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STAR Awards

2023

2023 TSIA STAR Awards
Featured Application

Innovation in Customer Growth and Renewal



Overview:

Lenovo (HKSE: 992) (ADR: LNVGY) is a US\$62 billion revenue global technology powerhouse, ranked #171 in the Fortune Global 500, employing 77,000 people around the world, and serving millions of Customers every day in 180 markets.

With ~55 million client system serial numbers coming up for expiration in FY23, Lenovo invested in innovation by delivering a frictionless digital buying experience for Customers to renew or refresh their hardware within a single platform. This aligned business outcomes with the growing expectations of Customers and enabled us to be flexible, fast, and effective in how we met them—while also introducing new revenue streams for Lenovo and our Channel Partners.

The Hardware Refresh Opportunity:

In FY22, Lenovo delivered a fully digital experience for renewals—but Customers still needed to speak to a sales rep to understand their hardware refresh options. With digital experiences becoming an expectation for Customers, we knew we needed to consolidate the buyer journey for these different purchasing motions. This required innovation in our Renewtrak® Platform and processes, along with aligning different business units with competing priorities. By doing this, we were able to reach scale at an unmatched velocity to achieve a significantly better Customer Experience—which ultimately led to a growing recurring revenue stream that continues to accelerate.

Business Impact:

- Scaled from a pilot to 22 countries in a single year
- 150% of FY23 IDG Revenue Goal Met and Indirect IDG Revenue achieved a 200% year over year increase
- Conversion rate increased 42% since the launch of the program
- 3,000 T2 Partners onboarded to the Renewtrak Platform, activating a refresh/renewal program
- Executive sponsorship to continue building a streamlined ecosystem of technology, data, people, and programs in support of a recurring revenue stream, with Customer Experience at the center.
- Post refresh/renewal capability introduced to Channel Community: adoption, activation, and deployment of notifications to Customers increased by 4x

Improving the Customer Path to Value:

Powered by Renewtrak, Lenovo delivered a frictionless, automated, singular buying experience for Customers to renew or refresh their hardware. We dismantled the buying experience maze for our Customers—from complex paths to value in FY21 to a frictionless path to renewal value in FY22. In FY23, we exceeded Customer expectations by adding the refresh motion to this frictionless path. To accomplish this, we viewed the expiration as our opportunity trigger and put the Customer in the driver's seat—building automation to accommodate their refresh or renewal selection, while balancing consideration of the internal Lenovo team structure to ensure all parties involved in delivering on Customer engagement were in lockstep. This Customer-first philosophy has significantly accelerated our revenue growth.

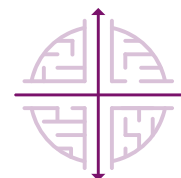
Constantly driving toward exceeding expectations—reducing friction, removing complexities, and dismantling the maze.



Complex Path to Value Maze
Across APOS Services Offerings
Lenovo Inception - 2021



Single Digital Path to Value
Across APOS Services Offerings
2021 - 2022



Seamless Digital Path to Value
Focused On Customer Needs
2022 - Beyond

Customer Impact:

- Flexible, frictionless solutions in one portal
- Automated quotes and notifications, protecting all stages of incumbency
- Enhanced education on solutions in digital packages
- Increased visibility into their hardware fleet locally and globally
- Automated flow for renewal and hardware refresh

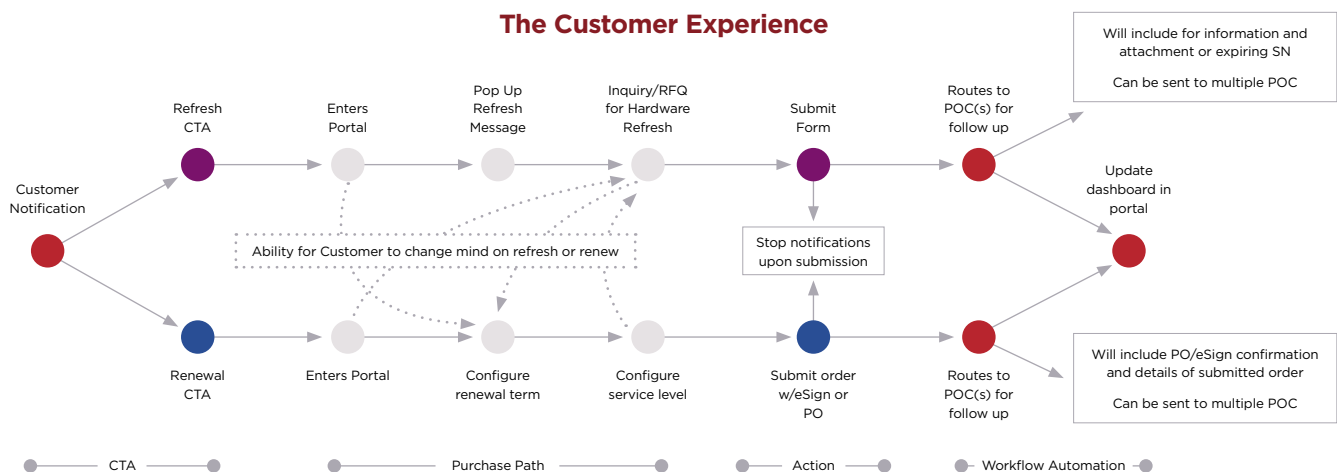
Most renewal motions are focused on renewal of a support contract, which causes possible friction with both internal business goals and Channel Community priorities. By introducing the hardware refresh motion, we accommodated not only the Customer Experience, but also fundamentally established an automated retention program. This enabled the continued support of an existing machine's lifecycle, or a bridge to the new machine in the Customer's install base—differentiating Lenovo from its competitive set. We expanded our view of refresh beyond just hardware into a POS attach of Services, and supported Services revenue regardless of action taken by the Customer. All notifications received by Customers are sent and branded as the incumbent party to ensure a seamless engagement.

Customer Experience at the Center:

By collaborating with Partners and using AI techniques to turn vast volumes of data into insights, we were able to quickly identify opportunities, prescribe the optimum renewal and hardware refresh configuration based on previous purchase history and Customer

preferences, improve Customer Experience features, and boost engagement. We leveraged automation to simplify our renewals process without sacrificing personalization and used data visualization to give us a more holistic view into our Customer lifecycle across all channels. By blending technology into sales motions supported by people, we were able to ensure our Customers

always received the right value at the right moment at scale—driven by real-time insights. Our sales teams had more strategic conversations with our Customers, and by trading spreadsheets for real-time dashboards, we attached additional products and services to our existing Customer base to more efficiently and effectively retain and grow revenue.



Lessons Learned:

- **The long game is lucrative:** Our digital transformation requires a significant effort and a collective commitment to the Customer Experience. That commitment means trust, loyalty, and more revenue from our Customers in the long-run.
- **Better Customer Experiences, more revenue opportunities:** The more we put Customer needs first, tear down transaction barriers, and invest in the digital path forward, the more we collectively win—from Lenovo Sales Reps to Channel Community members to Customers.
- **When it comes to a successful buying journey, all roads lead to the same destination:** Together, refreshes and renewals provide more opportunities to reach Customers in a buying mindset. By putting the decision and power in the hands of our Customers, we increase the lifetime value (LTV) across the board—all by providing the right value at the right time.

Partner Quote:

"When we initially introduced the program into our organization, we received pushback on the sole focus of renewal with some stakeholders concerned it would hurt achieving hardware sales goals. With the notifications now providing options for refresh or renewal, our stakeholders have become strong advocates for adoption and activation – this evolution really helped overcome objections and turned delay into momentum."

– T2 Reseller/Partner

What's Next:

- Shift to account renewal vs transactional renewal—providing Customers with a single view of actions needed regarding renewals, and the Channel Community with an account view of any expirations occurring
- Lean into user feedback to provide optimized UI for simplicity/usage
- Deliver contextually relevant, data-driven offers/education on new solutions
- Provide more digital content to Customers about value of Lenovo services to continue education/retention efforts



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