

Sell Workflow To Multiple Verticals

This VAR plans to increase revenue 25% this year by using a modular approach to target multiple vertical industries for its workflow solutions.

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In today's competitive ECM (enterprise content management) marketplace, many VARs specialize in developing solutions for a particular vertical market as a way to differentiate themselves in the industry and build sales. While VAR BizTech Solutions, Inc. agrees that attracting the right vertical markets is key to sales success, it feels limiting yourself to just one can endanger your reach and long-term stability.

To win accounts in multiple vertical markets, BizTech has designed its organization to function as a "technology practice," where each employee's technical and industry skill sets are leveraged appropriately to implement effective business automation and workflow solutions. The VAR grew by 20% in 2005 using this approach and expects to grow an additional 25% in 2006.

Establish Workflow Practices

BizTech's organizational structure emulates that of a medical practice. "Just as a medical practice consists of a number of doctors with different specialties, we're a technology office whose employees have diverse, but complementary, skill sets," says Derwood Plyler, VP and CTO of BizTech Solutions.

BizTech employees' skill sets are typically identified in terms of technical or industry subject matter specialty. For example, some BizTech employees are certified to work on certain technical platforms such as Microsoft, Sun, and Cisco. Others are experts at installing, configuring, and integrating the workflow, document management, and related software the company resells or supports. Still other BizTech employees bring experience at implementing business automation solutions in a particular market such as finance, healthcare, federal government, or manufacturing.

BizTech executives assemble employees with the right mix of skill sets into teams it calls "practices." Some of these teams are modular and established on a project-by-project basis. For example, if an isolated workflow opportunity with a regional bank presented itself, BizTech might assemble a regional banking practice consisting of the appropriate operating platform specialists, workflow product specialists, and industry subject matter specialists. This practice would be disassembled once the project is completed. BizTech also maintains some ongoing practices based around its core product offerings or hot trends in the market. For example, BizTech has a standard Captaris practice that specializes in implementations of the VAR's primary workflow software offering. It also has a standard federal government/Department of Defense (DoD) practice due to the ongoing business opportunities it sees in that market.

Workflow/Automation Expertise Is More Valuable Than Industry Knowledge

While it may seem simple enough on the surface, employing a practice approach is not without its challenges. "To successfully operate using a practice methodology, you really need to know your employees," says Plyler. "This goes beyond their technical and industry skill sets. You need to gain perspective into their personalities and tendencies. Will they wither under fire if you put them in front of a tough client? Will they be able to communicate effectively with the client to address concerns and

emphasize benefits? This is all part of putting together the best practice for a specific project."

Another challenge to using the practice approach is that it is impossible to be an expert in all of the vertical markets you target. You may run the risk of losing business to VARs that specialize in a particular vertical simply because they are more familiar with industry terminology and processes.

"I'm sure we've lost deals simply because we didn't have five reference customers in a specific industry and didn't know the 50 buzz words, but we've been successful using the practice model," says Doane Hadley, president of BizTech Solutions. "Greater value lies in the automation expertise we deliver than in the industry expertise the customer may be able to gain elsewhere. A good automation VAR should be able to quickly learn the processes and pain points of any industry and apply the appropriate technologies to effectively address those needs."

To illustrate this point, BizTech landed a major energy account without professing to know anything about the company's primary line of business — commodities trading. The trading firm approached several commodities specialists about integrating automated transaction processing solutions with its primary commodities trading system. Each of these specialty companies proposed changes to the commodities system that would entail long implementation cycles and costs approaching seven figures. BizTech, on the other hand, brought knowledge of leading-edge products that could integrate seamlessly with the commodities system without programming changes to the system itself. The lower cost of the BizTech solution, combined with the VAR's willingness to learn the commodities trading business, won it the deal.

Improve Productivity With The Practice Approach

If you can effectively overcome the challenges, employing a practice approach to selling vertical market solutions has many benefits. For example, a practice approach can help you get more productivity out of your employees. "Most complex high-technology projects tend to hit delays while important technical decisions are made," says Plyler. "These delays can often have your high-paid technical employees sitting idle for two to three days or more. By using a practice approach, many of our employees are pulled into projects only when necessary and can work on multiple projects simultaneously, which minimizes the downtime they experience. By making more effective use of our employees' time, we are also able to operate leaner as an organization."

Another advantage of the practice methodology is that you can quickly adapt to change. With a practice approach, your fortunes aren't tied to a specific vertical market. If one industry experiences a downward spending trend, your profits don't have to suffer. You can simply counter this trend by focusing more of your efforts on one of the other verticals you target.

Furthermore, by working with multiple vertical markets, you may find instances where solutions you initially developed for a specific vertical market can easily be customized to address the needs of an entirely different industry. For example, BizTech developed a solution called ProMed for small and midsize hospitals that seek to automate the processing of clinical lab documents for claims purposes. It has since used the same components of this solution to address process tracking by manufacturing companies.

Finally, by employing a practice approach, your organization can gain experience quickly because your employees will be challenged to constantly mold technology to fit different vertical applications. "When specializing in only one vertical market, solutions can easily become cookie cutter in nature," says

Hadley. "The same solutions are often implemented over and over again, and it's easy for a VAR to lose its technology edge when faced with this monotony. Using a practice approach, we encounter complex projects across multiple industries. This helps us stay on the leading edge of technology and keeps our work interesting."

VAR Eases Document Imaging VAD's Returns Processing Pain

NewWave Technologies is a value-added distributor (VAD) of document imaging applications, automated data storage technology, and CD/DVD duplication products. In addition to being BizTech Solutions, Inc.'s sole distributor for imaging products, NewWave is also a client of the VAR.

NewWave had sophisticated systems for the shipment of its imaging products, but was experiencing frustration in the handling of product returns. The return process is complex, involving multiple departments and up to 24 decision makers. Traditionally, returns were handled manually, and it often took several days to complete the approval process, the credit process, the RMA (return material authorization) process, and the paperwork process involved with each return. Given the number of transactions NewWave handles on a daily basis, this manual process negatively impacted employee productivity and customer service.

As a distributor, NewWave must ensure it accurately tabulates the effects of returns on its VAR clients' accounts as well as its vendor partners. For example, if a VAR has taken advantage of a distributor's or vendor's rebate when purchasing a product, the credit must be properly applied when the item is returned. Occasionally, a VAR may return a product with pieces missing. NewWave must be able to accurately identify and initiate steps to correct this oversight. All of the players potentially involved in each return made automating the process a difficult proposition. NewWave turned to BizTech, one of its longtime VARs, to address the problem because it was aware of the reseller's track record at implementing complex automation solutions.

To replace this manual process with an electronic one, BizTech implemented a .NET solution using Captaris Workflow. BizTech began by eliminating the paper RMA and teaching the users how to use electronic forms. BizTech and NewWave then worked together to replace the manual processes involved in return processing with the new electronic workflow.

To date, NewWave estimates it has cut the amount of time its accounting team spends on returns processing by 70%, or about 2 hours per day that can now be dedicated to other tasks. The next phase of the project involves extending the solution to NewWave's Web site so that NewWave VARs can kick off the return process by submitting their own RMA online, rather than contacting a product administrator or services representative.

Wireless, RFID Enhance Business Automation

As a provider of business process automation systems to multiple vertical markets, BizTech Solutions, Inc. always seeks complementary technologies that can enhance its solutions. For example, the VAR is currently developing a wireless extension to an automation solution it developed for a petroleum company. This client regularly inspects gas stations, and the system BizTech originally implemented automates the processing of the gas sample lab paperwork that is generated during on-site station inspections.

Traditionally, seasoned professionals of the petroleum company have been sent out to do the inspections and make notes about the gas pumps, tanks, and samples using paper forms. BizTech is now equipping pocket PCs and tablet PCs with Web application software that will prompt the entry of much of this information. Before field employees begin their station inspections each morning, they can download their inspection schedule on a laptop or handheld computer through a hard line in their hotel room or via a wireless connection. When they arrive at the designated site, the screen of the pocket PC will alert the employees to the information they need to collect. BizTech is also considering affixing bar codes or RFID (radio frequency identification) tags to station tanks and pumps to further streamline the collection process by minimizing manual data entry.

These wireless capture enhancements offer two primary benefits to the vendor. First, this process will improve the accuracy of the data collected by minimizing manual data entry that is often error prone. Secondly, since the wireless devices prompt users to the information that needs to be collected, the petroleum company no longer needs to send its seasoned professionals out to do site inspections. It can now train lower-salary employees to do the job effectively.