

Licensing + Payment Options = Better Deals



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**

Takeaways

- **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

Small

Off-Prem

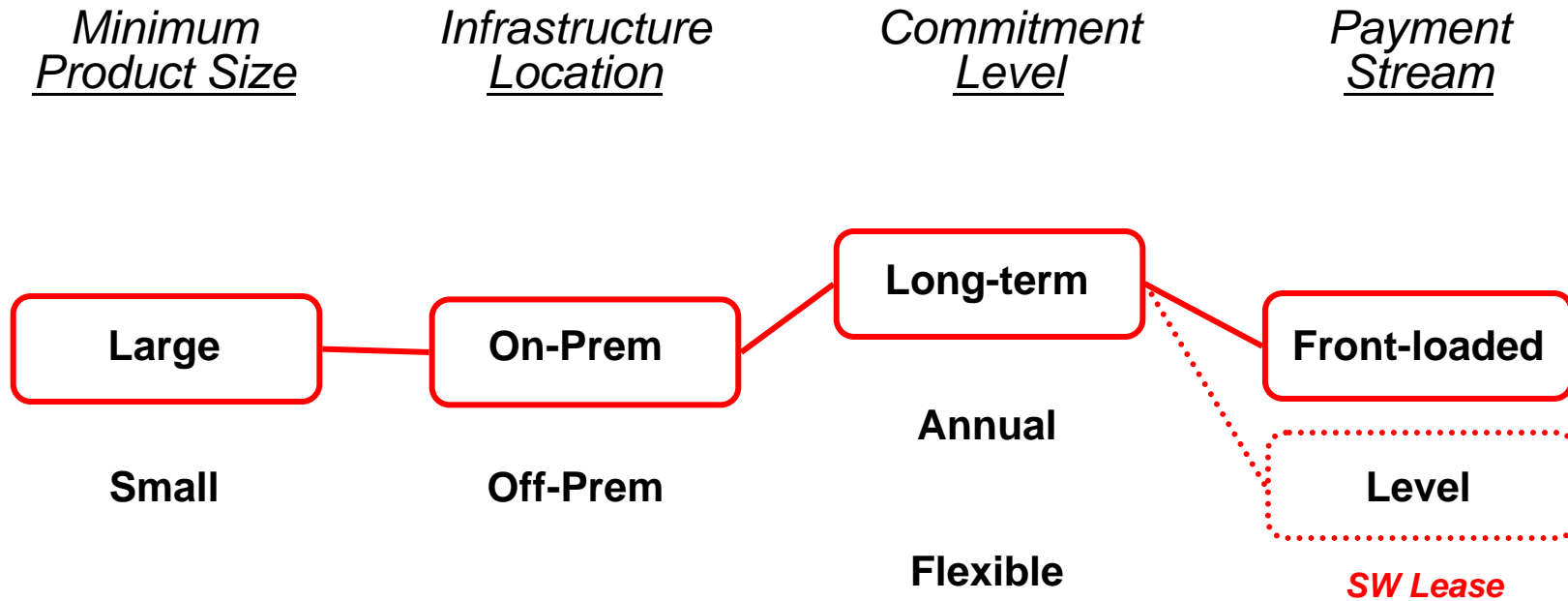
Annual

Level

Flexible

Current Landscape

Traditional (Perpetual) License



Current Landscape

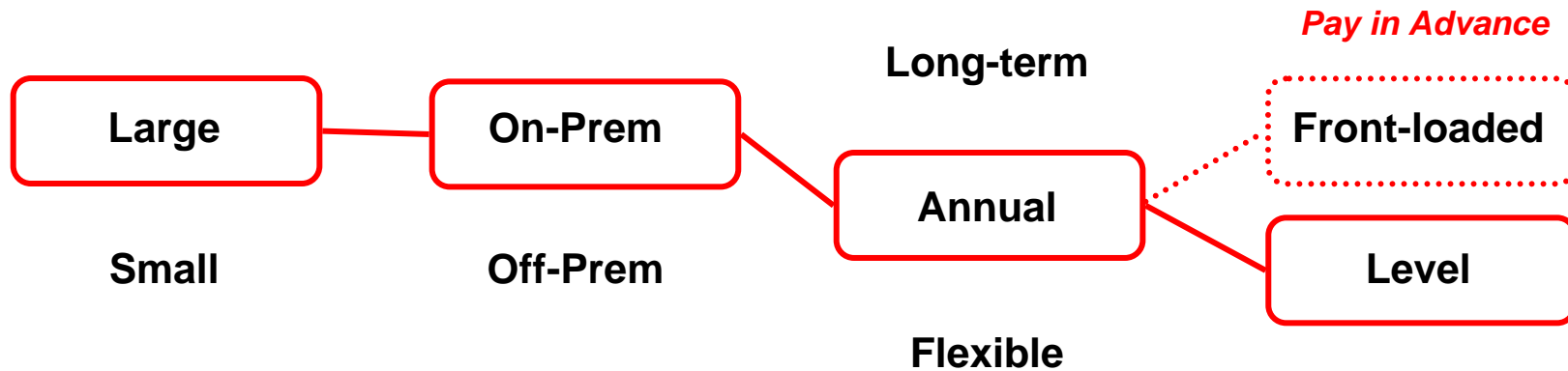
Subscription License

Minimum Product Size

Infrastructure Location

Commitment Level

Payment Stream



Current Landscape

SaaS License

Minimum Product Size

Infrastructure Location

Commitment Level

Payment Stream

Large

On-Prem

Long-term

Front-loaded

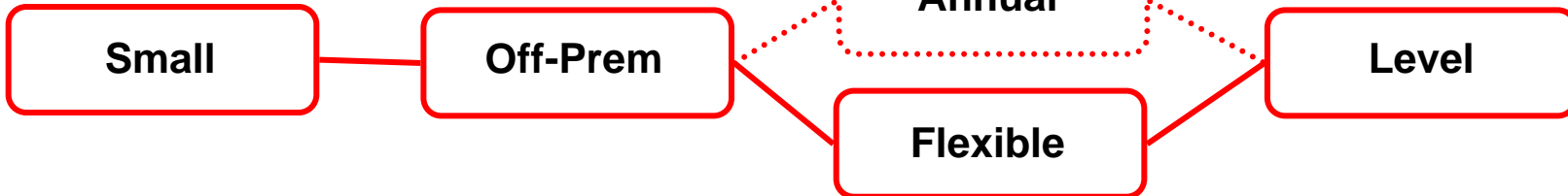
Small

Off-Prem

Annual

Level

Flexible



Current Landscape

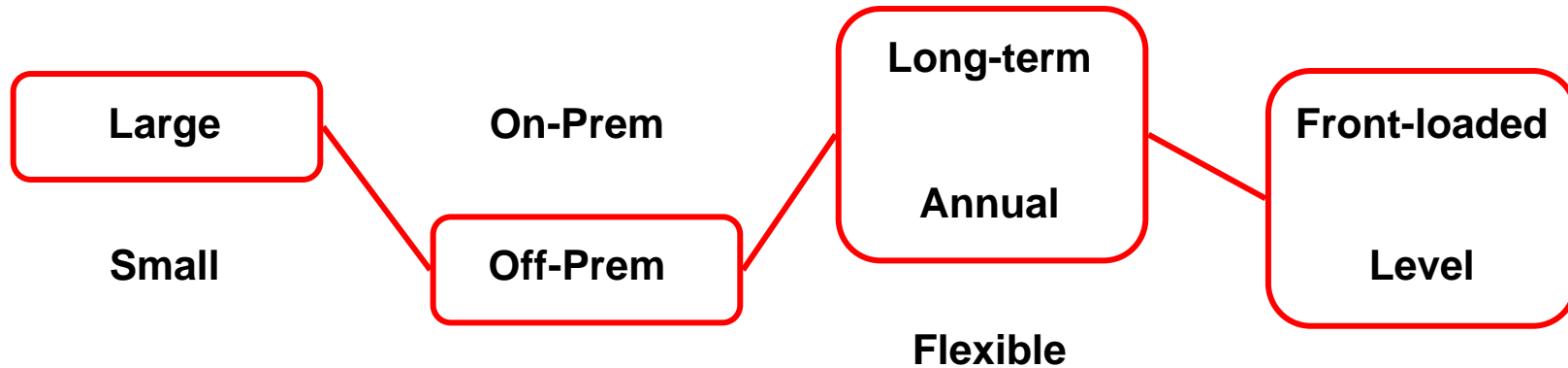
Managed Services

Minimum Product Size

Infrastructure Location

Commitment Level

Payment Stream

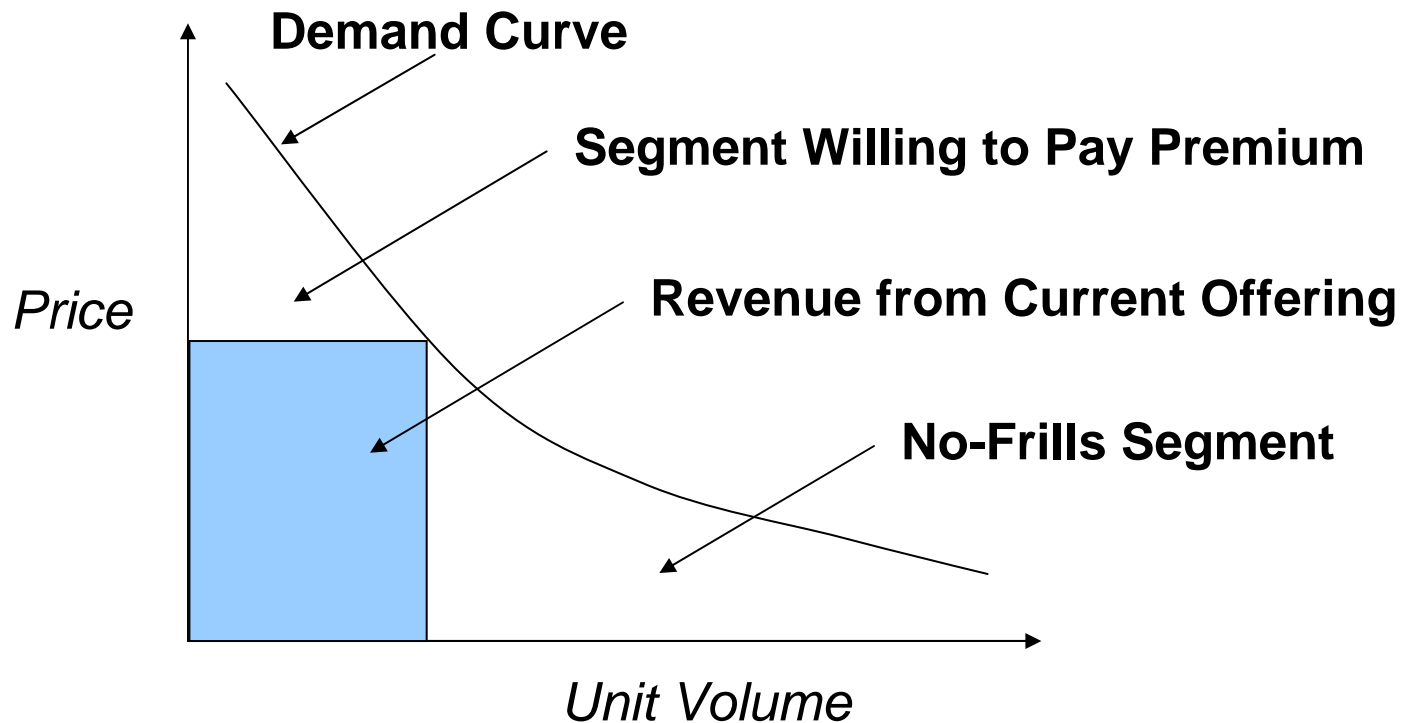


Topics

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

Opportunities

Pricing & Packaging Segmentation



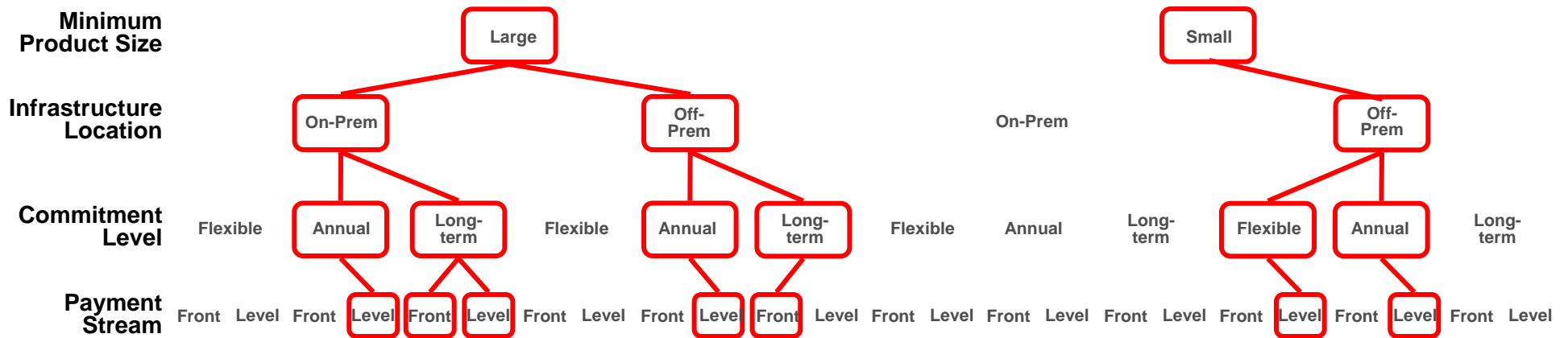
Opportunities

Pricing & Packaging Segmentation

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

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

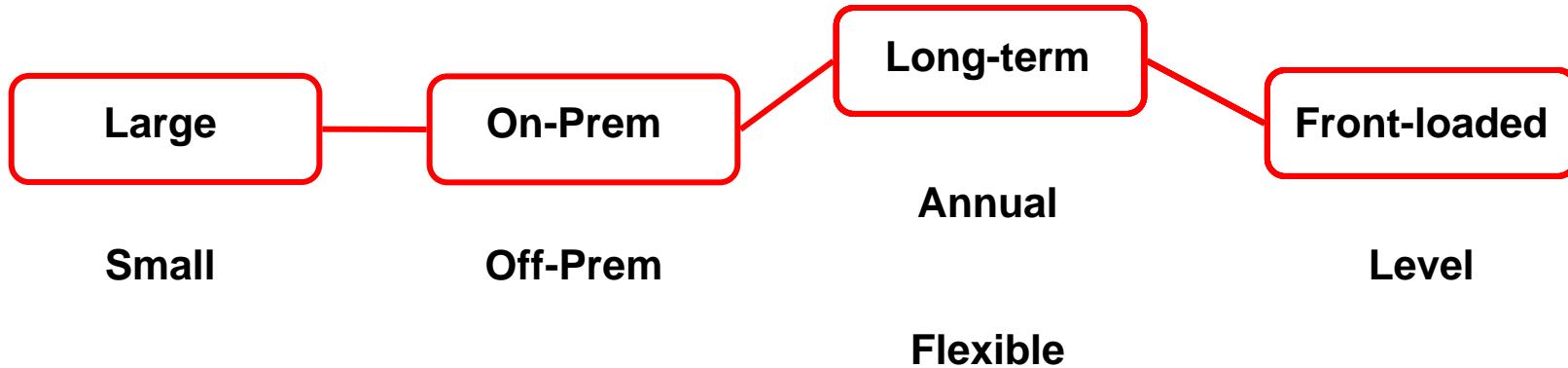
Traditional

Minimum
Product Size

Infrastructure
Location

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Level

Payment
Stream



ERP Offerings

SaaS Off- or On-Premise

Minimum Product Size

Infrastructure Location

Commitment Level

Payment Stream

Large

On-Prem

Long-term

Front-loaded

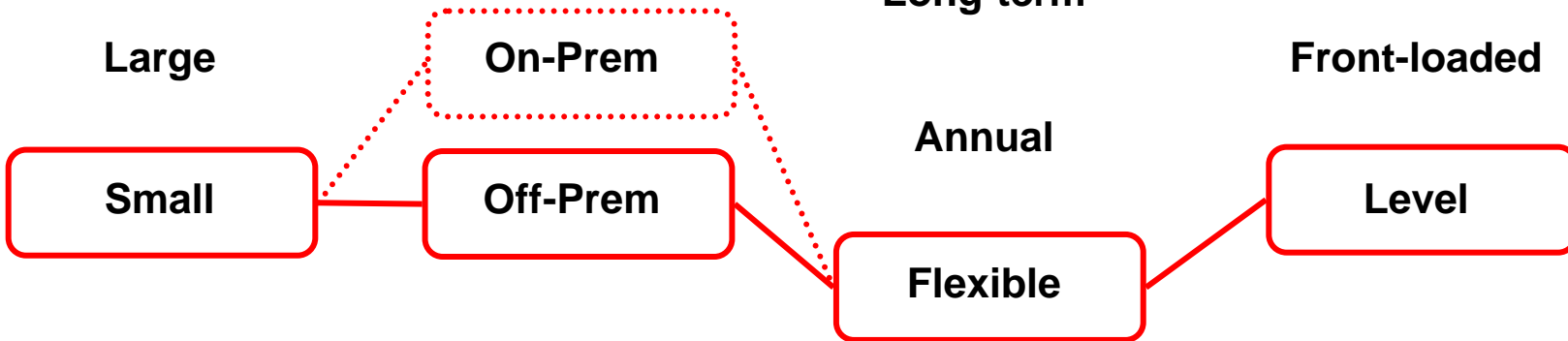
Small

Off-Prem

Annual

Level

Flexible



Overlooked Segments

Web Content Management

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

Web Content Management Offerings

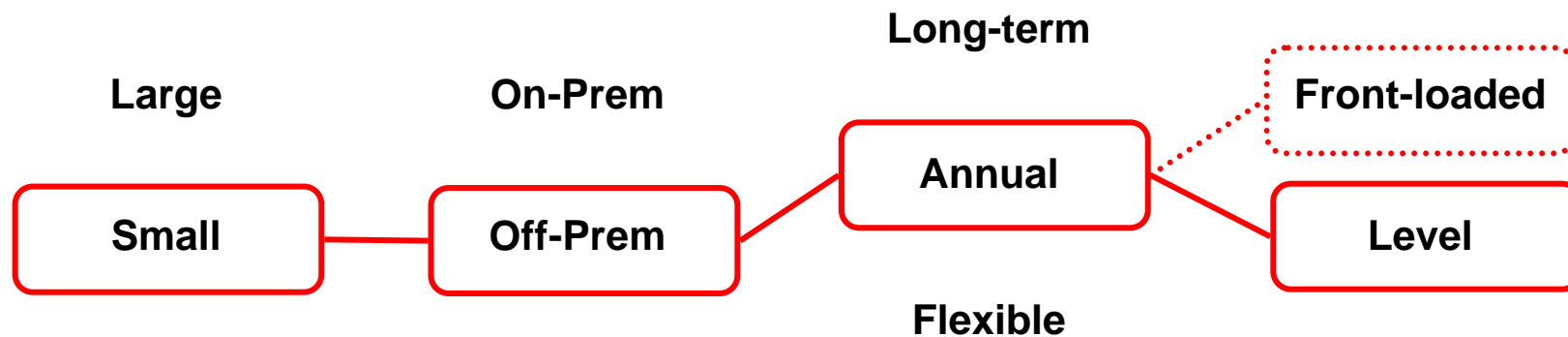
SaaS or Prepaid SaaS

Minimum Product Size

Infrastructure Location

Commitment Level

Payment Stream

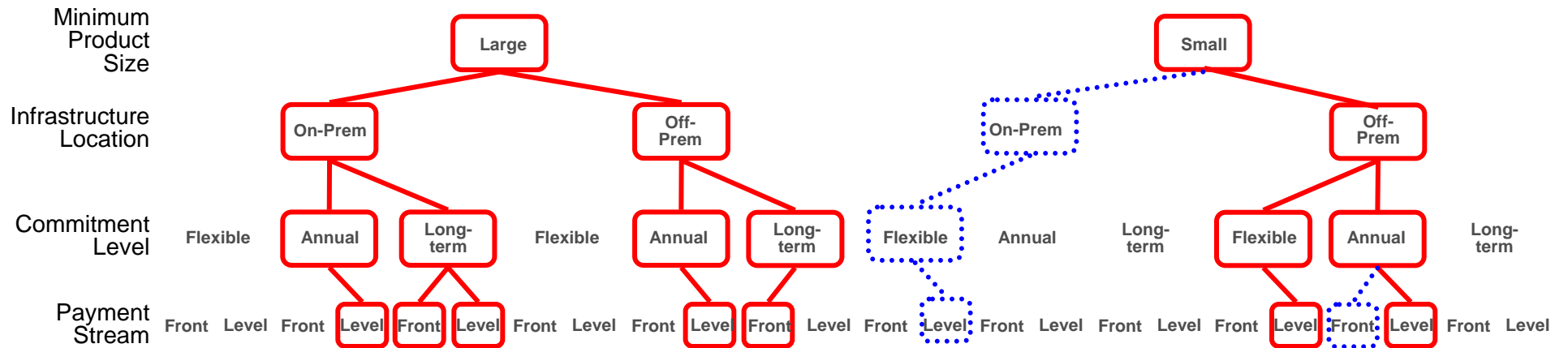


Financial Results

- **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
- Potential 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

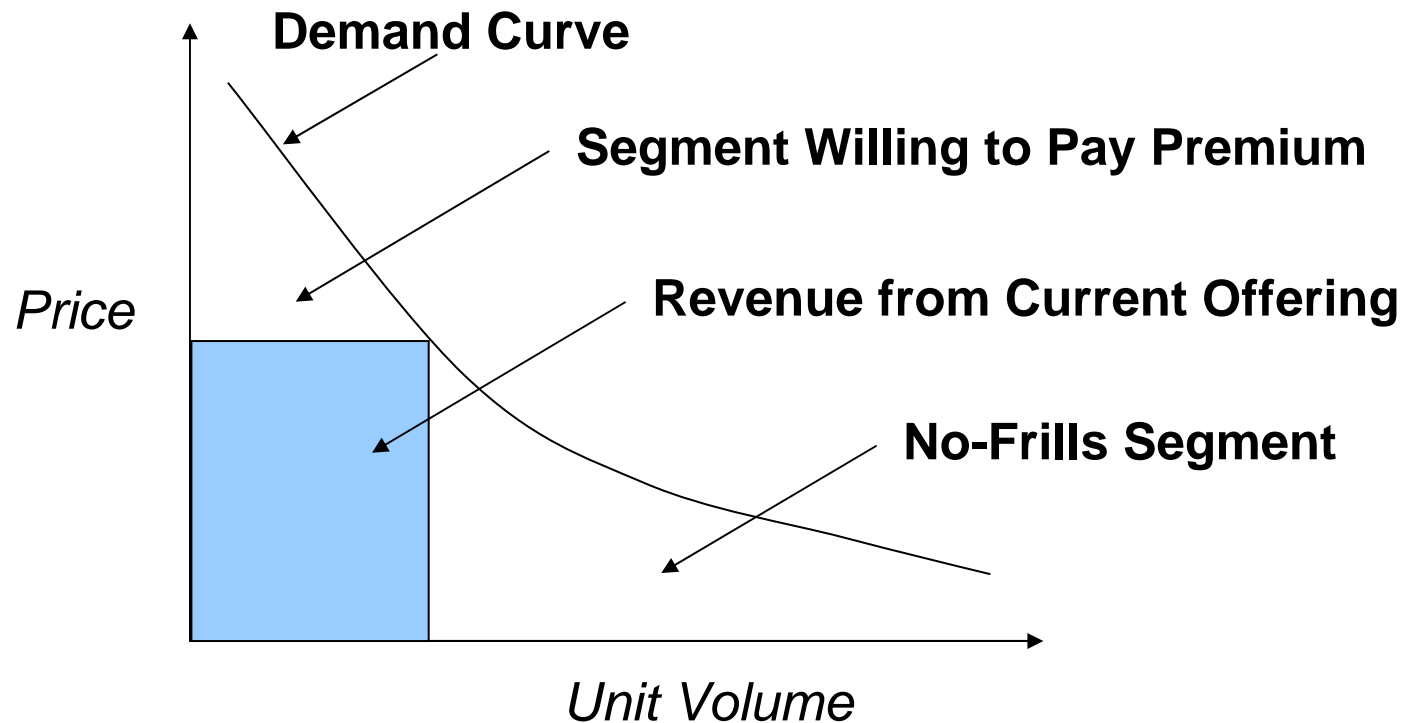
Minimum Product Size

Licensing Metric

Product (Architecture)

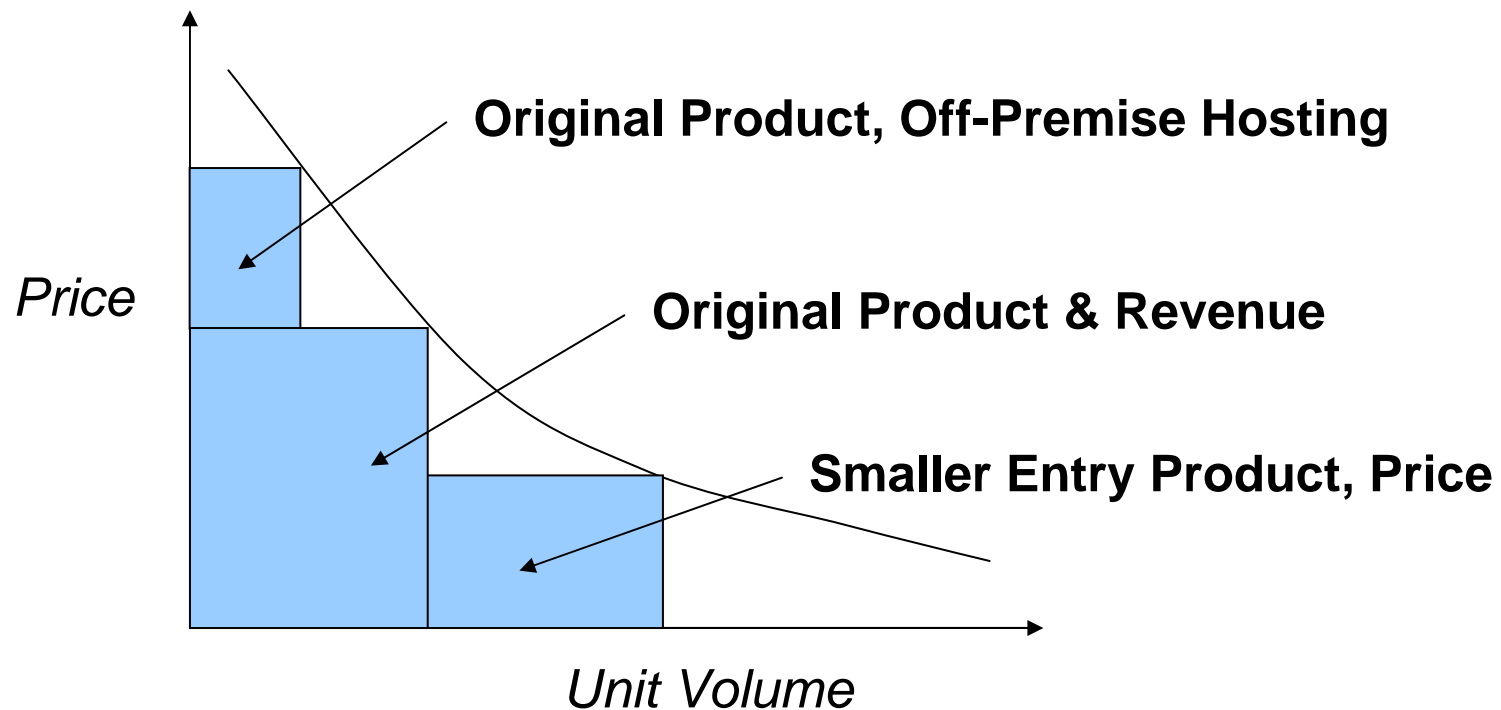
What to Change?

Original Offering at a Price



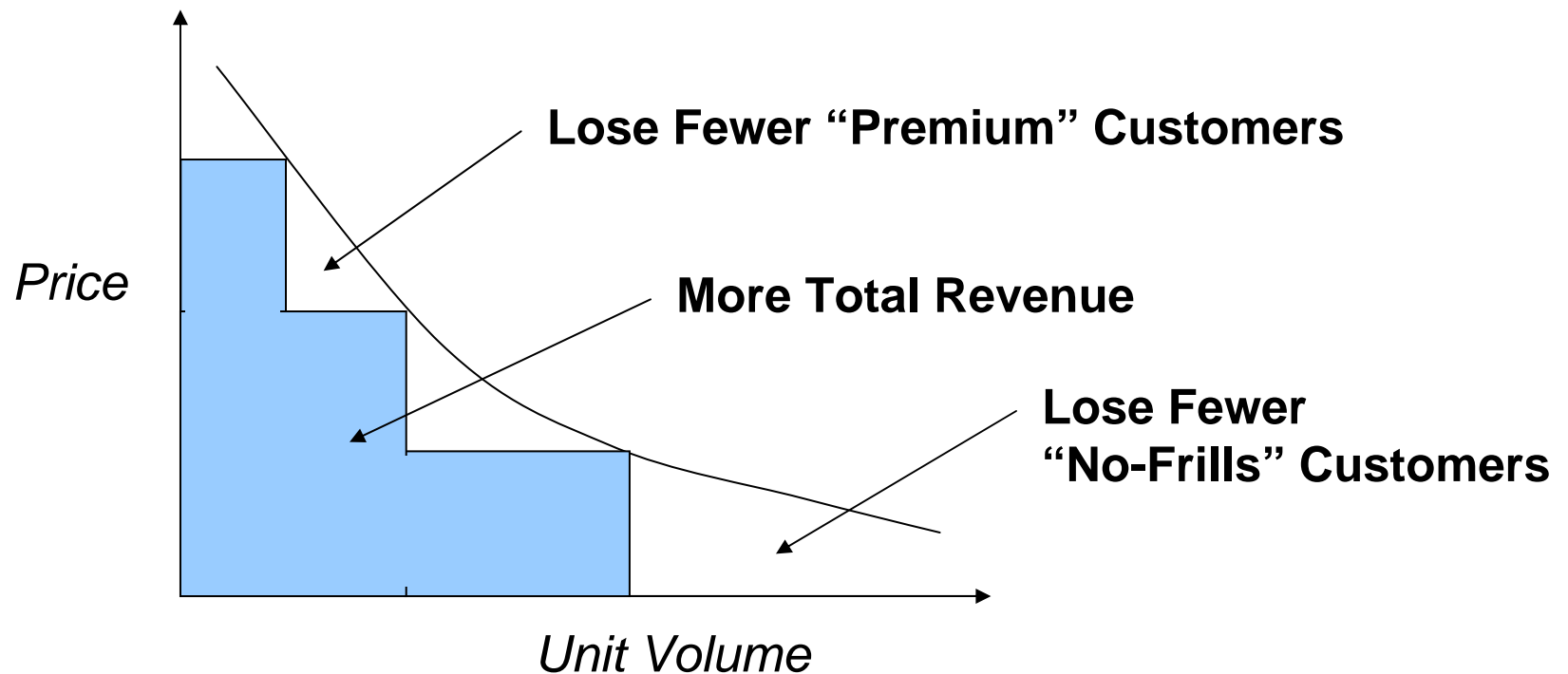
What to Change?

Change Offering and Price



Change Offering and Price

Increase Revenue

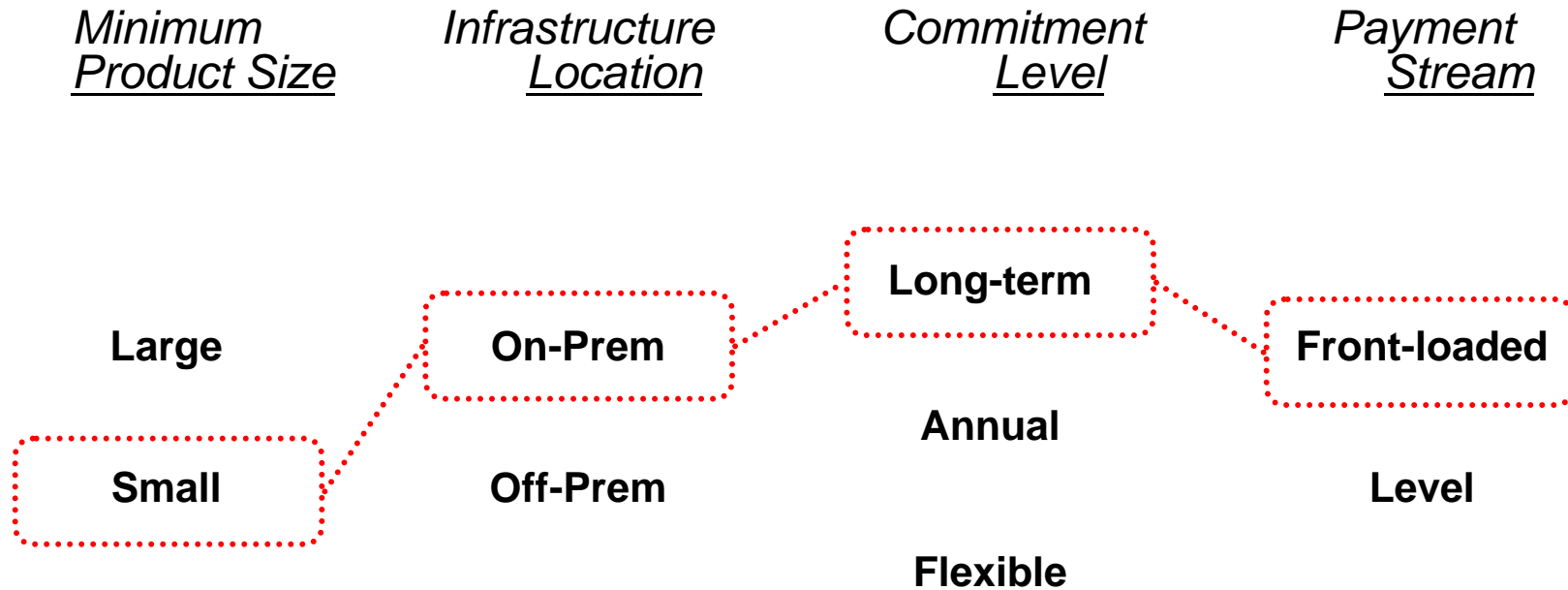


Topics

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

Wrap-Up

Find Path to Increased Revenue



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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