

## CASE STUDY: Business Audit for Global Software Company

### Company Overview

Global Software Company, a leading provider of tools that allow users to create, simulate, publish, and manage their data, wanted to evaluate the performance of their China business. Their product is focused on ease-of-use for engineers, designers, and other technology professionals to take advantage of 3D in bringing their designs to life. They serve the industrial, medical, scientific, consumer, educational, technology, and transportation market segments.

### The Challenge

Doing business in China is very different than operating in the rest of the world. Software companies face new challenges that are not an issue in other countries.

Differences in management styles, attitudes toward intellectual property, and cultural views on value placed on product versus services are all challenges a software company will face when operating in China.

Software Company had an existing presence in China for many years. While this region had been doing fairly well, corporate headquarters was interested in what they could do better to maximize their revenue trajectory in China. They were interested in a business audit of their China operations to identify ways to improve growth.

### Savvy Solution

Savvy approached this challenge by quickly diving into every aspect of the company's China operations. In addition to learning about the company internally, Savvy also looked at external factors impacting the Global Software Company. By having a solid understanding of the Chinese market, Savvy was able to include unique obstacles, such as piracy, internet firewall restrictions, and software compatibility, into the analysis and recommendations to help the Global Software Company increase revenue while maintaining their margins.

#### Phase 1: Research and Analysis

As part of the primary quantitative research, Savvy performed an analysis of the Software Company's extensive customer database in China, segmenting by geography, products purchased, tier of reseller, and type of company. Although state-owned enterprises were the smallest segment of ownership by account types, they comprised the largest volume of high-end products purchased.

As part of the primary qualitative research, Savvy thoughtfully conducted one-on-one interviews with the company's management and other industry executives sourced from Savvy's expansive network. From there, Savvy created a discussion guide to elicit the data needed to formulate insights from

#### Quick Facts

- Engaged to audit China operations for global software company
- Gained insights via primary research including one-on-one interviews and customer database segmentation
- Leveraged understanding of China market to address unique challenges
- Identified 3 scenarios to increase revenue while maintaining margins
- Reengaged for follow-up project to assess feasibility of new product concept to increase market share in China

one-on-one external interviews with the client's customers – resellers and end users – to learn how they were benefiting from current products.

Due to the cultural differences in conducting business where China looks to relationships and trust to start business relationships and the fact that large deals come from direct selling rather than channels, Savvy discussed ways for the Software Company to build stronger relationships with their top clients, in addition to providing good value, competitive pricing and features.

This deep level of research led Savvy to dive into adjacent areas including stage of market development, execution of business, market characteristics, and competition. Each piece of information was gathered and analyzed to create three potential scenarios with supporting recommendations for increased revenue attainment.

#### Phase 2: Actionable Scenarios

In Phase 2, Savvy finalized three scenarios that were presented to the client. The scenarios provided a blueprint that would allow Global Software Company to exploit their opportunities, invest in operations that would better fit their China market needs, and leverage emerging trends in the marketplace.

Action plans were developed for each scenario to increase revenue while maintaining margin.

#### **Results**

Savvy organized the research into a clear, analytical presentation for the executive team to better understand their China operations, their performance, where they could be investing differently, and offered data to prioritize strategy and resources. The three different scenarios were discussed in detail for the executive team's consideration.

After taking into account Savvy's initial research and recommendation, the Global Software Company reengaged Savvy in the following months to test whether a newly conceptualized product would be an effective way to capture an additional customer segment. Through Savvy's comprehensive market research with end-users, the Global Software Company was well equipped to make an informed decision regarding whether it was worthwhile to bring the new product to the China market.