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STAR Awards
2020

2020 TSIA STAR Award Featured Application

Data-driven innovation pays off in expanding HP services

How we implemented new digital capabilities and transformed customer interactions to grow annual services revenue by 12-15 percent — **with expand selling driving more than half of that increase**.

81%
expand sales
revenue growth
(YTD vs. 2019)

20%
Net new conversions
at annual renewal

91%
win rate on expand
opportunities within
existing accounts

6%
expansion in existing
contractual accounts
(YTD vs. 2019)

At HP, we've been solving customer problems for more than 80 years by engineering and building great products. But in order to help today's customers with their digital transformations, we had to reinvent ourselves first — so today we deliver world-class services along with our products. The dynamics of a services-based business have ushered in new, digital capabilities such as artificial intelligence (AI), machine learning, and advanced analytics, which, in turn, have changed the way we interact with our customers and created new opportunities for expand selling.

Two elements lie at the heart of our expand selling strategy. The first is a laser-like focus on the business outcomes our customers want to realize. The second is a powerful combination of data-driven insights and human intelligence that helps our customers discover and derive additional value from their technology investments. This approach is exposing and unlocking opportunities to make a dramatic impact — for our customers and for us.

WHAT WE'RE DOING

Delivering better customer outcomes. We have invested heavily in formalizing a global value management practice. Made up of expert value consultants, outcome engineers, and geographically dispersed champions, the practice equips our sales and customer success teams with digital capabilities that help define the most important business outcomes to our customers, and then quantify and track the monetized value delivered against each of those outcomes. AI-driven analytics help us monitor the technical health of our customers, as well as the stickiness and effectiveness of our solutions.

By co-creating a comprehensive value projection with our customers from a very early sales stage, we plant the seed to preserve a value-centric relationship throughout the customer lifecycle, ultimately building confidence and accelerating high-value business outcomes. In the meantime, data-driven business reviews reinforce our unwavering focus on value and create new opportunities to expand.

Generating new leads. We built an innovative new way to digitally detect opportunities where services were not attached at the outset, and automatically trigger alerts to our sales teams, prompting them to recommend and sell services where they fit. This program has grown post-sales revenue generated by our services team year-to-date by 81% over 2019 and has bolstered our status as a "trusted advisor" — revitalizing customer relationships through new touchpoints that we turn into upsell and cross-sell opportunities.

Growing revenue. A "digital SME" provides real time feedback, tailored customer insights, and services guidance to our sales teams, accelerating our response to closing opportunities. Automatic notifications provide customer success managers with advance notice when warranty renewals are coming up, enabling them to maximize the potential of those touchpoints. The worldwide adoption of best practices playbooks drives global consistency and boosts success rates.

CUSTOMER IMPACT

Our maniacal focus on outcomes has helped our customers solve problems and realize opportunities in measurable ways. A restaurant franchise eliminated $234k of risk from compromised endpoints by adding our proactive device management and security service. A global minerals company avoided $199k in estimated out-of-warranty repair costs. An industrial manufacturer is using our predictive analytics to minimize end user downtime. These are just a few examples of the quantifiable value we've been able to create for customers.

Less discrete, but equally important, is the qualitative impact evidenced by the anecdotal feedback we receive. Customers are telling us what these outcomes mean to them, in terms like increased employee satisfaction, reduced environmental impact, the ability to repurpose cost savings toward strategic business priorities, and more nimble business performance.

"Sometimes there's a change in the environment that's not planned out," says our customer from one of Hollywood's biggest film studios. "We're able to scale very fast and deploy the latest technology to our artists. The engineers on my staff can focus on the business of filmmaking, which is where I need them to be."

BUSINESS IMPACT

Adopting an approach that centers around customer outcomes has had an immediate, positive effect on our business. Internal approval of proposals is happening 70% faster than before, and our Services team is achieving a win rate of 91% for expansion and renewal opportunities among existing accounts — all due to our shared focus. By holistically embracing outcome selling, our services organization has expanded our existing customer accounts by 6% and driven 20% more conversions to HP's total customer renewals.

Around the world, our people are expressing their excitement about the ability to analyze customer needs – identifying and pursuing expand selling opportunities and keeping their fingers on the pulse of each one as it develops.

Our commitment to customer intimacy is also driving spikes in customer satisfaction, which reinforces our "trusted advisor" role and leads to even more new opportunities for expand selling. Our conversations with customers are only getting richer as digital intelligence, human judgment, and a focus on value converge.

And we're just getting started.

NEXT STEPS

Cross-functional alignment across HP's vast ecosystem is not easy, especially when it comes with a major shift in mindset and behavior. Through a clear, cohesive strategy, the ability to articulate the business value outcomes, and close collaboration with our customers, we've been able to drive global adoption and expansion of our services business.

In the next phase of our transformation, HP will focus on continuous improvement while we build upon that foundation. We will:

- **Scale up** expand sell opportunities by increasing the investment in our AI-powered digital platforms
- **Scale out** by driving faster, deeper playbook adoption in remote markets and within our partner ecosystem
- **Intensify our focus** on quantifying value for our customers, solidifying its central role in our culture
- **Accelerate** time-to-value for our customers, and further streamline internal approvals for expand selling opportunities

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