higher margins on their deals.

About Netformx

Netformx helps Cisco Partners design and deliver multi-vendor IT solutions quickly and effectively, increase revenues, and create an improved buying experience for their customers. The Netformx application suite streamlines the entire sales lifecycle from pre-sale to renewal while optimizing use of Cisco incentives, promotions, discounts and rebates to grow profit margins. Powerful tools comprising business intelligence, actionable insights, collaboration and automation, coupled with close integration with Cisco, enable Partners to eliminate manual work, improve efficiency and achieve better business outcomes and customer success.

Netformx has 2,000+ customers globally including ALE, AT&T, Bell Canada, BT, Cisco, Dimension Data, Insight, Logicalis, Optus, and Telstra. The multi-vendor KnowledgeBase™ contains client and vendor products, services, and program compliance data from vendors such as Cisco, ALE, Check Point, Juniper and Riverbed.