

**Solution
Marketing
Strategies™**



Solution Marketing Best Practices

Steve Robins
Principal
Solution Marketing Strategies

November 7, 2009

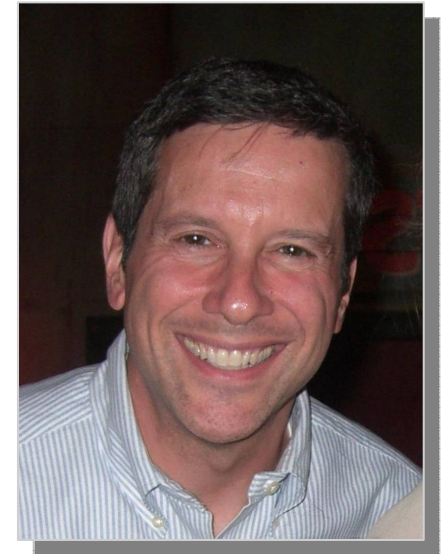
About This Presentation

- Following are the slides presented at ProductCamp Boston on November 7, 2009.
- Check www.SolutionMarketingBlog.com for supplemental material.
- Join the Solution Marketing Community!
 - Subscribe to the SolutionMarketingBlog (see “Subscribe” on the right):.
 - Join Solution Marketing Pros on LinkedIn:
<http://www.linkedin.com/groups?home=&gid=1826720> .
- Questions? Please contact Steve Robins – see next slide for contact details.

THANKS!

Steve Robins

- 10+ years in solution marketing
- Expertise in product, solution and industry marketing
- Experience: EMC Documentum, KANA, The Yankee Group and more
- Founder, The Solution Marketing Blog
- Inbound Marketing Certified Professional
- *If I can help you in any way, please let me know:*



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www.SolutionMarketingStrategies.com



www.barcamp.org/ProductCampBoston

Walmart: People Need Solutions

“ With some of our customers who live paycheck to paycheck, they need solutions to problems, not another ad campaign. ”



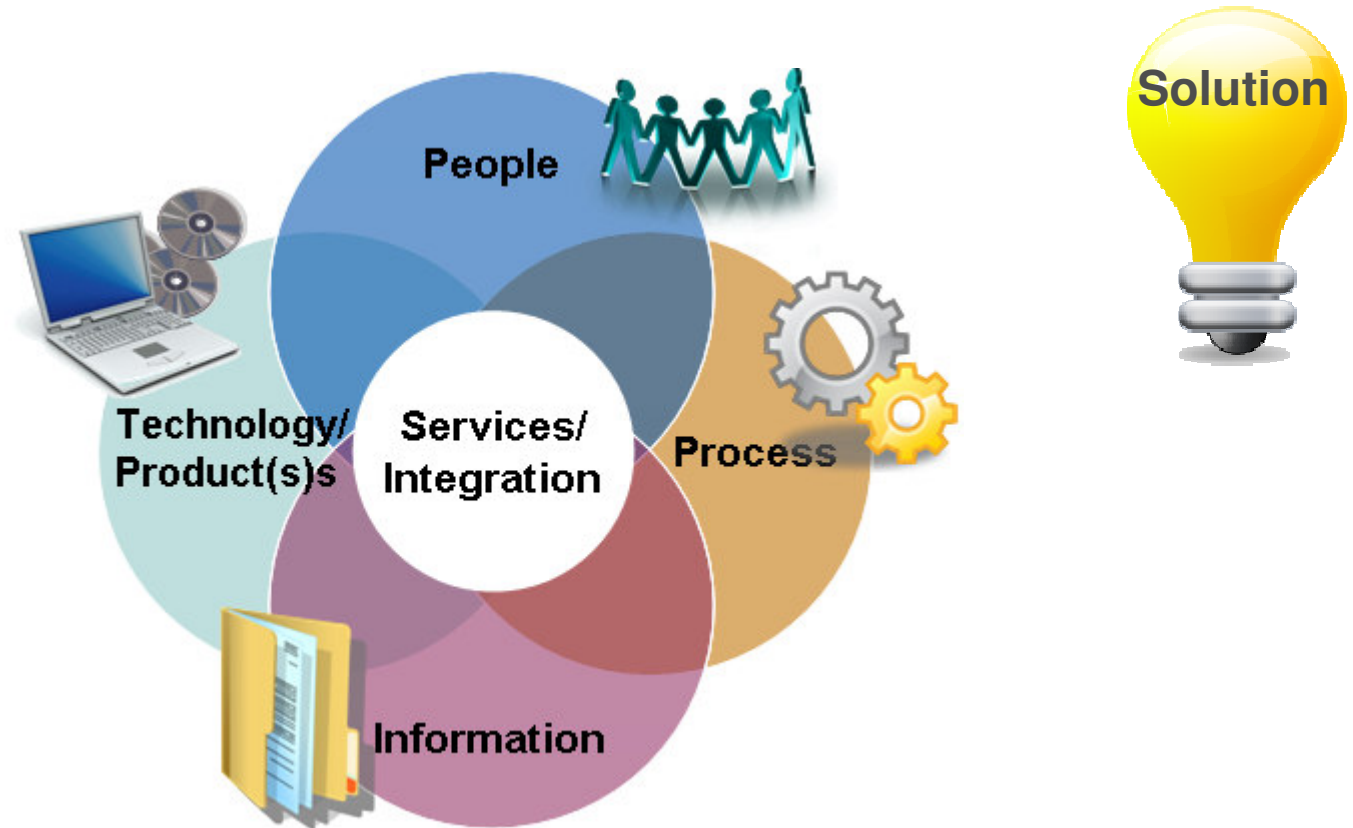
Stephen F. Quinn
Executive VP and Chief Marketing Officer, Walmart
2009 ANA Annual Conference, 11/6/2009

Sources: Carole Gunst/[@aaronstrout](#)

Not A Solution to the Customer's Problem



Complete Solution to the Customer's Problem



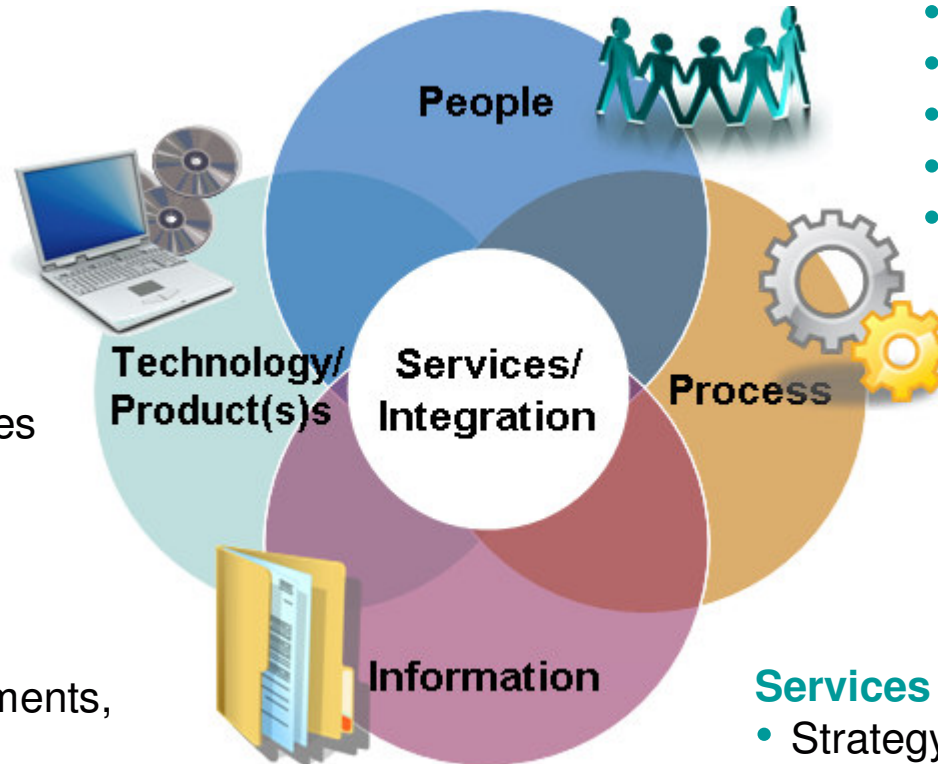
Complete Solution to the Customer's Problem

Technology

- Applications
- Complementary technologies
- Hardware and infrastructure
- Custom coding
- Integration services

Information

- Data
- Content, documents, images
- External data sources
- Data security
- Data policies



People

- User interfaces
- Training
- Support
- Best practices
- Domain expertise

Process

- ROI studies
- Reengineering
- Process optimization – efficiency, effectiveness

Services

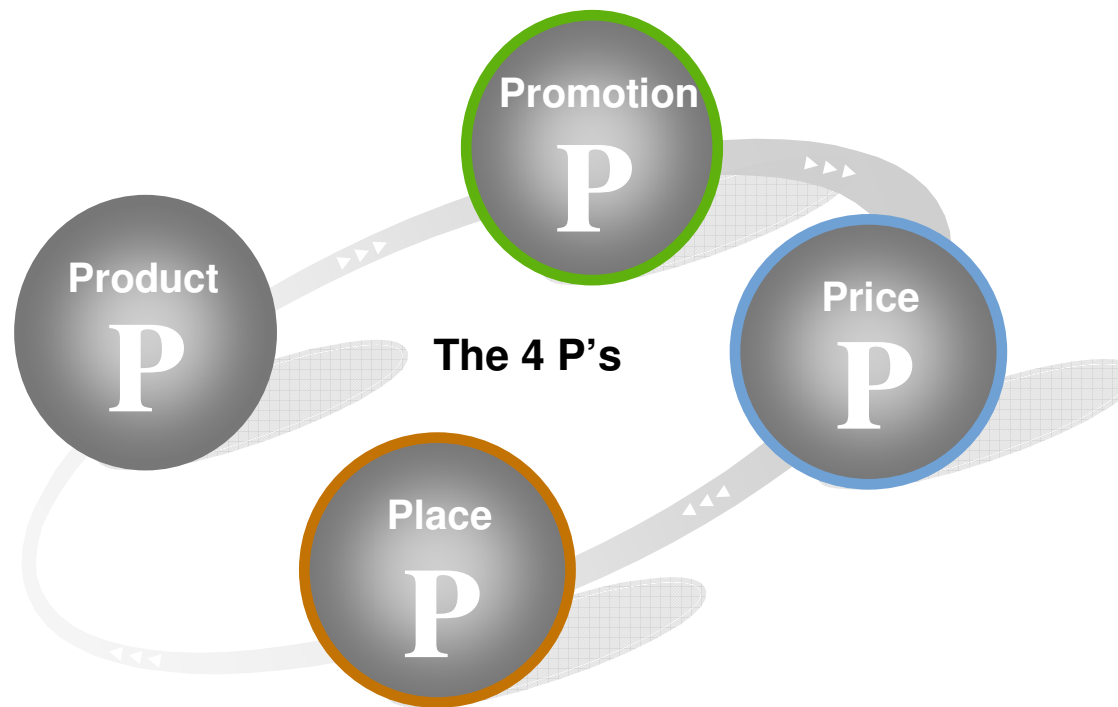
- Strategy
- Project management
- Risk management
- Custom coding
- Integration services

Definition

so·lu·tion mar·ket·ing. *Noun.*

The process of defining, educating, and providing access to complete and integrated solutions that deliver customer value by helping customers to solve their problems.

Solution Marketing Requires a New Model



Derived from SIVA model, Chekitan & Dev

Solution Marketing Requires a New Model

The 4 P's - updated



Derived from SIVA model, Dev & Schultz

Solution Marketing Adds Value To Marketing, Sales and Product Management



Solution Marketing Best Practices





Solution

- **Strategy**
 - Deliver complete solutions that address as much of the problem as possible
 - Include partners, services, data
- **Solution portfolio management**
 - Market assessment
 - Solution strategy
 - Target solution identification
 - Revenue estimates
- **Solution research**
 - Business challenges
 - Use cases
- **Solution development**
 - Components
 - Products/enhancements
 - Partners
 - Services

Solution		
	People	<input checked="" type="checkbox"/>
	Process	<input checked="" type="checkbox"/>
	Information	<input checked="" type="checkbox"/>
	Technology	<input checked="" type="checkbox"/>
	Services	<input checked="" type="checkbox"/>



PowerAdvocate Complete Procurement Solutions for the Utility Industry



- **PowerAdvocate**

- Provides market and cost intelligence solutions to energy (utilities) companies to optimize procurement.

- **Challenge**

- Differentiate the company from larger players like Ariba

- **Solution strategy**

- **Products:** SaaS solutions for procurement spend, cost, market, sourcing
- **Services:** Industry experts provide services to lower costs
- **Data:** Market-specific procurement data and analysis

- ***Differentiator: industry-specific data***

Solution	
 People	<input checked="" type="checkbox"/>
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 Services	<input checked="" type="checkbox"/>

Intuit Quicken Stays, Microsoft Money Folds



USA TODAY
TECHNOLOGY LIVE

Microsoft Money: suddenly canceled after 18 years
June 10, 2009

Microsoft abruptly announced Wednesday it would stop selling its highly regarded personal finance software, [Microsoft Money](#) at the end of the month.

cnet news

Home > News > Beyond Binary

BEYOND BINARY
by Ina Fried

June 11, 2009 4:00 AM PDT

How Intuit managed to hold off Microsoft
by Ina Fried

“Intuit is one of the few companies to take Microsoft head-on on its home turf--packaged software--and come out on top.”

"It really has very little to do with technology," said Cape... "What Intuit and Scott Cook were so formidable at was consumer marketing."

“NPD analyst Stephen Baker said that Intuit won out because it was aggressive and built critical mass in the finance software arena, adding a number of adjacent products and dominating the retail channel.”



Intuit Quicken vs. Microsoft Money



“ The only thing the customer cares about is your time spent solving their problem ”

Scott Cook
Founder & Chairman of the Executive Committee
Intuit
June 11, 2009

intuit.



Intuit Quicken vs. Microsoft Money

- **Intuit Quicken**

- Top-selling personal finance software; first release 1984

- **Challenge**

- Competitive marketplace (46 in 1984 alone)
- Ongoing competition with Microsoft Money (1991+)

- **Solution strategy**

- Heavy focus on ease-of-use, familiar UI
- Constantly monitored customer usage and market trends
- Holistic approach to solving the customer's most important problems

- ***Differentiator: whole product approach vs. Microsoft product-centric approach***



Solution		
	People	<input checked="" type="checkbox"/>
	Process	<input checked="" type="checkbox"/>
	Information	<input checked="" type="checkbox"/>
	Technology	<input checked="" type="checkbox"/>
	Services	



Education & Engagement

• Strategy

- **Educate** the market on the **problem** and how to solve it (awareness)
- Then **educate** on your solution (demand generation)
- Actively **engage** in an ongoing dialog with the market

• Research - understand the customer

- Persona, typical titles
- Optimum communication channels

• Deliver a relevant message

- Industry lingo
- Business benefits rather than technical

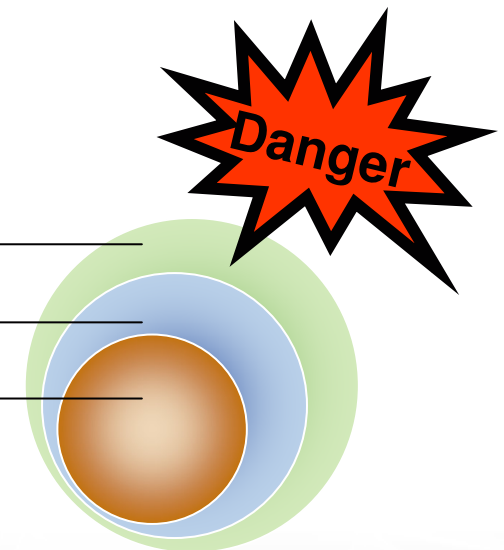
• Avoid the solution paradox

- Customers want “out-of-the-box” but no one company can do it all
- Set clear expectations

Customer
Expectations

Message

Solution



Derived from SIVA model, Chekitan & Dev



HubSpot



- **HubSpot**

- Provides an inbound marketing system to help small and medium sized businesses get found on the Internet and convert suspects into leads and customers for maximum ROI.
- *Web content management - marketing automation - analytics.*
- 1700 customers; founded 2006.

- **Challenge**

- Startup – gain attention in crowded market.
- Maximize limited marketing dollars.

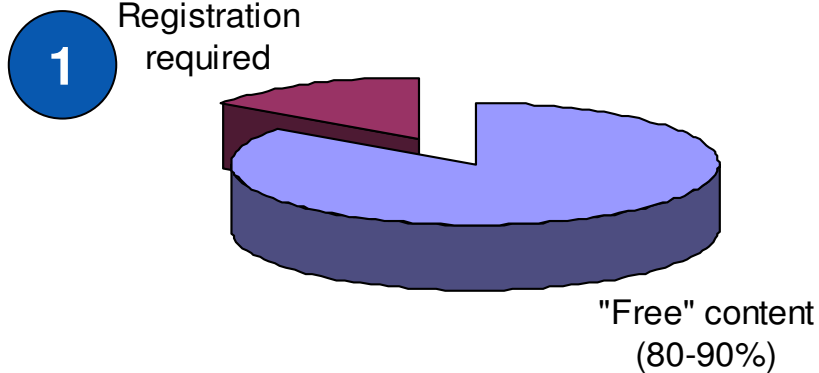
- **Strategy**

- Inbound marketing – focus on SEO and **education** rather than interruptive product promotion.
- Content machine!
- Provide extensive value-added content – at no charge.

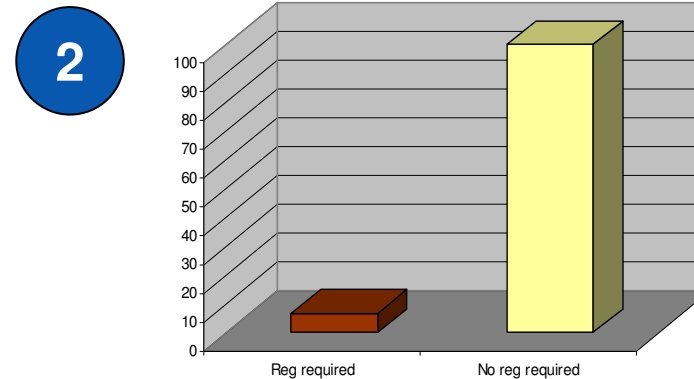
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- ***Lesson: inbound marketing dramatically lowers marketing costs***

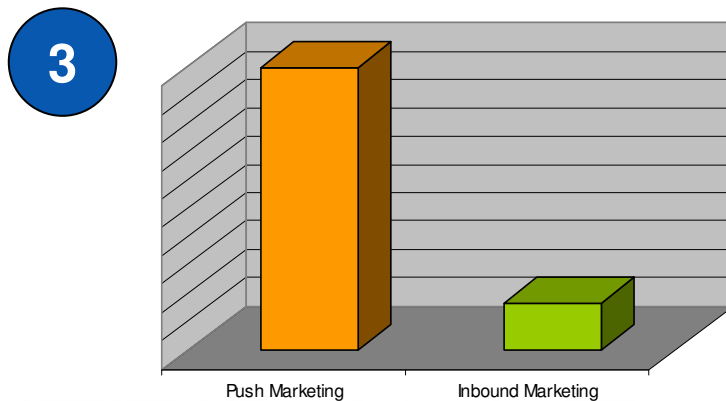
HubSpot's Inbound Marketing: More Effective Than Traditional Marketing



Most HubSpot content is available without registration...



...because "free" content yields 10-20x readership



Customer acquisition:
Inbound marketing costs 5-7x less than traditional push marketing

4

Blog subscribers	20,000
Typical webinar attendance (general interest)	3-4,000
Typical webinar attendance (product)	500 – 1,000
Inbound Marketing Certified Professionals	1,000
Sites analyzed on Website Grader	1.6 million
Twitter profiles analyzed on Twitter Grader	7 million



Value

- **Strategy**

- Ensure that the customer achieves the level of value they expect
- Justify and articulate the value through ROI models
- Consider TCO and customer benefit

- **Research**

- Identify and place value on significant customer purchase drivers
- Common ROI models/"before-afters"
- Purchasing habits
- Budget trends

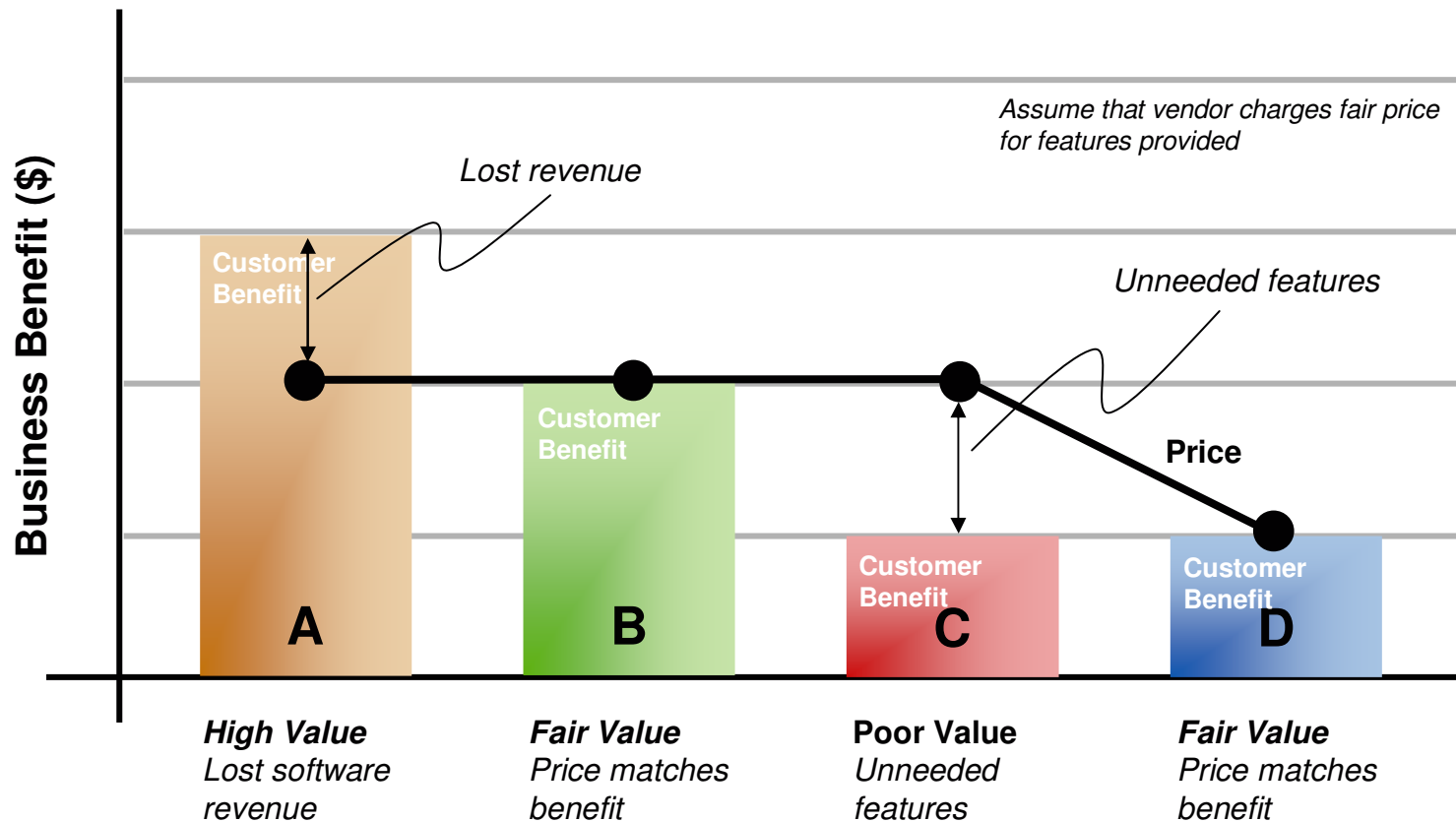
- **Action!**

- Articulate value in terms of price, ROI, TCO, customer benefit
- Develop ROI assessments with consulting/system integrator partners
- Reference customers – value achieved

Derived from SIVA model, Chekitan & Dev

Value-Based Pricing

$$\text{Value} = \text{Benefit} - \text{TCO}$$



Solution use-case drives benefit and value

Oracle and SAP Price-Benefit Disparity in ERP Support



ORACLE



- **Oracle, SAP**

- Top 2 ERP software companies.
- Provide support services - troubleshooting, bug fixes, upgrades.

- **Situation**

- Oracle and SAP charge high prices for support, and new providers like Rimini Street are moving in. Rimini charges 1/2.
- SAP announced planned support increases in fall 2008, from 17% to 22% in some cases. In April 2009, customers pressured SAP to measure KPI's prior to implementation.

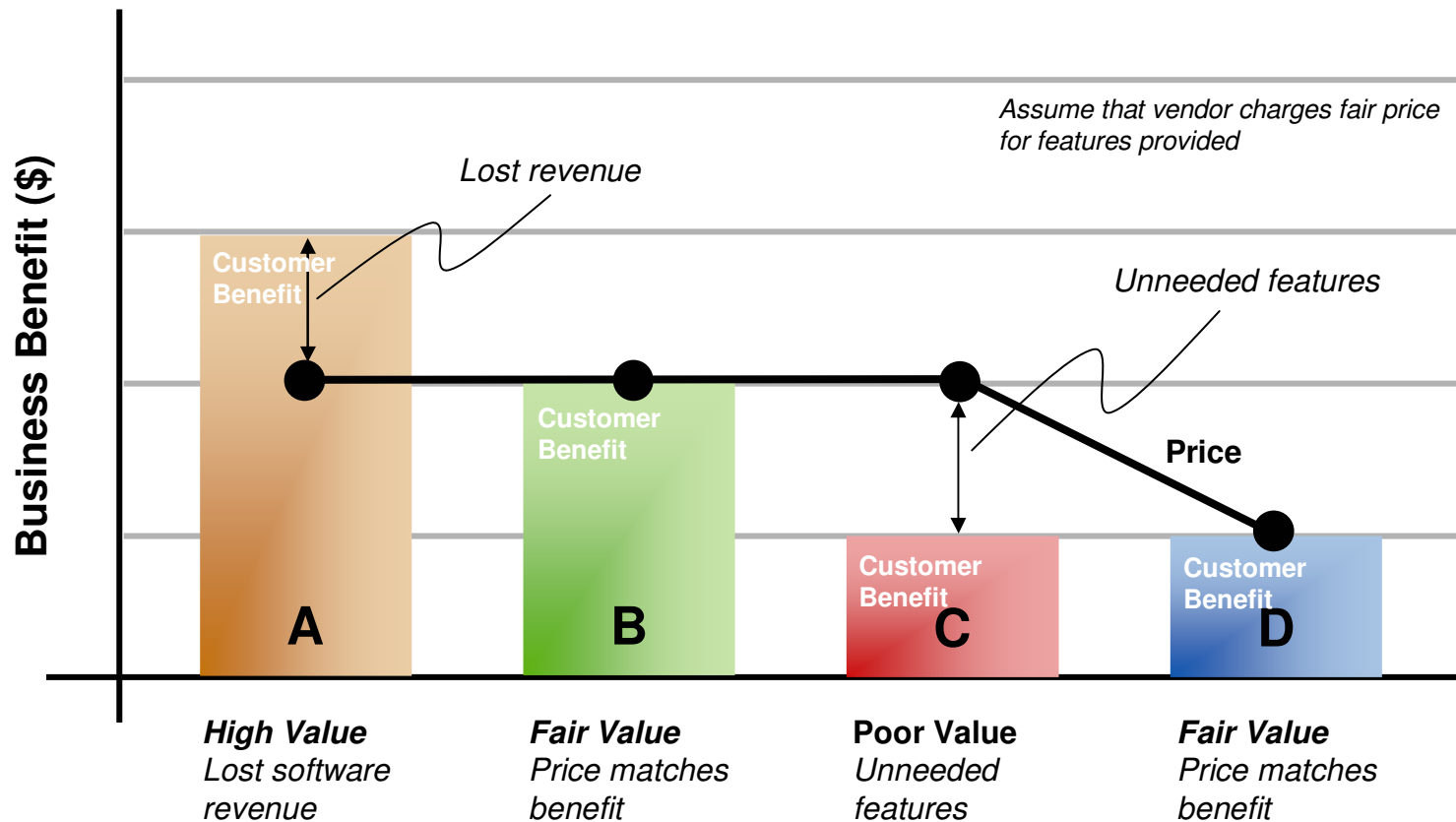
- **Lesson**

- Minimize customer defections by matching price to customer benefit.

ORACLE	
Maintenance Fees (% of license fees)	22%
Services margin	90%
Services % of corporate revenue	51%

InformationWeek October 2009

Oracle and SAP Price-Benefit Disparity in ERP Support



17% → 22% fee



Rimini Street
Redefining Enterprise Software Support™

Microsoft SharePoint Delivers Value – With Just 50% Functionality

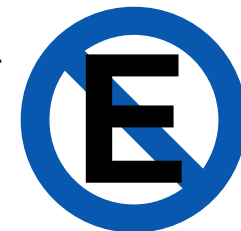


- **Microsoft SharePoint**

- Rapidly growing collaborative content platform, currently \$1.3 billion annual sales

- **Challenge - competition**


- Established premise enterprise content management (ECM) vendors -- *EMC Documentum, OpenText, IBM FileNet*
- Open source -- *Alfresco, Drupal/Acquia, Nuxeo*
- SaaS – SpringCM, others



- **Solution strategy**

- Remove the “E” in ECM
- Stick with 50% of required features
- Free software
- Add more advanced features over time

- **Lesson: Customers achieve value by buying only the features they need**

	
Annual growth (users, revenue)*	25%
Licensed users, FY 2009 (ended 6/30/09)*	130 million
Annual revenue, FY 2009*	\$1.3 billion
Average license/user	\$10

* Microsoft SharePoint press release October 2009

Microsoft SharePoint Delivers Value – With Just 50% Functionality



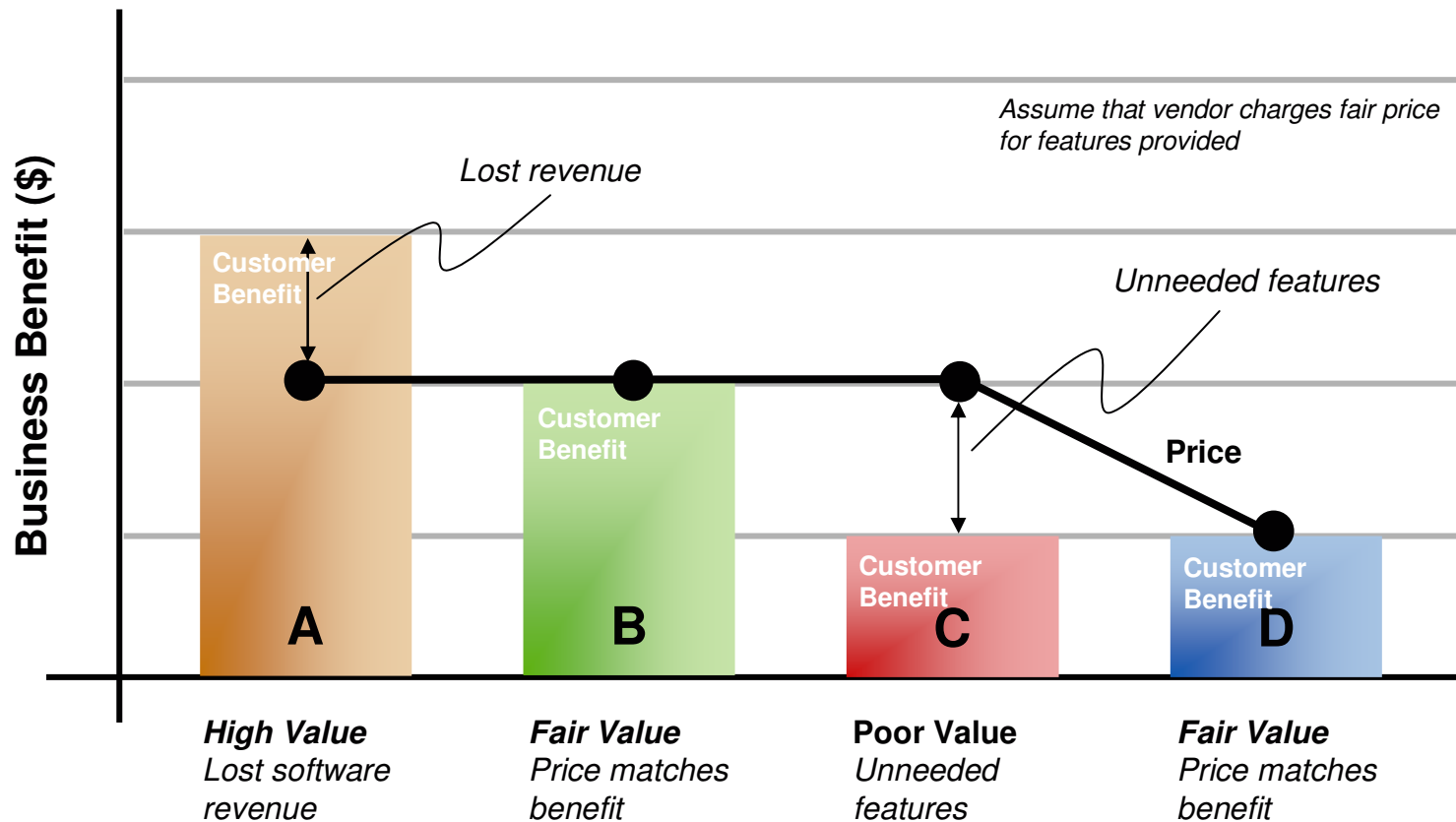
“ *We don't claim we do everything. If we do 50 percent of the functions that these other companies do, but they're the ones customers really want, that's fine. The magic is that end users actually like to use the* software. ”



Chris Capossela
Senior Vice President
Information Worker Product Management Group
Microsoft

NY Times 8/2/2009

Microsoft SharePoint Delivers Value – With Just 50% Functionality





Access

• Strategy

- Enable customers to access/purchase your solution in the manner that works best for them.
 - Direct or channel
 - Premise or SaaS
- Give choices where they make sense
- Ensure customer success through “the last mile”

• Research

- Common purchasing channels?
- Do they prefer to buy through VAR's? Through SI's? Direct? On contract?
- Preferred delivery models... Software? SaaS? Business Process Outsourcing?

• Action!

- Enable the customer to purchase the solution through the channels that *they* want
- New channels – beyond the traditional
- Marketer provides fastest, least-expensive access
- Follow up and training to successfully complete the sale/deployment

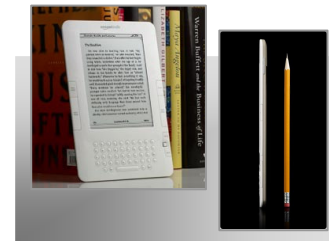
Derived from SIVA model, Chekitan & Dev

Amazon Kindle – Buy Books When, Where and How You Want



• Amazon Kindle

- First introduced November 2007
- Download books via wireless
- iPhone Kindle app



amazonkindle

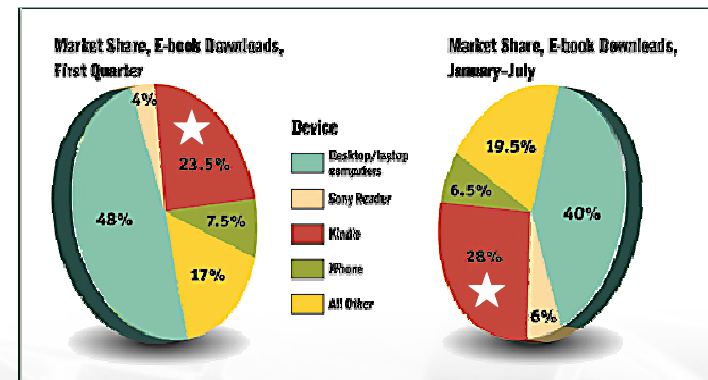
Solution	
	People <input checked="" type="checkbox"/>
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	Technology <input checked="" type="checkbox"/>
	Services <input checked="" type="checkbox"/>

• Included

- Wireless access (small fee overseas)
- Access to 360k book library
- Device can hold 1500 books
- Permanent virtual library at Amazon.com

• Strategy

- Complete system – technology, content, delivery
- Access content when and where you wish



SOURCE: PULSTRANCE CONSUMER

Kindle downloads first eclipsed computer downloads in July '09



Access - Additional Examples



- Comcast uses Salesforce.com tools to monitor issues on Twitter.
Go where the customers are.



- Salesforce.com enables users to buy SaaS apps via Appexchange.



- Apple enables users to buy iPhone apps from AppStore.

SaaS

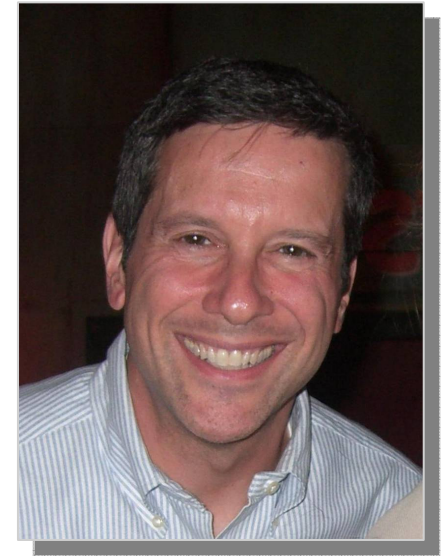
- SaaS or premise software?
Pick one – not both.

Discussion

- Your experience?
- Q&A
- Thanks!

Steve Robins

- 10+ years in solution marketing
- Expertise in product, solution and industry marketing
- Experience: EMC Documentum, KANA, The Yankee Group and more
- Founder, The Solution Marketing Blog
- Inbound Marketing Certified Professional
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