

Callan Consulting

AT&T: Pricing and TCO Automation Tool



"This tool is incredible. It will help sales in so many ways. Much appreciated."

Sales Representative

"All I can say is... GREAT JOB. In case you didn't hear the twenty-one gun salute in the background :-)"

Sales Engineer

Background

In late 2003, SBC, now part of the new AT&T, ran a managed hosting business consisting of a complete line of web hosting services, ranging from single-server dedicated hosting to highly complex multi-server hosted environments. With redundant world class data centers, redundancy in network and power, and state of the art physical and network security, SBC provided best-in-class managed hosting services.

Business Problem

At the time the SBC Managed Hosting sales team manually generated all necessary paperwork for each new quote, from proposals to contract documents, which SBC estimated required up to eight hours per new customer. This bottleneck reduced the amount of time the sales force could spend bringing in new business.

Further, the sales team lacked tools to fully articulate the Total Cost of Ownership of the SBC hosted solution vs. customer-built solutions, and in particular to demonstrate the hidden costs that a customer would need to incur with a home-built solution that were built into SBC's prices.

Solution

Ed worked with the SBC Managed Hosting team, and with his development partner Douglas & Co to roll out a web-based pricing/TCO automation tool in early 2004. The tool has a product configurator enabling the representative to easily create a number of different solutions and perform "what if" pricing analysis. Once satisfied, with the push of a button the rep can generate all required documents, including proposal, credit application, and a complete set of contract documents.

The tool also performs a build-vs-buy TCO analysis for the proposed solution, pre-populated with typical cost information for home-built solutions. Its flexibility lets the rep decide which components to include in the analysis, or overwrite the pre-populated data with customer-specific costs.

Results

The tool met with rave reviews within the SBC sales organization and executive management team, with some commenting that this is the best sales tool they have ever seen. Within three months of rollout, SBC estimated the tool reduced the amount of time to generate a quote to one hour (from eight), and that it had seen an uptick in sales activity attributable to the reps' ability to produce quotes and proposals more easily.