

# **Solutions Marketing: *Understanding the New Solutions Development Process***

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*Presented by:*  
Solutions Insights, Inc.

Solutions Insights

*In Partnership with:*

Institute for the Study of  
Business Management



Center for Services  
Leadership



# Agenda

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- Methodology
- Key Insights
- Current Landscape
- Stakeholders & Processes
- Solutions Standardization
- Challenges

# Methodology



# The survey was designed to better understand how companies develop new solutions.

## Survey Participants

We invited members of the Solutions Marketing LinkedIn community, as well as our clients and professional colleagues, to participate.



## Our Partners

The Institute for the Study of Business Management (ISBM) at Penn State and the Center for Services Leadership (CSL) at Arizona State invited their supporters and contacts.

## Authors and Subject Matter Experts

The survey was developed by Solutions Insights in collaboration with a group of professional solutions development professionals at companies such as Cisco, Nokia, Kimberly-Clarke, GE Healthcare and IBM.

# Participants included solutions marketing practitioners from 72 companies.

- Abacus International Ltd
- Alcatel-Lucent
- Arizona Chemical
- BASF
- Blackboard
- Blood Systems
- Charles River Development
- Chemtura
- Ciena
- Cisco
- Claranet
- ClickSoftware
- Cognizant
- CompuCom
- Cooley LLP
- CUMIS
- Danko
- Dimension Data
- DOOR3
- EMC
- Ericsson
- Exagrid Systems
- Finpro
- Fujitsu Services
- GE
- GE Healthcare
- GlaxoSmithKline
- Hewlett-Packard
- IBM
- Infosys
- International Medical Center
- IQ Business Ltd
- Kaman Industrial Technologies
- Long Pier Solutions
- Medtronic
- Mindshare
- Ecolab
- Ness Technologies
- New Pig
- Northrop Grumman IS
- Optus
- Outotec
- Parker Hannifin
- PCM
- Philips Healthcare
- Pivotal
- Plainview
- Precise ParkLink Inc.
- Propel Growth
- RailComm
- Red Spot Marketing
- Roche Diagnostics Int'l
- Satellite Tracking of People LLC
- SiteSpect INC
- Swagelok Company
- The Co-operators
- Unify
- Westinghouse Electric
- Wipro
- WNS Global Services
- WORX LIGHT, LLC
- Yavapai Regional Capital, Inc.
- Zebra Technologies

**NOTE:** There were 9 companies that qualified and participated, but requested their names remain confidential.

# Key Insights



# We identified three major survey results.



## Importance of Solutions

- Continue to represent an increasingly larger share of B2B revenue, with clear expectations of growth in revenues and strategic importance



## Standard Development Practices

- No consistent standard approach, methodology or best practices as time-to-market and satisfying customer demand drives execution



## Challenges

- Organizational alignment and cross-functional support for a standardized development process is the most consistent challenge

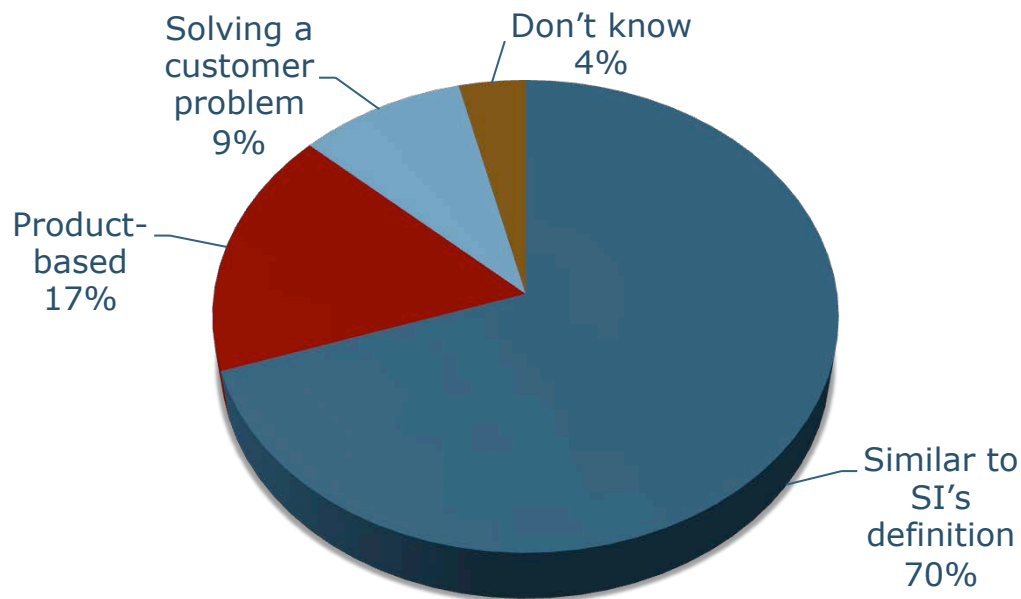
# The Current Solutions Landscape





# There was a consistent use of Solutions Insight's definition of a solution.

**How does your company define a solution? How is it similar or different from the solution definition outlined at the beginning of this survey?**  
(N=53)



## Quotes:

- "Products (hardware and applications) and services combined to address customer issues and needs."
- "We address unmet customer with value oriented solutions. Today, those are mostly product based."
- "End-to-end software platform, hosted, managed, with enhanced support services."
- "The ability to use innovation and technology to solve our customers' most pressing issues and challenges."
- "Same as your definition."

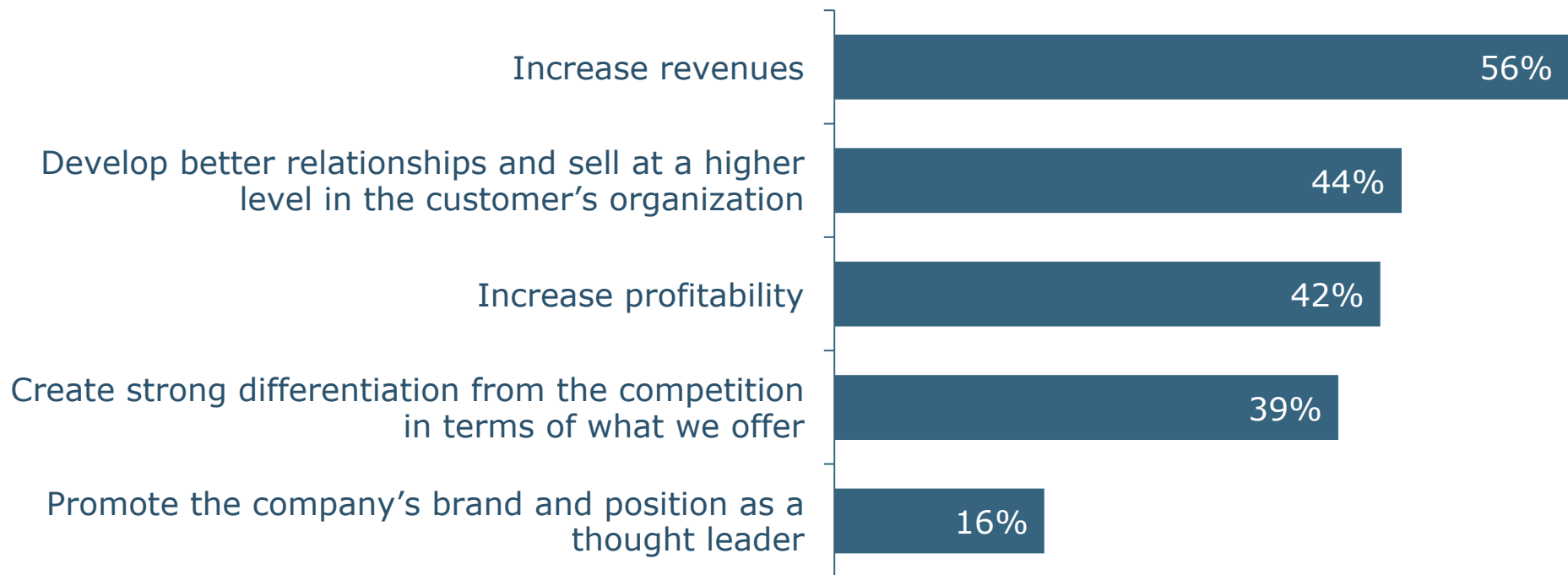
## Solutions Insights' Definition of a "solution":

*"A combination of products, services, and intellectual property focused on a customer business problem or opportunity that drives measurable business value and can be significantly standardized.*

*The solutions components can be from either the vendor and one or more of its partners, and the solutions implementer can be the vendor, the partner, the customer or a combination of the three."*

# Increasing revenues are driving solutions development, but so are relationship-building & competitive differentiation.

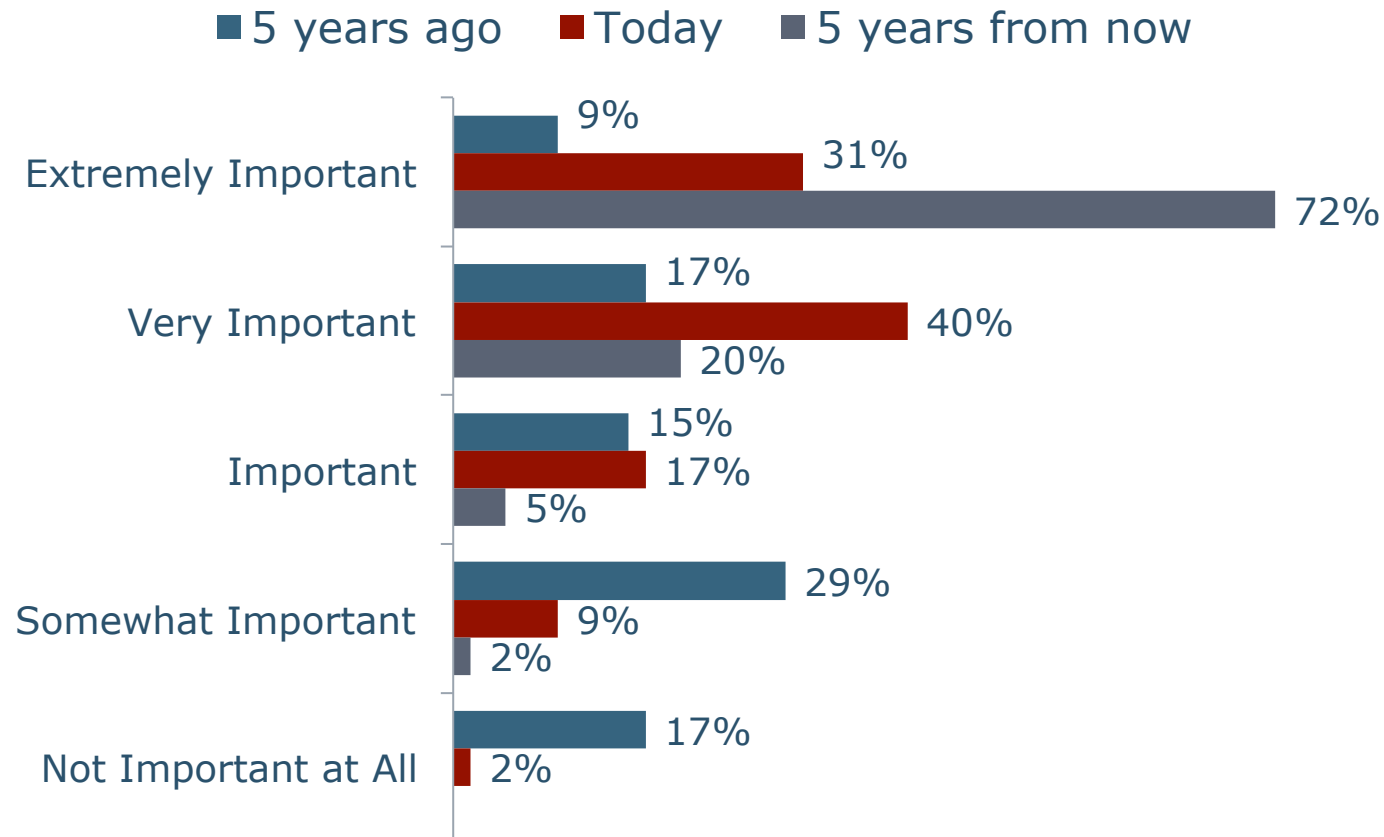
**What are the most important objectives of your solutions business?**  
*Please rank these five areas in order of highest-to-lowest priority. No two objectives can share the same rank (i.e., only one objective can be ranked number 1, one objective number 2, and so on.) (N=62)*



Note: Percentages represent the combined number of respondents who ranked the objective either #1 or #2 in importance

# Solutions are predicted to be even more important in the overall success of companies.

How important are solutions revenues to the overall success of your company? (N=65)



## Quotes:

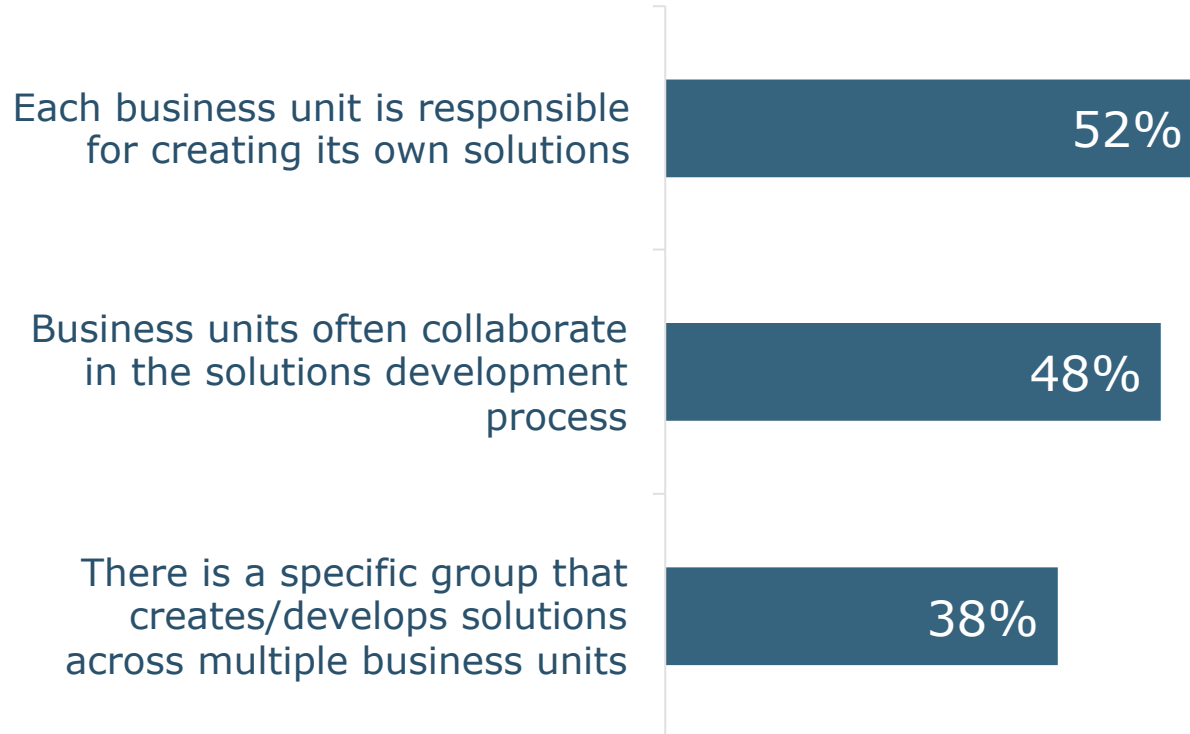
- "We see the need to shift to solutions since our products have become a commodity."
- "Almost all of our customers ask for solutions instead of only products/services."
- "Our company has shifted to more of a "big box" solutions outsourcing model."

# Stakeholders & Process



# Business Units are leading the charge, but solutions development is still taking place in a variety of places.

Which group(s) in your company is responsible for creating or developing solutions? (N=53)



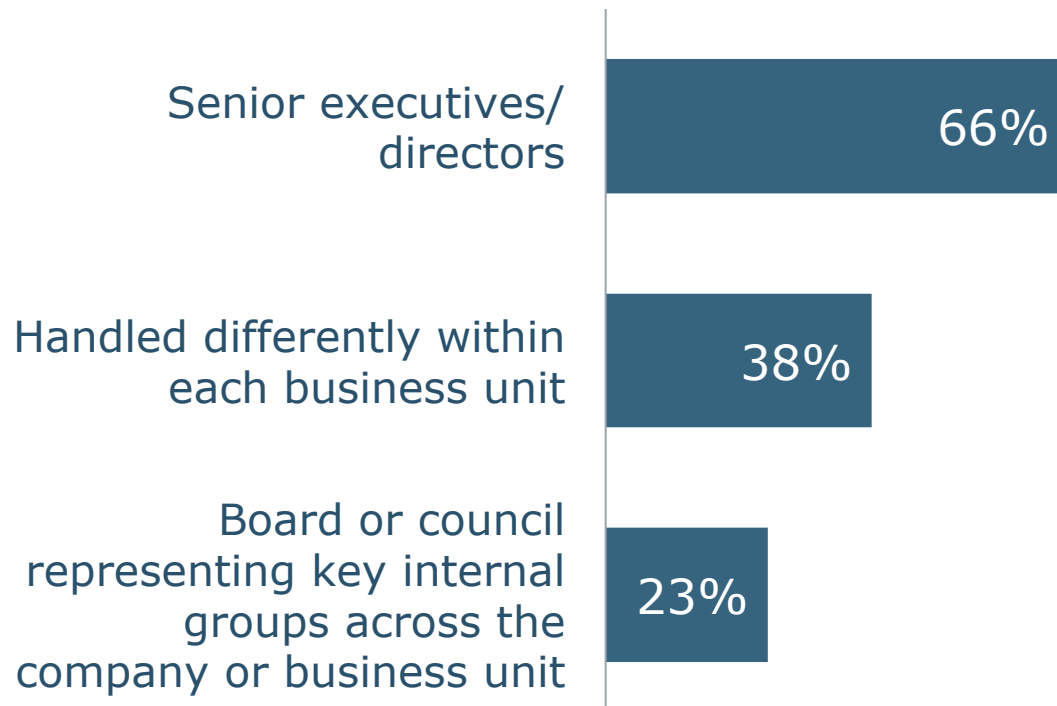
## Quotes:

- "It's really a company-driven effort."
- "It's a combination of R&D, Product Management, and Product Marketing."
- "We have solutioning people in each BU to draw from."
- "This is exactly our problem!"
- "There is a central "development" function but BU's have responsibility for creating strategy and developing requirements."
- "We are struggling to define accountability."

Note: Multiple responses allowed

# Most solutions are selected and approved by senior management.

## Who is responsible for deciding whether or not to create or develop a new solution? (N=60)



Note: Multiple responses allowed

### Quotes:

- "Our process is owned by the Product Development & Marketing division."
- "This has been a constant headache for Marketing, and our biggest internal hurdle."
- "Our Services Development unit."
- "We have a single group that helps multiple BU's, which can be a challenge."
- "We have a new services/solutions introduction process and committee."

# Sales, R&D and solutions marketers are most likely to be involved in the process.

What role do individuals filling each of the following roles within your organization play in the solutions development process? (N=58)



Note: Displayed only roles that were marked as having a major impact

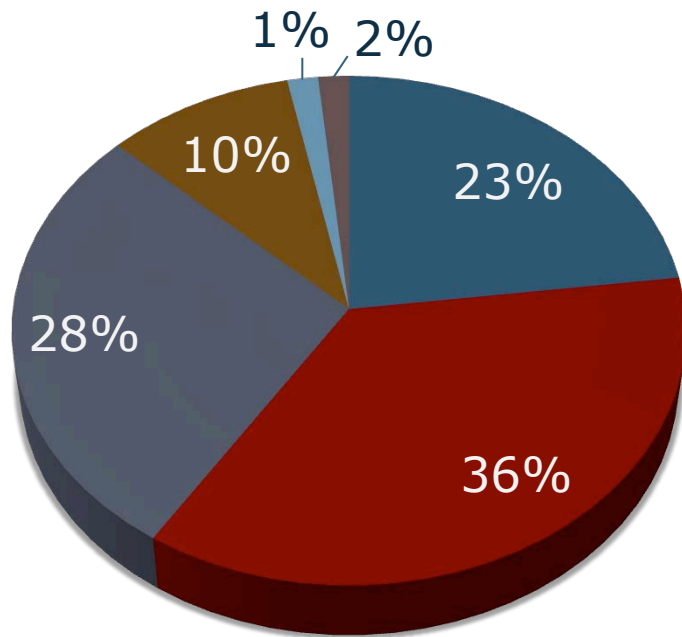
# Solutions Standardization





# Solutions standardization is critical to solutions success for most companies.

How important is it that the elements of your solution are standardized (i.e., easily repeatable from customer to customer)? (N=61)



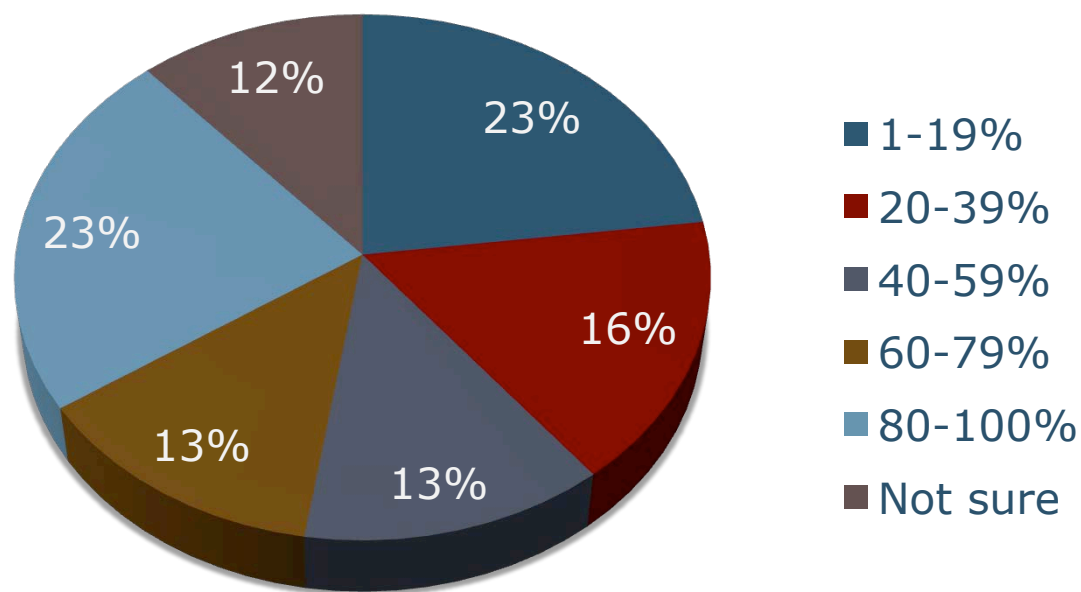
- Extremely Important
- Very Important
- Important
- Somewhat Important
- Not Important
- I don't know

## Quotes:

- "It helps customers to better understand your offer."
- "This is challenging for us at present."
- "Economically this is very important for us."
- "Hardware can be standard, software package is standard, but implementation & configuration has to be customized."

# But more than half of the respondents said that fewer than 60% of their solutions were at least 50% standardized.

Across your solutions portfolio, what percentage of your solutions are at least 50% standardized? (N=61)



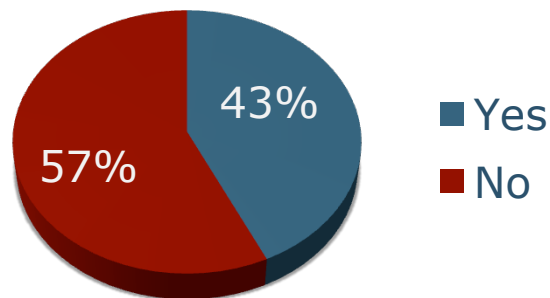
## Quotes:

- "More of our solutions are standardized than our delivery organizations believe."
- "Solutions are always tailored to specific client context/situation."
- "Solutions usually consist of 3-10 different standardized components/elements."
- "Many are standardized to an approach, framework or methodology level. However they are very flexible within this."

# Most companies don't have a solutions development process but those that do use one that is different from product development.

## Do you have a formal solutions development process?

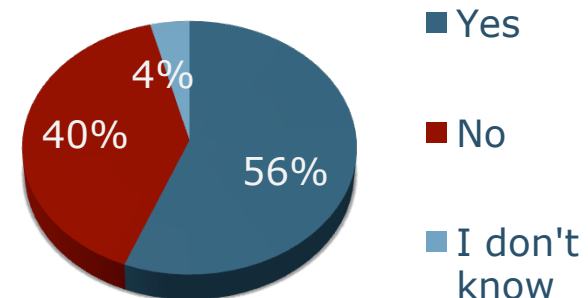
(N=60)



### Quotes:

- "In process of developing one right now."
- "The solutions process is much more consumer-need driven."

## Is there a difference between the process used for solutions development and the process used to develop products or services? (N=25)



### Quotes:

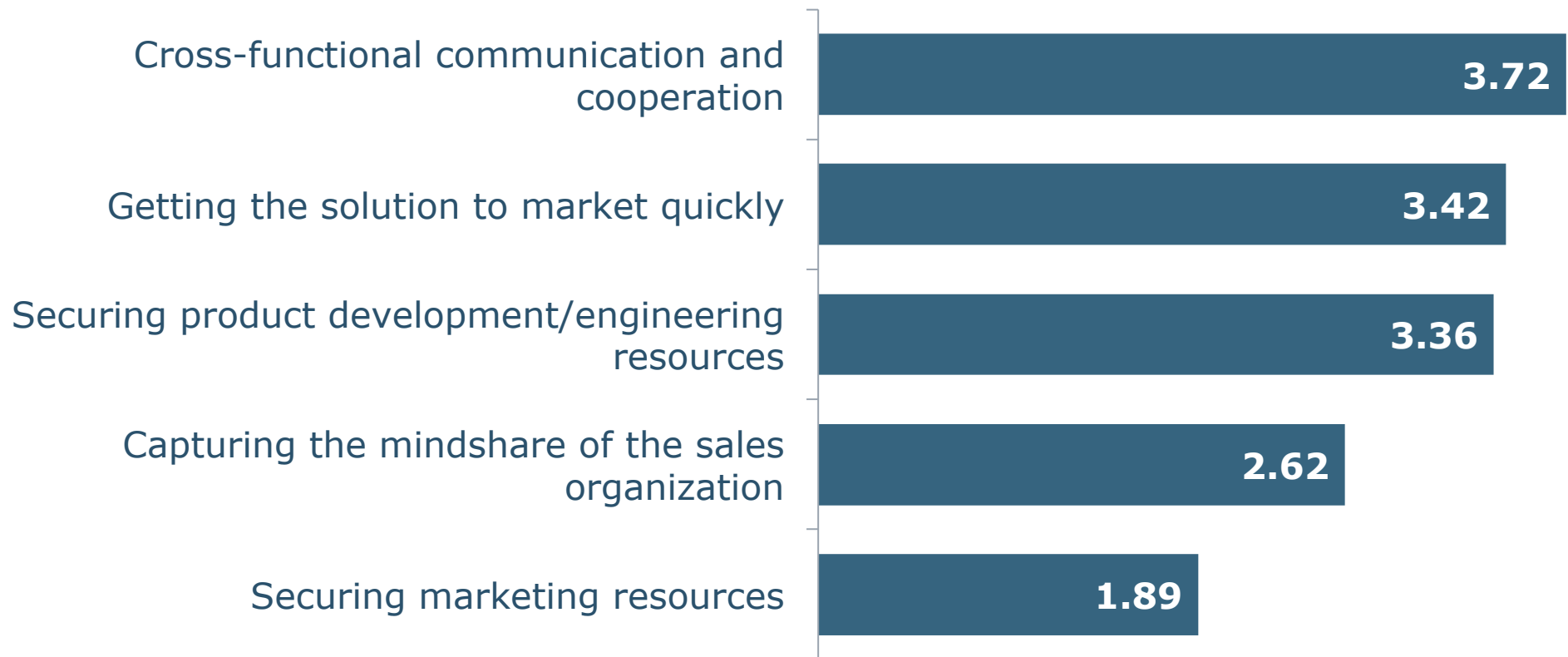
- "We have a similar gate model, but different requirements/checklists."
- "Not really; it's just flow chart dynamics."
- "Both follow a similar path."

# Key Challenges



# Cross-functional communication and time-to-market are the top two challenges.

Please rate the following activities in your solutions development process in terms of difficulty. (N=55)



Rated on a scale of 1-5 with 5 being the most difficult

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