

ca CASE STUDY: INFORMATION TECHNOLOGY MANAGEMENT

Award-winning sales performance initiative achieves 45.8 to 1 ROI

SUMMARY

- Client:** CA Technologies, \$4.3 billion leader in information technology management
- Geography:** North America, Europe, Asia-Pacific
- Challenge:** Increase sales volume and enhance account relationship profitability in a highly competitive, price-sensitive market
- Results:** Annualized incremental revenue of \$42 million attributable to deployment of BayGroup International's methodology (a 45.8 to 1 ROI), and significant increases in bookings, account profitability, deal size, and product pricing within six months of initial deployment
- Awards:**
- Business Impact Gold Award from *Chief Learning Officer* magazine
 - Workplace Learning and Development Award from the American Society for Training and Development (ASTD)

THE SITUATION: A STRATEGIC GOAL

As the world's leading independent IT Management Software organization, CA Technologies had a strategic goal: increase sales volume and account profitability. They asked BayGroup International to help implement the company's go-to-market strategy by increasing the proficiency of its sales professionals in building stronger customer relationships, and negotiating more profitable sales agreements.

THE BUSINESS CHALLENGE

CA Technologies operates in a global, highly competitive marketplace characterized by a complex sales process and intense price pressure from buyers. Improved negotiation results were critical to improving performance against competitors, and enhancing both margins and cash flow. The company needed to build the competence and confidence of its globally distributed sales team, a high percentage of whom had been with the company less than two years, facing negotiation challenges from customers who:

- Exerted pressure to implement on untenable project delivery schedules
- Employed non-response as a negotiation tactic
- Had been "trained" by the industry to expect high end-of-quarter discounts
- Took every opportunity to pressure for lower pricing

"Our mission was to get people to think differently about negotiation, to promote give and take, and to always consider how to expand the size of each deal being made without giving away unnecessary concessions."

—Dan Braumm, Vice President of Global Learning, CA Technologies

“As a result of its employee development initiative to enhance negotiation skills, CA has brought in some \$42 million in top-line revenue. And that’s only from April 2008 through March 2009...”

—Chief Learning Officer magazine, December 2009

HOW WE HELPED

BayGroup International’s sales negotiation methodology was deployed globally—in local languages when needed—to more than 800 sales professionals and managers. It was further reinforced through coaching by trained managers, email-based messaging, and ongoing collection and dissemination of results and best practices in the field.

The introduction of proven negotiation principles, behaviors, tools, and planning methods instilled a disciplined and consistent approach to sales execution, and gave sales professionals and their managers a common language with which to manage the negotiation process.

THE RESULTS

During a year of global financial uncertainty, intensified competition, and shrinking customer budgets, this Fortune 500 Company grew revenue by 8%, in part because it substantially improved its ability to sell and install new software licenses. CA Technologies achieved a 45.8 to 1 return on investment less than six months after introducing BayGroup International methodology, and tracked a \$42 million annualized revenue increase directly attributable to the use of newly-acquired negotiation skills and tools.

As a result of a unique partnership between the client education group, its global sales leadership, and BayGroup International, CA Technologies was able to achieve other remarkable business results, including:

- Increased bookings and overall profitability by 15%
- Grew deal sizes by increasing average selling prices by between 4% and 15%
- Increased renewal rates and protected existing pricing/share within each account
- Enhanced cash flow, reduced margin leakage, and increased account profitability

PROVEN EXPERIENCE: INFORMATION TECHNOLOGY

For more than three decades BayGroup International has partnered with many of the world’s leading information technology companies to increase sales volume and enhance profitability by deploying a proven methodology for improved negotiation and sales execution.

The focused expertise of BayGroup International has enabled our clients to build negotiation skills and increase confidence among their sales professionals. Our real world approach allows sales professionals to quickly gauge their own unique negotiating strengths and weaknesses and focus their energies on their own personal opportunities for negotiation results improvement. From neophytes to pros, sales teams find they can immediately apply what they have learned and improve their performance.