

Estimating the Revenue Impact from the OnlyBoth Benchmarking Engine

The OnlyBoth Benchmarking Engine (1) further differentiates your solutions by enabling a unique information service; (2) increases your revenue by selling that service and uncovering new ways to help your customers; and (3) improves customer retention by deepening your relationships. Let's estimate the revenue impact for a representative, medium-sized vendor.



Let's calculate a plausible extra revenue for a vendor's solution that has 1,000 customers each paying an average of \$50k annually. Thus, the solution represents a \$50M revenue stream. **We estimate an extra yearly revenue of \$9.5M for this vendor who works with the OnlyBoth Benchmarking Engine.** We'll consider the individual revenue contributions in what follows.



N = your # of customers

A = average annual revenue for your solution per customer

P = penetration: the % of customers who sign up for benchmarking

S = surcharge: the benchmarking fee as % of average revenue

Let's say that N = 1,000 customers, A = \$50k average annual revenue, penetration P = 50%, and surcharge S = 10%. The extra revenue due to the new offering is $N \times A \times P \times S$. **Vendor sees extra revenue of \$2.5M.**



D = % of new customers due to your newly-differentiated solution.

Let's say D = 10%. As before, N = 1,000 customers and A = \$50k. The extra revenue due to the vendor's enhanced differentiation in the marketplace is $N \times A \times D$. **Vendor sees extra revenue of \$5M.**



T = % of customers you retain who otherwise would have strayed.

Let's say T = 2%. As before, N = 1,000 customers and A = \$50k. The extra revenue due to the vendor's enhanced customer retention is $N \times A \times T$. **Vendor sees extra revenue of \$1M.**



C = average revenue per follow-on consulting engagement.

Q = % of customers that signed up for benchmarking who follow up by engaging your consulting services to help them improve.

Let's say C = \$10k and Q = 20%. As before, N = 1,000 customers and P = 50%. The extra revenue due to the vendor's consulting services is $N \times P \times Q \times C$. **Vendor sees extra revenue of \$1M.**



The financial value of thought leadership is inestimable. Therefore we won't estimate it. Consider it a freebie. **Vendor sees extra revenue due to thought leadership of \$0. (yeah, right)**