Software Scaleup - Nordics
Name Confidential

CASE STUDY

NORDICS RAMP-UP FOR ENTERPRISE SOFTWARE COMPANY

PROBLEM

After operating in Europe for over 6 years with €4 million turnover per year, this enterprise software company had yet to successfully penetrate all its target markets. Research validated the potential of the Nordics market, but it represented less than 5% of gross revenue. Most of EMEA was covered by in-house sales reps, but due to poor performance, the Nordics area had been vacant for nearly a year.

SOLUTION

The value proposition was solid and the product was generally well positioned and priced. Boonfroggle recommended two major changes in the sales process to improve performance in Nordics:

- Subscription-based pricing - The client was using a perpetual model, a holdover from its startup years when cash flow was tight. Average deal size was a relatively high €25K, which meant losing some deals. Adding subscription-based pricing improved both acquisition and retention of clients.
- Overhaul of hiring and training - The client lacked a strong sales manager, and had no training program for new sales hires. This forced the company to rely heavily on hiring extremely expensive sales reps with industry experience, who unfortunately only provided mediocre performance against growth targets. In the case of Nordics, the result was several unsuccessful sales reps in a row, losing the company so much money it closed down the area entirely. Boonfroggle's model of hiring for potential rather than experience and then running an intensive sales training and management program effectively reduced costs and improved production.

RESULTS

After closing one of the largest deals in the region (€43K) during the first 6 weeks of the pilot phase, Boonfroggle agreed with the client to manage the Nordics area with just one sales rep. By the end of the first year of operation, Nordics accounted for nearly 20% of all gross revenue for EMEA, with a total of over €500K in new business closed.