Developing Solution Offerings
Summary of Ways to Drive Revenue in a Services Practice

This initiative focuses here

Click title for background
Improving demand creation to drive near term revenue is central to success for service firms

• An increasingly competitive market has elevated customer expectations:
  – Service firms must have a proven, clearly-documented track record in a prospect’s industry
  – Service firms not only need to understand technologies, but also provide offerings that solve an important, specific problem for a customer
  – Consulting teams must have proven experience in these offerings -- customers are unwilling to “train” new consulting teams
  – New technology investments must have a strong ROI business case that is compelling to business leadership

• Creating new accounts requires a proactive business development effort that aggressively generates leads, validates opportunities, and closes sales

• In response, firms position themselves as serious providers of ROI-focused business solutions and reevaluating and improving their demand creation processes (marketing, business development, sales)

• For small and mid-size players, this process must be done in a way that respects their current size and capabilities while positioning them for future growth
Service firms typically struggle to achieve four demand creation objectives

- **Create Market-Focused Service Offerings**
  - What services should we offer to our customers?
  - What solutions are worth investing in?
  - How can we package these offerings and get them in front of prospects?

- **Develop New Business in Current and Prospective Accounts**
  - How can we identify and cultivate revenue opportunities in existing and prospective accounts?
  - How can we generate accounts in new verticals and competency areas?

- **Track and Manage Key Leads**
  - How can we proactively drive business development activities across the organization and at all levels?
  - How can we ensure that our sales force is prioritizing business development activities based on revenue potential and strategic importance?

- **Leverage Relationships with Strategic Partners**
  - What role can strategic partners play in driving demand creation?
  - What activities are worth investing in and how can we measure ROI?
<table>
<thead>
<tr>
<th>Reason to develop solution offerings</th>
<th>By:</th>
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<tbody>
<tr>
<td><strong>Solution Offerings can help:</strong></td>
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<tr>
<td>Accelerate sales</td>
<td>• Bringing well-defined solutions to important, pervasive, and persistent client problems.</td>
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<td>Raise profitability</td>
<td>• Increasing customer perceived value, helping to decrease rate pressure.</td>
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<td>• Lower cost and risk, and increased resource efficiency via reusable tools, frameworks, and repeatable approaches to selling and delivering.</td>
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<td>Increase competitiveness</td>
<td>• Offering value-based offering vs. commoditized inputs.</td>
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<td>• Differentiating from other providers.</td>
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<td>• Providing a competitive advantage by establishing credibility and leadership in specific areas and/or by creating delivery cost and efficiency advantages.</td>
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<td>Sharpen marketing effectiveness</td>
<td>• Clarifying value proposition.</td>
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<td>Expand customer satisfaction</td>
<td>• Increasing and expanding the value offered to clients.</td>
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Approach Solution Offering development with the spirit of Lean.

**Overarching Goals of the Approach**
- Deliver value early and often
- Make efficient use of resources
- Ensure usefulness

<table>
<thead>
<tr>
<th>Work Stream</th>
<th>Iterations</th>
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<tbody>
<tr>
<td>Initial Solution(s)</td>
<td>Iteration 1</td>
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<tr>
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<td><strong>Iterate and add depth (as needed)</strong></td>
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<td><strong>New Solutions as appropriate</strong></td>
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<tr>
<td>Solution Offering Framework</td>
<td>Outline Framework Iteration 1</td>
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<td><strong>Iterate and add depth (as needed)</strong></td>
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<tr>
<td>Build Solution Offering Inventory</td>
<td>Define criteria, process Iteration 1</td>
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<td><strong>Iterate and add (as needed)</strong></td>
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From ReachSolutions
Follow a repeatable framework.

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Example Questions</th>
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</table>
| Goals, Milestones, and Criteria (WHY?)          | • What do we want to achieve with repeatable solutions?  
• What makes something we can do repeatedly an offering we should invest in and take to market? |
| Process and Guidelines (WHAT? and WHEN?)       | • What are the steps we should take to launch a new offering?  
• What are the guidelines to help us identify whether we should propose or reuse an existing solution or create a new, custom one from scratch?  
• When should we do to capture successful tools or approaches that might be reused on other projects? |
| Tools, Templates, and Techniques (HOW?)        | • What should we use to propose a new solution offering?  
• How should we capture best practices? |
| Management, Roles, Responsibilities, and Governance (WHO? and WHERE?) | • Who should ensure that critical domain or subject matter experts are developed and effectively leveraged?  
• Who reviews business cases? Who makes the ultimate investment decisions? |
A Solution Offering…

… is a combination of company (and partner) products, services, capabilities, knowledge, tools, data, software, and/or methods packaged together and used repeatedly to address one or more problems that multiple target customers need solved.

A solution offering is:

- Not just a capability or competency
- Not just a marketing term
- Not just a category of technology
- Not just a buzzword
- Not just a practice area

Based on ReachSolutions
An solution’s value proposition is best distilled into a Services Architecture that can be shared with employees and prospects

<table>
<thead>
<tr>
<th>Overarching Value Message</th>
<th>“We help businesses leverage their IT organization and technologies to reduce costs and provide more value”</th>
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<tbody>
<tr>
<td>Business Solutions</td>
<td>Channel Management</td>
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<td>Supplier Collaboration</td>
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<td>Employee Effectiveness</td>
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<td>Competency Areas</td>
<td>IT Effectiveness</td>
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<td>Oracle Technologies</td>
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<td>Supply Chain</td>
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<td>Infrastructure Services</td>
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<td>Knowledge Management</td>
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<td>E-Commerce</td>
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<tr>
<td>Capabilities and Partnerships</td>
<td>• Oracle Financials</td>
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<td>• Oracle West Region Partnership</td>
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<td>• Supplier Review</td>
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<td>• IT System Design</td>
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<td>• Knowledge Assessment</td>
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<td>• Web Site Assessment</td>
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EXAMPLE
Solution Offerings Mature

Solution offerings may be characterized, and often mature, along the following continuum:

- **Sales/Marketing Leverage** refers to the degree to which the solution accelerates business development, enhances marketing, and adds to the firm’s value proposition.

- **Delivery Leverage** refers to the degree to which the solution can increase delivery efficiency and reduce delivery cost and risk.

- **Business Leverage** refers to the degree to which the solution can both stand on its own as a viable business and adds value to the overall business.

From ReachSolutions
Prioritize and implement initial solution(s) as a reusable model

Reusable elements

- Gather initial candidates
- Define objectives and criteria
- Prioritize and down-select
  - Business Cases/Canvases (see example)
  - Evaluate against criteria
- Select initial offering(s) to develop

For each solution offering

- Assign a solution leader to pull together:
  - Offering description
  - Business problem offering solves
  - Target market for whom offering is strategic
  - Business model and outline plan elements:
    - Go-to-market approach
    - Solution development approach
    - Delivery approach
    - Financial model
  - Goals of the initiative to develop the offering
  - Qualifications
  - Risks and considerations
- Conduct executive review to decide whether and how to pursue

Use Lean Startup approach for early Solution Opportunity development and validation

More rigorous Planning once market opportunity is validated
Choose a few key market “plays” and drive their development through assigned leaders.

Each leader develops Service Offerings and Strategic Plans to grow revenues in their area.

Prioritize Market Plays

Assign Market Play Leads

- Create Positioning and Key Market Messages
- Develop Strategic Plan and Target Accounts
- Build Delivery Team and Scale Based on Market Demand

Market Demand

Business Strategy / Solution Architecture

Past Successes and Current Capabilities

Partner Strategies
The leader’s role evolves as the business driven by the solution matures.

**LEADER and TOP TEAM ROLE***
- Idea Maker
- Zealot
- Doer
- Decision Maker
- Delegator
- Direction Setter
- Team Builder
- Coach
- Planner
- Communicator
- Industry Innovator
- Change Catalyst

**DEFINING ELEMENTS**
- Concept
- Money
- Team
- First clients
- First employees
- Revenue/Funding
- Plan
- Leadership
- Drive
- Going Concern
- Sale or Finance
- IPO
- Routine

**CONCERNS**
- Get Started
- Proof
- Survival
- Focus
- Execution
- Growth
- Performance
- Payoff
- Managing Growth
- New Growth

**STAGE**
- Concept
- Startup
- Credible
- Sustainable
- Mature

* Based on “Leading at the Speed of Growth” by Catlin & Matthews.
**Example: Value Proposition Matrix**

### Value Proposition Worksheet - OTIS MM

<table>
<thead>
<tr>
<th>Customer Segment / Type / Job</th>
<th>Pains / Gains</th>
<th>Gain Creator(s) / Pain Remover(s)</th>
<th>Solution Component(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer</td>
<td>Requirement</td>
<td>Gain Source</td>
<td>Model Inventory</td>
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<td>Development Tools</td>
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<td>Model Validation</td>
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<td>Process Management</td>
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<td>Document Control and Reporting</td>
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<td>Prioritization</td>
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<td>Risk Assessment</td>
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<td>Audit Trails</td>
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<td>Cost Effective and Fast Deployment</td>
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</tbody>
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### Customer Segment / Type / Job

For Model Risk Managers: OTIS’s capabilities save time spent finding documentation and model history while easily identifying validation priorities with scheduling, alerts, and portfolio reporting functions.

- **Pains / Gains:**
  - Limited time and resources
  - Need to prioritize and focus
  - Standardization and common approaches
  - Audit Risk

- **Gain Creator(s) / Pain Remover(s):**
  - Save time
  - Prioritize and focus on most important issues
  - Proven methodology
  - Workflow built in

### Solution Component(s)

- Model Inventory Management
- Model Development Tools
- Model Validation
- Process Management
- Document Control and Reporting
- Prioritization
- Risk Assessment
- Audit Trails
- Cost Effective and Fast Deployment

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From ReachSolutions
Sample solution offering criteria

• Solves an important, pervasive, persistent problem for targeted clients we want to work with.
• Cost of selling, developing, supporting, maintaining, extending, scaling is reasonable relative to value it delivers and therefore the price we can charge for it.
• Builds on work we have done well for existing clients.