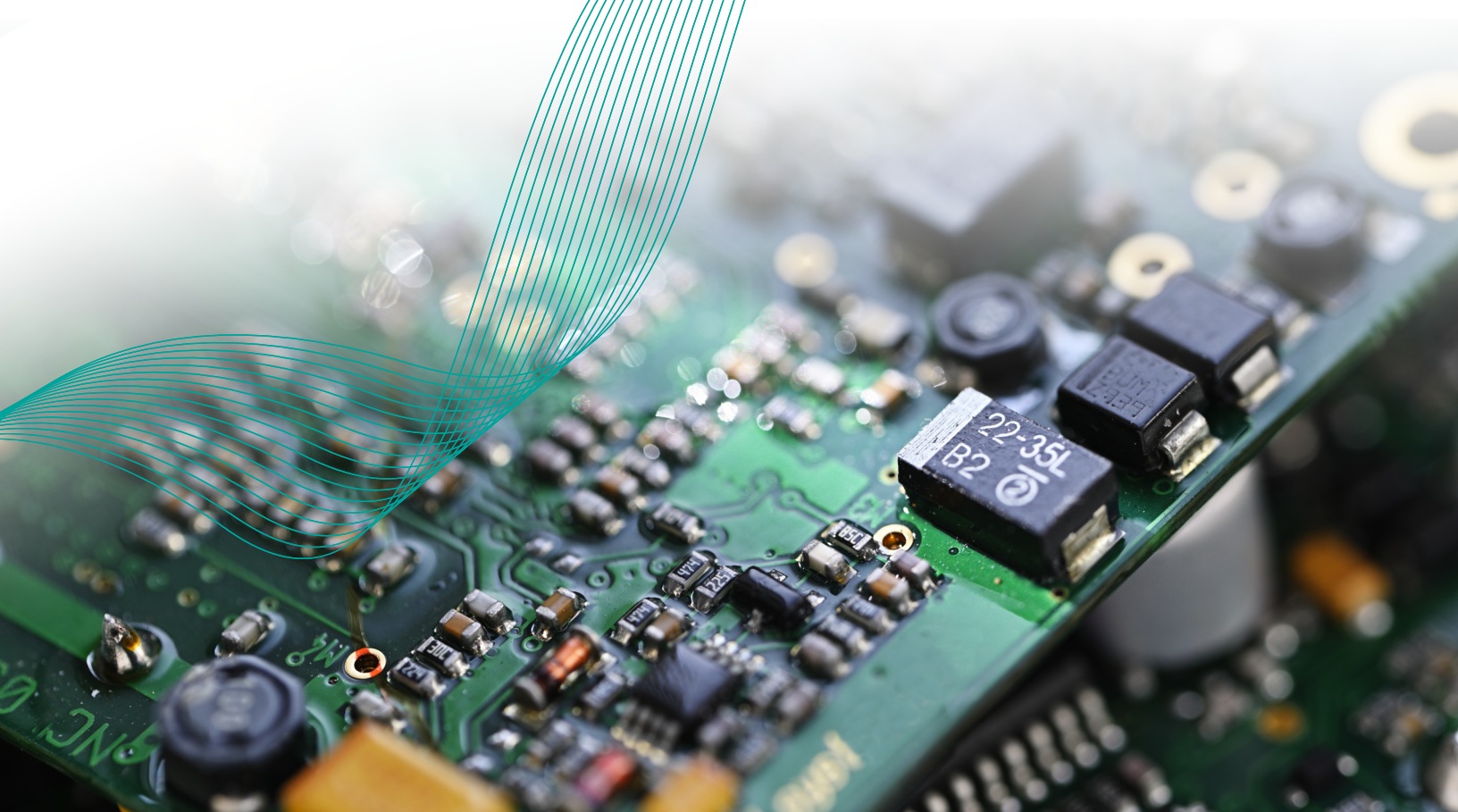




ELECTRONIC COMPONENTS DISTRIBUTOR AMPS REVENUE BY \$80 MILLION WITH SALES IQ™

Learn how this U.S.-based \$2.5 billion B2B distributor used prescriptive sales analytics to reduce a 30 percent customer churn rate while delivering market-aligned, optimal pricing.

CASE STUDY



Challenge: Retain Customers, Expand Relationships, and Do So Profitably

This company is the distributor of choice for industrial, military, aerospace and consumer electronics manufacturers worldwide. With \$2.5 billion in annual revenue and an average selling price of less than a nickel, ensuring customers receive fair and market-aligned prices while reducing the 30 percent customer churn rate for more than two million annual transactions is a critical component to profitable growth.

As the company went through a complete overhaul and modernization, a singular idea emerged: With the massive amounts of product, customer and order data that exist in our legacy systems, can a solution based on data science address these profitable growth challenges?

This case study demonstrates how the Zilliant helped the company deliver optimized pricing to customers, increase product cross-sell, reduce customer churn and increase \$1.2 billion in sales revenue by \$80 million.

Key Outcomes



**\$80 MILLION LIFT IN
SALES REVENUE ON \$1.2
BILLION IN EXISTING
BUSINESS**



**IMPROVED SALES
REP EFFICIENCY,
PRODUCTIVITY AND
ACCOUNT KNOWLEDGE**



**INCREASED SALES
REP CONFIDENCE
WHEN SPEAKING WITH
CUSTOMERS**

COMPANY COMPLEXITY PROHIBITED PROACTIVE CUSTOMER CHURN PREVENTION

As a leader in electronic components distribution, the company operates with more than 120,000 products, 13,000 customers, 225 field and internal sales people, and generates more than two million transactions annually.

The company supplies the parts needed to build out electronic systems, aiming to ensure customers have the parts they need to keep projects on the fast track. The company mainly works with engineers and found that its customers had less time to deal with sales reps, unless reps were providing them with valuable product and solution information.

After a period of customer success and business growth, the distributor began facing new challenges related to servicing a huge customer base with a massive and ever-growing list of products. Additionally, the company measured its annual customer churn rate to be anywhere from 25 to 30 percent and discovered that rate was standard in B2B.

With such a large book of business and so many products, the dedicated account managers became overwhelmed with the amount of orders they had to manage and couldn't find the time to identify and pursue growth opportunities. The company had deployed whitespace tools, but with so many products, customers and orders, the tools couldn't effectively impact customer churn rates. In terms of pricing, sales reps had been trained to quote with an internal pricing methodology, but the process was ineffective and inefficient.

"We'd been chasing churn for a long time. Annually we were churning in a range of 25 to 30 percent. That meant we were starting out in the hole and that's not abnormal for the industry."

– VP of Sales

"We wanted to make an algorithm based on our internal pricing methodology. We had a ton of data, but the sales reps had to click through it all to make a pricing decision. It's very ineffective and inefficient. We thought, 'what if we could automate that process for our reps?'"

– VP of Sales

PRICING & SALES DECISION COMPLEXITY

190,000

DISTINCT PRODUCT NUMBERS

2,000,000

ANNUAL TRANSACTIONS

13,000

CUSTOMERS OF ALL SIZES

225

INTERNAL AND FIELD SALES REPS

THE SOLUTION

Knowing that in-house, manual analytics tools weren't equal to the task of creating actionable, intelligent insights with the massive amounts of data at hand, the company began exploring price optimization. When the head of sales met with the Zilliant team to explore [Price IQ™](#), he discovered through Zilliant's seasoned team that deploying a pricing project without having a close eye on customer churn with [Sales IQ™](#) was a mistake.

Ultimately, this electronic components distributor chose the Zilliant pricing and sales suite of products. It applies data science to a company's existing customer, product hierarchy, and order data — and any additional data sources — to continuously surface intelligent, actionable commercial recommendations.

Sales IQ utilizes prescriptive sales analytics to serve up the best customer retention and cross-sell opportunities across the entire business. Price IQ accurately pinpoints the price for each unique selling circumstance to maximize profit without risking the business. Best of all, the pricing and sales guidance delivered by Zilliant was presented in a simple-to-use email deployment, meaning the solution would be both actionable and easy to use for reps.

In addition to the ability of the solution, the team culturally connected with the Zilliant team, which took the time to fully understand their business without preconceived assumptions. In a company deeply rooted in tradition where change is an evolution not a revolution, trust was a key factor in vendor selection.

PARTNERING FOR STRATEGIC CHANGE MANAGEMENT

Working closely with the Zilliant team, the distributor deployed the solution with a deliberate and thoughtful change management approach. Executives and managers were brought into the sales trainings and championed the change, a central factor to sales rep adoption.

Partnering together, the distributor and Zilliant conducted training sessions, question-and-answer forums and clearly communicated to sales reps why the solution was central to their success and that of the company. Reinforcing the value of the solution, management decided to include metrics on how well each sales rep responded to the opportunities in regular performance evaluations.

THE RESULTS

After a short time in market, the results were outstanding. Not only were sales reps better prepared for tailored conversations with their customers, the company also realized an \$80 million lift in sales revenue on \$1.2 billion of their existing business.

For more information, visit www.zilliant.com