

Value Pricing, Grow Service Sales, Sole Source Wins, Misc.

<p>Bookmark 601.1</p>  <p>David Watson</p>	 <p>GE Energy</p>	<p>Grew Services Sales from \$250 Million to \$540 Million and Operating Profit from \$18 Million to \$95 Million in Two Years</p>	<p>\$1.4 Billion Aero Derivative Turbines <i>(Jet engines in unconventional uses e.g. power generation, gas pipeline compression, ship propulsion)</i></p> <p>Growth was 50% acquisition, 50% organic.*</p> <p>(David provided the following video interviews. Contact Us for Confidential Details)</p> <p><u>5.2 How We Grew Services Sales from \$250 Million to \$540 Million in Two Years at 35% Contribution Margin (50% by acquisition, 50% organic)</u></p> <p><u>5.3 How We Identified Our Core Technology / Process / Quality Competitive Advantage</u></p> <p><u>5.4 Understanding the Core Competitive Advantage: How We Reduced Customer Outages from 6 Months to 3-4 Days</u></p> <p><u>5.5 Beating Competitors that are "Cherry Picking the Spare Parts Business"</u></p> <p><u>5.6 How We Structured Services to Keep Customers for 5-10 Years</u></p> <p><u>5.7 How Being Better at Core Technology / Process / Quality Helps You on the Cost Side</u></p> <p><u>5.8 How We Moved from Traditional, Commodity Parts and Service to High Value, Long Term Services Contracts</u></p>
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			<p><u>5.9 How We Shortened Sales Cycles</u></p> <p><u>5.10 How to Switch from a "Product / Engineering" Mindset to a "Services" Mindset</u></p> <p><u>5.11 How We Changed Our Parts Business Into a \$540 Million, High Value, High Margin Services Business</u></p>
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<p>Bookmark 60 5</p>  <p>Mark Acer</p>		<p>Changes from selling Products to Selling Services by 2 to 1</p>	<p>Docucorp provides forms and document processing software and services to the insurance and financial services industries</p> <p>Outsourcing Senior Executive, CEO that Built the Company</p> <p>Technology Company Changes from selling Products to Selling Services Over Software by 2 to 1, Sold in 2007 for 25 Times Earnings!. * Sustains Great Gross Profit – 49% – Over Long Term. Solid Mid-Size Company, Grows to \$88 Million, Mostly Organic Growth. Focus: Great Example of Finding the Right Focus. See Our Other Success Story #28. Sustained 5.6% Net Income Over 8 Years – Slightly Above Industry Average.* Price / Equity Ratio Averaging 26 Over Time. Sales and Marketing Spending in the Range of 20% to 25%. Appears To Be Much Better Return on Invested Capital Than Some Other Examples. <u>Docucorp International</u>, Rated B+ in the TIA Study of Excellent Services Companies, August, 2009</p> <p><u>DocucorpInternationalSuccessStory36.pdf</u></p> <p>Docucorp's Long Term Financial Performance:</p> <ul style="list-style-type: none"> Sales Growth: 8.06% Over 8 Years, (from \$52 million in 1999 to \$88 Million in 2006)
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			<ul style="list-style-type: none"> • Gross Profit Average: 49% Over 8 years • Price / Equity Average: 26 Over 8 years. Sold in 2007 for 25 Times Earnings • Average Net Profit: 6.3% Over 8 years • Total Shareholder Return: 400% Over 8 years <p>Key Lessons:</p> <ul style="list-style-type: none"> • Important Precedent for Shareholder Value: Company Changes from Technology / Software Sales Focus to Selling Services. • Found a Niche Where “Competition Was Almost Irrelevant” • Services Eventually Outsold Software 2 to 1 • Sold in 2007 for 25 Times Earnings! <p>Focus: Great Example of Finding the Right Focus. See Our Other Success Story #28.</p>
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<p>Bookmark 604.1</p>  <p>Scott Lear</p>	 <p>Schneider Electric, U.S. Division</p>	<p>Grew Services from \$1.5 million to \$9.75 million in 4 years at 32% Contribution Margin</p>	<p>\$3.4 Billion Industrial Electrical Transmission Products with Emphasis on Value-Add Services</p> <p>Grew Services from \$1.5 million to \$9.75 million in 4 years at 32% Contribution Margin in 3 State Midwestern Region. Accomplished with ZERO INCREMENTAL PEOPLE. Grew total sales from \$78 million to \$120 million, demonstrating product sales</p>
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gains that accompany effective services sales.

Value Pricing Win: Moved traditional parts / service / commodity pricing organization to Value based pricing.*

(Scott provided the following video interviews. Contact Us for Confidential Details)

6.2 How Schneider Grew U.S. Services from \$24 million to \$400 million at 32% Contribution Margin (over 15 Years)

6.3 How We Switched to Value Based Pricing (Away from Traditional Parts / Service / Commodity Pricing)

6.4 How We Grew a Three State Region's Services from \$1.5 Million to \$9.75 Million at 32% Contribution Margin in Four Years AND Grew Total Sales from \$78 Million to \$120 Million at Same Time (Shows Product Sales Gains from Doing Services Well!)

6.5 How We Discovered Our Core Technical / Process / Quality Competitive Advantage

6.6 How We Began Earning More Money from Services Than New Equipment Sales

6.7 How to Move the Customer Away from Insane Focus on Cost

6.8 How to Get Product Sales People to Sell Services

6.9 How to Win Two Out of Three Competitive Bids

6.10 How We Capitalized on Competitor's Tendency to Always

			Propose New Equipment - Beat Them With a Service!
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<p>Bookmark 610.1</p>  <p>Mark Grant</p>	 <p>GE Energy</p>	<p>Value Pricing Win: 25 value-priced sales of steam turbine services in one year.</p> <p>Average sale: \$4 million revenue and 50%+ margin.</p>	<p>\$1,450 Million Steam turbine services</p> <p>Value Pricing Win: Mark Grant was responsible for 25 value-priced sales of steam turbine services in one year. These sales averaged \$4 million revenue and 50%+ margin. The best example was Brunswick Paper, where the GE team identified \$7 million per year in annual savings and was able to charge the customer \$6 million while earning \$5 million in margin*.</p> <p>(Contact Us for Confidential Details)</p>
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<p>Bookmark 677.1</p>  <p>Scott Ransom</p>	 <p>Computer Science Corp.</p>	<p>Helped Client 2 save \$500 million</p>	
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<p>Bookmark 677.2</p>  <p>Scott Ransom</p>	 <p>Computer Science Corp.</p>	<p>Closed \$4.2 Billion, 10 Year Sale to Client 3</p>	
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<p>Bookmark 731.2</p>  <p>Mike Fairbairn</p>	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 10px;"> Client Name Withheld to Protect Confidentiality </div> <p>\$2 Billion Engineered Pumps, Valves, Systems, Services for Oil & Gas</p>	<p>"Skinny Systems" success including Full Customer P&Ls / Dashboards showing COST TO SERVE each customer</p>	
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<p>Bookmark 801.4</p>  <p>Rob Glen</p>	 <p>GE Aviation – Marine & Industrial Engines</p>	<p>\$60 million sale to British Gas, became SOLE SOURCE SUPPLIER for UK Oil and Gas related projects.</p> <p>Previous company share had been 0%.</p>	
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<p>Bookmark 801.3</p>  <p>Rob Glen</p>	 <p>GE Energy – Apparatus Service</p>	<p>20%+ growth per year for SERVICE SALES in 14 of 15 years.</p>	<p>\$1.4 Billion Division</p> <p>Early years in sales roles resulted in 20%+ avg. growth for service sales in 14 of 15 years. Exceeded goals by up to 25%.*</p> <p>(Contact Us for Confidential Details)</p>
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<p>Bookmark 853.2</p>  <p>Tom Ingram</p>		<p>\$400,000 Sole Source sale to State of Texas Insurance Board</p> <p>\$8 million State & Local</p>	
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		<i>technology product and services practice built</i>	
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