Rethinking Sales - Optimizing for SaaS

Sage Cloud Partner Profitability Series

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Executive Summary

Optimizing Sales is one of a series of eBooks written on the topic of partner profitability. It is intended to help Sage partners prepare for the global changes in the market for technology and business applications, caused by the growth in demand for cloud, specifically, software as a service (SaaS) solutions.

This eBook is specifically targeted at those individuals within the Sage partner community, with responsibility for the hiring, training, motivation and successful deployment of sales teams. In particular, it will focus on the need to take action in proactively adjusting your sales operations to take advantage of the sea change in the market for software applications and related services.

The traditional IT on-premise resale model, based on the sale and delivery of software licenses, is deal focused. Revenue recognition is up front — on delivery — and sales commission is paid on delivery or payment.

The SaaS paradigm is very different. Zero revenue is recognized up front; rather over a period of time in a recurring revenue model. This model therefore focuses on a long-term, repeatable, and sustainable subscription income. More details of the impact of recurring revenue on channel business models can be found in Executive Brief: Building a Profitable and Sustainable SaaS Business.

IDC predicts that "Greater Cloud Spending" will exceed $500B by 2020. This includes SaaS, PaaS, IaaS, plus all the professional and managed services around cloud technology (both public and private), as well as the supporting software and hardware to make cloud implementations happen. Channel partners are not immune!

66%
of channel partners agree that selling SaaS enables them to have a more predictable, recurring revenue stream

The Impact of Cloud On Channel Sales Organizations

A Successful SaaS Business Runs on Three Key Metrics:

Scale, Renewals, and Upsell

In order to accommodate these changes, you as a Channel Partner need to consider the main drivers of a successful SaaS reseller business: Scale, Renewals, and Upsell

- **Scale:** Given SaaS typically has a much smaller average deal size and shorter and less complex sales cycle, you should be actively looking to increase the number of customers subscribing to the service and the number of seats/users within those customers.

- **Renewals:** The nature of revenue accrual with SaaS solutions makes the maintenance of good relations with the customer critical. Payment is usually via monthly subscription, even if sold with a minimum duration, and so client satisfaction has to be high, and active usage of the application maintained to ensure the customer renews and provides you with a continued recurring revenue stream over the medium to long term.

- **Upsell:** One of the major advantages of the move to selling cloud-based SaaS is the opportunity that it brings to promote, supply, and maintain added-value content and services to existing clients. Whether this is additional applications/modules authored by the original ISV, additional integrated functionality provided by a third-party ISV, or a portfolio of services such as consulting, customization and managed services. As the revenue from reselling products and licenses declines over time, this services revenue becomes all the more critical to your overall profitability.

> " You don't have to do much activity in selling updates and upgrades and so the sales cycles are quicker "
>
> **Benjamin Graf, Kibe AG (Sage Partner)**

63%
of channel partners agree that their SaaS business creates new upsell opportunities for them

Customer Lifetime Value Becomes a Critical Performance Measurement

In the recurring revenue model, customer lifetime value (CLV) becomes one of the most important metrics for your sales organization. CLV is essentially a prediction of the net profit your business will derive from their entire relationship with a customer.

Because your revenue builds over time, your sales activities need to extend well beyond the initial closing of the deal. What this means is that you need both hunters and farmers in your sales organization. Many channel partners have already started investing in this area, in fact, 51% of partners surveyed for this eBook were building a "customer for life" or similar organization to focus on retention and renewal within their customer base.

The opportunity for channel partners is to become the "trusted advisor of choice" for their customers, to take them on that journey. This presents an opportunity to provide consulting, implementation, services, and maintenance services and an increase in revenue opportunities over time. Today, clients are looking for suppliers that can deliver long-term, sustained business value.

Many successful cloud partners are approaching cloud with an "ecosystems approach" to deliver holistic, specialized solutions. These comprehensive solutions, including, for example, SaaS software, consulting and implementation services, and management tools, give their customers almost "hands free" operation of their key business applications.

Your sales people need to be motivated beyond the initial SaaS contract sale, be incentivized to sell value-added products and services in order to grow the account over the lifetime of the contract and beyond.

According to Sage,

64% of small business owners would welcome 'invisible accounting'.

What it envisions as the delivery of completely automated basic accounting functions in a seamless fashion to the end customer. Sage announced its commitment to delivering business builders and entrepreneurs with just that by 2020.

Sage needs its partners to help them achieve this.

New Types of Sellers

Any of the established, well known solution selling sales courses include a description of what we call a **"Hunter"** Salesperson. These people are experienced, with a long successful track record. Often they are strategic thinkers, focused on deal closing. These are the "hunters" and they expect to be paid and treated accordingly. In fact, in many cases they'll operate with tunnel vision with eyes only on being the biggest revenue generator, deal closer, and commission earner each quarter.

As your organization moves away from large ticket sales upfront, and towards annuity subscription revenue, you need to think about how this will impact the commission structure and motivation of your top sales people. Will they expect up-front commission on revenues that you will only recei ve over time? There are employee satisfaction and cash flow considerations to balance.

Many channel partners have found it challenging to incentivize and motivate these sales hunters, to adapt to a recurring revenue model commission structure. You might want to consider the profile of the individuals in your sales team. Perhaps the hunters are better positioned to focus on broader solution selling. Perhaps your business is already moving away from complex, big-ticket deals, sold predominantly into IT, and towards short sales cycle, cloud-based SaaS relationships. This role may be better served by a cloud-native, typically lower cost sales resource with the dynamism and enthusiasm to cover the ground needed to sell and manage into a much larger client base. Industry-specialization can be a key advantage here, and many successful cloud partners are recruiting from industry to build a sales force well-equipped to sell to line-of-business.

Ultimately, you probably need a mix of types of sales people, and you will need to resource accordingly. For SaaS, your objectives and incentives should be driven around the objective of achieving simpler, faster sales.

Marketing Becomes an Extension of Your Sales Force

The old saying that the "Customer is King" has never been truer. Customers are increasingly self-educating, online, often making a decision about which application they will buy before even talking to a software sales rep.

Winning SaaS channel partners are investing in digital marketing, and especially in targeted digital content. They are focusing their efforts on things like search engine optimization, pay-per-click ads, banners, videos, webinars, white papers, blogs, social media, and landing pages.

Given the leading role taken by the buyer in the process and the cash flow implications of building a subscription based revenue stream, the workload balance around lead generation and qualification has to shift from sales to marketing. Effective marketing can bring down your cost of customer acquisition and improve your overall profitability. In the eBook, Rethinking Marketing, we explore this topic in more detail.

43%
of partners are investing more in digital marketing

37%
are considering more investment

" Cloud buyers complete 70%–90% of the sales journey before they approach the partner. It doesn't make sense that we market in the same way. We needed to adjust our business because these buyers find us when they are making the journey. "

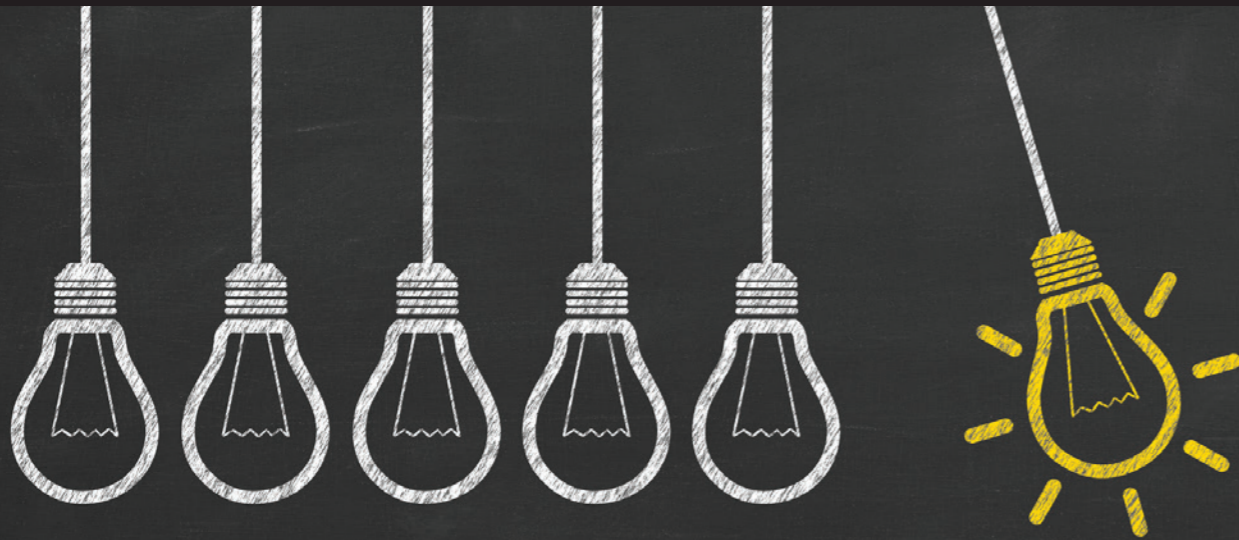**Francisco Civit & Manuel Jimenez – Doscontrol Spain (Sage Partner)**

Rethinking Your Sales Strategy for SaaS

Creating a Separate Sales Function for SaaS

There are many benefits to offering your customers the flexibility of choice. However, as highlighted earlier, transitioning your on-premises sales team to the subscription world comes with its own set of challenges. To overcome this, many have created separate sales teams which focus purely on SaaS.

Consider the advantages of starting from scratch with a new cloud-focused sales team:

- Little or no disruption to your on-premises sales group and campaigns
- Ability to build a brand new salary range and incentive compensation scheme appropriate to the experience, skills, and activities of the new sales group and based on driving maximum long-term sales revenue, thus avoiding issues over incompatible compensation models.
- Opportunity to bring in new individuals with skills and experience closely matched to the requirements of selling in the cloud.

CONNECTION
ANALYSIS
DATA
SEARCHING
VERIFICATION
CODING
SENDING

9

> **It's about chiselling out a niche vertical to focus attention on and building a best of breed platform or best of breed solutions based on the platform.**
>
> **Marcus Leathwood, Acuity Solutions**

Do also consider the challenges in creating a separate team:

- You may face internal conflict between teams, particularly in situations where a client asks for proposals for both on-premises and cloud versions.

- There will be additional, net new headcount and therefore fixed and variable labor costs increase, as will the cost of supporting those new resources.

- The introduction of a cloud-specific sales team will require bespoke support from operations, marketing, and accounting. Needs will be different and the additional workload must be planned ahead of time.

Incubate and then Integrate

IDC recommends that you begin to incubate a Cloud team and operate it in isolation from the existing sales force to begin with. Once they have built up a level of domain expertise, helped create marketing models/programs, developed a repeatable selling model, and secured a set of client references, then it will be sensible to integrate the team into the broader sales force.

> **We soon realized we needed to make a cloud-native unit, because the marketing and the go-to-market is very different. We hired different sales people, our technicians and consultants are different. We now have two different businesses with two different kinds of people.**
>
> **Francisco Civit & Manuel Jimenez – Doscontrol Spain (Sage Partner)**

Specialization and Industry Expertise

Another consideration moving forward is the level of specialization that you intend to develop within your SaaS sales operations. Because of margin pressure over time, plus the move to new models around cloud and managed services, we're already seeing partners moving away from the simple, logistical business of reselling hardware and software in favor of providing their own professional services. Channel partners will benefit from narrowing their sales focus down to a particular vertical industry segment and building alliance relationships, add-on software IP, and consulting services specific to that industry. This is a way to differentiate your offering in the marketplace as well as create a repeatable sales model and revenue stream. Some channel partners are even hiring from the industries they target to be better equipped to sell business outcomes to those industries.

Value Prop, Value Prop, Value Prop

Make no mistake, the onset of SaaS and cloud will severely test even the strongest of legacy client/channel partner relationships. VAR's that rest on their laurels and ignore the shift in the market will increasingly find themselves on the back foot. This may not require revolution, but it does need evolution, and quickly. The time to review readiness for cloud is now and this means building a new, cloud-specific value proposition. This value proposition should be marketed consistently and aggressively, including via digital marketing and social selling, to your customers and prospects before someone else does. Keep in mind that traditional VAR's are only one aspect of competition for SaaS. Clients looking for change, leadership and guidance in this area may look first to new, cloud-native partners prepared to run on lower margins and without the baggage of an on-premises business to manage.

Customer for Life

As highlighted earlier in this eBook, in subscription revenue models, upsell and renewal are just as important as closing the initial deal. A successful SaaS business is built on the ability to retain clients and derive revenue, including new incremental revenue over the lifetime of the relationship. In order to achieve this your commission structures and incentives need to be aligned with the concept of a customer for life. Motivating sales people to upsell active usage and renewals through the lifetime of the customer.

Rethinking Your Sales Skills for SaaS

Cloud Natives

We've already discussed the need to hire skill sets better suited to selling in a cloud/SaaS environment. The obvious question is "where to find this new breed of seller." One option would be to look for what we might call "cloud natives". Essentially these will be individuals whose careers have been built around the cloud or even the subscription revenue paradigm. They may have limited experience of on-premises, perpetual license, large-deal software sales. Indeed, that may be a tremendous advantage. Such individuals may come from a pure play SaaS ISV, an MSP, or an SI, where they have dealt only in the sales, support or management of a subscription revenue solution, ideally SaaS. For Sage partners, hiring those with an accounting background would be beneficial, but even without, they would bring an understanding of the buying mentality of an SaaS customer and the type of sales, marketing, and implementation environment that you are hoping to develop in your own business.
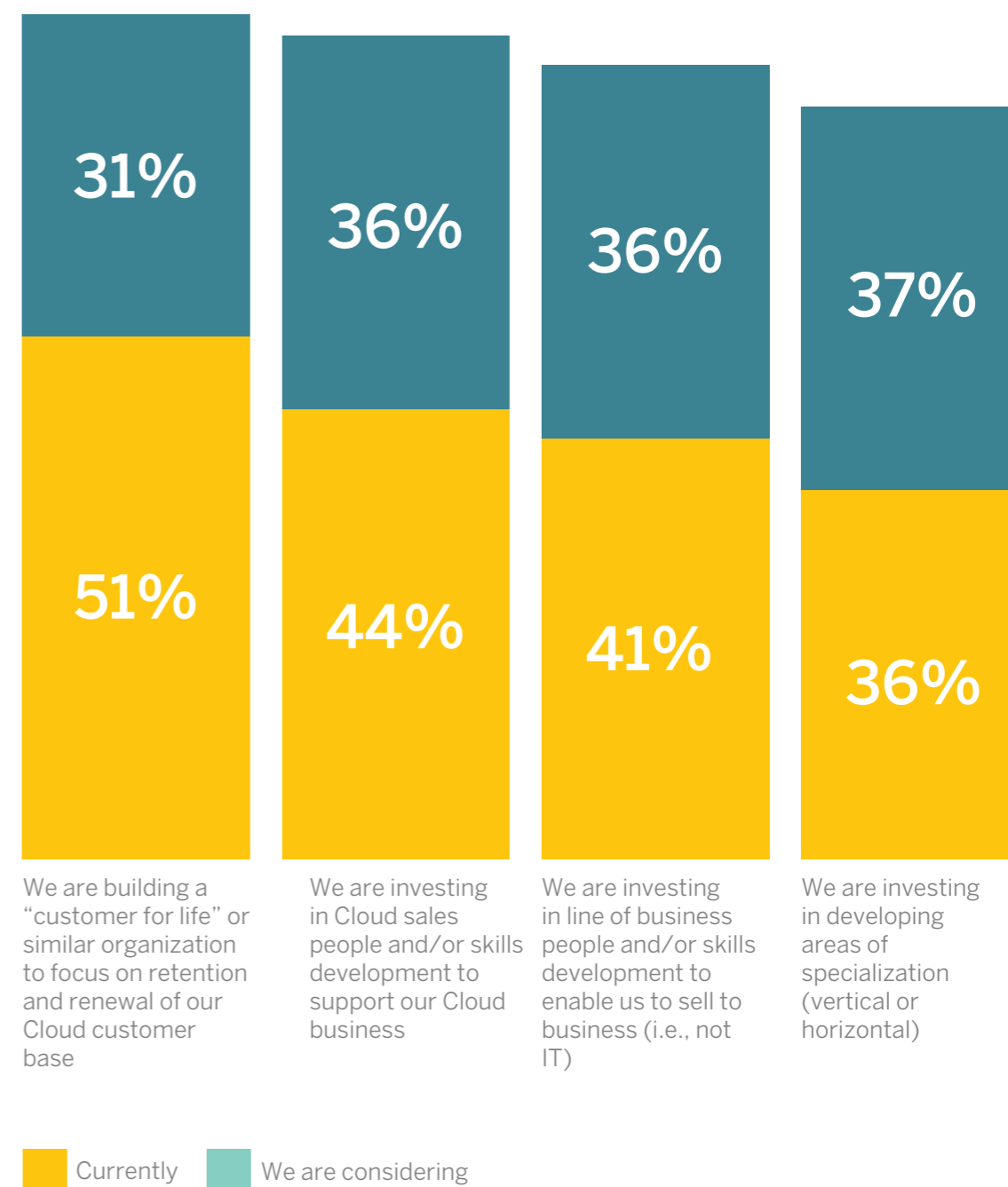
Cloud Specialists

Another popular tactic used by SaaS channels is to employ cloud-sales specialists. In fact, 57% of respondents to our survey had already hired or were currently hiring cloud specialists. These specialists are being used in different ways: 28% were using these cloud specialists to focus solely on cloud while the rest of the sales team focused on the on-premises business, and 29% were using them in a supportive role to support the existing sales team when faced with cloud opportunities.

Hiring from Industry

As highlighted earlier in this eBook, specializing in a specific industry is a recommended strategy to differentiate your value proposition and to better meet the needs of line-of-business buyers. As we have discussed, the focus for cloud sales people is much less on traditional solution selling skills, even less

on the hard sell, the dealmaker. Today's buyer is looking for a salesperson that can empathize, understand their specific requirements and demonstrate how an SaaS application can meet those needs. For Sage partners, someone who has used a cloud-based application like Sage, or ideally Sage itself, as a user, is well placed to guide the potential buyer through the process. What sales skills are required may take second place to the individual's ability to communicate with, understand, and collaborate with the client business buyer.

Question: Please choose the answer for each statement that best describes your company's approach to transformation

	We are building a "customer for life" or similar organization to focus on retention and renewal of our Cloud customer base	We are investing in Cloud sales people and/or skills development to support our Cloud business	We are investing in line of business people and/or skills development to enable us to sell to business (i.e., not IT)	We are investing in developing areas of specialization (vertical or horizontal)
We are considering	31%	36%	36%	37%
Currently	51%	44%	41%	36%

Legend: 🟨 Currently   🟩 We are considering

Source: IDC Sage Partner Survey, July 2016. n=522

Rethinking Compensation & Incentives for SaaS

The most important thing when implementing a compensation plan is to make it as simple and understandable as possible. The easier it is for them to understand what they have to do to earn money, the harder and more effectively they will work for the business. That said, although we are looking for simple, we also need to have a compensation plan that guides the sales force into habits and actions that fit the business model and strategy of an SaaS channel partner.

Incentivizing on Renewals

It is advisable to build an element of compensation into the plan for sales people who are able to maintain a certain level of annual client contract renewals. This might be based on number of clients or overall revenue. In addition to this, you might want to recognize those sellers who are able to sell longer term, multi-year contracts. Ideally, you would like to reward sellers with a "deal value" or customer lifetime value of the client signing.

Incentivizing on Upsell and Cross-sell

Another way to incentivize SaaS sales personnel may be to create "spiffs", or special bonuses for those individuals who have sold additional modules, services, or consulting, over and above the initial deal. This might reflect more than just the incremental revenue amount, to encourage upsell and cross sell.

Measurement

There is a wide variety of approaches to measurement. These include the provision of an overall revenue target to a hybrid sales team for all sales, on-premises and SaaS commission based on a calculation of a "lifetime value" of the client signed and a commission plan combining revenue targets with other KPI metrics. These metrics could include things like client satisfaction, active usage and net new client signings. Measuring client satisfaction (or C-SAT) and active-usage becomes a very important benchmark for tracking the overall health of your SaaS install base. A client that is happy, continuously engaging with your sales team, and actively using the SaaS application is far more likely to renew than one that has been sold a product with little follow-up.

Rethinking Sales Tactics for SaaS

The modern buyer is familiar with the use of online applications, mobility, and social media. In the era of instant communication, selling is different.

Demo, Trials, and Proof of Concept

"Show and tell" is a key sales tactic in the cloud world. Customers expect to be able to touch and feel the product, to be guided through working scenarios and have the option for instant demonstrations of specific application functionality, on demand. As an SaaS seller, you need to gear up and be ready to demonstrate product functionality, on site, remotely, or via digital media. Once you have generated the interest of a potential new client, you need to be able to deploy sales and technical resources capable of demonstrating the standout features of your SaaS offering and associated software and services.

Co-Innovate for Digital Transformation

Digital transformation (DX) is enterprises' use of technologies such as cloud, mobility, Big Data analytics and social business, to create value and competitive advantage through new offerings, new business models, and new relationships. Consider building alliances specific to your SaaS business, whether that be adding complementary SaaS software vendors to your partner list, or working with business or industry-specific consultants who bring expertise in the field of integration around cloud, data, mobile, social. Sage partners should look for opportunities to develop business relationships with the expanding list of fully integrated ISVs on the Sage Marketplace, including partnerships with the likes of Salesforce, Microsoft, Apple and Slack.

Consultative Selling – Assessment Tools

As you create an ecosystem of partners to enhance your SaaS offerings, you should review the materials available to your sales team to identify, qualify, and generate opportunities. This could include consultative sales methodologies, client-focused cloud and digital transformation readiness assessment tools and the like. In order to extend the reach of your lead generation campaigns and drive the volume of SaaS business that you require, you should also consider the distribution and promotion of such tools via social media, digital marketing and so on. Offering the client an opportunity to conduct an online self-assessment of their readiness for cloud may be a good way to drive net new client enquiries.

Rethinking Enablement of Your Sales Team for SaaS

Always be Learning

As a Sage partner, your sales team needs to be fully trained in Sage SaaS applications. This includes everything from simple demonstration, through client side trial and perhaps more complex proof of concept work. In order to provide the kind of consultative added-value sales assistance, your sales team and/or implementation consultants will need to skill up, through training and real-world experience. Building a team capable of running an onsite proof of concept, specific to a client's requirement, will require investment in new training, but will pay dividends in terms of new client acquisition and competitive positioning in the market.

Build in sufficient time for sales team training each year and coordinate with new product release dates and your own expectations on selling these solutions. Make sure that your sales and technical staff are up to date and trained in the most recent product versions to ensure that your clients recognize your investment in their future.

It Has Never Been a Better Time to Ask for Help

The shift in customer buying patterns towards SaaS solutions is accelerating dramatically and you, as a channel partner, will need to make not insignificant changes to your business model, skills and go-to-market strategy to effectively and successfully sell SaaS. Fortunately, there is a lot of support out there. As a Sage partner, you have access to a wealth of resources to help you make this transition successfully, and Sage partners that are committed to building a cloud business should use the opportunity to create joint business plans, identify goals and ask for support where needed. Sage has recognized that the transition to cloud is challenging for many of its partners and has made significant investments in order to understand the challenges and opportunities that cloud and broader digital transformation presents for its channel. Sage, together with IDC, has created a series of reports and tools to help partners navigate the transition.

> " Thanks to a close partnership with Sage and their cooperation, we haven't had to worry about lost resell revenue, or overall profit. We don't put the whole weight of our company around the sale of software and this has helped us. "

René Gilomen, CEO, Gilomen EDV AG, Sage Partner (Switzerland)

Learn More: Assess Your Cloud Readiness Against Your Peers

Over the past year, IDC has been working closely with Sage to understand the implications and opportunities that cloud presents for its partners. We've conducted a global survey of 522 software channels, half of which were Sage partners, to learn how they are building successful and profitable cloud businesses. These findings have been incorporated into a **cloud readiness assessment tool**.

This tool enables you to position your business in relation to over 500 similar organizations across the U.S. and Europe, and provides you with some essential guidance in the development of your cloud business.

We suggest that you click on the link and spend the next few minutes completing the survey. The results will be emailed back to you with a report that provides you with both context, in terms of positioning your organization against your peers, and recommendations on how to progress your organization toward a profitable and successful future in cloud.

This online assessment tool will help you benchmark your cloud business against your peers and competitors in the industry across multiple dimensions including: cloud strategy and vision, cloud processes and skill-sets, marketing for cloud, cloud sales, and your business mix. This should enable you to make better use of this eBook and review your own business in the context of the recommendations.

Go to IDC's Cloud Assessment Tool

In this survey, IDC identified that 80% of channel partners were currently investing or considering investing in cloud sales people and/or skills development to support their cloud business.

80%
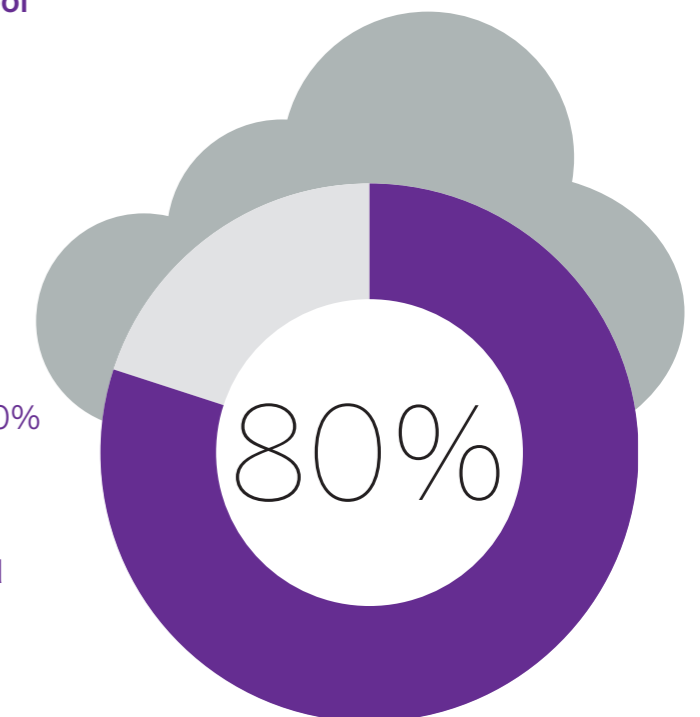
Learn More:
Research & Assets

Over and above this eBook and assessment tool, additional resources for you to use include:

- **Partner of the Future:** a short, succinct report highlighting the importance of incorporating cloud in your portfolio, how to make money from it and also the implications it has for partners in terms of what you do, how you do it, and who you do it with.

- **Partner Success Guides:** these short, content-rich reports go a little deeper into some of these elements, essentially acting as a "how-to guide" across three critical areas of building a cloud business: optimizing process and skill sets for cloud; re-thinking sales (this eBook), and re-thinking marketing.

- **Partner Best-Practice Videos:** IDC has also held in-depth discussions with partners that have successfully incorporated SaaS into their business. Highlights from these interviews have been captured in videos which will be available to all Sage partners via your Sage partner portal.

Click here to see Alan Laing (Sage EVP Partners & Alliances) and IDC's Margaret Adam discuss the cloud opportunity and challenges for Sage Partners

Call To Action 'Starting Out'
0–6 Months

Re-Think your Sales Structure. If you haven't already begun, it's time to review your sales structure. Consider how you might best improve it to take advantage of the opportunity presented by SaaS, while maintaining the profitability of your existing business and the continued satisfaction of your clients. You should create a separate team of SaaS sellers, incubate it and look to integrate into the main sales team over time.

Define your Value Proposition. Build a value proposition for your clients showing how you can help them navigate and migrate from current state, on-premises, to a ready SaaS solution. This messaging should highlight the benefits of migration, the importance of addressing it now, and the insight, help, software, and services that you can provide to get your client to where they need to be.

Cloud Sales Specialists. Invest in a small group of cloud specialists and incubate outside of the core sales group. This will enable you to develop a cloud practice without disruption to your core business. You may need to hire from outside your company to bring in personnel that can hit the ground running. Use these specialists to generate sales opportunities and manage cloud-specific deals for the larger sales group. Hiring the right people will be crucial, ideally someone from an SaaS vendor or partner that has experience of high-volume subscription-based sales.

Sales Plans. It's recommended that you review and amend your sales compensation schemes as soon as possible to incorporate incentives that drive recurring revenue SaaS deals and long-term client relationships. All sales personnel should be incentivized to sign SaaS contracts, to promote extended contract terms, and to ensure client satisfaction and renewals. This may require short-term "spiffs" to counter old habits of focusing on on-premises solutions only.

Generic Cloud Education. Take the time to educate the entire sales team on the rationale for the cloud team, the strategic importance of the development of the cloud/SaaS business, and the medium-long term plans for its place within the business. Ensure that all sales and marketing personnel understand the key concepts of cloud/SaaS and are able to articulate the main benefits of the model to your client base, including basic objection handling.

At this point, your organization is focused primarily on on-premises sales. You are unlikely to have a cloud sales strategy in place, or a significant number of cloud clients onboard. Any sales cycles around cloud will have been carried out on an ad-hoc/reactive basis and your technical, sales, and marketing personnel will have very limited, no detailed knowledge of cloud/SaaS sales.

Call To Action "Growing The Business" 6–18 Months

Integrate the cloud sales team. Now that you have a functioning cloud sales team, it's time to bring them into your core sales team. Fine tune your sales compensation to include KP- based bonuses on factors like CLV, renewals, customer satisfaction and so on. Incentivize sales to cross-sell training, services, and support and package and bill those services as subscription fees. Ensure that the entire set of pre-sales and account managers leverage the knowledge of the specialists, so that they can follow and understand the cloud sales process from start to finish. Leverage vendor training materials, including online presentations, tutorials, and sales tools to educate the core sales team so that they can become self-sufficient over time. Make sure that the entire group is familiar with the same set of value propositions, objection handling techniques and know how to engage the cloud specialists within their sales cycles.

Create bespoke sales tools, guides, and processes. Use existing vendor materials and guidance, but create your own specialized sales tools, tailored to your own market, offerings, and processes. Distribute across your teams and educate. The more you can standardize, the less the disruption to the sales team and the more productive and predictable they will be.

Invest heavily in training. Now is the time to invest heavily in training. This runs across sales, pre-sales, services, support, marketing, and finance. Each department needs to be fully on board with the new demands and opportunities of the SaaS model.

Line of business/vertical sales skills. Adjust the hiring policy for your cloud sellers and pre-sales, to bring in skilled resources in a particular line of business (LOB) that matches your own target market(s). Hire from industry for maximum impact. It may be easier to train an industry specialist on your products and services than to take an internal transfer and teach them the nuances of an industry vertical

Invest in sales automation tools to drive volume. Look into CRM tools for sales tracking, client management, and direct marketing. Buy or create calling scripts and software. This can speed up sales cycles and free up your expensive direct sales force to run with more deals. If you can automate the entire trial to sign up process for a vanilla standard solution, you can ramp up sales exponentially.

Internal Demo, Proof of Concept and Trial capability. Work with vendors to create and train your sales teams in the use of a bespoke and personalized "internal" demonstration of your capabilities. This might showcase additional functionality developed by your own people, LOB-specific functions, and/or presentations on your unique services or support packages.

Develop, fine tune, and package a standardized "Proof of Concept" model that can be run by all of your pre-sales teams to demonstrate your ability to deliver a solution according to specific client requirements. Having a slick, repeatable and effective POC model can make you significantly more competitive and increase win rates, as well as cutting sales cycle time and cost.

Work with vendors so that you are contractually and technically able to deliver quick, effective, and properly managed and supported trials of SaaS solutions.

Call to action "Moving to Maturity" 18 Months+

Seamless integration of sales and services: You should be getting close to having sales and services working as a single unit. Running at scale and achieving the volume of client acquisition to drive a really profitable business requires standardization and productization of the sales and implementation process. The integration of sales and service should be a closed loop. Feedback from services can drive cross-sell and upsell opportunities, as well as highlight customer satisfaction issues that need to be resolved by sales to maintain renewals and maximum customer lifetime value (CLV). Incentive schemes for sales and services should be tailored to promote the common goals of increased subscription revenue, customer satisfaction, renewals, and CLV.

Automate and digitize the sales process: The use of sophisticated online tools can automate the entire sales process, from marketing handover of a lead through query handling (bots) requirements definition (scripts), pricing, contracting, ordering, software download, and billing. More complex and larger client requirements will require account management and personal interaction, but the more the sales process can be automated for standard implementations, the higher the gross profit.

Embed sales into a broader digital transformation proposition: Now that the SaaS/cloud solution set is fully integrated into your business, you should work to make it part of a broader proposition that helps your client base decide how they can digitally transform their business. That means that your help in moving them to a cloud base application stack is only one part of your offer to help them embrace the world of social, mobile, data, and analytics. Start to build your digital transformation story, socialize it with your sales team, and task marketing with documenting it.

Hiring Specialists continue to add line of business specialization. It is recommended that all new hires bring new LOB skills, as you refine and increase your specialization and differentiation.

Begin to hire what are likely to be non-traditional profile personnel into your business; individuals that bring next-generation digital transformation skill into your teams. This includes:

- Experts in digital tools to join your sales and marketing teams. Focus them on developing online customer and internal training materials, online demos, customer acquisition tools, client satisfaction questionnaires, and so on.

- Specialists in social networks to leverage social and industry networks, communities, and websites for lead generation, market awareness, and to create a client community around your business.

- Specialists in data science and data analytic skills to work with your internal data to analyze, refine, and improve areas such as client satisfaction, churn rates, and cross-sell and upsell rates. In addition, these skills can be used to create additional analytics-based subscription services for your clients.

Invest in deeper partnerships with strategic vendors: Select your preferred vendor partners and invest in the creation of added-value joint solutions, events, program and promotions to take your organization to the next level, and ramp up sales volume. Become a key player in the vendor client community and further differentiate your offer.

Digital transformation becomes your mantra: Having already implemented many of the capabilities of digital transformation into your own business processes, including the use of social networks and analytics, amend your sales approach to lead with digital transformation as the spearhead of your customer offering. Many of your clients and prospects will face the same challenges as they try to adjust their own businesses to the changes in technology usage and you can leverage your experience.

> Your cloud business operation is now fully fledged. Your clients choose to work with you to deliver specific business outcomes, rather than individual product offers. Your SaaS offering makes up one of the pillars of your digital transformation portfolio. You sell into the business, pushing multi-channel high, business transformation, value solutions. You offer holistic, comprehensive solutions, incorporating components from partner, vendor, and client contributions '

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives.

IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. Further information is availbale on our websites at www.idc.com

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About Sage

Sage is the market leader for integrated accounting, payroll and payment systems, supporting the ambition of the world's entrepreneurs. Sage began as a small business in the UK 30 years ago and over 13000 colleagues now support millions of entrepreneurs across 23 countries as they power the global economy. We reinvent and simplify business accounting through brilliant technology, working with a thriving community of entrepreneurs, business owners, tradespeople, accountants, partners and developers. And as a FTSE 100 business, we are active in supporting our local communities and invest in making a real difference through the philanthropy of the Sage Foundation.

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