

Needs Assessment Report for
Increasing renewal rates for subscription training services provided by
[REMOVED]

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Executive Summary

0.1 Perceived Problem

[REMOVED] , provides [REMOVED]. It was perceived that recurring delays in completing website projects were affecting new subscriptions and renewals to [REMOVED] ([REMOVED]). Employees had noticed a slowdown in the growth of sales and renewals of the [REMOVED] consulting package. [REMOVED] is a fully virtual consulting product; therefore, development of the web presence is vital to the success and continued growth of [REMOVED].

0.2 Scope of Analysis

This needs assessment examined sales data, company organization, customer surveys, and interviews with the CEO, sales manager, renewal team, IT manager, and an [REMOVED] facilitator (Customer Service Representative). Internal processes and product lines were also examined.

0.3 Brief Summary of Results

The survey revealed dissatisfied clients had already implemented the steps taught by [REMOVED] prior to purchase and indicated problems with [REMOVED] responding to clients in a timely manner. A triage process should be implemented for recording, tracking, and following customer inquiries from inception to close. The [REMOVED] website development request queue is disorganized, leading to lost project requests and clouded priorities. A process for prioritizing and describing projects should be created. Prospecting new customers appears to have a smaller list of potential sales than in the past, creating a gap in sales growth. Meanwhile, prospects are demanding more product to see and touch rather than the being sold on the vision of a more efficient and profitable [REMOVED]. The quality and quantity of publicly viewable content on the [REMOVED] website is unsatisfactory for prospecting through either active sales or passive search engine traffic. Optimally, [REMOVED] needs website enhancements to support renewals, new sales, and the addition of new products to the [REMOVED] portfolio.

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1.0 Introduction

1.1 Context

[REMOVED] ([REMOVED]) is a consulting and training company based in [REMOVED], focusing on [REMOVED]. [REMOVED] currently employs [REMOVED]. The company has no central office; employees are geographically scattered and telecommute daily. There are no plans to create a brick and mortar facility for a company “home office”. Customers of [REMOVED] are typically independent insurance [REMOVED] located throughout the United States. Services are delivered via [REMOVED]’s website, teleconferencing, and one-on-one phone conversations as part of a consulting package called [REMOVED] ([REMOVED]). The objective of [REMOVED] is to transform how insurance agents do business in the following areas: [REMOVED]. The primary factor leading to this needs assessment was a feeling among [REMOVED] employees that new sales and renewals of the membership to their [REMOVED] consulting package had been experiencing a slowdown.

1.1.1 Problem Statement

[REMOVED]’s customers are not renewing service subscriptions at an acceptable rate. Current client data shows that [REMOVED] of the customer base has not renewed their membership of the [REMOVED] consulting package after their first year contract expired in the most recent quarter. For company sustainability, the client retention rate needs to be [REMOVED]. In addition, potential customers are not contracting with [REMOVED] at an acceptable rate. Current sales for the last quarter of [REMOVED] lower than the last quarter of [REMOVED] lower than the average of the last quarter of the previous [REMOVED] years. New sales need to total [REMOVED] per month. Finally, clients of [REMOVED] often request

additions and changes to services provided. These projects often do not get realized and frequently get dropped, lost, or forgotten.

1.1.2 Purpose

Optimally, sales for [REMOVED] need to total [REMOVED] per month. The average monthly sales for the last quarter of [REMOVED] were [REMOVED] new clients. Causes for the drop in sales may be related to the web presence of [REMOVED]. For a company that delivers its products primarily on a virtual medium, the web site is not as sophisticated as it could be. Additionally, clients are looking for solutions they can see and touch where [REMOVED] has traditionally sold a vision of a better [REMOVED] and happier customers. Solutions for [REMOVED] will involve a more powerful web presence and stronger product line.

1.2 Rationale

Renewal of current customers' subscriptions to [REMOVED] and new sales of the [REMOVED] program are vital for [REMOVED]'s livelihood and future growth. Employees of [REMOVED] believe that the lack of new content for their [REMOVED] program is the primary reason sales and renewals fell sharply during the last quarter of [REMOVED]. The initiation of this needs assessment was the perceived problem of the lack of a process to begin production of new content modules for [REMOVED], ultimately completing and deploying them for customer use.

Through the careful study of all factors relating to the perceived problem and its affect on new sales and retention rates of clients, it is anticipated that a solution can be formed. If implemented, the solution can not only resolve the perceived problem, but also rectify the larger issue of slow sales and low retention rates. It is anticipated that by identifying the causes of the

downward trend and finding and implementing solutions, [REMOVED] will increase their client base, depend less on new sales for growth and significantly impact their bottom line.

1.3 System Description

[REMOVED] currently offers [REMOVED] product lines to its clients, [REMOVED] and [REMOVED], and is in the process of developing two more, [REMOVED] and [REMOVED]. For purposes of this needs assessment, the team concentrated on the [REMOVED] product and the process flows surrounding it.

[REMOVED] pursues sales for [REMOVED]. Once a client has signed, their primary point of contact is [REMOVED]. [REMOVED] remains their facilitator through [REMOVED] of the process. Once they progress to [REMOVED], [REMOVED] becomes their point of contact and facilitator. There are instances when clients come to [REMOVED], via phone or email, in which a different [REMOVED] contact is better suited to help. [REMOVED] then passes the client to the appropriate resource.

IT projects for [REMOVED] can be initiated by [REMOVED]. Each has the authority to prioritize their projects, however [REMOVED] can adjust those priorities as needed. [REMOVED] is the recipient of these project requests. In addition to these projects and the website functionality for [REMOVED], the Home Page, and [REMOVED] to come, [REMOVED] is also responsible for the company intranet, and all backend systems including, but not limited to, email, database enhancements, server backups, and reporting.

The organizational chart for [REMOVED] is provided in Appendix A.

2.0 Method

This section describes the methods used to collect data and information regarding membership sales and renewal rates of [REMOVED]. Included in this section are lists of the sources of the information, tools used to gather the information, the process of the assessment, and any constraints experienced during the study.

2.1 Sources and Types of information

The following sources were used to evaluate the problem:

- **Current clients** of [REMOVED] were surveyed to gather information about the usefulness of the [REMOVED] subscription to performance and the bottom line. They also had the opportunity to offer suggestions for additional products and services.
- **The Vice President of Sales** was interviewed via telephone to gather his feelings on the downward trend in sales and renewals. He was encouraged to provide possible solutions to the problem.
- **Renewal Staff** was interviewed via telephone to gather information on the process they follow and to discover their feelings on the downward trend in sales and renewals. They were given an opportunity to provide possible solutions to the problem(s).
- **IT Manager** was interviewed in person to understand how updates and additions are made to [REMOVED]. Information was also gained on the process of how ideas or customer requests get filtered to the IT Department for realization and any problems that occur in that process.

- **Owner and CEO** of [REMOVED] was interviewed to determine the optimal sales and renewal levels for the organization. Insights into his vision for the company's strategic plan was discussed as were methods employed in the course offerings process.
- **Sales database** was queried to provide accurate information of sales of [REMOVED] for the fourth quarter of each calendar year over the past [REMOVED] years.

2.2 Tools and Techniques

Following are the tools and techniques that were used to collect data from the sources described above.

- **Extant Data Analysis** was queried to gather Sales figures for the years [REMOVED]. This information was used to determine optimal rates and actual rates of sales of [REMOVED]. Data was collected from [REMOVED] sales records.
- **Interviews** were conducted over the phone with the Vice President of Sales, the Renewal staff and the CEO/Owner. Additionally informal interviews were conducted with the Information Technology Manager. These interviews were informal in nature and were conducted to gather information about actuals, optimals, causes and solutions within the specified knowledge area of the interviewee.
- **Surveys** were conducted on current clients of [REMOVED]. These surveys attempted to determine causes of retention or non-retention and possible solutions. Surveys were conducted on-line to provide convenience and increase response rate. Results were returned in an easily quantifiable format.

2.3 Procedure

In the course of the assessment, many steps were taken to diagnose any problems of [REMOVED] and their possible solutions. This process was separated into distinct sections: extant data gathering, interviewing, surveying, compiling results, and developing solutions.

Extant data was gathered from the sales database of [REMOVED]. This information was compiled and processed to find any irregularities in sales of the [REMOVED] package. Information was compared in many different ways including month-over-month, quarter-over-quarter and year-over-year. After review of the results, irregularities were discovered and were used in the development of interview and survey questions.

Interviews were conducted on several key staff members of [REMOVED]. The President/CEO of the organization was interviewed to develop ideas of the company's goals, problems, and changes wanted. The Vice President of Sales was interviewed to discover the sales strategies, successes, shortcomings, and ideas as to why sales and renewals have fallen. The renewal staff was interviewed to gather common complaints and reasons of non-renewals. The IT Manager was interviewed to understand the flow of work regarding [REMOVED] maintenance, updates, and additions.

Surveys were designed to gather information from current clients of [REMOVED]. These surveys attempted to gather information about satisfaction, intention to renew, reasons for renewing and not renewing, and customer service helpfulness. Surveys were conducted online. A statistician then processed the information and any significant correlations were noted.

Information from extant data, interviews, and surveys were compared to discover any relevant causes or solutions to problems facing [REMOVED]. While the qualitative survey

information discovered interesting correlations, the qualitative data gathered from the interviews and open-ended survey questions turned out to give the most valuable results.

From the compiled results, ideas were created as to how best resolve the problems of [REMOVED]. A list was made and detailed descriptions were generated for each possible solution. Through discussions within the group and with [REMOVED], a final list of recommendations was made. This list was then incorporated in the final report.

2.4 Constraints

Several constraints arose during the process of this assessment. While many were minor in their effect, several substantial hindrances arose. These hindrances are detailed in the section below.

- Extant data received was only a portion of that requested. Not enough information was gathered on renewals to allow any significant findings.
- Requests for participants for the online survey were sent out via email. The address sending out the mass email was reported to spam companies and was rejected from several recipients as a result. The impact of this is unknown, as there is no information regarding who did or did not receive the email.
- Results from the survey sent to former customers of [REMOVED] were not substantial enough to draw any valid conclusions. Only 2 results were returned.
- Results from the current customer survey were low in number. Although a statistically valid sample size was returned, we fear that clients who are happy with the service they received from [REMOVED] would be more likely to respond than those who were indifferent or unhappy.

- An interview with [REMOVED] was scheduled; however, [REMOVED] did not attend. Exploring the process [REMOVED] goes through when taking client calls was important to our assessment. [REMOVED] handles clients that do not have a personal contact within [REMOVED]. Our interests were in how problems are resolved, and information about how breaks, bugs and client suggestions are taken. Since no information was gathered in this area we cannot make any suggestions. Process improvement in this area could be very beneficial to [REMOVED], but research would need to be conducted.

3.0 Results

3.1 Optimal Performance:

[REMOVED] ([REMOVED]) depends on its sales and renewals of [REMOVED] ([REMOVED]) for its primary source of operating capital. Other products are offered, but are newer and not as well established as [REMOVED]. Prices of [REMOVED] vary depending on the size of the customer's workforce.

In order for [REMOVED] to have sustained growth, sales of [REMOVED] would have to be [REMOVED] or more per month. Renewal rates would also have to be [REMOVED] or above. [REMOVED] mentioned during a staff meeting, merely maintaining historical sales patterns was not sufficient to provide funding to support the development of new products such as [REMOVED].

[REMOVED] has the potential to retain nearly all customers at renewal time. Of the [REMOVED] that purchased [REMOVED] in [REMOVED], [REMOVED] are still active today. [REMOVED] is providing continued value to those active [REMOVED], even after they have completed the standard training package.

3.2 Actual performance:

Sales statistics show on average, [REMOVED] remain subscribers to [REMOVED] for two years before dropping their subscription.

[REMOVED] employees noticed a slowdown in sales of [REMOVED] beginning in October of [REMOVED]. This perception began during staff meetings when [REMOVED] changed his reporting style from indicating how many sales were hitting the books to how many

clients he was pursuing to sign and the issues he was overcoming to get these prospects to become clients.

October has historically been their highest sales month, averaging over [REMOVED] sales per month for the years [REMOVED]. Sales for October of [REMOVED] are more than half of the average. Additionally, sales for the Quarter [REMOVED] are [REMOVED] less than the same Quarter a year ago. Table 1 shows the comparison of sales per month in the fourth quarter of the calendar year for the past [REMOVED] years.

Table 1: Last Quarter Sales Comparison

[REMOVED]	[REMOVED]	[REMOVED]	[REMOVED]
[REMOVED]	[REMOVED]	[REMOVED]	[REMOVED]
[REMOVED]	[REMOVED]	[REMOVED]	[REMOVED]
[REMOVED]	[REMOVED]	[REMOVED]	[REMOVED]
[REMOVED]	[REMOVED]	[REMOVED]	[REMOVED]

Only [REMOVED] of [REMOVED] up for renewal actually renewed in the first quarter of [REMOVED], as detailed in Appendix D.

3.3 Causes for Identified Discrepancies:

It appears that much of the lack of renewal comes from the clients’ perceived lack of future value. This was visible in the client surveys and was offered in 2 of the interviews as a primary cause of clients not renewing their subscription. The client perceives that once they complete the training, there is nothing more for them to do or gain.

Facilitators not responding to clients’ needs or concerns also arose as an issue. Although the survey results are not clearly negative, response spreads such as this require further

investigation for any customer-focused organization. Some interviews also indicated that even within the organization there is often a communication breakdown stemming from the autonomous and virtual structure of [REMOVED].

New products or additions requested or promised are not being realized, in some cases additions were requested 2 years ago, and still have not been implemented. The IT manager shared his feelings of never being able to accomplish or complete a project. There is the feeling of too many things left undone, and too many more yet to be started.

The prospecting method requires some enhancements as well. Inferred from the interviews conducted, the number of prospects being made available to the sales staff seems to be declining steadily.

The client survey also indicated the web site for [REMOVED] may have issues requiring investigation. These issues may include broken links and navigation concerns. The comment that the web site is not user friendly is difficult to quantify. However, web site design standards can be compared to [REMOVED]'s offering to help determine if there are improvements to be made.

The interview with [REMOVED] and [REMOVED] raised the issue of time wasted during renewal calls due to the lack of documentation from the time of original sale. In particular, they were interested in contacting either the decision maker who authorized the original payment or the person who went through the original prospecting and sales process. In many cases, only a record of initial payment exists, devoid of any contact information. In those cases the renewal process is begun with the bookkeeper or accountant, typically the incorrect person to authorize a service for the client company.

Clients' and prospects' demands for products to touch may be due to the design of [REMOVED]'s web presence. This issue arises with both prospects and newly signed clients.

The current procedure of using a conference call to introduce a new client to [REMOVED] may adversely affect the client's perception of the technology available to them in their purchase.

Data from the client survey can be found in the appendices of this report. Appendix B contains quantitative data while Appendix C offers the clients qualitative comments.

3.4 Proposed Solutions:

Many of the solutions proposed by the employees of [REMOVED] surround training the client about [REMOVED] and [REMOVED]. Some clients do not understand the services offered by [REMOVED], others do not understand how to get started.

[REMOVED] is in the process of adding a new service to the line called [REMOVED], topics for training for which the clients have been asking. [REMOVED] has approached industry leaders to request their participation in video recordings that will be offered via this new service.

Many of the [REMOVED] employees indicate that the clients are too busy to solve their own problems and it is the personal touch of [REMOVED] employees that makes this company stand out. They have redesigned their newsletter with this in mind. The first distribution of the new newsletter was in March. Clients were solicited for feedback to see if the newsletter was improved and if not, what [REMOVED] could do to improve it.

[REMOVED] may be able to improve renewals and client relations by making some changes that improve record keeping. It was suggested that having a record of gatekeepers, decision makers, and sales process participants recorded immediately after the original sale would improve this customer relationship management task.

The IT department has been tasked with several large-scale projects to address some of the technology issues known to [REMOVED]. Included in this project list are redeveloping the Home Page layout and design, reorganizing the [REMOVED] classes with a university-style

numbering system (moving away from the current system of courses within phases), revising the user interface of the internal customer interface to be more productive (i.e. read vs. edit views) and create a method to capture information from the Sales Demo Sign-up Form into the client database.

4.0 Recommendations

This section describes the interventions we feel would benefit the long-term strategy and vision of [REMOVED] ([REMOVED]).

4.1 Description of Solutions

Since [REMOVED] is a virtual company, the IT department should be expected to resolve many of the problems. We recommend the creation of a workflow system for projects. This system would contain information about the people who decide what projects to start, who prioritizes them, how are the ideas received, when are they due, what they need to contain and who is responsible. The project attributes should also indicate how it supports the strategic plan of [REMOVED].

We also recommend the development of a workflow management system that stores information about and allows prioritization of projects sent to the IT department. These two tools would allow work on the website to advance at a rate more acceptable to the IT department and [REMOVED] employees.

We recommend that the website user interface be studied to find improvements including the possible redesign of the publicly viewable content to better present the company's image to potential clients and current clients. This may require professional external input.

We recommend the use of market research to be able to identify best potential clients. This research may also indicate the additional use of informational materials for potential customers. It may also indicate that phone calls require mailing of brochures as a follow up. These brochures should prove that your company does what it says with statistical evidence that can support the sale. This may require professional external input.

We recommend a more technological presence for Kick-off parties. Support the current verbal script with web content including animation and graphics for display, and printed materials or job aids for the client employees. For larger organizations, if a face-to-face meeting is not possible, invoke the use of video conferencing when possible.

Staff expansion is the source of potential solutions as well. The areas we would recommend for expansion are most likely in the IT department as well as the phone intake area.

4.2 Justification for Solutions

Information gathered from current clients, renewal staff and the IT manager point towards 2 major areas of concern regarding [REMOVED]. First is the lack of new, advanced, or value added additions to the [REMOVED] program. Several of the survey responses were to that affect and [REMOVED] counts the lack of new material as one of the major reasons for lack of renewals. [REMOVED] understands this problem and works hard to fulfill the wishes of the clients and management, but is bogged down with work and school and has no way to centralize and catalog the requests. Often, more pertinent requests come along and older requests are put on hold and sometimes forgotten. One survey respondent stated that a request was made and action promised over two years ago.

With the importance of adding new items to [REMOVED], it seems logical to develop a system that would allow easier organization and prioritization of requests. A policy to request additions should also be created, being filtered through many channels to correctly identify and prioritize valid requests. Expansion of the IT department, either internally or through outsourcing, could be an effective way to get up-to-date on projects, and to alleviate workload off [REMOVED]'s plate to allow him to focus on other aspects of [REMOVED]'s products.

As [REMOVED] is a web-based company and [REMOVED] is a web-driven application, careful attention should be made regarding its usability, accessibility, and structure. Several comments were made in the surveys about the usability and functioning of the web site. [REMOVED] and the project team also feel that an updated user interface would be an important upgrade. From a review of the site, publicly accessible information on [REMOVED] is limited to a few paragraphs of text and bulleted lists. Research and education on user interface design, web based instructional design and graphic design would support [REMOVED] in his approach to building a better interface for the [REMOVED] sites including the Home Page, [REMOVED] and [REMOVED].

The slowing of sales and information gathered from the CEO of [REMOVED] suggest that client prospect lists are beginning to shorten in length. Without these prospects, sales staff would not know who to contact regarding [REMOVED]'s services. A professional marketing firm could be contracted to develop research-based potential client lists. This firm could also analyze that client base and also current clients of [REMOVED] to identify possible procedures for completing sales at a higher rate, be it through disseminating more information, having more contact, or other means. This would increase sales of [REMOVED] and ultimately allow [REMOVED] to reach its goal of [REMOVED] sales per month. Sales could possibly increase substantially, thus prompting an increase in the sales staff. This would be important due to the personal attention and contact style of [REMOVED].

[REMOVED] Kick-off parties are conducted in a teleconference. This is not an appropriate way to introduce the product or explain its functioning in many situations. One survey respondent noted that [REMOVED] employees were staring at the phone during the Kick-off party. Having supplemental materials to the teleconference call would be very useful

for larger organizations. Online demonstrations, video-conferencing, visual representations (static or animated) of instructions/explanations could provide users with a more complete understanding of the product. For very large organizations, a face-to-face meeting is suggested. We feel that an [REMOVED] representative personally introducing the product would demonstrate to the client that [REMOVED] is dedicated to helping their organization succeed.

4.3 Other Recommendations

Compose and publish a Vision Statement

All [REMOVED] employees know what the company represents and is supposed to be. However, there are discrepancies when it comes to prioritizing projects. This team feels that if a project can demonstrate a clear alignment with a goal of [REMOVED], it will be easier to set its priority. A clear Vision Statement helps keep everyone with the same focus and striving for the same goals for [REMOVED], the clients and themselves.

Renewal Rates

Special attention should be paid to the recent sudden decrease in renewals from [REMOVED] to only [REMOVED] in [REMOVED], as detailed in Appendix D. Renewals of [REMOVED] are a critical percentage of the [REMOVED] client portfolio. If new sales remained on par with [REMOVED], a [REMOVED] renewal rate continued through the remaining of [REMOVED] would result in [REMOVED] fewer [REMOVED], a [REMOVED] decline, in the active [REMOVED] report than at the end of [REMOVED].

Customer Relationship Management

While missing information needed by [REMOVED] and [REMOVED] in renewal calls might not have an immediate remedy, the problem could be diminished with simple information

entries that can be made in the existing [REMOVED] intranet, without the need for programming intervention.

Evaluate Teleclasses

At this time, all class successes are measured by the “gut feel” of the facilitator. Although there are sophisticated processes for measuring training classes, we recommend beginning with a simple survey sent to participants immediately upon conclusion of the class. We would recommend this process begin with a set of no more than 6 simple questions such as:

1. The content of this session was of sufficient depth
2. I would recommend this course to others
3. Which items, if any, were the most valuable content in today’s session?
4. If there were any items of little to no value in today’s session, please list them.
5. If there was one thing I could change about this session it is _____

Questions 1 and 2 are rated on a Likert scale of 1 to 5 or 1 to 7 with 1 being the least satisfying and 5 or 7 being the most satisfying. The others are open-ended questions whose responses will help drive curriculum development in the short term.

Build web presence with care

There are several approaches that can be taken with regard to revising [REMOVED]’s web presence. One approach will have many things under construction at the same time. Another might have a great home page and good interface for the new service, [REMOVED]. But this would leave [REMOVED] with its broken links, misspelled words and disorganized layout. [REMOVED] and [REMOVED] should have the same look and feel so the clients are comfortable with either service site and have no need to learn something new to interface with either line.

Appendix A: [REMOVED] Organization Chart

[REMOVED]

Appendix B: Quantitative Survey Results

[REMOVED]

Appendix C: Qualitative Survey Results

Product

- [REMOVED]

Technical Support

- [REMOVED]

Process Support

- [REMOVED]

Technical Issues

- [REMOVED]

Other

- [REMOVED]

Appendix D: [REMOVED] Renewal Information

Year	
[REMOVED]	[REMOVED]
[REMOVED]	[REMOVED]
[REMOVED]	[REMOVED]
[REMOVED]	[REMOVED]
[REMOVED]	[REMOVED]