

# Executive Insights on Driving Rapid Revenue Growth after COVID-19

Episode 4 | Jeff Cotten

In this exclusive series, FTI Consulting experts interview industry executives to explore how innovative leaders are adopting new strategies to drive rapid revenue growth.



**Featured Guest:** Jeff Cotten, CEO of Tenfold  
**FTI Panel:** Sazz Ariyanayagam

**Question:** As a CEO and veteran C-suite member, what is your overall perception of the damages for the tech industry from Covid-19 and 2020, and how do you think the tech industry is bouncing back? What is your perception for the overall industry and your forecast for the next two to three quarters?

**Jeff:** I think tech is going to fare extremely well through the whole pandemic. There is some short-term impact that I think everyone has experienced, such as deals getting delayed, customers who can't pay bills, or customers who have gone out of business, but largely, the whole pandemic is forcing business online and accelerating the digital transformation. My long-term outlook is that tech is going to do very well. We are thinking the next few quarters will continue to be choppy: you are going to have some deals that get accelerated, some deals that will be larger than expected because customers are in pain and need a solution faster — and you're going to have other deals that will be slowed down, such as those with airlines, hospitality organizations or any kind of old-world commerce that is struggling. In the second half of 2021 I believe the chop will smooth out, and we will see tech continue to accelerate and grow.



## JEFF COTTEN

Chief Executive Officer at Tenfold

Jeff has held multiple senior leadership roles in the software, managed services and cloud industries. He holds a bachelor's degree in computer science and a masters in engineering management. He joined Tenfold in January 2019



**Question:** When you look at customer behavior, such as customers not being able to pay their bills and pushing off sales or asking for different payment terms, what are the three to four common customer behaviors you are seeing in those who are under stress compared to those who are not being impacted? How do you go to market and determine pricing with those behavioral factors in mind?

**Jeff:** What we're seeing in the customers facing negative impacts is that they are either quiet, or they are reaching out for some kind of relief or help. Quietness is a signal to us that something is probably wrong — it means they are in a planning cycle and trying to figure out what their options are, so we have implemented a program where we are trying to increase touches with our customers. We want to proactively reach out and offer help. I'd rather take a discount right now to help them and preserve them, rather than have a churn event where you lose the whole revenue stream. For customers who are being positively impacted, they are staying very engaged and reaching out to us for the most part. They want us to be a part of helping them — whether it is dealing with increased volumes, moving faster or increased customers. In our segment of enterprise software, our product is primarily a productivity play, and that's obviously gaining huge traction in this moment because it's helping customers reduce costs and be more efficient in dealing with customer volume faster. They can process more calls faster by leveraging our technology.

## COMPANY OVERVIEW

### KEY FACTS ABOUT TENFOLD



Tenfold is a global leader in Integration Platform as a Service (iPaaS) for the Contact Center focused on sales and service organizations of all sizes. Its customers include many large enterprise companies across a range of sectors, including telecommunications, insurance, financial services, hospitality and healthcare. Backed by Andreessen Horowitz, Next Coast Ventures and Salesforce Ventures, Tenfold is trusted by its customers and partners to improve and analyze more than 1.5 Billion interactions every year. Tenfold has over 600 deployments in more than 60 countries.



**Question:** When you think of your revenue streams, I'm sure you have used some strategies to protect the revenue, so what kind of tactics are you using for churn protection and revenue leakage? How do you see that going for your firm?

**Jeff:** For churn protection, as I said earlier, we segmented our customer base, and we're having conversations to arm our team with tactics to do things such as offering discounts in exchange for an early contract. We've also paused billing in a few cases for a couple months in exchange for a contract extension. We look at it as a proactive measure to help those who are in trouble, and that typically leads to an organic conversation about something more specific that a customer needs help with.



**Question:** One of the things that companies are doing right now is redefining their value proposition or redefining the offering itself if the offering is no longer relevant. Did you feel like you had to redo some of your offerings or your value propositions to be relevant for the current marketplace?

**Jeff:** That's a great question, and we did do a couple things around that. First, we did some special offers for healthcare companies and organizations that are really struggling right now. Things like free trials to test our product and experience the benefits. Also, for existing customers, we've bundled some of our newest offerings, which are specifically focused on productivity, into their current plans and then not increase their rates in exchange for a contract extension or something similar. This is a little bit of a churn tactic, so we can bundle more value for the customer. We really haven't changed our product too dramatically; it's more been how we marketed and positioned it. We are certainly going at the market with messages like "Are your contact centers under stress?"; "Are you seeing increased volume?"; "Do you need productivity help?"; and "Are you looking to cut costs?" We've led with that messaging and tailored offers to help organizations onboard and reduce risk of trialing and testing our product to see if it's going to deliver the value. That's what we've done more than craft entirely new offers or products at this time.



**Question:** Looking at macro trends, people are still debating the U- versus V-shaped recovery. Some people even say an L-shaped recovery. What is your perspective on that, and how long do you think recovery will take?

**Jeff:** My prospects for the broader economy are a little different than tech. I think tech has definitely been a V to U-shaped recovery. I expect earnings in tech are going to continue to grow, and 2021 will be another solid year overall for the industry. My outlook for the broader economy is that I expect you're going to see some plateaus, and it's an L-shape that may have a few upticks but will be an L overall for the economy. While Wall Street is performing well I believe that's mostly because there are few other places to put your investment dollars right now and as the overall economy starts to recover and interest rates come back up you will see volatility in the stock markets. In terms of real damage to businesses and its impact on jobs I think that the long-term effect of the pandemic on the broader economy is going to be significant. When you see the number of industries that have been negatively impacted, the cost-cutting that they have done as a result and how that affects other firms, I think that that ripple is going to play itself through the broader economy over time. We've had the first wave of business failures and massive layoffs in 2020, which is going to lead to the second wave in 2021.



**Question:** In many firms, the sales organization's morale is not very high right now, so as a CEO thinking of the sales organization, how are you keeping morale up when the pipeline is not so great, but you still need those people to go after the enterprise accounts? What tactics are you using to drive sales rep productivity and morale?

**Jeff:** We actually pivoted our whole business model last year to a channel distribution model, so we don't have a massive direct sales organization. Our direct sales organization is doing quite well currently. We sell to both sales organizations and to service organizations, and what we have seen is a pivot away from field sales. Our product was largely an inside sales play;

it was for big inside sales contact centers where they were getting lots of inbound call volume or they were doing lots of outbound calls. Now, outside salespeople are having to behave more like inside salespeople, but they don't have the tools or the know-how of how to maximize their time. We've seen a big shift where many sales organizations are pivoting and training their outside sales people how to be inside sales people, and Tenfold is a tool that they're using to help them with productivity because it's connecting their phone interactions with their data and the CRM. It's allowing them to log more information, have much more robust pipeline reporting and understand which deals are moving at any given moment. We're seeing the pivot and a retraining of outside sales to inside sales happen repeatedly in large organizations.



**Question:** From a channel perspective, many companies are going with a channel-first strategy right now due to Covid-19. What tactics in channel selling can differentiate the winners from the average performers in the tech space?

**Jeff:** It's a ground game. You have got to cover their sales teams. We are trying to do packaging of our product from an industry perspective, so if one of your channel partners is heavy go-to-market from an industry perspective and their sales teams are structured as industry groups, you better get industry collateral. You better find a way to pitch your product in an industry way to enable those sales teams differently. If it's a regional play, we're literally going from sales team to sales team, and we're doing demonstrations. One of the things I've done is I've increased the number of SEs that I have so that I can be the demo jockey for our channel partners, and we're doing the demos on their behalf; that way they're not forced to learn how to use the product. The truth is we've done enabling session after enabling session, and unless you know our product and you've deployed it yourself, you're just likely not going to pick it up and know how to do it. We've tried to increase enablement by having the SEs who are doing demos increase the packaging of our product from an industry perspective, if it's a channel partner that's got an industry go-to-market, and then if it's a regionalized go-to-market, it's more direct. We're out there establishing relationships with sales managers, tracking pipeline with every single individual sales team, and doing very frequent

deal follow-up. There's a lot of noise in every single one of these organizations that are basically reselling products, and you've got to find a way to get yourself top-of-mind.



**Question:** Emerging as winners on the other side of the pandemic, what strategies do you think can help companies differentiate and become winners when they come through the crisis?

**Jeff:** You've got to develop a strategy for the new ways people are living and operating today. It's clearly an online and digital world, so that's the first question: What is your digital strategy, and do you need to adjust it in any way, given the fact that now everyone is shopping online? Another question I would ask for any consumer business: Do you have a mobile strategy? You better have an app. You better have a way to interact with your consumers via mobile because that is the primary means of engagement. One thing we've also seen is everyone is looking at their integrations across their B2B customers and looking to digitize all their interactions. I'm investing in customer service technology so that people can

do more self-service and get consumer resources online. My workforce is now super distributed, so they're having to work with every customer digitally. If you thought digital transformation was an ugly buzzword and there wasn't anything real to it, then you better check that and understand these questions — what does it mean now, and do I have an effective digital strategy? Am I able to interact with my customer in every possible channel? The term "omni" has been around for a long time, but it's never truly been implemented. I believe that this time is going to be a catalyst to force omni to become a real thing. We're starting to see people go from interacting with their customers via chat, email, text or phone to the need for a single interaction — and that single interaction needs to be able to be a chat one minute, phone the next, and text the other. Then, they need to be able to stitch all that together and have one view of that one interaction across multiple different channels. So, I think omni is becoming a real thing for most organizations and a big part of their digital strategy. Now, you're seeing people invest in technologies that are really going to enable omni. Then, there's all different spinoffs from omni — especially AI. AI starts to become a much bigger player, more now than ever with the interaction being able to be controlled by an AI bot or engine and have the conversation. Use of AI is going to be accelerated as a result of the pandemic.

#### BRENDAN KLEIN

Senior Managing Director  
+1.303.689.8833  
Brendan.Klein@fticonsulting.com

#### SAZZ ARIYANAYAGAM

Managing Director  
+1.312.252.4018  
Sazz.Ariyanayagam@fticonsulting.com

#### JASON ALLEN

Managing Director  
+1.404.270.1465  
Jason.Allen@fticonsulting.com



The views expressed herein are those of the author(s) and not necessarily the views of FTI Consulting, Inc., its management, its subsidiaries, its affiliates, or its other professionals. FTI Consulting, Inc., including its subsidiaries and affiliates, is a consulting firm and is not a certified public accounting firm or law firm.

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. ©2020 FTI Consulting, Inc. All rights reserved. [www.fticonsulting.com](http://www.fticonsulting.com)

