

Managed Maintenance, Inc

A Case Study on Improving Annuity-Based Revenues



HIGHLIGHTS:

Champion Solutions Group is an IT services delivery provider with more than 30 years of experience in delivering infrastructure solutions. Today Champion has over 650 clients, ranging from large enterprises to small and mid-sized businesses across multiple industry verticals.

CHALLENGE:

Champion needed to find a more efficient way to track labor intensive and tedious warranty and maintenance contract expirations.

SOLUTION:

MMI worked in conjunction with Champion providing professional services and the unified contract management ONEview portal to better manage contract lifecycles and renewal opportunities.

RESULTS:

- Warranty capture rates surged from 70% to 94%
- Streamlined operational processes in contract management and forecasting
- Improved customer retention rate by over 20%

A Formidable Challenge

Meeting their goal of improving productivity and application availability poses the formidable challenge of ensuring that all of the different technology components in each client's unique environment are functioning at peak performance levels at all times. To accomplish this, the Champion team has to make sure every hardware and software platform is fully supported and covered by current warranties, maintenance and service agreements.

"Trying to keep up with tracking all of the warranty and contract expirations manually is complicated, tedious and labor-intensive -- and expensive from a staffing perspective" explained Michael Gray, COO for Champion.

"Keeping service agreements current is extremely important in enabling us to meet our service level commitments for our clients. Contract renewals and replacing old equipment also represent a significant revenue stream for our business that we don't want to neglect. We needed to find a more efficient way to manage this at a lower cost, a way that fit our variable cost business model."

Champion evaluated a variety of options, from building their own tools in-house to acquiring some kind of packaged software tool to completely outsourcing the entire services management element of their business to a third party.

"What our customers experienced is higher levels of service, which translates directly into improved client satisfaction and retention."

- Michael Gray, COO for Champion Solutions Group

MMI – A Balanced Solution

Champion found the best solution for them was the balanced combination of expert professional services and the unified contract management ONEview portal software offered by Managed Maintenance, Inc. MMI provides out-tasked and collaborative asset lifecycle and service contract management – enabling technology manufacturers, and their distributors and service partners like Champion – to maximize service and equipment replacement revenues.

“MMI works in conjunction with us, with their professional contract managers acting as an extension of the Champion team,” says Gray. The MMI professional services group typically alerts the Champion sales team and the client at the same time when a renewal is coming due. The MMI team collaboratively supports the sales process as appropriate, helping determine optimum renewal and replacement strategies, while the Champion sales team handles all price quotes, proposal generation and negotiations.

A Cost Effective Business Model

Champion chose MMI’s solution because they were the only one who offered a complete full service package that mapped perfectly to Champion’s core business. Another key factor was MMI’s pay-for-performance model. MMI is compensated based on the service renewal and equipment sales revenue they facilitate. In other words, when Champion makes money, MMI makes money.

“Growing our business means maintaining a strong pipeline and increasing maintenance, hardware and software upgrade revenue streams. With their pay-for-performance model, MMI is clearly incented to help us grow this side of the business. They take this opportunity very seriously, which is lucrative for them and valuable for us both in terms of revenue and client satisfaction,” said Gray.

Conclusion

Over the past three years Champion has seen dramatic increases in renewal rates, maintenance revenue, equipment upgrades and customer retention since bringing MMI onboard.

According to Gray, “Whenever you contemplate turning a core piece of your business over to a third party, especially if it entails interacting with your customers, there’s always some concern about how your customers will react.” In fact, Champion’s management was surprised at how seamless it was to integrate MMI’s contract management service into their overall operational process model. “What our customers experienced is higher levels of service, which translates directly into improved client satisfaction and retention.”

Want to know more about Managed Maintenance?

See how we can turn your maintenance contract supply chain into a turnkey renewal machine!

Contact us at **561-869-4399** or visit **www.managedmaint.com**.

Be sure to follow us on Twitter at **www.twitter.com/managedmaint** for the latest best practices and industry trends.

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