

Partner Business Accelerator – Based on 11 KPI's

Mark S.A. Smith

Outsource Channel Executives, Inc.
mark.smith@OCEinc.com

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

11 KPIs... 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

You 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

Revenue =

Total Clients

x Retention Rate

x Average Project Value

x Average # of Projects Per Year

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?