

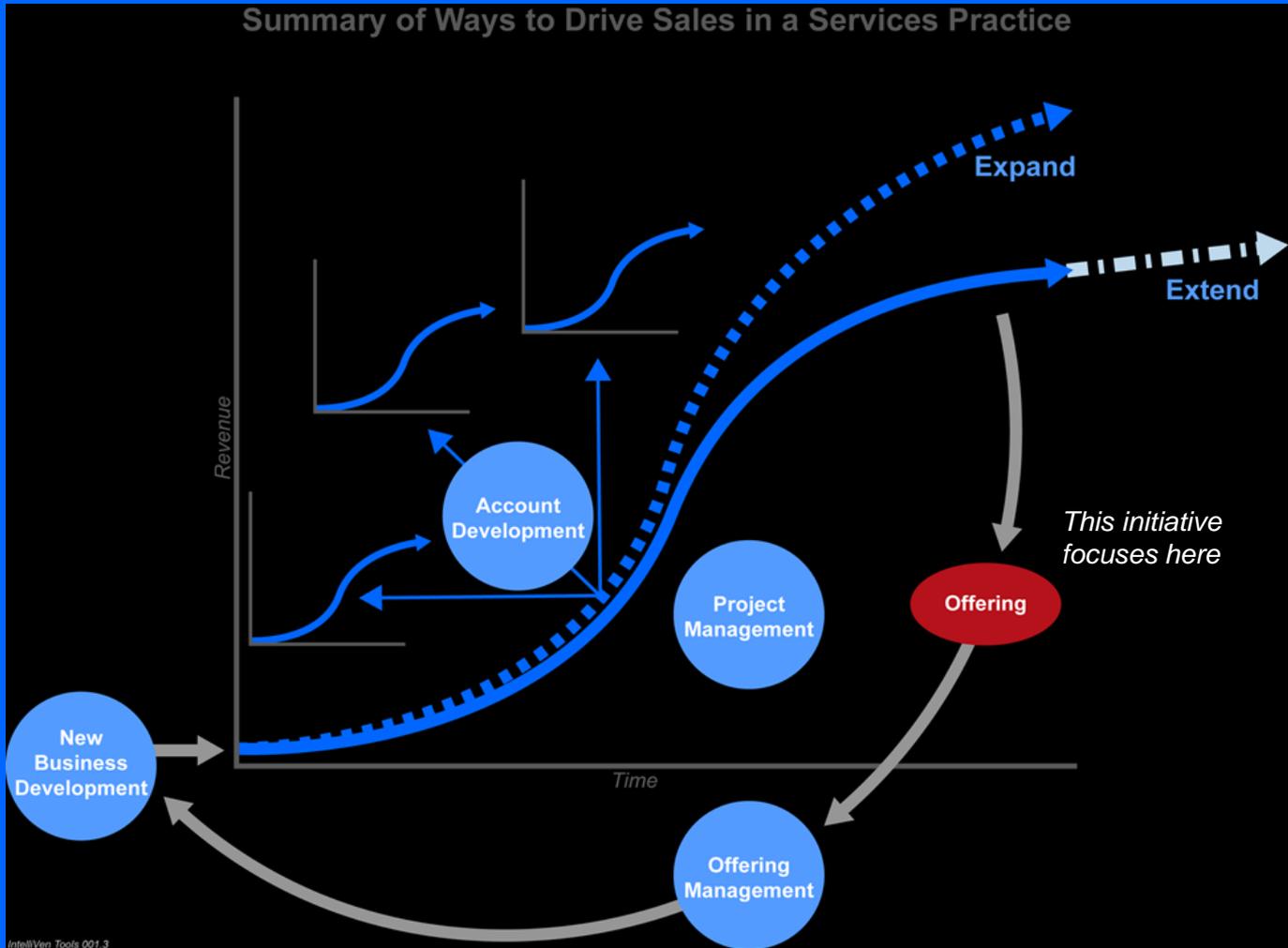
# intelliVen

Intelligent Strategies. Successful Ventures.

## Developing Solution Offerings



# Summary of Ways to Drive Revenue in a Services Practice



# 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?

# Reasons to develop solution offerings

## Solution Offerings can help:

**Accelerate sales**

**Raise profitability**

**Increase competitiveness**

**Sharpen marketing effectiveness**

**Expand customer satisfaction**

## By:

- Bringing well-defined solutions to important, pervasive, and persistent client problems.
- Increasing customer perceived value, helping to decrease rate pressure.
- Lower cost and risk, and increased resource efficiency via reusable tools, frameworks, and repeatable approaches to selling and delivering.
- Offering value-based offering vs. commoditized inputs.
- Differentiating from other providers.
- Providing a competitive advantage by establishing credibility and leadership in specific areas and/or by creating delivery cost and efficiency advantages.
- Clarifying value proposition.
- Increasing and expanding the value offered to clients.

# 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



Work Stream	-----Iterations-----				
Initial Solution(s)	Iteration 1				
		<div style="background-color: #90EE90; padding: 5px; display: inline-block;">Iterate and add depth (as needed)</div>			
		<div style="background-color: #A9A9A9; padding: 5px; display: inline-block;">New Solutions as appropriate</div>			
Solution Offering Framework	Outline Framework	Iteration 1- Initial components			
		<div style="background-color: #ADD8E6; padding: 5px; display: inline-block;">Iterate and add depth (as needed)</div>			
Build Solution Offering Inventory		Define criteria, process	Iteration 1		
				<div style="background-color: #FFD700; padding: 5px; display: inline-block;">Iterate and add (as needed)</div>	

# Follow a repeatable framework.

<u>Focus Area</u>	<u>Example Questions</u>
<b>Goals, Milestones, and Criteria (WHY?)</b>	<ul style="list-style-type: none"><li>• What do we want to achieve with repeatable solutions?</li><li>• What makes something we can do repeatedly an offering we should invest in and take to market?</li></ul>
<b>Process and Guidelines (WHAT? and WHEN?)</b>	<ul style="list-style-type: none"><li>• What are the steps we should take to launch a new offering?</li><li>• 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?</li><li>• When should we do to capture successful tools or approaches that might be reused on other projects?</li></ul>
<b>Tools, Templates, and Techniques (HOW?)</b>	<ul style="list-style-type: none"><li>• What should we use to propose a new solution offering?</li><li>• How should we capture best practices?</li></ul>
<b>Management, Roles, Responsibilities, and Governance (WHO? and WHERE?)</b>	<ul style="list-style-type: none"><li>• Who should ensure that critical domain or subject matter experts are developed and effectively leveraged?</li><li>• Who reviews business cases? Who makes the ultimate investment decisions?</li></ul>

# A Solution Offering...

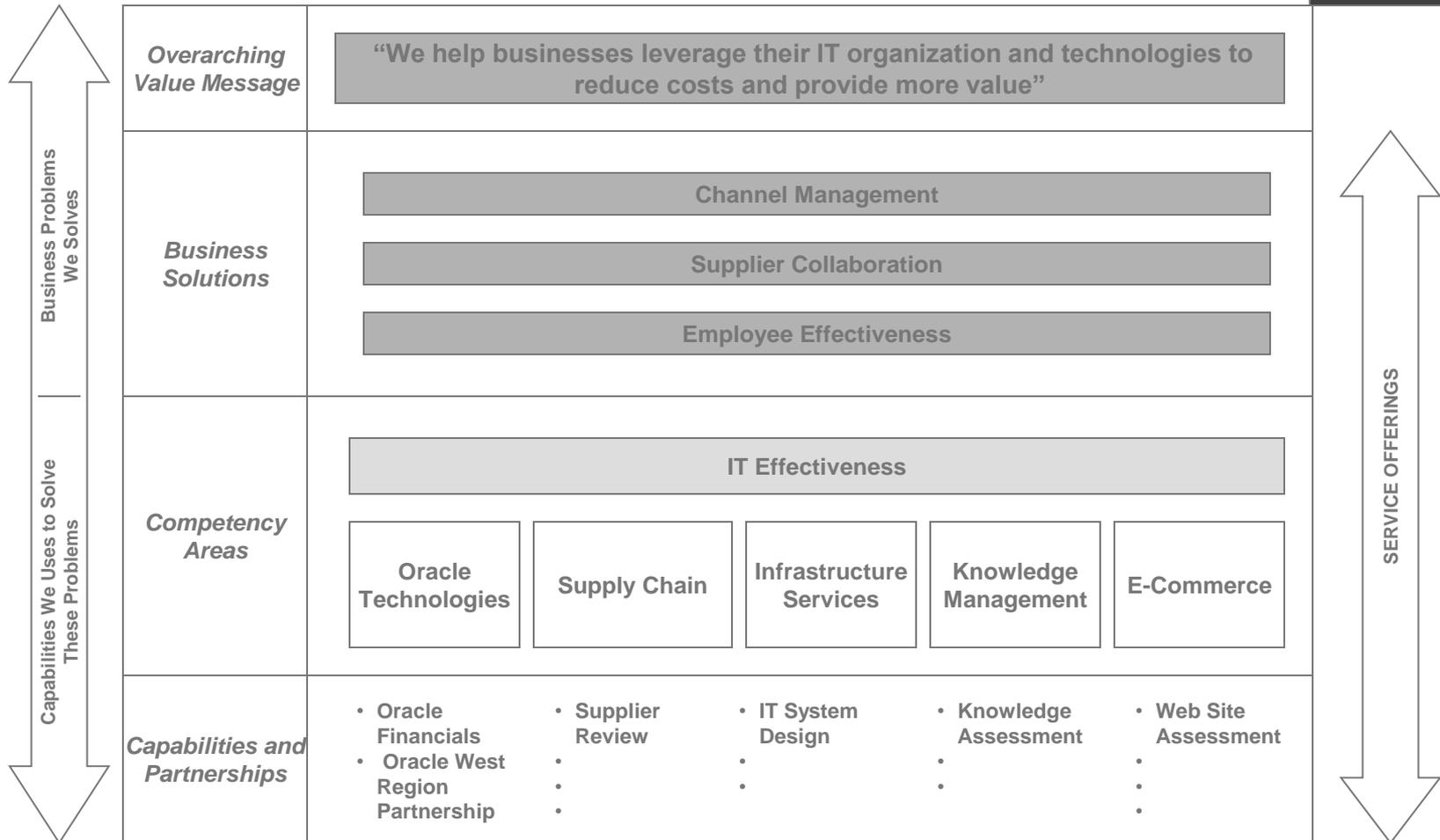
... is a combination of company (and partner) products, services, capabilities, knowledge, tools, data, software, and/or methods packaged together and used repeatedly to address one or more problems that multiple target customers need solved.

## **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

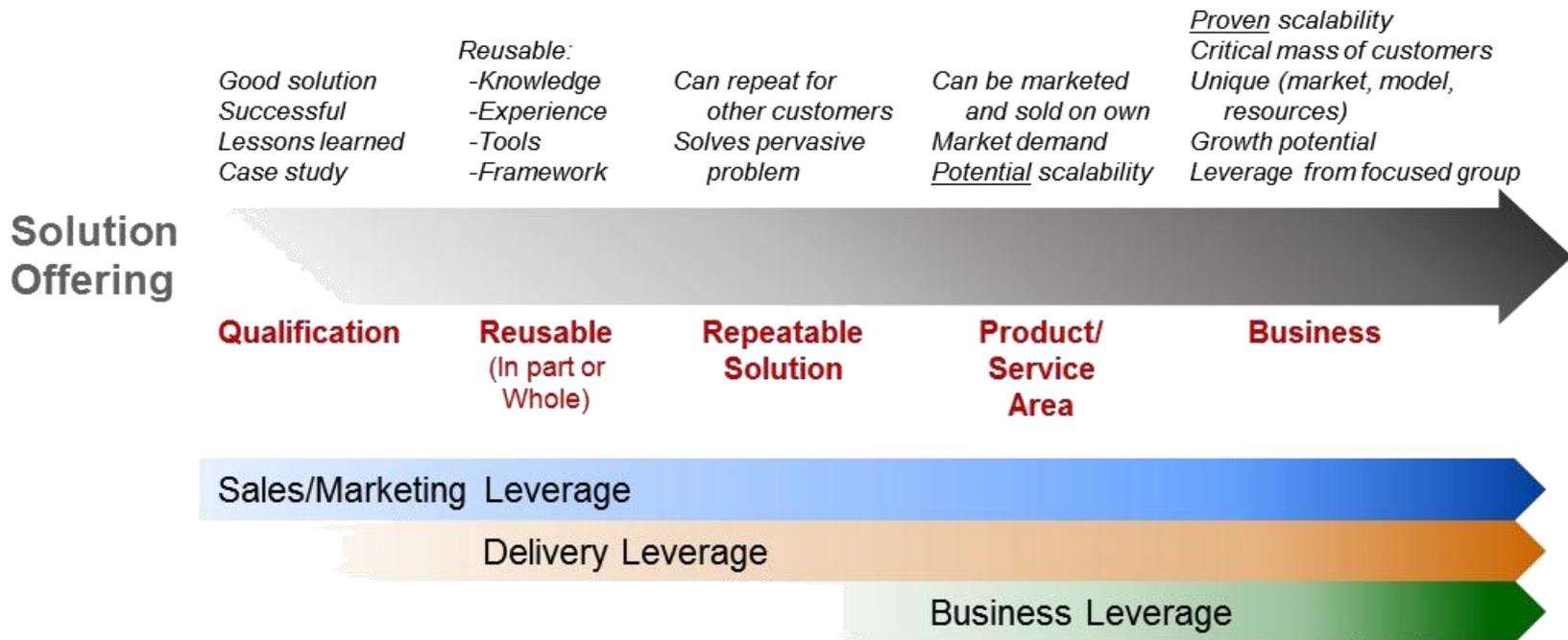
# An solution's value proposition is best distilled into a Services Architecture that can be shared with employees and prospects

**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.

# 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



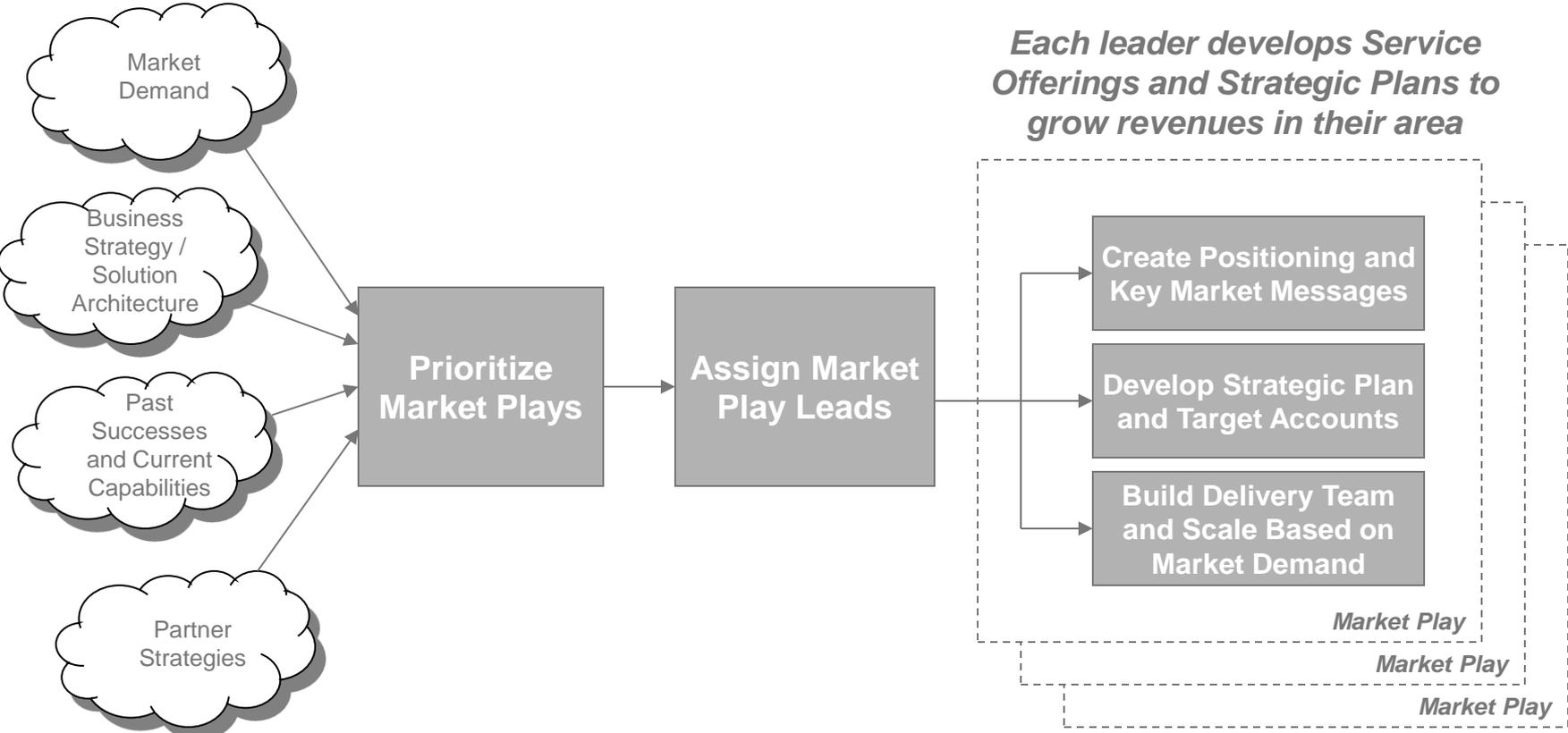
*Use Lean Startup approach for early Solution Opportunity development and validation*

For each solution offering

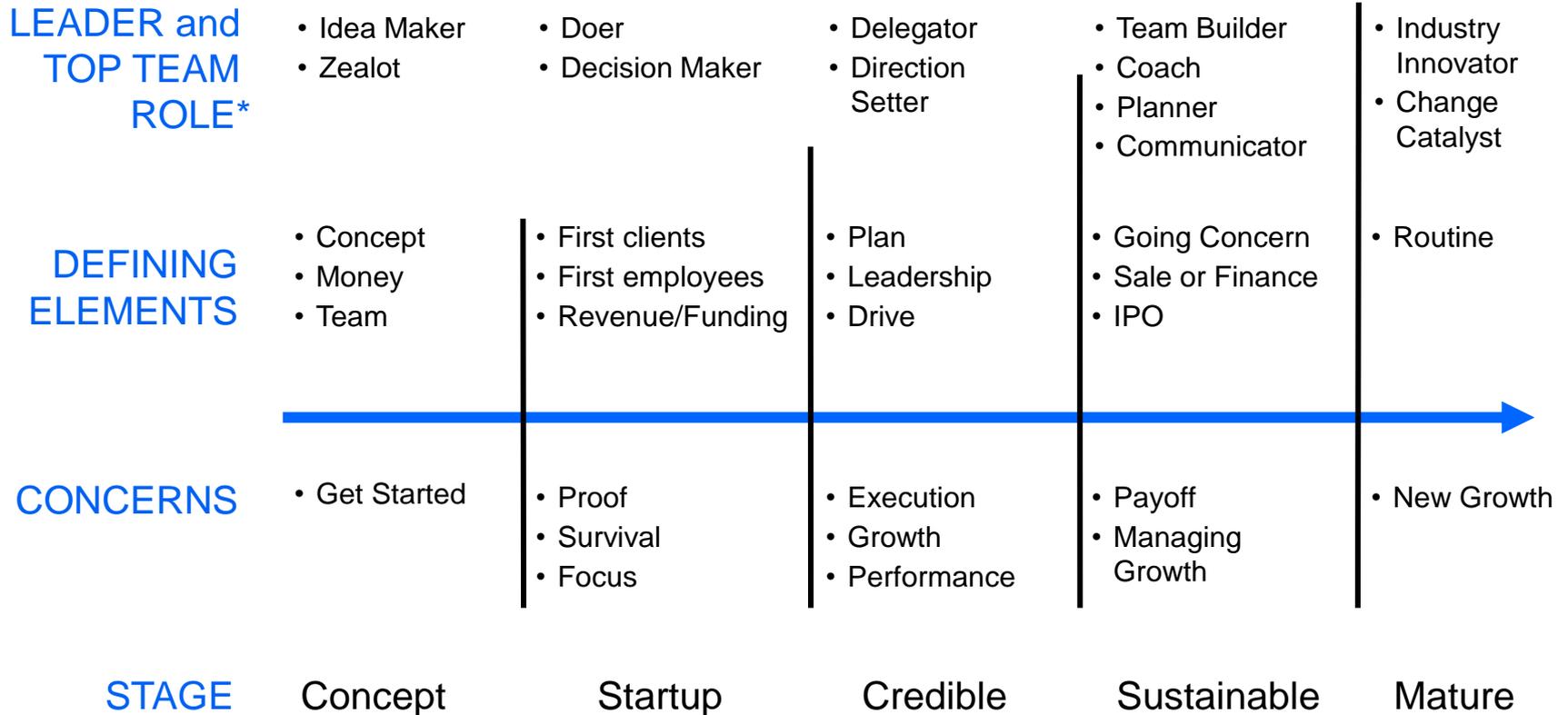
- Assign a solution leader to pull together:
  - Offering description
  - Business problem offering solves
  - Target market for whom offering is strategic
  - Business model and outline plan elements:
    - Go-to-market approach
    - Solution development approach
    - Delivery approach
    - Financial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

**More rigorous Planning once market opportunity is validated**

# Choose a few key market “plays” and drive their development through assigned leaders.



# The leader's role evolves as the business driven by the solution matures.



\* Based on "Leading at the Speed of Growth" by Catlin & Matthews.

# Example: Solution Business Model Canvas

Solution: <b>OTIS-MM</b> Rev: <b>1</b>		<b>SOLUTION BUSINESS MODEL CANVAS</b> <b>OTIS-MM</b>		<b>WORKING DRAFT</b> Date: <b>11/5/2015 10:46 AM</b>
<b>Offering</b>		←----- <b>Unique Value</b> -----→		<b>Market</b>
<b>Resources &amp; Partners</b>	<b>Solution Components</b>	<b>Value Proposition</b>	<b>Customer Problem(s)</b>	<b>Target Customers</b>
<ul style="list-style-type: none"> <li>Technical                             <ul style="list-style-type: none"> <li>Mike T</li> <li>Joe F.</li> </ul> </li> <li>Business                             <ul style="list-style-type: none"> <li>Larry R.</li> <li>Subtopic</li> </ul> </li> <li>Solution Driver                             <ul style="list-style-type: none"> <li>RS</li> <li>R.I.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Model Inventory Management</li> <li>Model Development Tools (?)</li> <li>Model Validation Process Management</li> <li>Document Control and Repository</li> <li>Reporting</li> <li>Prioritization/Risk Assessment</li> <li>Audit Trails</li> <li>Fast and Cost Effective Deployment</li> </ul>	<ol style="list-style-type: none"> <li>You know where your model are</li> <li>Increased performance and productivity</li> <li>Greater consistency, reliability, transparency,</li> <li>Centralized management of model assets</li> <li>Increased responsiveness</li> <li>Increased value</li> <li>Reduced risk</li> <li>Focus of resources on highest value work</li> </ol>	<ul style="list-style-type: none"> <li>Increased Regulatory Scrutiny</li> <li>Proliferation of Models</li> <li>Decentralized and Fragmented</li> <li>Lack of Standardization</li> <li>Manually Intensive Process</li> <li>Slow to Respond</li> </ul>	<ul style="list-style-type: none"> <li>Freddie Mac</li> <li>Fannie Mae</li> <li>Capital One</li> <li>Northern Trust</li> <li>PenFed</li> <li>Navy Federal Credit Union</li> <li>USDA</li> <li>Treasury</li> <li>HUD</li> </ul>
	<b>Plan &amp; Activities</b>	<b>Channels / Competitors</b>	<b>Channels</b>	
	<ul style="list-style-type: none"> <li>Get Customer feedback and refine):                             <ul style="list-style-type: none"> <li>Firm up existing capabilities</li> <li>Build Next MVP prioritized components (Flexible vs. how capability?)                                     <ul style="list-style-type: none"> <li><b>MORE....</b></li> </ul> </li> </ul> </li> <li>Some Questions/Issues                             <ul style="list-style-type: none"> <li>Development/Tech. foundation?</li> <li>Market Need? Who? Why?</li> <li>Can we differentiate?</li> <li>Cloud vs in-house options?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Moody's (asU): 80% don't have system</li> <li>Excel spreadsheets,, Sharepoint, Manual processes</li> <li><b>WE OFFER ALL OF VALUE PROP ABOVE</b></li> <li>Competing Products                             <ul style="list-style-type: none"> <li>KPMG, SAS, Oracle, IBM, FICO/Moody's, EGRC (Audit) systems</li> <li><b>WE ARE MORE STREAMLINED/ADAPTABLE</b></li> </ul> </li> <li>Analogous software                             <ul style="list-style-type: none"> <li>Case Management S/W, Software testing S/W, BPM</li> <li><b>APPS STILL NEED TO BE BUILT/CUSTOMIZED</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Direct</li> <li>Microsoft?</li> <li>SAS/FICO</li> <li>FICO?</li> <li>Big 4 (EY? Deloitte)</li> <li>Other related solution providers?</li> </ul>	
<b>Cost Structure</b>		<b>Revenue Streams/Business Value</b>		
<ul style="list-style-type: none"> <li>S/W Development Costs</li> <li>Maintenance Team O/H</li> <li>Doc and Training Materials</li> <li>Legal</li> </ul>		<ul style="list-style-type: none"> <li>Unique salesforce?</li> <li>Sched cost? (Fed)</li> <li>Reseller cost (potentially)</li> <li>OEM'd software royalties?</li> </ul>		
		<ul style="list-style-type: none"> <li>Perpetual or Recurring Lic. Rev</li> <li>Recurring Maintenance Rev.</li> <li>Increased Services Rev</li> <li>Sales Leverage</li> </ul>		Potential OEM revenue

# Example: Value Proposition Matrix

VALUE PROPOSITION WORKSHEET - OTIS MM											
CUSTOMER		SOLUTION									SUBSTITUTION
Customer Segment / Type / Job	Pains/ Gains	Gain Creator(s)/ Pain Remover(s)	Solution Component(s)								Substituted Competitor
			Model Inventory Management	Model Development Tools (?)	Model Validation Process Management	Document Control and Reporting	Reporting	Prioritization/ Risk Assessment	Audit Trails	Cost Effective and Fast Deployment	
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.	Limited time and resources	Save Time									
	Need to prioritize and focus	Prioritize and focus on most important issues									
	Standardization and common approaches	Proven methodology underlying									
		Flexible Standardization Workflow built in									
	Audit Risk	Audit Trails See Also : Standardization and common approach									
	Model Dependencies can be overlooked	Chain of model accountability									
For Model Developers: OTIS's centralized repository reduces time spent responding to outside reviews and increases team performance by providing a centralized source of re-usable assets.	Attrition/Distributed workforce (outsource, work at home, international, etc.)	Model management independent of workforce									
	time and resource drained by responding	Reduce time to respond									
	Inefficient reuse (reinventing the wheel each time)	Reusable Assets									
	Myriad models distributed throughout the org	Centralized Source									
Performance requirements	Increased performance										
	Increased responsiveness Better Reporting										

# 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.