



McDONNELL
GROUP

Focus on Practical Methods™

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Focus on Practical Methods™ Executive Summary

Focus on Practical Methods™ (FPM™) is The McDonnell Group’s proprietary strategy appraisal and marketing management framework tailored specifically for the needs of business-to-business software companies. The three phases and 32 tracks of the methodology incorporate specific scorecards that The McDonnell Group tailors based on specific client requirements.

The McDonnell Group leverages FPM to provide a range of service offerings including its **‘Fast Track’ Strategy, Program, and SWOT Analysis** incorporating:

- ✓ Executive Discovery Interviews
- ✓ Program Summary Audit & Appraisals
- ✓ Material and Program Assessment
- ✓ Ordinal Recommendations by Program Area

The goal of FPM is to align resources, strategy, and distinctive competencies to achieve shareholder value creation objectives based on proven methods and program approaches. The framework lays out the steps required for effective market strategy, product planning, and strategic positioning. It also incorporates the marketing program elements needed to tie market-driven corporate strategy with successful field sales force execution and customer success.

Foundational Analysis

Market Research

Market Research defines the organization's unique ability to deliver value to the customer while differentiating itself from competitive offerings.

Maintain vigilance over applicable markets and their moods. Gather industry expert opinion and quantitative market data for different market segments.

Map prospect needs with target markets and analyze which market segments to proactively pursue. Ensure that the size of the targeted segments is large enough to support the current and future business of the company.

Investigate different technologies (both inside and outside the company) and consider how they might be applied to solve a given prospect problem.

Suspect Pain

Find unsolved problems in our prospect base that are urgent and pervasive and that people are willing to pay to solve. Propose innovative solutions that leverage our distinctive competence.

Competitive Analysis

Identify competitive offerings in the market. Review their niche, approach, and success in the market. Assess their strengths and weaknesses. Evaluate the presence and relative importance of key product features. Communicate the results of the analysis.

Win/Loss Analysis

Measure sales in relation to the competition through a set of metrics that build a composite picture. Understand why evaluators did and did not buy.

Solution Profitability Review

Calculate product return on investment using corporate standards to guide further investment. Identify strong and weak performers.

User/Customer Feedback

Document customer sentiment, customer satisfaction and customer product and solutions needs gap analysis using quantitative research and qualitative user and customer focus group inputs.

Company & Solution Planning

Solution Business Case

Perform an objective analysis of a potential market opportunity to provide a basis for investment using corporate governance investment guidelines (e.g., IRR, Cash Flow, ROIC, ROI, etc.) and later measure actual results versus plan. Create a plan for both new products and new releases for existing products. Incorporate win/loss analysis into model, as well as objective third party market sizing information, conservative estimates of product penetration rates, and sales validation of potential revenue assumptions. Obtain sales and product marketing consensus on targets, timelines and revenue assumptions in business case. Summarize all business cases into a one page summary opportunity list to help product management finalize product contract based on business case analysis.

Buy, Build, or Partner

Determine the most effective way to deliver a solution to an identified prospect problem. Map potential partner community and current ties to major accounts and competitors. Determine white space for partner leverage and work with sales to determine product and solution partnering plan.

Pricing Model

Establish a pricing model, schedules, guidelines and procedures. Monitor pricing through win/loss program and ensure solutions are "clearing the market" to gain maximum margin in light of competitive landscape.

Fish or Cut Bait

Work with product management to "prune" product portfolio while creating a product retirement program (cut bait) to allow company to focus resources, capital and bandwidth on the highest potential (ROI, IRR, ROIC as appropriate to each clients strategy and business investment model) opportunities. Relentlessly support sales to move old customers to new releases through scripting/data conversion utilities and other productized implementation methodologies.

Market Requirements Doc

Looking from the customer's perspective, understand what the product really does - or should do - how people use it - or will use it- and what criteria they use - or will use - to buy it.

Positioning Document

Articulate what we do for the prospect. Produce simple benefit and value oriented statement/statements and/or benefit message maps/grids that are used to create all communications. Keep key messages to groups of three and ensure that product packaging matches perceived areas of benefit/use to the target market. Whenever possible, package product using descriptive names and common industry product metaphor (system, suite, module, etc.) approach to ensure clear understanding of offerings. Create top level positioning and summary sheets for each product area. Ensure that benefit messaging matches researched market needs perceptions modeled vs. the competition.

Solution Introduction Planning

Produce a marketing roll-out plan and checklists to ensure that all departments and all deliverables are on-schedule.

Product Contract

Define the top-line requirements for a product release including key milestones and signatures of all participants. Ensure that sales has clear information on what to sell and when it will be available relative to GAAP VSOE and/or company revenue recognition policies. Ensure that product contract includes provisions for the delivery of implementation scripts and other required tools.

Product Requirements

Ensure that the proposed technical solution solves the defined problem. Document requirements, information flows, key product dependencies, and use cases for development to facilitate further creation of functional specifications and development design docs. Describe the "what" for development (using the MRD as a base source document in collaboration with product marketing) not the "how."

Documentation Plan

Ensure that all products have packaged user information, help files, training guides, tips and tricks, online help, etc. as part of schedule for solution intro planning. Ensure that documentation is delivered as part of GA.

Functional Specs (& Dev PM)

Monitor the implementation of the development plan, preventing time delays due to additional features that were not specified. Ensure that delivered product meets needs and acceptable quality criteria. Sign off on product release as gatekeeper.

Program Delivery & Sales Process

Sales Process

Develop a sales model for the channel to use, identifying the key steps of the cycle, defining how to use the materials provided by the company, and focusing on how to sell the product (not how to use it). The objective is to create a satisfied (referenceable) customer.

Advertising

Create print, on-line, and email marketing programs and measure customer/prospect awareness of the product and/or company.

Public Relations

Create product news releases, customer trade success stories, win and go-live announcements, etc. and measure awareness of the product and/or company within the community of potential investors in the business press, target accounts, press and analysts who influence buyers.

Speaking Engagements

Seek opportunities to promote the company, the organization's vision, and the product strategy.

Lead Generation & Tracking

Identify and attract prospects with emphasis on generating qualified leads.

Sales Presentations

Produce standard product presentations, sales materials and collateral, and scripts that can be used by the sales team in a typical sales process.

Demo Scripts

Produce an outline for product demonstrations that highlight the key capabilities of the product. Ensure that standard workflows are used and that key data sets and reports are available. Document workflows and "lock-down" demo kits to ensure consistent and repeatable demo process across sales engineering function.

Collateral

Provide printed and electronic versions of product information that is focused on a specific step of the sales cycle, targeted to specific buyers, and to address the problems of that buyer.

White Papers

These often-lengthy documents contain details on product vision or technical underpinnings that are beyond the ability of the average channel member to deliver.

ROI Studies

Produce a Return-on-Investment analysis that highlights the key areas of gains and savings provided by the product.

Phone Support & Scripting

Using the competitive review from Market Analysis, produce a short write-up of the competitors' strengths and weaknesses, sales tactics, pricing, and the "silver bullets" needed to beat them. Distribute short (one or two page) news updates frequently. These answer common questions that boggle the channel.

Special Calls

Deliver product information to qualified prospects in support of existing sales efforts.

Seminars & Trade shows

Deliver product presentations, case studies, and papers at seminars, forums, and trade shows.

Corporate Visit & Blueprint Kit

Deliver presentations on the company's history, the organization's vision, and the product strategy. Ideally, this should be a highly organized activity involving key members of the senior executive team. Produce a standard agenda and key presentations for corporate visit and train a cadre of resources to present each presentation to ensure scale and support of organization.

Event Marketing

Develop user conference program, seminars and other events designed to showcase customer expertise, build customer community, and create awareness for company and its solutions.

About The McDonnell Group

The McDonnell Group Inc. provides corporate development, strategy, and integrated marketing communications services to energy and business-to-business technology companies. For more information visit www.themcdonnellgroup.com.

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