



# IT NATION 2010

**Partner Business Accelerator – Based on 11 KPI's**

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**Connect+Wise™**



## What are the ExpertPartner 11KPIs™?

- Eleven measurements in five areas on which an entrepreneurial business must focus to create a successful, profitable, and personally rewarding business



## The 11KPIs...

### Finding and Keeping Clients

- Nurturing new clients, current clients, inactive clients, and past clients



# 1. Lead Generation

- How many inquiries are you getting?
- Driven by marketing and prospecting
- Marketing has the greatest leverage

# High-leverage Marketing

- Executive education programs
- Referral programs
- Your mail and email list
- An educational website
- Everyone gets published
- Customer endorsements
- Cooperative marketing
- Newsletter
- Vehicle signage
- Direct response marketing



## 2. Conversion Rate

- How many leads become clients?
- Conversion is the responsibility of everyone in your organization
- The sales team has the greatest leverage



# How to Increase Conversion Rates

- Create a culture of conversions
- Weekly sales training
- Powerful proposal generation system
- Company value platform
- Client testimonial book
- Case study library
- Business case presentations
- Sell around and through the I.T. department
- Executive meetings
- Fire the bottom 10%



### 3. Retention Rate

- How long do clients do business with you?
- This is the responsibility of your delivery team and sales team
- Your delivery team has the most leverage





# How to Increase Retention Rates

- “Moment of truth” culture
- Lost client recovery team
- Sales calls when there’s no budget
- Customer of the month
- Project post mortems
- Email and mail list
- Client education programs
- Write case studies
- Credit for the next project
- Project completion celebrations



# The Business Growth Equation

Leads x Close Ratio x Retention Rate =  
Customer Flow

- Increase each by 10 percent per year and you'll grow your business by 33 percent per year



# The Client Equation

Total Clients =  
New Clients  
+ Current Clients  
+ Inactive Clients  
+ Past Clients

For many companies, reactivating inactive and past clients has the most leverage

# The 11KPIs...

## Growing Your Billable Time and Profitability

- Increasing the number and size of projects while growing profits



## 4. Average Project Value

- What is your average deal size?
- Deal size growth is based on:
  - Customer budget
  - Your ability to sell higher in the organization
  - Your ability to do larger projects
  - Your ability to up sell
  - Your ability to find more budget from other locations
- Greatest leverage is in selling higher in the organization



# How to Increase the Average Project Value

- Sell to executives first
- Executive education program
- Sell value, not products
- Discuss outcome, not methods
- Charge for projects, not hours
- Raise your prices
- Up sell program
- Cross sell program
- Weekly sales training
- Team believes in your value





## 5. Average Number of Projects Per Year:

- How often does a client do business with you?
- This is the responsibility of your delivery team and sales team
- Your delivery team has the most leverage



# How to Increase the Number of Projects

- Think of the fourth sale first
- Show executives how to manage the projects
- Regular contact
- Expand your offerings
- Client education on new offerings
- Sales training for tech staff
- Teach tech staff how to prospect within accounts
- Sales compensation for tech staff
- Executive ROI project reviews
- Hold thought leadership round tables



# The Revenue Equation

$$\begin{aligned} \text{Revenue} = & \\ & \text{Total Clients} \\ & \times \text{Retention Rate} \\ & \times \text{Average Project Value} \\ & \times \text{Average \# of Projects Per Year} \end{aligned}$$



## The 11KPIs... Managing Capacity

- ...and appropriately increasing capacity as needed
- This is about optimizing your business infrastructure and making it run like a well-oiled machine

## 6. Team Structure, Development, and Retention

- Do you have what it takes to serve your clients with bigger demands?
- Rate this on a scale of 1 through 10
  - 1 is awful, 5 is average, 10 is world-class
- This is the responsibility of you and your management team
- You have the most leverage

# Improving Team Structure

- Don't tolerate bad behavior
- Documented processes
- Training calendar
- Time management training
- Clear roles and responsibilities
- Have the correct role structure
- Organization chart
- Open communication
- Efficiency bonus plans
- Profit sharing plans



## 7. Workspace and Equipment

- Do you have the tools and environment to be most effective, space to grow efficiently, and tools to leverage your efforts?
- Rate this on a scale of 1 through 10
  - 1 is awful, 5 is average, 10 is world-class
- This is the responsibility of you and your management team
- You have the most leverage

# How to Improve Workspace

- 2-3 screens on each desk
- Team collaboration tools
- Document management tools
- Knowledge management tools
- Paperless project management
- Ergonomically correct work areas
- Faster equipment: scanner, printer, copier
- Personal printer and scanner
- No storage limits
- Dual-ear phone headsets

## 8. Policies, Systems, and Processes

- Policies are set by Executives, Systems are created by Management, and Processes are created by the Team
- This is the intellectual property that makes your company valuable to a business buyer
- Rate this on a scale of 1 through 10
  - 1 is awful, 5 is average, 10 is world-class
- This is the responsibility of you and your management team
- You have the most leverage

# How to Improve Policies, etc.

- If it's worth repeating, it's worth documenting
- Communicate policies to client
- Communicate why policies are critical
- Engagement process
- Credit processes on first meeting
- Process checklists
- Client meeting checklists
- File naming convention
- Email convention
- Proposal system



## The 11KPIs... Improving Cash Flow

- Managing and decreasing work in progress days (WIP) and managing and decreasing accounts receivable days (debtor days)



## 9. WIP Days

- Maximize efficiency in executing projects and accelerating when you get paid
- Measured by the average of the number of days that projects take to execute
- This is the responsibility of your delivery team and management
- Your management has the greatest leverage



# How to Decrease WIP Days

- Client education process
- Define client responsibilities
- Client communication response agreement
- Client executive education process
- Gain permission and access early
- Project management workflow system
- Workflow monitoring and administration system
- Bill in advance
- Budget job hours for all projects
- Delegate to the right level

## 10. Days A/R (Debtor Days)

- The right balance of accounts receivable creates profits. The wrong balance creates problems
- Measured by average days of accounts receivable
- This is the responsibility of your credit, billing, and collections systems
- Credit has the most leverage

# How to Improve Days A/R

- Explain terms and conditions in advance
- Communicate fees before job start
- Weekly A/R report review with executives
- Collect deposits
- Bill in advance—50%, 25%, 25%
- Change invoice: due on or before
- Discount for full payment in advance – 10%
- Discount for early payment
- Get tough on collections
- Collections champion



## The 11KPIs... Quality of Life

- Living your dream life, making a substantial impact on society, leaving a lasting legacy, and enjoying success, however you choose to define it.

## 11. Personal Life Balance

- Include the factors of your Family, Friends, Finance, Fitness, Fun
- Measure on a scale of 1 to 10
- 1 life balance is awful, 5 life balance needs work, 10 living the life of your dreams at all times
- You are responsible and you have the most leverage

# How to Improve Life Balance

- Personal vision
- Personal legacy
- Personal growth days
- Personal reading or study plan
- Don't work evenings and weekends
- Strive for 30-hour work weeks
- Active mentor group
- Schedule fun a year in advance
- Balanced hobbies
- Discretionary cash goal





# Your Plan of Action

- What are you going to improve first?
- How are you going to sustain the improvements?
- How are you going to make a difference?