

# SyCom Tech Uses Netformx Partner Incentive Tool to Grow Deal Profitability



IT solution providers are challenged daily by the complexity of IT technology sales, since Cisco's products, price models, and incentive programs are numerous, constantly changing, and can be complex. Even with hours of research "you don't know what you don't know." And SyCom's Cisco Partner Account Manager may not be aware of the latest opportunities either. Promotions that are there today may no longer be available tomorrow, so deals need to be submitted right away to lock in the price.

SyCom's leadership determined this is a perfect opportunity to add automation to the incentive and promotion management process and margin analysis efforts. Their investment is starting to pay off, but there is much room for increased profitability with broader adoption in engineering, inside sales, and sales.

## Netformx Partner Incentive Tool automates incentive and discount analysis

Unique in the industry, the Netformx Partner Incentive Tool (PIT) helps maximize discounts and increase gross margin in the presales process. It identifies opportunities to take action and to take advantage of Cisco rewards for aligning with their strategic direction. PIT automatically analyzes Cisco Estimates, exposes—on a single screen—all the current relevant incentives in stacks, and summarizes their impact on discount percentage.

So now SyCom can be smarter about their pricing and compare their DSA cost discounts against PIT stacked discounts. No matter if it is an engineer, inside sales, or account manager, they can then quickly choose the preferred discount stack that is most applicable to the customer opportunity and that will enhance the company's competitive position and overall profitability. Users can also fine-tune the inclusion or exclusion of individual programs to anticipate a competitor's cost structure.

SyCom users gain easy access to the data they need so they can focus on business decisions and their customers instead of grinding through spreadsheets.

### How SyCom is using PIT

When Inside Sales gets an estimate from an engineer, they create a quote. Previously, they would have just applied the standard DSA discount. Now, in under a minute, the PIT analysis shows all available

promotion and incentive options, along with their cost discounts. As needed, PIT provides documentation that SyCom's Cisco AM can use in discussions with Cisco to activate the discount or to document what discounts were available at the time of the quote.

### Customer A Use Case

Several vendors were bidding on a switch deal at Customer A, a client that SyCom was trying to recapture, and were all being given the same discount. By using PIT, SyCom Inside Sales Reps saw that OIP was an option, however SyCom couldn't get the OIP since Cisco was denying all OIPs on this deal. They also saw the option for Fast Track discounts which would result in an additional \$16,676.98 discount over DSA. After providing this information to SyCom's Cisco AM the Fast Track discounts were approved, replacing the lower DSA discount.



*"PIT was so easy to learn and to use. I quickly could see the Fast Track discount and the actual dollar savings. This was a promotion that neither SyCom nor Cisco was aware of. Without PIT I wouldn't have realized FastTrack was an option and would have stuck with the DSA. PIT provided the documentation we needed to make our case with Cisco. It was a good thing we took advantage of the promotion right away, as it is no longer available. Because of our responsiveness, we were able to get back into the Customer account, and to also make money on the deal."*

*Michele S. Lempke, Inside Sales, SyCom*

## Customer A: Leveraging Additional Cost Discounts Available

All prices are shown in USD

Category	Original Cost	Revised Cost	Analyzed Discount \$
Products			\$239,282.40
Services			\$15,127.69
Subscriptions			\$35,925.60
<b>Totals</b>			<b>\$290,335.69</b>

Active Incentives:

- Fast Track
- OIP/TIP
- OIP/TIP Services Ac...

The screenshot shows additional Cost Discount was available if SyCom could leverage both OIP + FastTrack promotions, netting Cost Dollar benefit of ~\$110,000.

### Customer B Use Case

Customer B has been a SyCom customer for many years and, generally, a standard discount is taken for all of Customer B run-rate Cisco orders. When quoting a larger order, Inside Sales ran the estimate through PIT and found additional discounting was available. The original cost was \$112,800 and the revised cost \$102,774, a savings of \$10,000.



*"When PIT analyzed the customer's order it identified additional discounting with OIP. I sent that information to our Account Manager, who created the OIP and got the additional discounts. With just a quick analysis we were able to increase our margin. No research required. PIT proved its value right there."*

Brennan Mills, Inside Sales, SyCom

### Opportunities for additional value

With automation, PIT enables SyCom to 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, SyCom 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.

SyCom Inside Sales are currently the only team using PIT, but it can provide further business benefits if used more extensively.

As the AMs start using PIT, they can do the primary promotion analysis and Inside Sales double-check it to ensure there have been no Cisco program changes in the meantime. By using the Netformx Margin Analysis Tool (MAT) the AMs can quickly calculate deal margins and perform what-if scenarios to identify even better margin potential—all in less time than it takes to do one margin analysis today.

If Engineers use PIT, they can identify and highlight all the potential additional cost discounts early in the sales cycle during the design stage, potentially saving even more time and creating more accurate proposals. They can also anticipate competitive pressures with valuable 'what-if' analyses by varying the promotion and incentive presentation (and cost adders) based on what they know. By gaming the inclusion and exclusion of the potential promotions and incentives, along with the added cost benefit provided by the Migration Incentive Program, the sales team should never be surprised about what the competition might be planning.

SyCom can quickly stay on top of the latest promotions and not risk missing out on opportunities to increase margin. All the teams that use PIT not only improve business results and increase profitability, but they are more productive, since PIT eliminates complexity and manual processes.

### About Netformx

Applying automation, optimization and analytics throughout the sales and renewals lifecycle, Netformx helps Cisco partners to accurately create differentiated, winning multi-vendor designs and proposals, and maximize benefits from promotions and incentives.