

Solutions Insights

A Framework to Build & Market Solutions

The Case for Shifting from Product to Solutions Marketing

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We work with product and services based companies to become more customer focused.

We help B2B companies **develop, market, and sell integrated solutions** that deliver **increased business value**. Our main areas of focus are:

Strategic Integration

Aligning the organization around a solutions strategy

Customer Connection

Deepening connections with customers and prospects

Offering Distinction

Developing and launching new and distinct solutions offerings

Sales Acceleration

Accelerating the selling process for solutions

Sample Technology Clients



Let's be clear on what we mean by a technology-based solution in B2B sectors...

ITSMA, a marketing association, developed the following definition...

A solution is a combination of products, services, and intellectual capital, focused on a particular customer problem which drives measurable business value.

....which has been generally accepted, applied or adapted by most of the large, globally recognized companies in the tech sector.

Solutions Insights has its own version of what a solution is...

As a result of our experience in working with companies that are looking to be build a competitive solutions business, we've developed a definition with a few important additions:

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

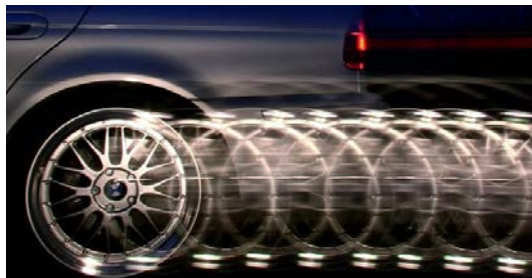
The solutions components can be from either the vendor and one or more partners, and the solutions implementer can be the vendor, the partner, the customer itself, or a combination of the three.



Both buyers and sellers are motivated to shift to solutions.

Seller's Side

- **Product commoditization continues to accelerate, leading to.....**

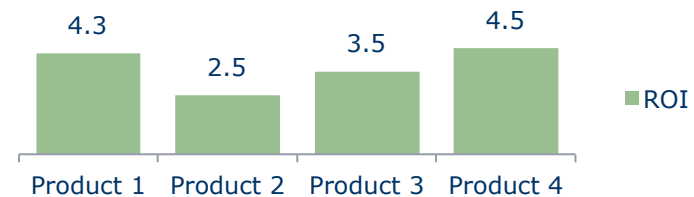


- **A steady decline in product margins**



Buyer's Side

- **Buyers demand business results from their IT & networking investments, which has led to....**



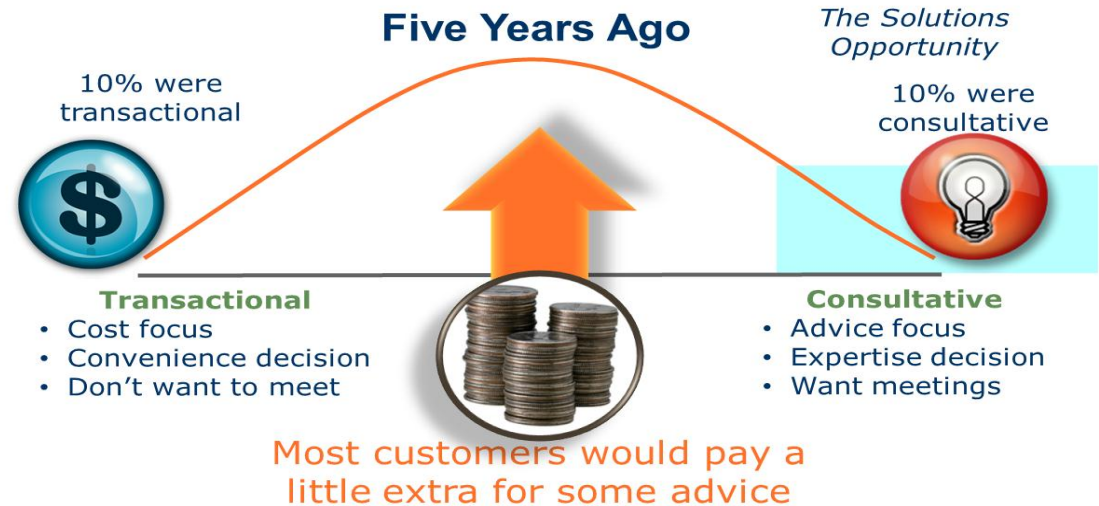
- **A stronger focus by the vendor to develop offerings with a measurable impact on the customer's business**



Another motivation for companies to shift to solutions is the decrease in profits from simple services attached to products.

Market Dynamics 5 Years Ago:

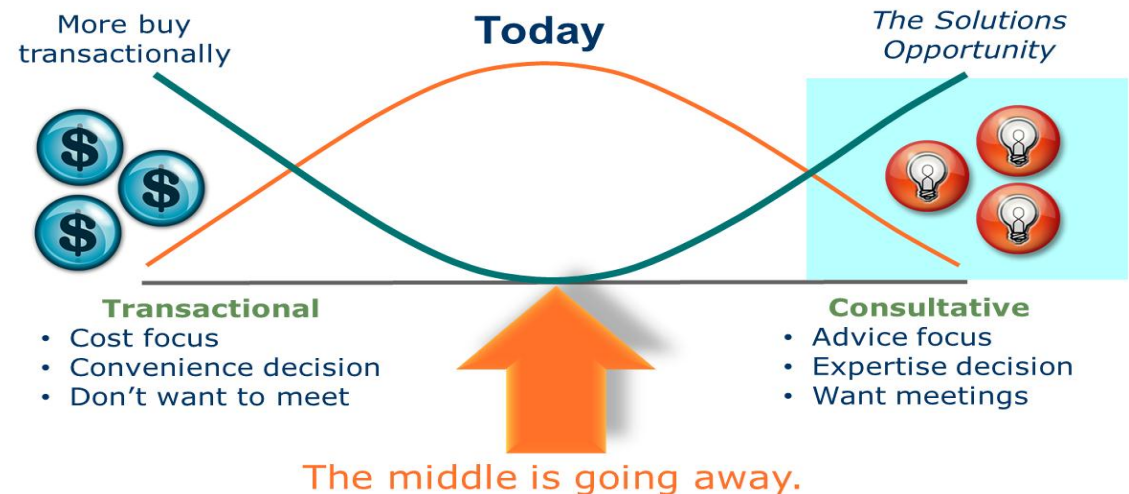
- Most sales included products and simple support and maintenance services; highly profitable
- Small percentage of sales were just product or full solutions



Source: Neil Rackham, presentation at ISBM conference, September, 2010

Market Dynamics Today:

- Most products and simple support and maintenance services sales have become transactional
- Sales of full solutions have increased considerably



Source: Neil Rackham, presentation at ISBM conference, September, 2010

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There are usually 7 steps in the solutions transformation process.



Solutions Marketing is all about creating greater business value for the customer.

Solutions Factors

- More complex problems, resulting in a need to create more complex offerings
- Greater personalization & customization
- Increased organizational collaboration
- Longer sales cycles and more complex Value Propositions



Marketing Implications

- Greater customer-centric behavior
- A different approach to communicating the Value Proposition

We've identified what product and services marketers need to do differently to market solutions.

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Solutions Marketing Success Model

A Customer-Centric Approach to Solutions Marketing

Value Recognition

Relationship Growth and Management

- Experience Management
- Customer Value Tracking and Analysis
- Referrals and Reference Management
- Customer Retention Analysis
- Customer Councils and Communities
- Solutions Co-Development



Sales Acceleration

Sales Enablement and Support

- Lead Generation and Management
- Pipeline and Performance Analysis
- Channel and Partner Enablement
- Sales Process and Systems Evaluation
- Sales Asset Development and Tracking
- Incentives and Compensation Design
- Sales Training and Follow-up

Strategic Alignment

Business and Market Analysis

- Customer and Industry Research
- Market Segmentation and Selection
- Standardization Analysis
- Capabilities, Scope, and Partnership Assessment
- Solutions Governance Design

Offering Distinction

Solutions Development and Management

- Solutions Prioritization
- Services and Product Integration
- Experience Design
- Customer Value Measurement
- Go-to-Market, Social Media, and Launch Planning
- Solutions Life Cycle and Portfolio Management
- IP/IC Management
- Solutions Governance Implementation

Customer Connection

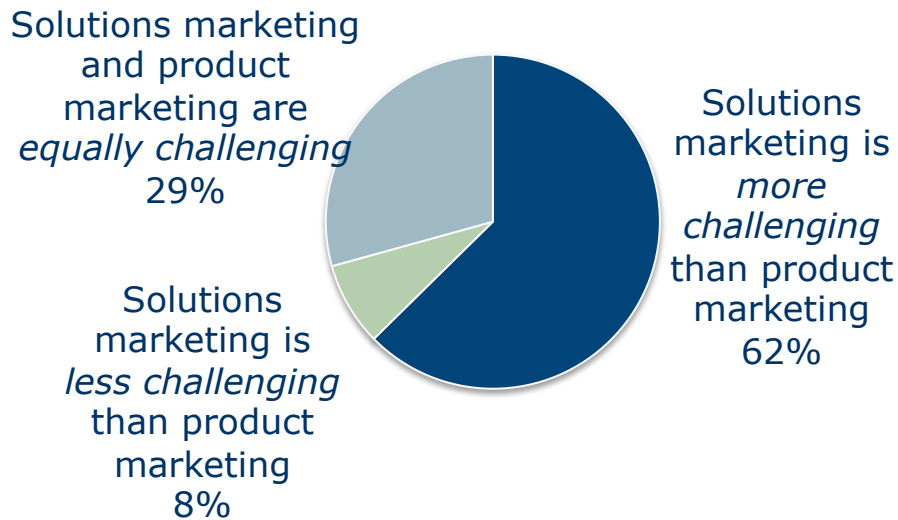
Solutions Launch and Communications

- Value Proposition Development
- Media and Influencer Outreach
- Thought Leadership Development
- Internal Tools Development
- Industry and Segment Communication
- Account and Personal Communication

It's not easy – in a recent survey, nearly 2/3 of the respondents felt that solutions marketing is harder than product marketing.

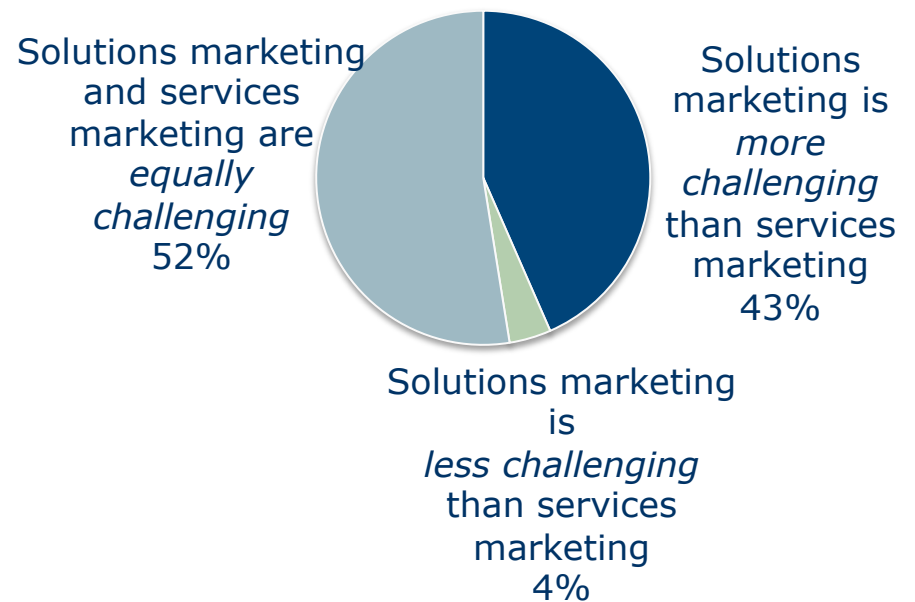
Is solutions marketing seen as more or less challenging than *product* marketing?
% of Respondents (N=106)

Comparison to Product Marketing



Is solutions marketing seen as more or less challenging than *services* marketing?
% of Respondents (N=115)

Comparison to Services Marketing



While it's harder, the benefits have been substantial.

Benefits of being more customer-focused and solutions driven:

- Larger deals
- Better margins
- Deeper account penetration
- Better customer relationships



BENEFITS

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