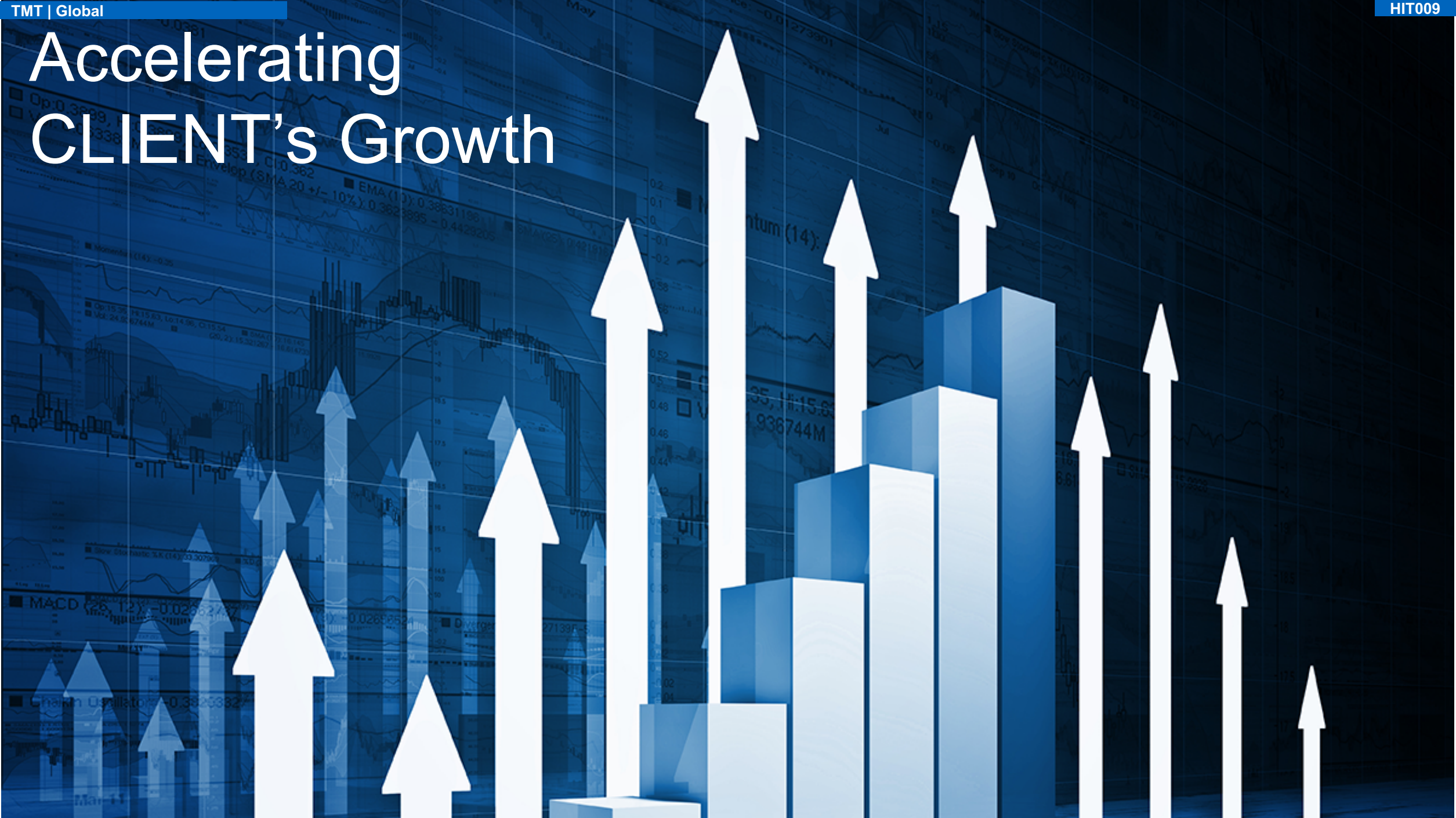


# Accelerating CLIENT's Growth



# Accelerating CLIENT's growth – organizing for \$20B of SMB upside across 100+ countries

## 78 MILLION

SMBs world-wide



## \$588 BILLION

SMB IT spend in 2017  
(25% of \$2.4T total)



## 19%

5-year SMB Cloud adoption CAGR



### WHAT IS NEW

- Rapid adoption of cloud / SaaS, and digital in SMBs putting **significant pressure on CLIENT's GTM model**
- **SMB customer engagement expectations have changed** – desire a seamless omni-channel digital and live person experience – **and it's hard to generate positive customer lifetime value (CLV)**
- **Partner capabilities lag SMB needs** for customization and solutions
- **The SMB segment is the primary engine** for future growth in the sector

### WHAT WE DID

- 1 Redesigned the SMB org from the ground-up across 100+ countries using **McKinsey OrgLab, Digital, and Transformational Change**
- 2 Developed **new cross GTM engine orchestration models** to drive growth at high margins and maximize CLV
- 3 Developed an SMB propensity and sub-segmentation approach using **McKinsey Advanced Analytics/Machine Learning** to help prioritize investments

### IMPACT

- **SMB sales 10%+ ahead of target!**
- **Rolled-out the new SMB organization across the D7 Areas<sup>1</sup>** (~80% of revenue)
- **Transformed the leading software industry partner organization** – aligned internal and partner resources toward cloud and SaaS adoption
- **Pioneered new approaches to orchestrate selling to SMBs across GTM engines**, including digital, inside sales, partners, field

### SECTORS TO RADIATE IMPACT

- **Tech** companies, where the migration to the cloud is making SMB sector a primary growth engine
- **Telecom** companies, with move to cloud-based telephony and hosting
- **Pharma and Insurance** companies, with the adoption of omni-channel GTM engagement
- **Other digital aspirants** looking to drive rapid change and growth in SMB


<sup>1</sup> D7: US, Canada, UK, Germany, France, Japan, Australia



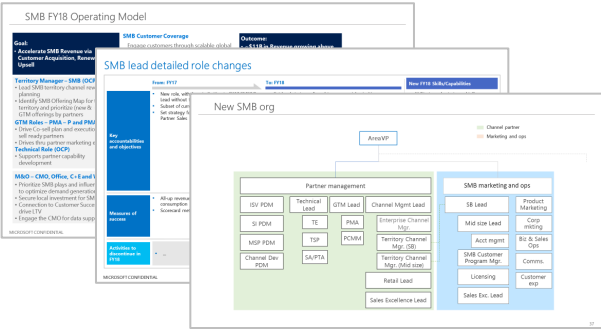
# We applied best-of-Firm capabilities to execute the end-to-end SMB transformation in ~6 months!

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Org re-design impacting 100+ countries

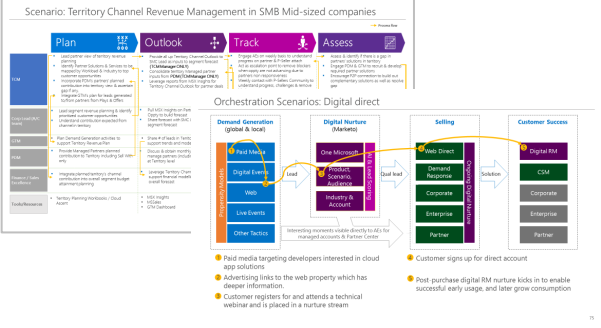


SMB FY18 Operating Model

2

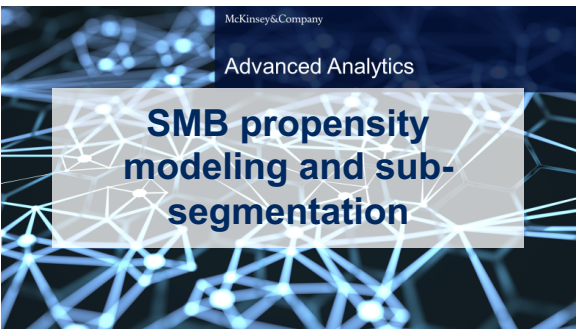


Cross-engine orchestration across products, GTM engines, roles

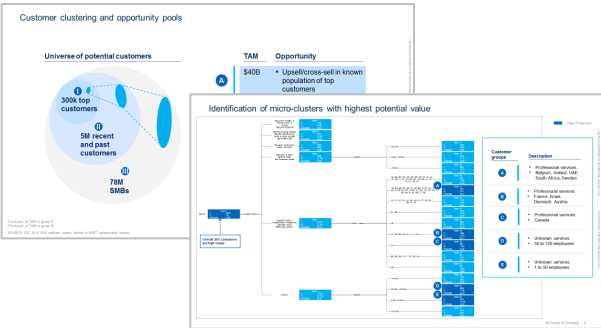


Scenario: Territory Channel Revenue Management in SMB Mid-sized companies

3



SMB propensity modeling and sub-segmentation



Customer clustering and opportunity pools

- Launched a new SMB org covering D7 areas (~80% rev)
- Built role descriptions, accountabilities across marketing, partner, inside sales, field sales
- Developed operating models that cut across functions/geos

- Designed comprehensive orchestration scenarios to ensure seamless CDJ mgmt
  - Covers all of MSFT's products, key roles
  - Ensures alignment across geographies and GTM engines

- Developed methodology to identify highest propensity SMB prospects using advanced analytics and machine learning
- Prototyped sub-segment design and look-alike methodology to target best prospects
- Designed CLV mgmt. tool

McKinsey & Company