

Executive Summary

This project report consists of activities executed for delivering the solution to MillenniumIT networking team to improve the profitability of the support business. The focus of this project was confined to a subsection of support business which is SmartNet activation and renewals. The problem identified was not achieving the expected revenue from renewals and rebates on new SmartNet sales. SmartNet is the manufacturer support given to networking hardware units. SmartNet has to be renewed every year and it covers break-fix support and replacement of faulty devices. Based on the company data, author identified that annual renewal rate of SmartNet for the year from August 2013 to July 2014 was 31.7% and with irregular monthly activation rates, this led to low revenue. The SmartNet activation rate for the new devices sold was 72% per annum which ideally should have been 100%. As a result of this, the company was losing back end rebate revenue of 8% of the total SmartNet sales.

To give a solution to the problem in hand, author had to identify the root cause of the problem. During the root cause analysis author has found that the main reasons for low renewal rates were lack of proper information at hand and lack of proper process to follow. The theoretical framework was created afterwards by using existing research knowledge to derive the solution. The solution for the problem was to create two new processes for SmartNet activation and renewals. Also, the existing sales process was improved to accommodate new processes. Communication flow of each process and a database for SmartNet information created along with trainings for process actors.

At the end of the project, author has successfully delivered all the proposed outputs of each project component. Renewal rate for March 2015 was 100% which was projected to be 34%. The SmartNet database filled with data from last three years for renewal purposes. The SmartNet attach rate for the month of February was 99% which is higher than the projected 95%. The SmartNet attach rate for March will be calculated in April and the SmartNet device list was sent to the distributor and is being followed up by MillenniumIT to confirm the SmartNet activation by the target date given to the distributor. At the end of the project, author was able to deliver all project components and achieve the projected outputs.