

- **Customer:** BDNA
- **Industry:** Technology, Financial Services, Government, Healthcare, Telecommunications, Utilities, and others
- **Engagement:** Comprehensive Pricing, Packaging & Licensing
- **Location:** Mountain View, CA
- **Size:** 100 - 200 employees
- **Founded:** 2000
- **Region:** NA, EMEA, APAC and rest of world
- **Website:** www.bdna.com (www.flexera.com)

ABOUT BDNA

At the heart of BDNA's solutions is the Technopedia catalog, the world's largest and most comprehensive repository of enterprise software and hardware, that provides product and market intelligence for more than 2 million products from more than 34,000 suppliers.

BDNA's solutions help their customers know exactly which IT assets are deployed, where those assets are located and the number of instances deployed, saving enormous amounts of internal labor.

BDNA's founder was recently recognized as Most Innovative Executive of the Year in 2017 by Golden Bridge Awards and prior to this, their solutions have garnered many industry awards including: Gold winners of *Hot Companies* and *Best Products Awards* in the Asset Management category and the *Best Asset Management Solution* by SIIA.

CLIENT SITUATION

After twelve years in business, BDNA made the realization that they were content company, not a software company. They saw this as a major barrier to monetizing their intellectual property and desired

to get paid more fairly for the value they delivered to customers, struggling with how to capture this from the dynamic content they provided.

Based on gaps and inconsistencies in their home-grown monetization approach, buyers eventually learned that waiting until the last minute in the fourth quarter to purchase BDNA's enterprise solutions would result in significantly better terms.

Discussions with customers clearly demonstrated that there was significant value being delivered. But when it came to defending prices, customers were asking for—and receiving—enormous price concessions.

Internally, there was a lack of consensus about what to do about it, so they reached out to us for help.

*"Our pricing was all over the map."
- Walker White, President*

CHALLENGES

- BDNA wasn't getting paid fairly for value of their content.
- There were a multitude of licensing schemes.
- Product pricing was perceived as too complicated by salespeople and customers.
- Discretionary discounting was out of control: salespeople had broad rights to ignore core pricing rules near end of quarter to make their numbers, obtaining enormous discretionary discount approvals.
- Their new perspective of themselves as a content company made it difficult to focus on addressing their other, equally important challenges.



PROJECT DISCOVERIES

SPP's three-stage, comprehensive monetization engagement was completed for BDNA. At the end of Stage 1: Discover, we identified additional challenges that were addressed as part of this engagement:

- Customers seemed to appreciate the content BDNA's solution delivered, but not as much as they valued the cleanup and transformation of their data, making the journey to monetizing content more challenging.
- Because of the complexity of packaging model, customers didn't seem to fully understand what it was they had purchased.
- Customers perceived different value when counting hardware vs software vs devices.
- Customers believed they were paying for capacity and/or capabilities they didn't necessarily need.
- Value from ancillary services and products including professional services and data extractors was not being captured.
- Perpetual licensing schemes were at odds with capturing full value from content which was expanded and enriched daily.

"Almost all of our deals now come in within a few points of our calculated net price, which is SO much better than before... Just look at the revenue preservation! It's remarkable."

- Walker White, President

- Discretionary discounts were much higher and more uncontrolled than management realized.
- "Land and expand" sales strategies often resulted in surprises for the client which ultimately limited BDNA's ability for expanded sales.
- Proposal preparation and review was tedious despite use of configurators, calculators, etc. because services and products were bundled at the discretion of salespeople.

- Salespeople were not conveying the dramatic returns on investment from the avoidance of audits through the use of BDNA's offerings.
- BDNA's biggest competitors were their customers' own internal IT departments that would often build bespoke solutions. Customers compared these smaller internal project costs to an investment in BDNA's enterprise offering, making it more difficult to justify BDNA's pricing.

ENGAGEMENT RESULTS

Today, BDNA extracts more value for its solutions because:

- They effectively bundle and charge for their content, professional services and data extractors on a recurring subscription basis (term) instead of one-time upfront basis (perpetual) which enables them to capture full value from all of their products and services.
- We created a licensing metric completely unique to BDNA's offerings which linked more closely to the right value creation point as perceived by their customers.
- They eliminated egregious discretionary discounts, better protecting net prices (i.e. "revenue preservation") and substantially increasing deal velocity.

"Our discipline around pricing contributed to our exit. We came across very professional and knowledgeable. We're converts after our project with SPP. Like a reformed smoker."

- Walker White, President

Above all, BDNA is now capturing full value across all of their capabilities. This includes getting paid fairly for their content as well as the myriad of other products and services they provide.

On September 19, 2017, BDNA Corporation was acquired by Flexera Software LLC.