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NEWSLETTER



Spring 2007

Welcome!

2007 is shaping up to be the year many enterprises begin to embrace the promise and practice of Service Oriented Architecture (SOA) solutions. In this issue, our principals and consultants look at how this trend impacts the product marketing function in both enterprise and mobile marketplaces. We invite you to contact the authors of these articles if you'd like to talk further about the issues and opportunities they raise.



News & Views

News from CTIA

Senior Mobile Enterprise Analyst Daniel Herb attended the CTIA Wireless conference earlier this year. Read more about Daniel's show observations in *The Basics*.

Principal's Perspective



Marketing Enterprise Apps in a SOA World—Are New Skills Needed?

by Andy Fitzpatrick, Cambridge Principal

Service Oriented Architecture (SOA) Emerges

Now that SOA has been identified as the architecture of choice for many corporate IT infrastructures, the question arises: To what extent does the SOA design style create new skill-set requirements for those responsible for marketing software solutions to companies that have adopted these architectures? In other words, if I am the marketing person responsible for an enterprise software solution, what things must I now consider that I did not necessarily have to consider in the pre-SOA days?

Let's explore what the evidence suggests to date.

A good place to start the discussion is to point out a couple of key business advantages that proponents of SOA deployment offer vs. legacy design architecture:

Flexibility All IT systems inherent to SOA should have interoperable applications that are platform and language independent, so that the problem of integrating them becomes less onerous or even irrelevant. This way, it's easier to reconfigure business services when business demands-i.e. processes-change.

Total Cost of Ownership SOA does not require organizations to rip and replace existing IT investments. As a result, TCO across the breadth of the IT infrastructure is improved. Since IT can share and reuse existing business services, re-creating functionality to address the needs of each individual application becomes unnecessary.

These are important implications for those responsible for marketing enterprise-targeted software applications. At its core, SOA is

about giving the IT customer more flexibility and control of their environment. As an enterprise software marketer, recognition that your application must now fit in with the existing construct of the customer's architecture is imperative. Likewise, to know that your once comfortable *silo* will now be connected to other *silos* may initiate a loss of leverage in the account. Regarding the customer's needs, think about SOA as providing the IT customer with more of a pluralistic democracy vs. a political structure that allows itself to be controlled by disparate vendors.

Many successful enterprise-targeted s/w applications were effectively marketed as "must haves" within the IT infrastructure. These apps incorporated a lot of resources and required significant investments in proprietary technology and multiple services to keep them delivering on their promises. These services almost always required some revenue from the host company (the customer). In the past, the emphasis was on the depth and breadth of the software application, but not necessarily on the application's ability to interconnect with other business processes.

So times have changed, and now interoperability through an SOA implementation is a *must*. That means that enterprise-targeted s/w apps that have not necessarily considered easy interoperability in the past now need to recognize that interoperability between systems and business processes is a mission-critical criteria for their IT customers.

This doesn't mean that, for the enterprise software vendor, profitable services will go away—that's extremely unlikely in the near future. However, it *does* mean that software vendors must now re-think and invest in modifications of their existing product so that the customer experiences an easy integration of the product into an SOA environment. To avoid or delay this would be like inviting to your competitors to compete against you in an installed account. Enterprise vendors who do not embrace this fundamental shift in how software is deployed in the enterprise will be left on the outside, looking in. Vendors that believe they can capture a larger share of their IT customer workload without a selling proposition that includes SOA principles are taking a huge gamble.

So are new skills needed?

The answer is that the marketing efforts of enterprise software vendors will not require different skill sets, but they *will* have to change their perspective. They'll certainly need to adapt to becoming proficient at balancing their own company's need for revenue growth, while embracing the notion that their application is not the de-facto centerpiece of the customer's infrastructure that it once might have been. Instead, it is but one of many applications that get plugged into an architecture that balances the power among competing vendors, rendering the customer's IT environment as the new top priority.

Sound Off



Product Marketing—Is this Function Bound for Extinction?

by Jim Judge, Cambridge Principal

During a recent phone conversation with a technology manager, I was asked to define *product marketing*. Yes, really: a person involved in enterprise hardware and software for over fifteen years did not understand the roles and responsibilities of product marketing. This question really stunned me, and made me stop and re-think: What does product marketing do for enterprise solutions, especially in today's maturing marketplace? How important *is* this role? Is there some massive asteroid on a collision path to the IT marketplace, destined to wipe out the need for this role?

How important are the 4 Ps of Product Marketing?

The "4 Ps" most associated with product marketing responsibility are product **packaging, pricing, promotion and place** (i.e. distribution). To paraphrase a senior executive at a successful Fortune 100 technology company, "None of that is important." Ooh, that hurts as a product marketer, since our job is all about go-to-market strategy and program implementation. If I can't work on a good demand-generation program, what *can* I do?

This executive continued with more punishing thoughts.

"Our business is about "push," so we don't need marketing programs, just better one-to-one relationships between our marketing and sales teams to generate revenue," this person said. Is this executive actually *right*?

I'd say they got it *half* right. "One-to-one" is a successful marketing formula for selling to large accounts, and also if your product utilizes a repeatable, service-oriented delivery model. However, it's wrong to think "push" can happen in a vacuum without some type of promotional effort.

If there are no campaigns creating demand in advance of the "push," then you're not really *pushing* but *stuffing*. *Channel stuffing* was very popular in the '80s and early '90s, when enterprise computers and software products were ordered more frequently than they were just sold. Value propositions weren't important, and "solution selling" was nonexistent. Arguably, you didn't *need* product marketing to take orders—just engineering and a sales channel. But that was then.

Today, if your enterprise hardware and software is considered a commodity, you still need a strong pricing and distribution strategy. If that same commodity has a brand, then you'll also need to crank up the *promotional advertising*. If your product is

becoming more service oriented, then you'd better re-think the *packaging* and overall *go-to-market strategy*.

The Service Oriented Approach to Product Marketing

The *service oriented model* has been around for almost ten years, but is gaining more popularity as the hot IT buzzphrase *service oriented architecture*, or SOA. It's obvious that a product marketing person came up with the term *service oriented architecture*; you can even check out *Service Oriented Architecture for Dummies* at Amazon.com.

Product marketing plays one of the most significant—yet hidden—parts in the entire rollout of SOA software and hardware components. The simple reason is that there is no frame-breaking technology in SOA. It's all about the product being *re-packaged as a service and priced like a utility*. That being the case, you need a rock-solid product marketing function now more than ever. These marketing functions should be on top of everything, watching the competitive market radar with the precision of an air traffic controller, dynamically adjusting each of the "4 Ps" as they take off and land.

What the Future Brings

If the Google vision of enterprise hardware and software were to take over, products would one day become a free service...as long as we agree to a barrage of consumer ads and purchase a lifetime supply of Charmin bath tissue (or at least click through the ads). Like today's NASCAR stock cars that are covered with ads, you'll buy a computer and the chassis will post a lot more than "Intel Inside." Perhaps the entire exterior of your PC will be an enormous orange Home Depot promotion. Don't laugh! 3PARdata, a successful storage array vendor, has turned the enterprise storage market on its head, selling hardware and software in a box chassis the color of Gulden's Mustard. No, "my bad" —make that Porsche yellow.

The Google vision has yet to emerge in the enterprise market, so don't expect life to become Bruce Willis in *Product Marketing Armageddon* quite yet. This function is still very much alive and evolving with the rest of the market.

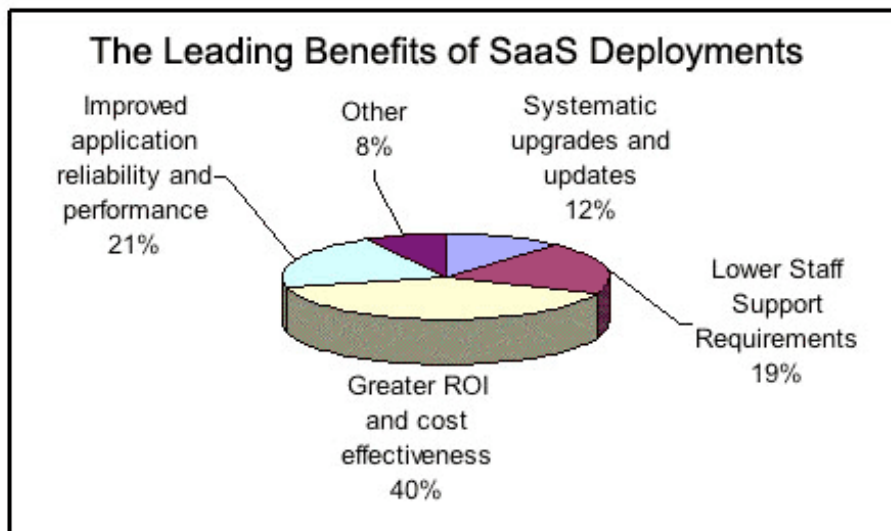
The final word: so long as enterprise computing and software products provide features and benefits that still need a little explaining to the sales force or directly to the customer, product marketing will continue to push and pull these products to success.



Meaningful Metrics

The Leading Benefits of SaaS Deployments

Software as a Service (SaaS) is a trend that has paralleled SOA in terms of growth and acceptance in the enterprise application space. Some have called it a distant cousin of SOA, others disagree. What cannot be disagreed upon is the fact that SaaS is here to stay for the following reasons...



Source: SaaS Appeal Growing by Jeffrey M. Kaplan, November 2006, Cutter Consortium

The Basics



What Application Will Drive Carriers to Get Serious about the Enterprise



Market?

by Daniel Herb, Cambridge Consultant

As mobile data adoption takes off, carriers are showing evidence of a committed approach to enterprise, with customer service groups and elements of the sales force organized and dedicated to various enterprise segments. However, product and solution groups remain focused on broad consumer segments. Creating and delivering targeted solutions to business customers remains the task of partners and vendors.

These partners and vendors must then figure out how to position a solution if the carrier channel relies upon subsidizing products as an incentive to data plan uptake. In this value chain alignment, what application or application platform will drive carriers to price, package, and sell solutions-based offerings to enterprise?

In other words, when will wireless operators get serious about enterprise?

What Application Will Drive Carriers to Get Serious about the Enterprise Market?

This question has been a common refrain at the wireless industry's premier trade show, CTIA. As we spoke with players across the value chain at this year's show, it became apparent that wireless operators already have gotten serious about enterprise as a market.

During April's earnings call, RIM's Jim Balsille commented, "It's like a light went off. These carriers are starting to realize that a reliable platform with a trusted partner who sells through you...you make a lot of money on it, and it's a sustainable model."

While carriers are beginning to focus heavily on enterprise, the carrier focus looks different than the standard IT channel focus, because carriers have different problems to solve, both operationally and in business processes. Few enterprise sectors need to address the end-customer relationships and requirements that mobile operators need to handle.

So what applications are driving carriers in their move to address enterprise?

Let's take a look at a few:

Mobile Internet Access

From device manufacturers such as Palm, to solution vendors such as Novarra, a common supply-side market view is that broader mobile data adoption will drive increasing use of the internet to mobile devices. More than just the simple story of WAP rising again, mobile internet use will continue to be heavily contextual as workers and consumers find the way to their destinations, learn more about what's around them, and stay connected to events relevant to themselves and their location.

File Synchronization

While it remains under the radar of most commentary, the ability to access and distribute specific files and data from wherever you happen to be is an increasing component of mobile workers and mobile lifestyles. Because it fits with the varying access speeds and connectivity of mobile devices in the real world, *file synchronizing* will play a much more prominent role in vendor road maps for messaging and LOB solutions.

Email and Calendering

The basic applications that introduced most people to mobile data will continue to be the lever that carriers lean on most heavily to drive enterprise and consumer adoption of mobile data. The blurring of boundaries between work and personal life are at the forefront of this dynamic.

The enterprise market has subsidized the development and awareness of mobile email and personal information management, or *PIM*. Microsoft Exchange builds messaging capabilities into both the server and client side while the increasingly common RIM Blackberry has added more consumer-friendly devices. As employees face increasing expectations of "always on" availability from co-workers and customers, lifestyle-friendly devices such as the Pearl are also bringing non-data customers the ability to carry their calendars and contact information with them.

So what does this all mean for partners and vendors? Supporting carriers through three key steps:

Draw the picture.

Tightly define your customer segments on the basis of their usage types so that the full picture of device and application solution, operational support, and customer lifetime value to the operator can be understood and acted upon.

Connect the dots.

Vendors and partners must supply carriers with value positioning according to customer segment. The carrier is already doing the heavy lifting of building awareness and demand generation. They require tactical support to put succinct messaging and relevant

tools in the hands of those on the retail sales floor, and not just traditional IT channel tiers.

Adapt and refine.

The most challenging aspect of working in mobile solutions is the need to support the carrier while keeping an intimate understanding of the end user. Many of the basic premises of mobile data adoption are poorly tested and understood in the real world. As people adopt and use mobile applications, their behavior and choice preferences will change. Vendors and suppliers will need to stay in front of the carrier so they can understand and articulate their end customer's needs to the carrier.

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