

POSITIONING AN ENTERPRISE SOFTWARE SOLUTION

FINDING THE RIGHT APPROACH FOR US, UK & JAPAN

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THE INITIAL ASSESSMENT

The Client is a Southeast Asian-based entrepreneur focused on serving the financial services market. Its technology is at the proof-of-concept stage, where its three patentable innovations have been proven to work. They have not as yet been harnessed together into a working prototype at the time of the engagement.

The Client's executive team contracted with our management consultants to reason-test the drafted business plan and to explore the product's market potential. The business plan positioned the product as data storage system, specifically a document management system (DMS) or a content management system (CMS).

The following questions show the process in opening the inventors' minds to the possibilities beyond the financial services sector that an enterprise content management (ECM) system could address.

FOCUSED QUERIES

The business plan describes the company' first product(s) in terms of document management.

- Why is this positioning – the DMS or CMS entry point – the best option for the product/the company?
- How will you distinguish yourself within the crowded (1200+ applications) CMS field?
- Would describing the product in terms of ECM be useful?
- What additional R&D would the product require to compete in the ECM market?
- Could you also describe your product in terms of people and workflow management? Or the management of people and processes?
- Are there other paradigms or metaphors that would work as a sales tool?
- Should the product's ability to adapt be part of the initial positioning?

The business plan discusses the software development process.

- How will you manage continuous improvement in different the product deployments? How will you maintain a code base if each instance interfaces with unique, client-managed resources?
- How will you mitigate version-control risk?
- Will new deployments be push or pull? What about service patches? How will you manage clients' firewalls, etc.?
- How will you manage deployment when these platforms (browsers, mobile) are changeable, incompatible and/or device-dependent? How will you decide which devices or OS releases to support?
- How does language translation impact product delivery? Do you have a schedule for translation and support?

The business plan indicates that “minimizing client engagement during testing” is a threat.

- What are the specific ways you plan to engage clients in the development and testing of niche products? How is that going to work?
- Will your initial clients be your beta testers? Will they expect to pay less or gain additional services for free in exchange for this work? Who has experience leading novice testers through the development process?

The business plan delineates a three month “Fund, File or Forget” process for all product development.

- How did you decide that the product development, testing and roll out process would require three to four months? Have you detailed project plans to get these numbers or are they estimates based on professional experience? Have you developed similar products in the past?
- How would an increase to six months affect your finances? What about 12 months?
- How would the failure of a product (“Forget”) affect finances? What about four “Forgets”? How much leeway do you have?
- What financial stress testing have you done? What are your break points?

The business plan touches upon reporting metrics for the company products and plan to standardize the product assessment process.

- Are there ways to strengthen the in-field testing of new products?
- Would it make sense to have real time, secure communications with clients to transmit reporting metrics and analysis?
- Could you automate the analysis, using computer systems rather than data analysts to assess the operations of your ECCE/MAPS/WIN systems?

The business plan has a Support Strategy in place.

- How did you get to the eight hours of support/assistance per month number?
- What are the assumptions behind this calculation? Will the actual number be front-loaded?
- How will you avoid matching the ramp up time of your clients against the ramp up time of your installation team(s)?
- How will you create a reproducible support system? What checks and balances will be in place?
- How will you maintain quality control for support operations if the product system (and the other systems it touches)?

The business plan discusses the development of distribution channels. The The product product – as currently conceived – is a specialty professional service tool.

- Is accessing “social media” an appropriate and/or effective sales tool?
- How important is SEO marketing for a high value/high risk professional services product?
- Is the goal to build credibility or to close deals? How would the difference affect ad spend?
- How will you identify, access and persuade potential clients, i.e. the operational heads (who identify unmet needs) as well as executives (who make purchase decisions)?

- How will you persuade your first clients – the ones who will become the basis of your valued reputation – to “take a chance” on purchasing newly released products?
- Would your first sale (to the legal/financial CMS organizer) expect product exclusivity?
- For a period of time or a geographic area?
- Is he onboard with helping you garner new sales leads for your company?
- How firm is his commitment (and how dependent are you upon him following through)?

The business plan mentions several sales strategies.

- How did you get to the 0.1% penetration rate?
- Isn't that a lot more than the 10, 15, 20 clients per year that you discuss earlier?
- If you are selling to the US, UK and Japan, why are you using US census numbers?
- Who will be generating the content for the blogs for Facebook and LinkedIn?
- Who will monitor the comments sections?
- Will you collect comments for feature requests?
- How will this work affect ongoing engineering operations?
- Who will be writing the books on managing change?
- Will you use ghost writers?
- How will this work impact ongoing engineering development, sales acquisition, etc.?
- Who will create and promote the video tutorials?
- Are you making them for a mass audience?
- Why do you need branch offices in different locations?
- What functions will they undertake and for whom?

The business plan talks about big management consulting agencies – PWC, KPMG, Deloitte and McKinsey – which provide unique “bespoke” solutions.

- How is what the company providing different?
- Isn't it customized as well?
- Is it a matter of degree?
- Would it be worthwhile to work to become a preferred provider to these agencies?
- If so, how would you preserve your negotiating power?

The business plan describes the size of the market for the product's services.

- Are all SMEs in the US really your target (as noted in the US census chart)? If so, why is your sales force fluent in Japanese?
- Are there ways to further identify the niches that the product will operate in?
- How did you decide on your sales targets? What's the rationale?
- Are they all in the same industry?
- Did you back into these numbers based on how many new product versions you could generate (three month rule) per year?

The business plan presents the product model service options in a Service Level chart.

- Is this chart meant suggesting equivalence between the three service levels? Is it meant to convey a continuum of services? Would it make sense to specify which features are included in each edition?
- How will you make the case for your consultancy when the product is “adaptable”?
- Is the consultancy simply about set up and user education?
- Will you be tweaking the system? Will you be monitoring the system from afar?

The business plan designates a combination of self-study educational materials and instructional sessions.

- Will you also have scripted customer support lines? How technical would these service people need to be?
- Will you have online FAQs? Troubleshooting guides? Will these be available on the web via customer key?
- Who will customize the educational materials for each niche product? And on what timeframe?
- Will you charge for customer service or will it be included in the subscription rates?

The business plan talks about collecting a lot of information about Unmet Feature Needs.

- How will you prioritize those requests? Are there ways to focus on extending products with existing clients?
- How will your engineers rank feature requests? Is there a formal process?
- How will you roll out new features across similar – but operationally different – software systems? Will you need to re-integrate improvements on a case-by-case basis?

The business plan indicates the need for external financial support: angel investors, VCs, etc.

- How will you answer questions about the “hockey stick” revenue chart?
- How much of the company are you willing to part with?
- How much control over operating decisions are you willing to cede to get/stay funded?