

Microchip Case Study

Growing Top Line Revenue in a Highly Competitive, Sluggish Industry

Challenges

Scaling Sales Processes Without Impacting Short-Term Profitability

During the mid-90s through 2000s, Microchip set an aggressive goal of doubling its revenue to 2B USD. In order to achieve this target, Microchip needed to maintain its competitive advantage in an increasingly expanded global context, as well as manage the changing tides of the semiconductor industry. In the process, Microchip recognized the need to make a significant set investment to its method of tracking and generating business opportunities around the world. The company was weighed down by a set of decentralized legacy price management tools that did not communicate with one another and resulted in an uncoordinated sales environment. The combination of lost opportunities, missed targets, inconsistent global pricing, and slow quote turn-around resulted in vast revenue leakage, and did not give Microchip the insight to understand how to better direct and utilize sales resources.

Benefits

Improved Channel Performance, Automated Consistent Global Pricing

Not only did the success of Microchip's partnership with Model N result in quantifiable gains around channel management and sales resource planning, it further created a powerful culture shift, reinforcing its non commissioned sales team values, within and around the sales community and partners. With 2600 individuals using Model N within sales, manufacturing, and distribution on a daily basis, Model N represents the backbone of the revenue generating team at Microchip.

Establishing standardized and consistent global pricing and opportunity practices with Model N suite of solutions has resulted in significant ROI:

- 35% increase in managed sales opportunities
- 50%-75% increase in quoting volume
- 50% reduction in quote turn-around-time
- 25% increase in effectively available sales resources

“*Model N has become a true value to the individual sales person. It helps them do their job faster, better, more efficiently, and more effectively. They like it, and that's really significant.*”

— Mitch Little, Vice President of Worldwide Sales, Microchip Technology

Hear From Microchip



Mitch Little, Vice President of Worldwide Sales, Microchip Technology. [Watch the Video](#)

New Capabilities

- Improved ability to forecast meeting future revenue targets from new designs
- Improved visibility around asp erosion and ability to identify and focus resources where needed
- Better business intelligence: integrated data from opportunity and registrations to quotes
- Centralized and consistent data to capture and track opportunities, direct quotes
- Ease of-use drives adoption of the system: sales spends more time selling and less time pricing
- Determine utilization of debits efficiently and effectively

Model N Customer Since 2006



Microchip Technology, Inc. is a leading provider of microcontroller and analog semiconductors, providing low-risk product development, lower total system cost and faster time to market for thousands of diverse customer applications worldwide. Headquartered in Chandler, Arizona, Microchip has about 9500 employees and achieved more than \$2B USD in revenue in FY2015. www.microchip.com

Deployment Scope

Microchip deployed RMS in five months to 2,600 users in 48 sales offices and 75 distributors and channel partners worldwide.

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Model N Products at Microchip

Deal Management

Improves deal conversion rates and protects transactional margins by reducing quote cycle times, enforcing pricing policies and eliminating internal bidding conflicts.

Channel Revenue Management

Automates visibility into channel sales activity and improves financial controls by simplifying the POS reconciliation process, reduces credit over-payments, and facilitates compliance of revenue recognition policies.

KEY INTEGRATIONS	SOLUTIONS REPLACED
<p>RosettaNet</p> <p>BaaN</p>	<p>Excel</p> <p>Lotus Notes</p>