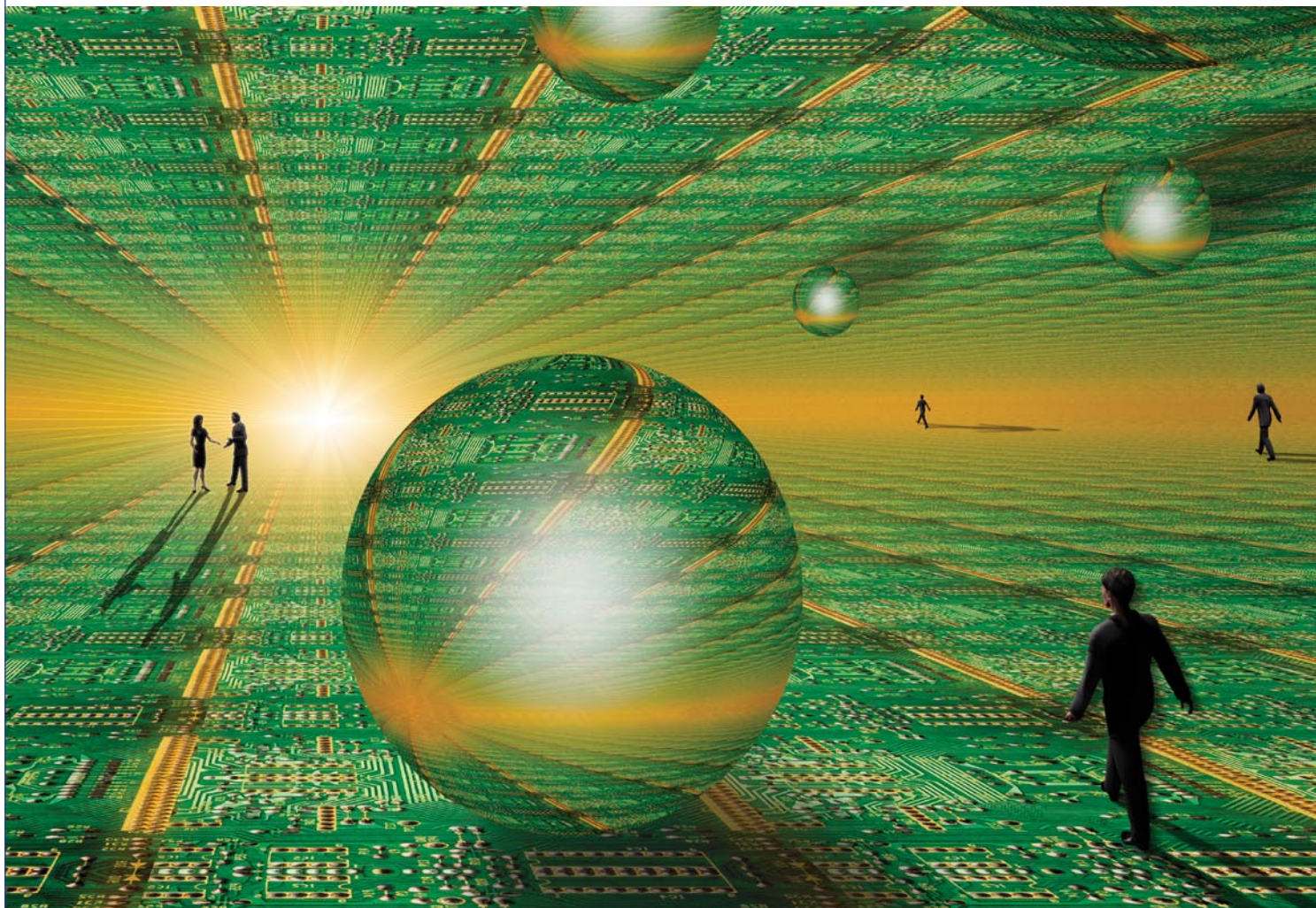


Making 3D SELLING a Reality at AUTODESK



**A global focus on building deeper relationships
between customers and resellers pays off.**

“We’re not in the best efforts business. We’re in the results business.”

— Ken Bado, Senior Vice President, Worldwide Sales and Services

Autodesk, a global leader in the software and services business, has been one of the software industry's leading success stories over the past decade. Since 2003, the \$1.5 billion company has deployed a focused approach to sales planning and execution to help achieve consistently outstanding results, including more than a 300% increase in its stock price.

A large part of the company's success can be attributed to strong leadership and the effectiveness of the sales force in implementing the Autodesk go-to-market strategy, which includes live and online training, coaching, and channel programs aimed at:

- Helping its customers to add 3D capabilities to their current “2D” computer-aided design (CAD) software solutions. While the majority of users are using 2D software which produces two-dimensional “blueprints,” the industry is transitioning to “3D” software.
- Encouraging more customers to move to a subscription pricing model to streamline regular release integration and increase customer loyalty and satisfaction.
- Increasing average deal size.
- Penetrating emerging markets across the globe with its solutions.
- Improving efficiency of the sales organization.
- Providing world-class support to its channel sales organization.

THE CHALLENGE: CAPTURING THE 3D OPPORTUNITY

Autodesk is the world's most widely-used “2D” solution in the design space. The company has led the industry for nearly two decades, selling to buyers in manufacturing, building, and civil engineering/infrastructure. While 2D software continues to be a primary design solution for most, Autodesk has been helping many of its customers transition to 3D. The company's 3D solution enables the user to experience what their design will look like and how that design will perform in real life. As Carl Bass, President and CEO stated, “We need to create ways to address not just the challenges our customers face today but also anticipate the challenges of the future. Our 3D solutions take users beyond schematic drawings by providing engineering tools that enable them to fully realize their design ideas.”

Autodesk's challenge has been to take advantage of a huge new opportunity: selling 3D design software to a variety of vertical industries. According to Bado, “The market is shifting from 2D to 3D. Autodesk intends to provide the same industry leadership and have the same success in 3D that we've had in 2D.”

GIVING A GLOBAL CHANNEL ORGANIZATION THE TOOLS TO GET THE JOB DONE

Unlike many other software companies, Autodesk's key customer relationships are not the sole responsibility of its direct, salaried sales force. Autodesk's value added resellers (VARs) share the workload for building significant customer relationships. These channel partners produce more than 80% of the company's revenue by building solid but relatively modestly-sized transactional relationships with a large number of customers.

According to Kelly Rupp, Autodesk's worldwide director of sales programs, “Our challenge has been taking our 1,700 resellers, who produce most of our revenue with an average deal size under six figures, to a skill level you would expect of a salaried, ‘on the payroll’ dedicated sales force.”

Ken Bado sees the challenge as requiring a different and more powerful approach to sales planning and execution: “There are really two kinds of selling in our business. The first is program selling—demand creation, moving product through the channel, fulfilling orders. The second is more competitive. The market or product may not be quite ready. You have to help customers see a compelling event, signaling their need for a new solution. Then you need to answer the question ‘why Autodesk?’ ”

USING SITUATIONAL SALES NEGOTIATION™ TO BUILD VAR SUCCESS

The approach Autodesk’s direct sales force and best resellers have adopted is built on a foundation of account planning and execution designed to build relationships at higher and deeper levels in customer companies. For the past three years, Autodesk has deployed BayGroup International’s live *Situational Sales Negotiation*™ (SSN) methodology and its online *100minutes*™ to *Improved Sales Results* system to its global sales force and reseller network, and encouraged them to use the skills and tools from those programs to implement account sales plans (which they are trained to create in the Target Account Selling program from The TAS Group).

Resellers benefit greatly from this new approach to improving sales results. According to Bado, “When our VARs use SSN tools we believe they are much better at increasing the value of what Autodesk provides the customer, and building better and larger customer relationships. The skills and planning tools help them really understand the customer’s business problems, and craft a solution the customer really feels good about.”

The result is often larger sales: “Customers are not always clear on what they want, how they win if they do business with you. It’s not unusual for a VAR to take the time to use SSN skills to really understand the customer’s needs...and find that a \$100,000 relationship might turn into a \$1 million one.”

THE RESULTS: MESSAGES FROM THE AUTODESK FIELD SALES TEAM

One indicator of the power of Autodesk’s sales development approach is the success of its field sales team in applying concepts and tools from *Situational Sales Negotiation*™ and *100minutes*™ to *Improved Sales Results*. Here are examples:

Who	Result	Comment
Dave Rhodes VP, WW Consulting Services and Major Accounts (Autodesk)	Closed 3-year, \$2.5 million deal... and then a follow-up contract for \$750,000 with a large utility company.	“The SSN planner helps reinforce the methodology, especially in a team environment. As a result of upfront planning, we ended up with a much more profitable agreement—by about \$750,000.”
Jeff Anselme Key Account Manager (Autodesk)	Implemented SSN skills to withstand price pressure, close a \$35,000+ deal, and create a more strategic client relationship.	“It has helped me capture more revenue and more profitable revenue and given me more confidence to go after business.”
Dave Ostler Imaginit	Helped client secure financing to purchase Civil 3D and substantially improve productivity.	“I was able to turn a \$10,000 opportunity into a \$95,000 deal by asking more questions, clarifying the needs and working more creatively.”
Andy Gehle Advanced Solutions, Inc.	Turned a request for a “handful” of Map 3D seats into a 257-seat deal worth more than \$250,000 in revenue.	“I didn’t discount a single penny. That deal grew as my confidence to set high targets grew. In the end, managing the flow of information both ways is what allowed my company to close the business.”
Jeff Leinbach Account Executive (Autodesk)	Implemented SSN process on a \$1.1 million deal with a financial services firm and a \$2.5 million contract with a major company.	“We set our opening offers high, and consistently exceeded our targets. Ironically, the customers also felt they were getting great deals!”
Ty Kramer AEC Sales Development Programs (Autodesk)	Closed a \$1.9 million deal in the face of customer demands to lower pricing by \$200,000 by using SSN approach to manage concessions.	“I can’t quantify exactly how much it has helped improve my results. I’m not sure whether the improvement is 20%—or maybe more—but it has really improved my confidence and results.”
Joe Ehlers Avatech Solutions	Closed a \$143,000 deal in the face of last-minute customer tactic: announcing a competitor had submitted a bid \$10,000 less than his.	“I started to probe hot buttons and learned that installation—really a near-zero cost item—was very significant. So, we traded that in exchange for a commitment on the P. O. I’ve closed more than a couple of hundred thousand dollars using what I learned in SSN.”

PLANNING FOR A 3D SALE: NEGOTIATING PIVOTAL AGREEMENTS

According to Rupp, “We’re selling a 3D software design solution, and we tell our VARs that they need to recognize how significant a change this will be for customers’ work processes. Our channel partners need tools and skills to get a deep and rich understanding of the customer’s business needs, and then create real value for Autodesk products, support, and subscription approach to deployment.”

A key to implementing this 3D selling approach is negotiating pivotal agreements during the sales process that drive the customer relationship in the right direction. For Autodesk VARs, these include customer agreements to:

- Engage in a dialogue not just with the technical CAD software buyer, but also higher-level senior executives, about business trends and issues.
- Share information about the direction of their business that helps the Autodesk VAR show the customer executive the benefits to their business and its profit model of doing business this new way.
- Contract and plan for regular, multi-year subscription commitments to Autodesk’s software.
- Budget for and implement training for users to ensure optimal productivity with the use of Autodesk’s products.

According to Rupp, “Our channel reps are great at talking to direct users (for example, the CAD guy in an architecture firm), and making technical proposals. The ones who are most successful are able to use the skills and tools from *SSN* to move up to the C-level executive and have that 3D conversation.”

Bado believes the *SSN* and *100minutes*[™] approaches also prompt the sales team to build the right kind of relationships: “If you can build trust, the customer is more likely to buy from you. Customers want a relationship, and creativity in solving business problems. Sometimes negotiating this deeper relationship creates tension; but it’s that tension that can help you become a trusted advisor to the customer. The methodology reinforces this.”

GLOBAL IMPLEMENTATION: OVERCOMING MISCONCEPTIONS IN THE SALES CHANNEL

Unlike direct, salaried sales professionals, third-party channel resellers sometimes resist investing the time and resources needed to adopt selling methodologies like those espoused by Autodesk.

Rupp finds that the higher performing VARs take the time to “stop cutting down trees and sharpen their saws” through the training provided by Autodesk. Live *SSN* and online *100minutes*[™] programs are especially powerful in this regard, as they work so well globally: “The methodology is culturally neutral. The challenges resellers face are the same around the world. In fact, during our sales meetings with partners across the world, one thing we always hear is, ‘It’s a lot more similar than different.’ ”

In the end, according to Bado, the power of the *SSN* methodology overcomes VAR resistance to change: “They discover that it is powerful. They may at first resist, but they take it and say, ‘This is great, I can use this tomorrow to make money.’ ”

TRAINING + TOOLS + COACHING: KEY TO SUCCESS

What are some of the key lessons Autodesk has learned as it enhances its sales development approach in the coming years? Bado shares three:

1. *Focus on coaching of both sales planning and negotiation*, to ensure that managers leverage their experience and knowledge to turn average performers into high performers: “This is critical to scalability and repeatability.”
2. *Focus on ongoing implementation*: “One-shot initiatives can help you pick the low-hanging fruit, but consistent year-over-year deployment of training and tools is necessary to harvest the tougher business.”

That is why over a period of many years Autodesk has consistently emphasized deployment of not only live workshop training, but also of the online *100minutes™ to Improved Sales Results* program to its global team of sales managers, direct sales representatives, and channel partners.

3. *Communicate to the channel the direct and indirect benefits of training*: “The sales results speak for themselves, but VARs also need to understand that developing their people can help them leverage Autodesk’s branding investment and also help them with recruitment.”

Autodesk’s sales results since 2003 speak for themselves, but Bado is the first to admit there is always more to learn about improving results: “This has been an evolution not a revolution...but the bottom line for VARs is clear: those that adopt the *SSN* approach win more business, build deeper customer relationships, and sell more services.”

AUTODESK: SALES PROCESS DISCIPLINE HELPS GENERATE MEASURABLE FINANCIAL RESULTS

Since 2003, Autodesk’s performance has been, by any measure, extraordinary. The company’s implementation of a sales process that fosters expansion of relationship size, profitability, and repeatability of sales has contributed to:

- A tripling of subscription users, customers who make longer-term commitments to regular upgrades of Autodesk solutions, with concomitant subscription revenue increases.
- A comparable tripling (and an overall acceleration) of adoption rates for “next generation” 3D software solutions.
- Rapidly expanding sales growth in emerging markets.

As a result, Autodesk has benefited in a number of financial areas:

- Sustained 20%+ annual sales growth with a 5% increase in gross margins.
- A smoother flow of revenue through each quarter (vs. packing revenue into end of quarter).
- A dramatic increase in the number of \$1,000,000 contracts closed each year.

About BayGroup International

BayGroup International is a global performance improvement firm that helps corporate leaders reach critical business goals quickly, profitably, and with high impact. The firm helps its clients improve shareholder value by:

- Ensuring that key business initiatives demonstrate significant ROI;
- Helping implement corporate strategies successfully; and
- Building skills across the organization for creating profitable agreements, both internally and externally.

BayGroup International implements strategic projects that include research, highly tailored performance improvement development, and the tracking of results. Our work in client organizations is supported and reinforced through executive leadership communication campaigns, management coaching, and Internet-delivered performance support tools. Using our proven behavior change approach has helped clients achieve desired business results, and improve the ability of key employees to build better agreements with:

- Customers, especially when competitive sales pressure threatens profits.
- Suppliers and other outside parties, whose increasing costs can erode the bottom line.
- Internal team members and between individuals, where failure to handle tough, contentious issues can threaten quality, customer service, restructuring, and other strategic initiatives.
- Strategic partners, where poor agreements can threaten the success of mergers and acquisitions, as well as other mission-critical alliances (in areas such as distribution, research and development, and marketing).

By partnering with BayGroup International, clients achieve significant improvements in human performance and millions of dollars in bottom-line results.

Since its founding in 1980, BayGroup International has built a select client list of major global corporations, focusing on the technology, telecommunications, pharmaceuticals, transportation, consumer products, and financial services industries. Our consultants have worked in North and South America, Asia, Europe, and the Middle East. We serve our clients from offices in major cities around the world.

To find out more, contact us at:

BAYGROUP
INTERNATIONAL™

Global Headquarters:

2200 Larkspur Landing Circle
Larkspur, California 94939 USA

Tel: 800.533.9480

Fax: 800.279.5515

www.baygroup.com