A Framework to Build & Market Solutions
The Three Main Differences Between Product and Solutions Marketing

Presented by:
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Solutions Insights, Inc.
We help B2B companies develop, market, and sell integrated solutions that deliver increased business value; our main areas of focus are:

- **Strategic Alignment**
- **Offering Distinction**
- **Customer Connection**
- **Sales Acceleration**

### Our Clients

#### IT & Telecommunications Industry

- Alcatel-Lucent
- Amdocs
- Analog Devices
- Cognizant
- Dimension Data
- Hewlett-Packard
- Lenovo
- Cisco
- Northrop Grumman
- Tellabs

#### Other Industries

- Abt
- Carana Corporation
- Black & Veatch
- Development Solutions
- Hult International Business School

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Like other afflictions, you won’t be cured until you admit you have a problem...

The 6-Phase Evolution of a Product Marketer

“Hey! Look! Everyone’s pushing solutions...and our clients are asking for them...we better do it, too!”

“Hooray! We’ve done it! Our website says we’re selling solutions...that means we are a solutions company!”

“We’re making progress...and it’s worth it!”

“Hey...this is a lot of hard work.”

“Wait a minute — What is a solution?”

“Gosh, do I really have to do so many things differently to successfully market solutions?”

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Why This Issue is Important...

**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

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Let’s be clear on what we mean by a technology-based solution...

**DEFINITION**

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

Source: ITSMA Solutions Council 2007

Some of the corporations with senior executive representation on the Council were:
The opportunity to add value to products through services was great.

10% were transactional
10% were consultative

**Transactionable**
- Cost focus
- Convenience decision
- Don’t want to meet

**Consultative**
- Advice focus
- Expertise decision
- Want meetings

Most customers would pay a little extra for some advice

Source: Neil Rackham, presentation at ISBM conference, September, 2010
The need for real, consultative-based solutions is greater.

More buy transactionally

**Transactional**
- Cost focus
- Convenience decision
- Don’t want to meet

**Consultative**
- Advice focus
- Expertise decision
- Want meetings

The middle is going away.

Source: Neil Rackham, presentation at ISBM conference, September, 2010
Solutions Marketing is all about creating 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

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Solutions Marketing is significantly different in 3 areas.

Distinctive Offering Development

Solutions Marketing

Sales Enablement

Customer Connection
There are several successful product development models.

### Core Differences: Distinctive Offering Development

#### Two Examples of the Product Development Process

<table>
<thead>
<tr>
<th>Stage-Gate Process</th>
<th>Discovery</th>
<th>Scoping</th>
<th>Business Case</th>
<th>Development</th>
<th>Testing &amp; Validation</th>
<th>Launch</th>
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The PACE Development Model

Scrum/Agile Model

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Solutions involve more stakeholders and resources.

### Core Differences: Distinctive Offering Development

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#### The PACE Development Model

#### Scrum/Agile Model

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**The Solutions Differences:**

**The Discovery Process:**
- Needs are identified for single or small customer sets
- Addresses a business challenge/problem; usually at a much higher level of need than products address

**The Development Process:**
- Collaboration across several product and service groups, with the customer, and external partners
- Inputs based upon the solutions application

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Solutions needs to address broader business benefits.

**Core Differences: Customer Connection**

<table>
<thead>
<tr>
<th>Product Oriented Model</th>
<th>Supported by</th>
<th>Value Proposition</th>
<th>Demonstrations</th>
<th>Performance</th>
<th>Warranties &amp; Guarantees</th>
<th>Customer Satisfaction</th>
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<td><strong>Value Proposition</strong></td>
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<table>
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<tr>
<th>Solutions Oriented Model</th>
<th>Supported by</th>
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<th>Thought Leadership</th>
<th>Personalization</th>
<th>References</th>
<th>Customer Intimacy</th>
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<td><strong>Lead Nurturing Program</strong></td>
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**The Solutions Differences:**
- Associated with breakthrough ideas and innovation
- Communicated at a micro level
- Proof of value is provided by others, not by the vendor
- A longer sales cycle requires more messaging and sales tools
Marketing needs to reduce the complexity for sales.

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<th>Core Differences: Sales Enablement</th>
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<td><strong>The Product Selling Process</strong></td>
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<td>Problem Definition – Efficiency &amp; Productivity → Availability Analysis → Product-Based Selling Competencies → Performance KPI’s</td>
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| **Solutions Selling Process**     |
| Problem Definition – Customized for Business Results → Dynamic Information Database → Business Value Based Selling Competencies → Post-Sale Business Impact KPI’s |

**The Solutions Difference:**
- Greater analysis and diagnostics
- Systems to access/retrieve component information quickly
- A more complex offering and a different set of potential buyers & influencers
- KPI’s that reflect business results and business impact

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So....remember....

**Distinctive Offering Development**
Develop mechanisms and processes to include key internal stakeholders, partners, and the customer

**Solutions Marketing**
Become more customer-focused

**Sales Enablement**
Provide greater support, and embed real solutions selling competencies

**Customer Connection**
Move to more “pull” activities and focus on business value

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