

# Licensing + Payment Options = Better Deals

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MarketShare, Inc.

# About MarketShare



- **Pricing software and systems since 1987**
- **Address client problems**
  - Slow sales cycles
  - Money left on table
  - Chaotic / confusing pricing
  - Entry into new markets / segments
- **Help clients meet objectives**
  - Improve financial performance
  - Strengthen competitive position
  - Foundation for future growth

- **May be missing opportunities**
- **Risk and disruption can be managed**
- **Segmentation is key to success**

# Topics



- **Current landscape**
- Potential opportunities
- Implications
- Wrap-up

# Current Landscape Opportunity Overview



*Minimum  
Product Size*

*Infrastructure  
Location*

*Commitment  
Level*

*Payment  
Stream*

**Large**

**On-Prem**

**Long-term**

**Front-  
loaded**

**Annual**

**Small**

**Off-Prem**

**Level**

**Flexible**

*Current Landscape*

# Traditional (Perpetual) License

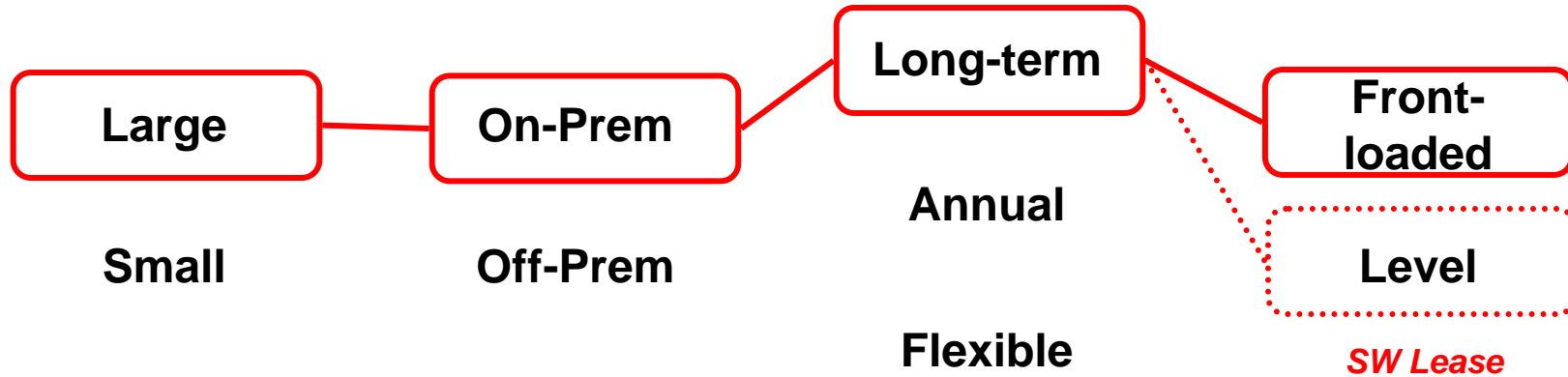


Minimum  
Product Size

Infrastructure  
Location

Commitment  
Level

Payment  
Stream



# Current Landscape Subscription License



Minimum  
Product Size

Infrastructure  
Location

Commitment  
Level

Payment  
Stream

Large

On-Prem

Long-term  
Annual

*Pay in Advance*  
Front-loaded

Small

Off-Prem

Flexible

Level

# Current Landscape SaaS License

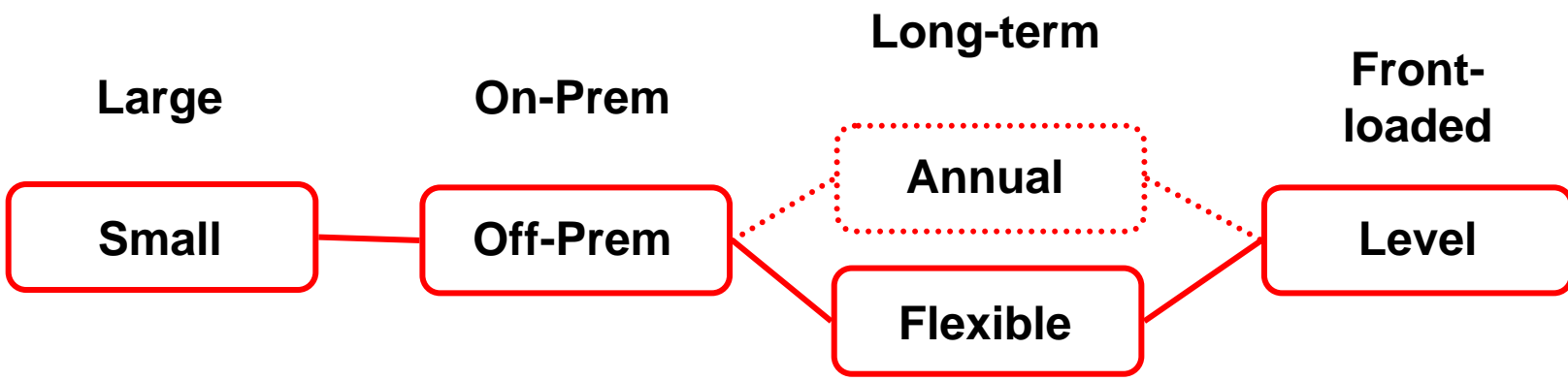


Minimum  
Product Size

Infrastructure  
Location

Commitment  
Level

Payment  
Stream





# Current Landscape Managed Services

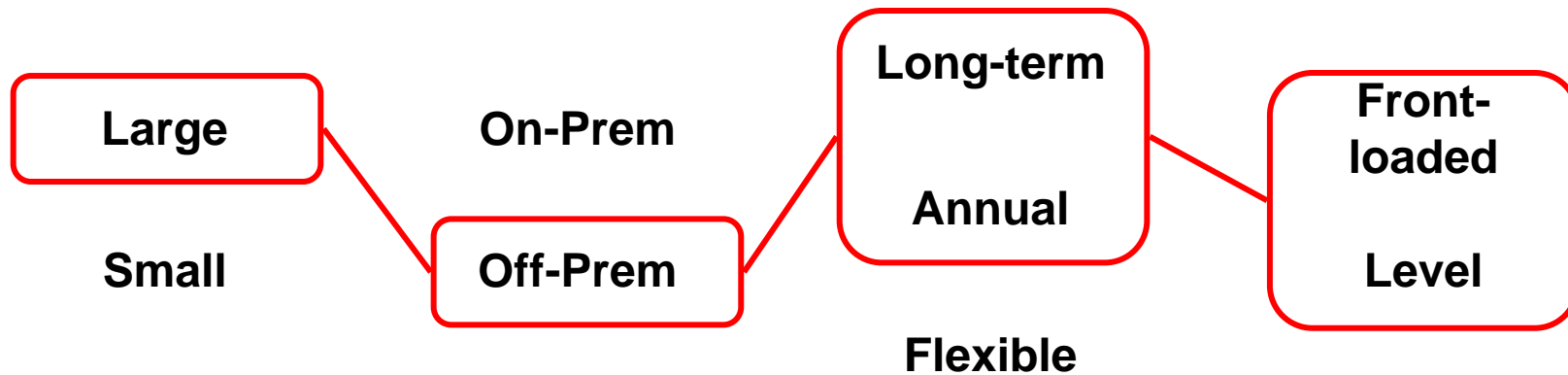


Minimum  
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Payment  
Stream



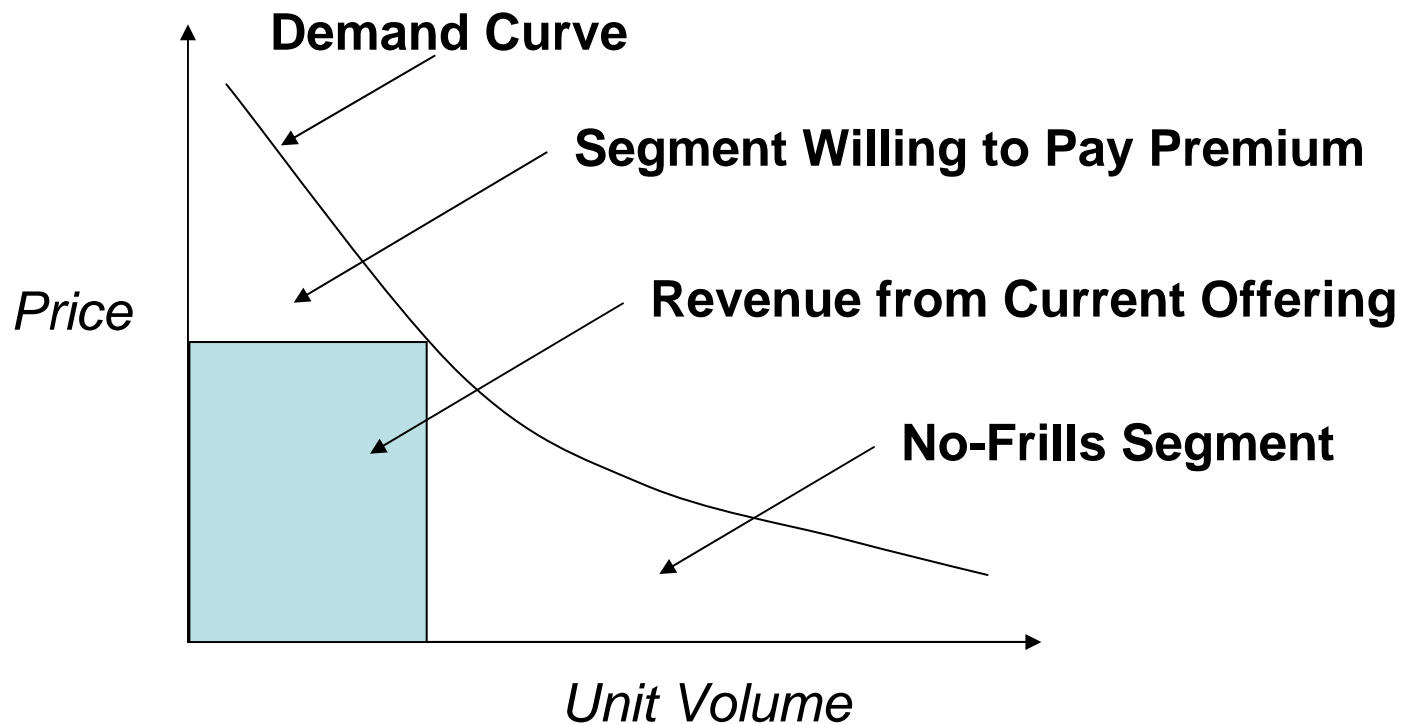
# Topics



- Current landscape
- **Opportunities**
- Implications
- Wrap-up

*Opportunities*

# Pricing & Packaging Segmentation



*Opportunities*

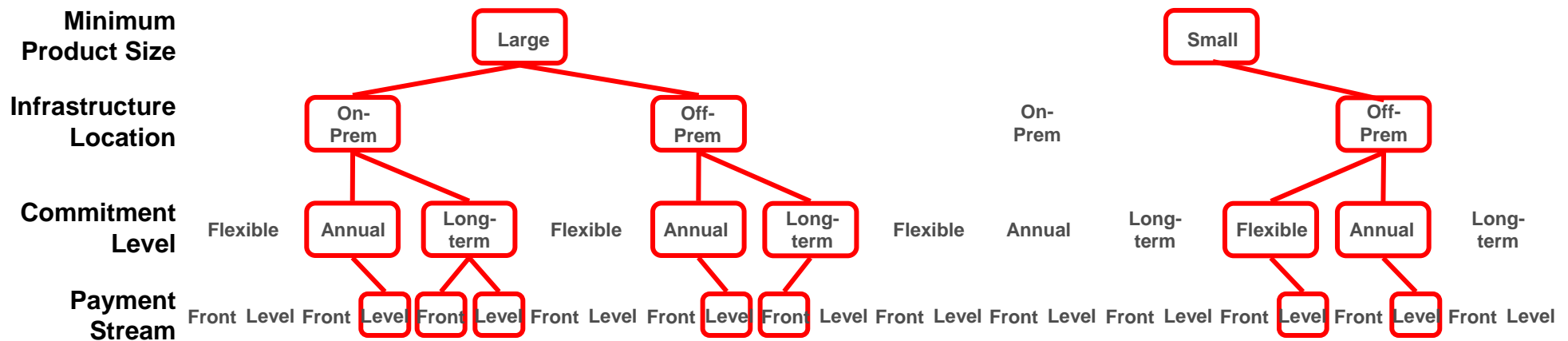
# Pricing & Packaging Segmentation



<b>Application</b>	<b>Easy to install, use</b>
<b>License term</b>	<b>Fits level of commitment</b>
<b>License payment</b>	<b>Fits cashflow or budget (OpEx vs. CapEx)</b>
<b>License metric</b>	<b>Easy-to-understand, relates to business</b>
<b>Access and availability</b>	<b>Right-sized entry and add-on configurations</b>
<b>Deployment</b>	<b>Fits available infrastructure and staff</b>

Opportunities

# Are Segments Being Overlooked?



7 End points used out of 24 (2 x 3 x 2 x 2)

# Overlooked Segments

## ERP Offerings



<Productname> is now available to customers in the following options:

- **On-premise** - traditional perpetual licensed software deployed at customer's facilities
- **SaaS Subscription** - subscription-based monthly pricing of \$149 per named user per month, managed by <company> in a SaaS (multi-tenant) environment
- **SaaS Hosted License** - same as SaaS Subscription but with a traditional perpetual licensed software pricing model and a \$65 per named user per month hosting fee

# ERP Offerings

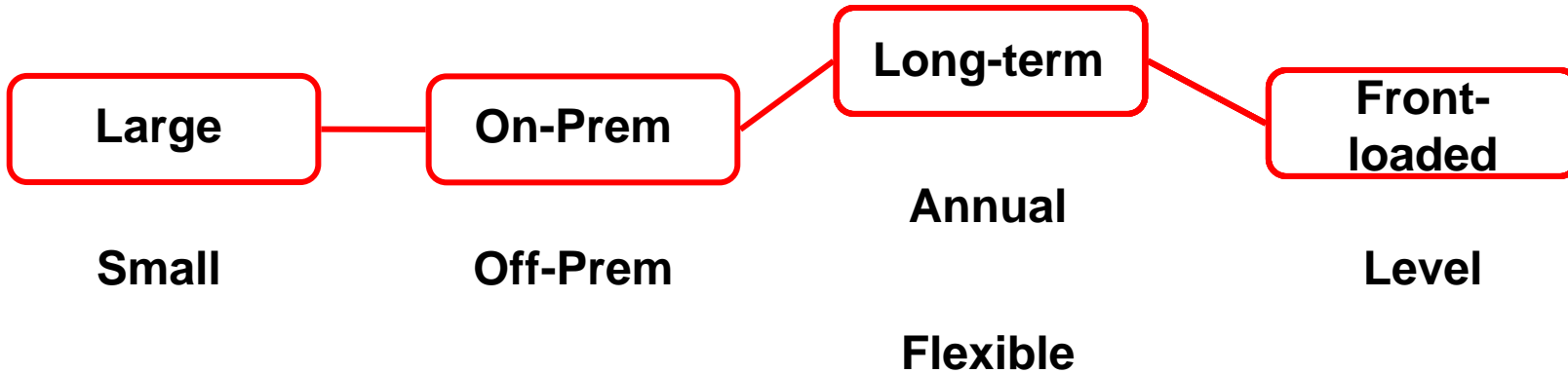
## Traditional

Minimum  
Product Size

Infrastructure  
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Payment  
Stream



# ERP Offerings

## SaaS Off- or On-Premise



Minimum  
Product Size

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Payment  
Stream

Large

On-Prem

Long-term

Front-  
loaded

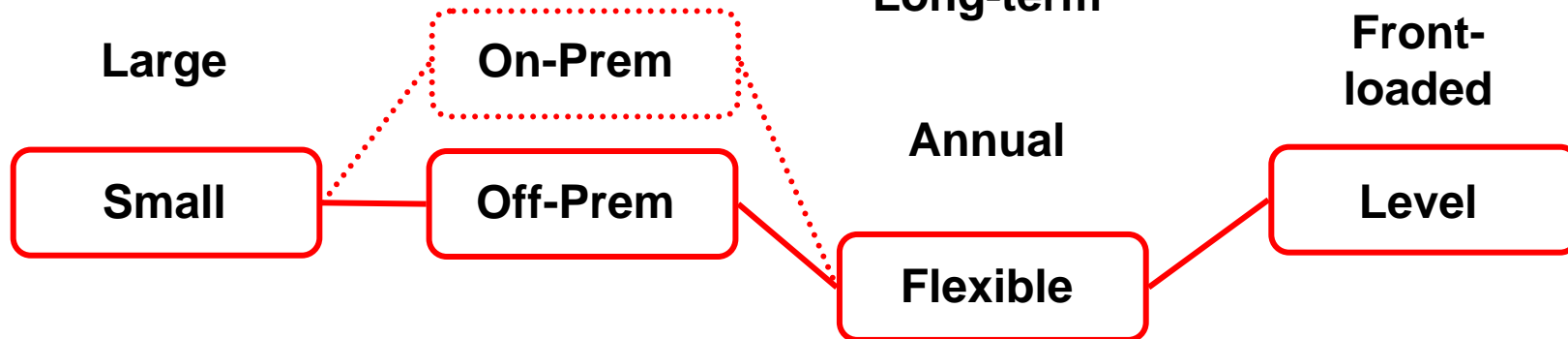
Small

Off-Prem

Annual

Level

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*Overlooked Segments*

# Web Content Management



- **Traditional SaaS**
  - High monthly fee
- **“Prepaid” SaaS**
  - Upfront payment
  - Low monthly fee

# Web Content Management Offerings

## SaaS or Prepaid SaaS



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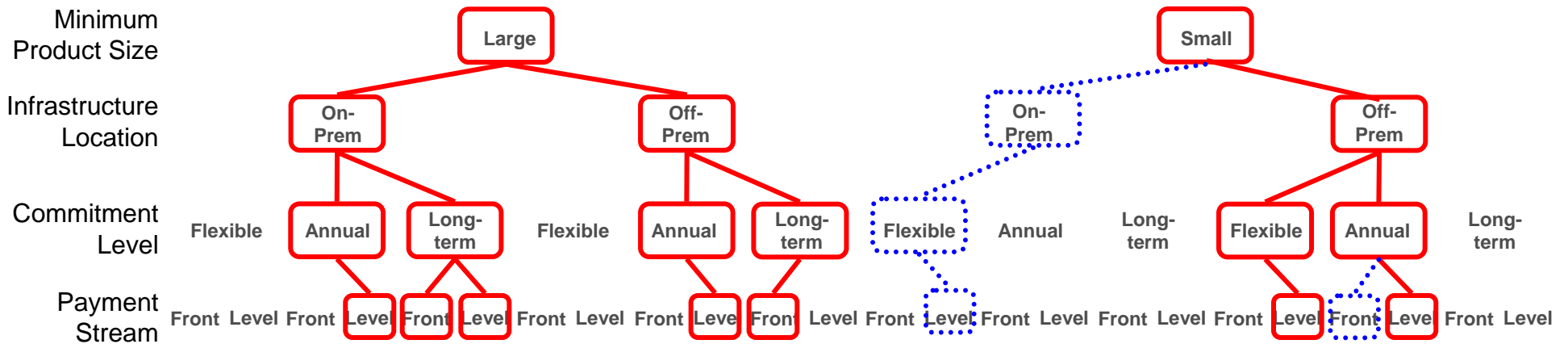
## *Web Content Management Offerings*

# **Financial Results**



- **Immediate growth spike**
- **Revenues after 2 years**
  - 100% unit growth overall
  - 50% growth in Prepaid SaaS license revenues
- **Ongoing revenue growth 35%**

# Opportunities New Segments Available?



# Topics



- Current landscape
- Opportunities
- **Implications**
- Wrap-up

# Implications



- **Can extend existing products**
- **Change can build (and protect) revenue**
- **Broad impact ...**
  - Customers
  - Sales
  - Finance
  - Marketing
  - Development

*Implications*

# What to Change?

**Tactical**



**Strategic**

**Payment Stream**

**Commitment Level**

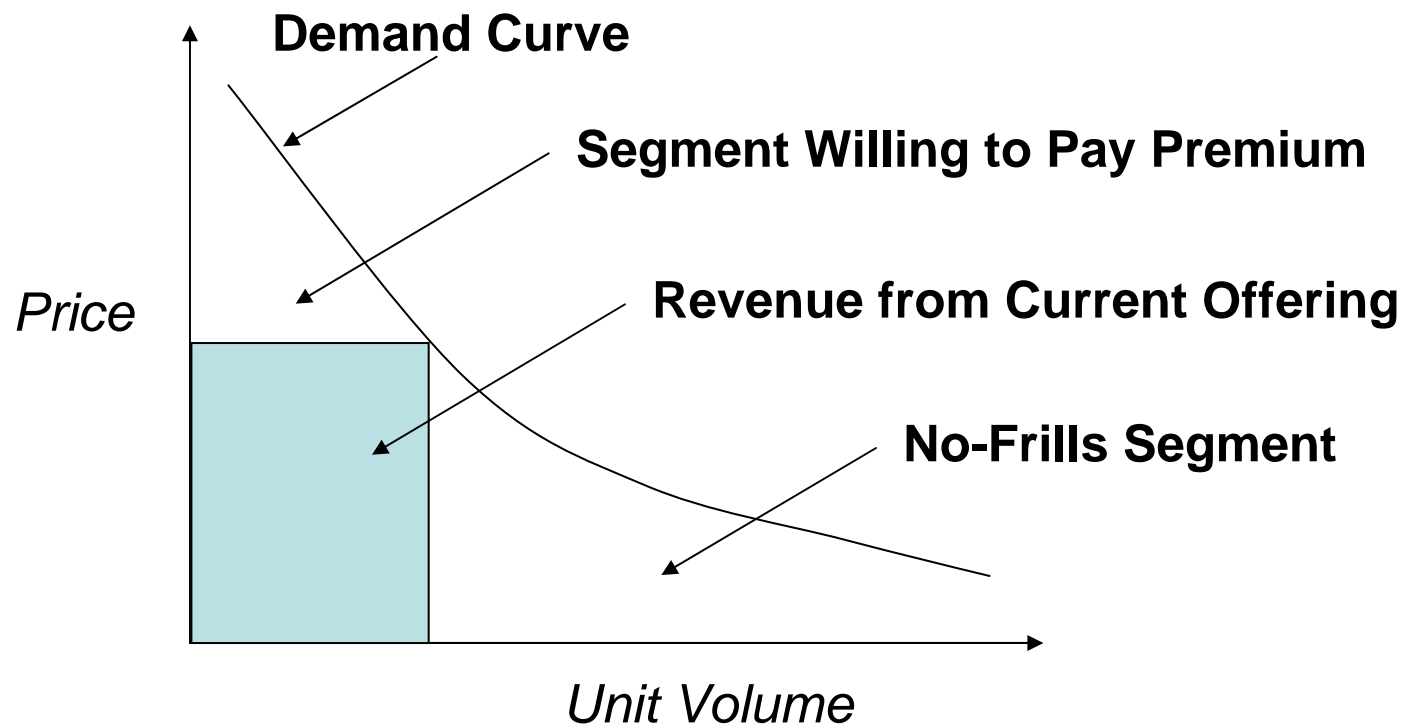
**Infrastructure Location**

**Minimum Product Size**

**Licensing Metric**

**Product (Architecture)**

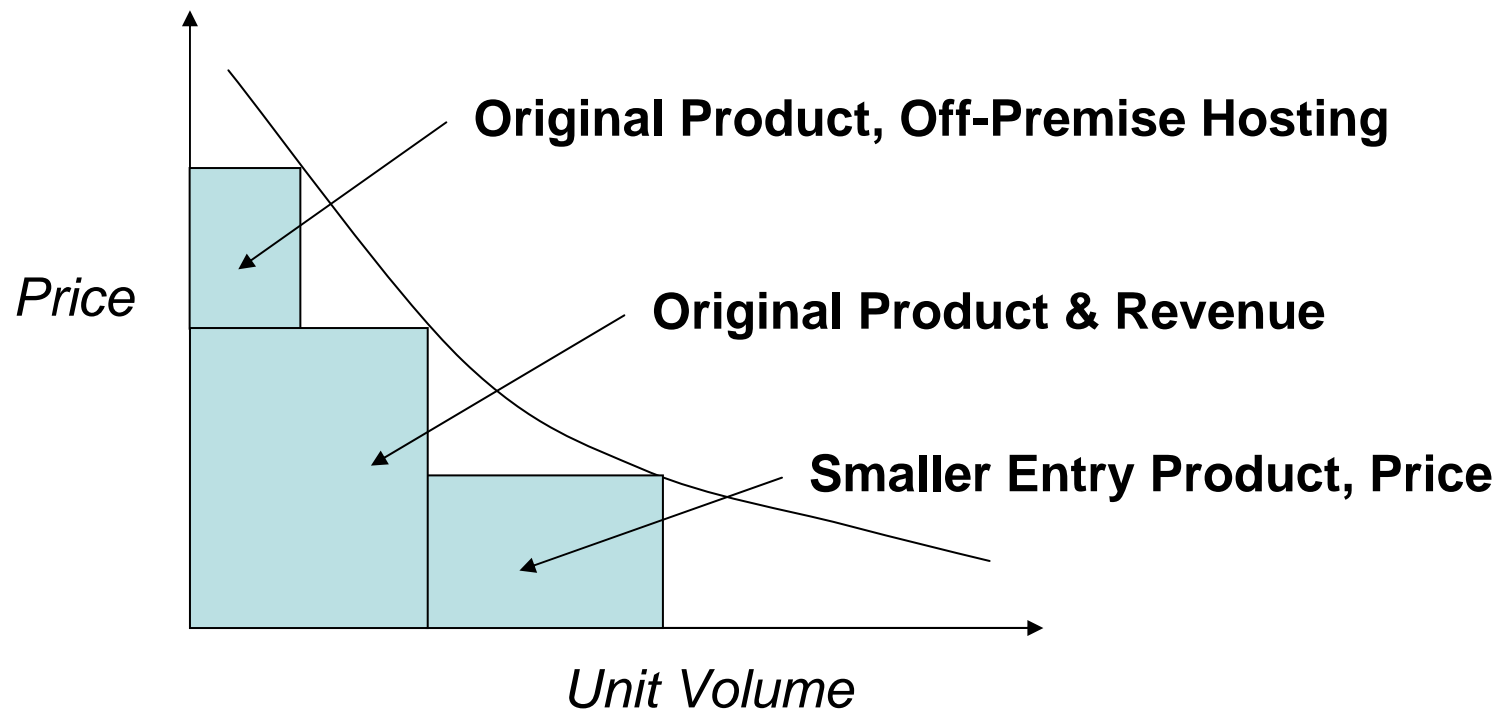
# What to Change? Original Offering at a Price



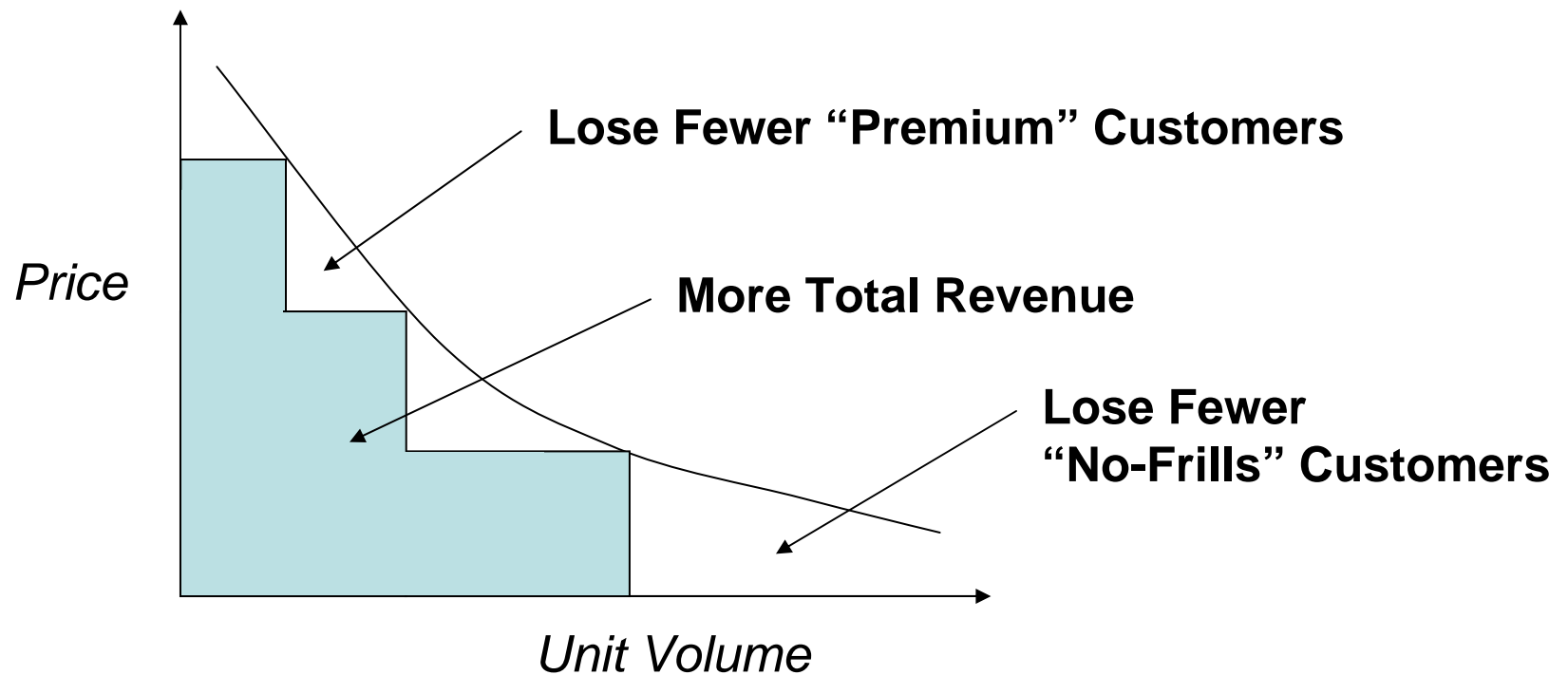


*What to Change?*

# Change Offering and Price



# Change Offering and Price Increase Revenue



# Topics



- Current landscape
- Opportunities
- Implications
- **Wrap-up**

Wrap-Up

# Find Path to Increased Revenue



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Wrap-Up

# Form Your Path and Follow It



- **Identify opportunities**
  - “Underserved” segments
  - Required configuration(s)
- **Quantify upside**
  - Incremental vs. cannibalized revenue
- **Understand downside**
  - Marketing and sales disruption
- **Mitigate risk and exposure**
  - Selective visibility
  - Building “fences”
  - Sales training

# Thanks!



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