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## Case Study: Conflict Management

**Overview:** An aggressive takeover of Remedy Software Ltd by Peregrine Systems Ltd in 2003 resulted in low staff morale and individual silo behaviour. A legal requirement and the recuperation of lost revenue resulted in the immediate implementation of a change in revenue recognition. Conflict management, negotiation and teamwork were necessary to implement this directive, critical to stabilise the company's financial situation in an initially hostile environment

### Issues

1. Revenue recognition compliance required a change in reporting maintenance and professional services revenues. This effected sales commissions and prevented maintenance services being used as a discounting sales tool.
2. No previous focus on selling maintenance services due to the structure of commission plans. This lack of knowledge resulted in anxiety and stress which led to aggressive and hostile attitudes
3. Heavy workload pressures on the finance department compounded the resentment of the changes. Lack of motivation prevented revenue collection
4. The launch of new customer services offerings created confusion and unease within the sales teams

### Results

1. Reprioritised finance workload enabled a recuperation of \$3.5m additional revenue within 3 months
2. A change in the perception of the importance of maintenance and services revenues by senior executives, sales teams and finance department
3. Sales team awareness of the benefits of maintenance plans. Regular access of the support offered, this led to increased sales
4. Confidence and energy restored across departments
5. Senior executives had closer connections with team members resulting in credibility and regular feedback and appreciation

### **How were the results achieved?**

1. Handling objections with direct responses within small team meetings
2. Feedback was actively encouraged in an open atmosphere where team members were encouraged to raise concerns
3. Visibility and regular access of senior management connecting with team members
4. Communication of the support available e.g. team meetings, specialist expertise, seminars and workshops
5. Addressed each individual and unique concern, acknowledged emotions
6. Employed contract staff to relieve the administration pressure on the finance department

Peregrine products are now part of the HP OpenView portfolio of management solutions. Leading asset management and enhanced IT service management capabilities, providing customers with comprehensive IT asset control and business insight.

