

Merger Mania: Don't Forget The Customer

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Synergy. Collaboration. Cohesion. Those buzzwords tend to get thrown around when two companies become one. And mergers and acquisitions are pretty prominent in the high-tech space. So how can a company fulfill its promise to customers in the wake of a merger or acquisition?

What's necessary in the uncertainty of a merger is a focus on the customer as a valuable asset. "Customer 'synergy' is often an explicitly stated rationale for a merger, but in truth most firms are quite poor at exploiting such synergy," write Don Peppers and Martha Rogers, Ph.D. in their book, "Return on Customer." "If, on the other hand, the managers of the combined firm have experience in creating a culture of customer trust and are committed to creating long-term value as well as short-term profits, then such synergies are much more likely to be realized."

Hyperion takes customer view

Such was the case for Hyperion Solutions Corp. when the developer of business performance management software began acquiring a number of smaller companies. The firm's mish-mash of sales, marketing, service, and quality control applications hindered efforts to present a single, clear face to the customer.

"It was a recent acquisition of a smaller company that made us look at all the systems in place and see that it was a tipping point," says Matt Bradley, Hyperion's vice president of corporate engineering. "Our response to customers was slow [due to a multitude of tracking systems for different Hyperion products]. A defect in one product could turn out to be caused by a dependent system, so then we had to raise the defect in another defect tracking system, and our responsiveness to our customers was declining as a result."

"Customers want consistency across the board in how they interact with you."

Matt Bradley, VP of Corporate Engineering, Hyperion

The solution was to streamline the sales, service, and product sides of the operation to see how each customer interaction relates to the front- and back-end business processes. "We wanted to make sure to have a tight connection between the customer support system and the defect tracking system," says Hyperion Chief Development Officer Robert Gersten. "If a salesperson or consultant was talking to a customer, we wanted them to have some sense of what the status was of customer issues."

In the past Hyperion's different lines of business managed customer data and product quality data in different programs and with different methods. "The plan was to move everybody to a common process flow, versus, say, the four or five process flows that existed previously," Gersten says. Hyperion engaged consultancy The Results Group to help replace the separate customer systems with a single Siebel system.

Sales sees a customer shift

On the sales side Hyperion moved away from its stand-alone product lines to a more holistic approach. "We wanted to move away from being very product oriented and into trying to sell a suite of modules, and to present a much more unified face to the customer," Bradley says. But customers would only accept this if internal processes supported the unification approach.

"Customers want consistency across the board in how they interact with you, how they place a support call, how we present information to our end users," Bradley says. Field users in sales and marketing needed similar coordination as well, so that invoicing, activity tracking, and field support would be handled consistently and predictably as well.

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Results

Hyperion's results have come in the form of higher customer satisfaction ratings and clarity into maintenance contract opportunities, which the firm says have boosted overall revenues, although no actual figures were disclosed.

Now that service is managed with a single, uniform mind-set and technological approach, it is easier for the company to identify those customers who are still under service contracts and give them the attention they need, while converting those who have fallen off back into paid clients.

"It's the standard maturation of a company – we had gone through acquisitions and then went through an identity crisis of who we were and how we were going to get there," Bradley says. "Now, the customer view of our products matches the experience they have with problem resolution, and customers have seen an increase in responsiveness to the issues they have raised." Such measurements are the first step on the road to measuring Return on Customersm to see exactly how benefits are being realized in terms of customer value. ■