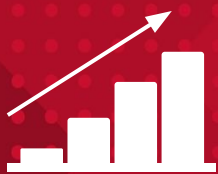




MAVERICK DIGITAL

CaaS History



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A new business model helps consulting industry align with CX ROI

Industries ranging from healthcare to banking are scrambling to follow the lead of digitally native firms like Netflix and Amazon in order to shape their businesses with the customer at the center.

Today’s consumers, patients and buyers are conditioned to expect seamless brand, product, and sales experiences through every touchpoint and engagement channel. It’s no wonder when we all inhabit a world where almost every answer is at our fingertips, we can order a week of groceries within a couple of clicks, and stream endless digital content from our homes — we expect convenient, highly personalized and contextualized customer experiences. This expectation has become table stakes for any enterprise of any size.

New consumer preferences are driving real business results. Across the board, the importance of customer experience (CX) to winning in the market continues to increase — with [Forrester reporting](#) that firms that qualify as CX leaders enjoyed a 17 percent compound average growth rate from 2010 to 2015, compared with 3 percent for “CX laggards”. And, according to a 2018 Forrester report, The Business Impact of Investing in Experience, from 1,024 firms surveyed, “customer-obsessed” companies have the highest median three-year growth in sales, the highest levels of customer satisfaction, and the highest levels of employee satisfaction.

What the Forrester report also revealed is that though roughly two-thirds of companies rated themselves as fully committed to and investing in customer experience as a differentiating business strategy, only one-third of the companies were deemed successful when analyzed by Forrester.

Consultants and experts have been pounding this “customer obsession” drum for a decade. Salesforce and other CRM / CEM software have landed in the market and driven some firms to huge success, while others have plateaued. Why are so many enterprises and SMBs still falling behind? Why do some experience success while others don’t with the same software?

Digital transformation - the term used to describe a suite of technologies and practices including process automation, agile development, and digital customer experiences - goes far beyond one software service. It’s about redesigning the way employees and processes work, along with technology and data to deliver the kind of customer experiences that result in revenue growth. For that, many turn to consultants to aid in their transformation process.

In the last decade we have observed management consulting firms easily sell several hundred billion dollars’ worth of professional services to implement digital transformation projects and establish best in class software systems for customer experience. It’s clear from the Forrester results that even with all this money spent, the desired results were not achieved at scale.

Why?

The traditional consulting model is broken when it comes to achieving successful digital transformations and delivering the necessary gains in CX capabilities. Across every industry, even and especially in consulting, business practices and business models must evolve. After all, if your consultants haven’t evolved their business model in decades, what credibility can they have consulting you to do the same?

Inspired by the digitally native companies who revolutionized the way we all experience the world of business, Maverick Digital has pioneered a new model — Consulting as a Service (CaaS). CaaS puts successful, affordable CX strategy and software implementation in reach for more businesses to derive more value.

Why are so many enterprises and SMBs still falling behind? Why do some experience success while others don’t with the same software?

Gap in Consulting Fees and CX Results

Technology is not just for technology companies anymore. Or, put another way, the 21st century has demanded that every industry become a tech company.

Delivering on customer experience means committing to digital transformation. In order to create the seamless customer-centered experiences consumers have been conditioned to expect, it has required a sea change in the way traditional businesses operate. They have had to rethink the way they build products, staff teams, collect data, and bring technology into every facet of their day to day operations.

In 2014, [Gartner reported](#) that 89 percent of companies believed CX would be their primary basis for competition by 2016. Four years later, Forrester Research's [2018 Customer Experience Index for US brands](#) showed only 15 percent of companies offered "good" CX, and not one company offered "excellent" CX. And in a [2018 study by CustomerThink](#), only 23 percent of survey respondents claimed to have realized tangible benefits from their CX initiatives.

Often digital transformation starts with consultants. According to [Harvard Business Review](#), the global digital transformation market was worth around \$23 billion to consultants in 2016, twice the size of the UK's overall consulting industry. In America, digital transformation contributed to about 20% of the consultancy business, with \$11.79 billion per year. The segment grew 17% in 2017, far beyond the 5% growth of traditional consulting.

Yet, you still hear horror stories of failed transformation projects, like when Hertz famously sued Accenture for \$32 million. Or, more commonly, stories of digital transformations that did not achieve the originally expected ROI.

Digital transformations efforts are undertaken with the belief that the ROI will be achieved. So how come some of the largest names in the industry like Accenture — firms with ample resources and reputations for success — are failing to produce the originally pitched ROI? Are they over-promising and under-delivering? Or is there something inherently wrong with the business model?

"The global digital transformation market was worth around \$23 billion to consultants in 2016, twice the size of the UK's overall consulting industry."

Harvard Business Review



The Business Model of Consulting is Broken

We believe the gap between investments into digital transformation and the ROI results is in large part due to the mismatch between the traditional consulting business model and the nature of the 21st century work they are being hired to do.

Today's consulting firms are largely established on a 100+ old business model that was originally developed for financial audits. Mainline firms like Andersen Consulting, Deloitte, and Ernst + Young have each spun off their own "Digital" entities — Accenture, Deloitte Digital, and EY Digital respectively. Despite a new brand name and a redesigned website, the modern incarnations of the old firms haven't adapted the way their business is run since their founding over a century ago.

The business model that worked well for a short-term audit of the books hasn't stood up to the challenges of long term, complex technology implementation projects.

This traditional business model is characterized by Time + Materials (T&M)-based billing. While straightforward and familiar, uncapped T&M projects will ultimately start to accrue outsized expenses. Larger projects that span more than 2-3 months (remember: digital transformation is a long term commitment) and involve complex cultural, structural, process, technology implementation, enablement, and maintenance — T&M billing creates a direct conflict between the consultants and their clients. The consultants are incentivized by bigger billings, utilization, and profit, while the client is incentivized by trying to gain the quickest and largest ROI.

These two forces end up being diametrically opposed and have left a trail of lackluster project implementations and ROI performance in their wake. It appears the consulting model and the needs of the clients are in conflict. Following their own advice, consultants and clients should use the insights from customer experience strategy to align on a better way of working and delivering results.

Maverick Digital has done just that, and used their position as the most "customer obsessed consultancy" to pioneer the use of the Consulting as a Service (CaaS) model.



A Better Way to Deliver ROI - Consulting as a Service

In 1999, amid Y2K apprehension and the “dot com” boom, Salesforce started a revolution in software sales with the introduction of the SaaS model to the market. Unlike traditional software, which had been sold as a perpetual license with large upfront costs and ongoing support fees, SaaS providers priced services using a recurring monthly or annual fee. SaaS proved to be a boon for customers by reducing the overall amount spent on software, and crucially, it removed the initial set up costs that were prohibitive for most SMBs and startups, thereby growing the market of software buyers.

Since 2000, software companies and their customers have never looked back from the SaaS model. It’s been so effective it has essentially rendered the perpetual license model extinct. Could the same business model change work for consulting?

Maverick Digital has proven out this question in the affirmative, and their CaaS model is a foundational part of the DNA of their firm. The results of CaaS in digital transformation success speak for themselves:

CaaS

T&M

Predictable Locked Pricing	BUDGET	Unpredictable Pricing Estimate
Lower Upfront Commitment	BUDGET	Big Upfront Commitment
Small Annualized CaaS Uplift	BUDGET	immediate Spike in Costs
Priced to an Outcome	BUDGET	Priced to Effort
Earn the Renewal	BUDGET	Payments aligned to Effort

First-year services costs of CaaS are 30-55% less than legacy T&M projects

94% of CaaS customers would rate their project “very successful” and reference the transformation as a model for future projects

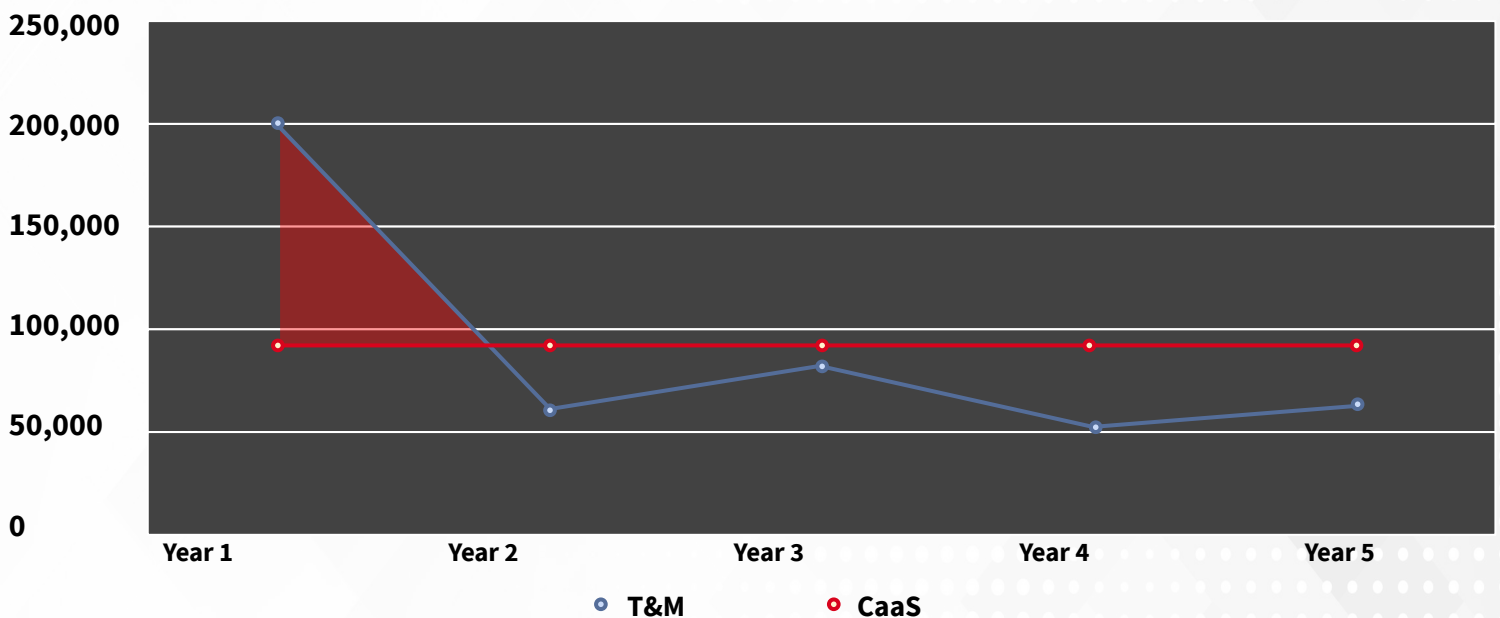
CaaS projects were delivered in 25-40% less time than legacy models

Technology adoption and usage increased by 20-28% in instances where legacy T&M projects migrated to CaaS

Requests for additional or unexpected budget decreased by 80-92% in CaaS projects

CaaS eliminates the high initial cost of project-based implementations and the unpredictable peaks and valleys associated with maintaining and upgrading the systems. Like its product-based cousin SaaS, CaaS creates a predictable, results-based fixed cost for implementation services, and incentivizes all parties through mutual success. Additionally, the consultants are incentivized to make the client successful as their bonuses are dependent on the renewal of the client’s contract, not on the number of billable hours.

Caas or T&M



"We started this company because we wanted Maverick Digital to feel like home for people from any background, perspective or mindset. We want this to be home for the outsiders, the insiders and those that don't fit into either. The Maverick Way encapsulates our values and we hope accomplishes that goal."

Belal El-Harazin

**Founder and CEO,
Maverick Digital**

The Maverick Digital CaaS Advantage

Marc Benioff left Oracle after 13 years to start Salesforce, and in doing so ushered in the SaaS revolution. Oracle lagged behind and didn't adopt SaaS until long after many of its competitors, and has found itself floundering in a new era.

Legacy firms face a high degree of difficulty in order to change the fundamental business model. It requires support from the board, shareholders, a large degree of investment, and the wherewithal to weather market uncertainty. The bigger the ship, the harder to move.

Maverick Digital launched in 2018, and was designed from the ground-up to be a CaaS-model digital transformation consultancy. A leading silver Salesforce product partner, Maverick Digital is using CaaS to broaden the market for Salesforce implementations and deliver measurable, sustainable value to clients.

CaaS changes the client's relationship to their digital implementation partner. CaaS gives clients the confidence to start experimenting with lower upfront commitment costs, fixed monthly rates help clients plan for the future with confidence, and incentives between consultants and clients are better aligned.

CaaS works for clients. And Maverick Digital, a consultancy designed to open the CaaS market, is uniquely positioned to help clients achieve their digital goals.