

Birla Institute of Technology & Science, Pilani
Work-Integrated Learning Programmes Division
First Semester 2022-2023
Comprehensive Examination (EC-3 Make-up)

Course No. : SE ZG685
Course Title : SOFTWARE PRODUCT MANAGEMENT
Nature of Exam : Open Book
Weightage : 40%
Duration : 2 Hours
Date of Exam : Saturday, 26/11/2022 (FN)

No. of Pages	= 3
No. of Questions	= 8

Note:

1. Please follow all the *Instructions to Candidates* given on the cover page of the answer book.
2. All parts of a question should be answered consecutively. Each answer should start from a fresh page.
3. Assumptions made if any, should be stated clearly at the beginning of your answer.

Q.1Set.(A) Design 4 Customer interview Questions to assess the value of the product described in the case study “FastTag”.

Here are 4 customer interview questions to assess the value of the product described in the case study “FastTag”:

How has FastTag helped you save time?
How has FastTag helped you save money?
How has FastTag made your commute more convenient?
Would you recommend FastTag to other drivers?

[4]

Q.1Set.(B) Design 4 Customer interview Questions to assess the value of the software product described in the case study “DBS home loan”.

How easy was it to use the DBS home loan software?
Did the software help you understand the home loan process?
Did the software make the home loan process more efficient?
Would you recommend the DBS home loan software to others?

How has the DBS home loan software product enhanced your experience compared to traditional home loan processes? In what specific ways has it simplified or improved the overall home loan application and approval process for you?

Can you describe any specific features or functionalities of the DBS home loan software product that have been particularly valuable to you? How have these

features helped you in making informed decisions or managing your home loan effectively?

In terms of time and efficiency, how has the DBS home loan software product performed? Have you found it easier and faster to complete the necessary documentation, track your application progress, or communicate with the bank throughout the loan process?

Can you share any instances where the DBS home loan software product has provided you with personalized insights or recommendations regarding your loan options or repayment strategies? How have these insights contributed to your overall financial planning and decision-making process?

[4]

Q.1Set.(C) Design 4 Customer interview Questions to assess the value of the software product described in the case study “Acko car insurance”. [4]

How has Acko car insurance improved your overall experience compared to traditional insurance providers? In what specific ways has the software product enhanced your interaction with the insurance process?

Can you share any instances where Acko car insurance helped you save time or effort when it came to filing claims or managing policy details? How has the software product streamlined these processes for you?

In terms of customer support and responsiveness, how has Acko car insurance's software product performed? Have you found it easy to reach out for assistance or clarification, and have your queries been promptly addressed?

Could you provide some examples of how Acko car insurance's software product has positively impacted your premiums or coverage options? Have you noticed any unique features or benefits that have made Acko stand out from other car insurance providers?

Q.2Set.(A) Analyze product market fit of “Toothsi dental aligner app”. Create the lean canvas board. [4 + 4 = 8]

Lean Canvas Board:

1. Problem:

- **Misaligned teeth: Many people have misaligned teeth that affect their appearance and oral health.**

- **Inconvenience of traditional braces:** Traditional braces can be uncomfortable, unattractive, and require frequent visits to the orthodontist.

2. Solution:

- **Toothsi dental aligner app:** A mobile application that offers at-home teeth straightening solutions using clear aligners, eliminating the need for traditional braces.

3. Unique Value Proposition:

- **Convenient and comfortable teeth straightening:** Toothsi aligner app provides an accessible and hassle-free solution for teeth alignment, allowing users to straighten their teeth from the comfort of their homes.
- **Aesthetically pleasing:** Clear aligners are virtually invisible, enhancing user confidence during the teeth straightening process.

4. Key Metrics:

- Number of app downloads and active users
- Conversion rate from app downloads to customer sign-ups
- Average treatment duration per user
- Customer satisfaction ratings and referrals

5. Channels:

- Mobile app stores (Google Play Store, Apple App Store)
- Online advertising and social media platforms
- Partnerships with dental clinics and professionals for referrals
- Influencer marketing and testimonials

6. Customer Segments:

- Individuals with misaligned teeth seeking orthodontic solutions
- People who prefer a discreet and convenient teeth straightening option
- Individuals who want to improve their smile and oral health

7. Cost Structure:

- Technology infrastructure and app development
- Dental professionals for consultations and treatment planning
- Manufacturing and shipping of clear aligners
- Marketing and advertising expenses

8. Revenue Streams:

- Direct sales of clear aligner treatment packages
- Additional services (retainers, teeth whitening) for upselling
- Partnerships with dental clinics for referral commissions

9. Unfair Advantage:

- Specialized expertise in orthodontics and teeth straightening
- Proprietary technology for remote consultations and treatment planning
- Strong brand reputation and positive customer testimonials

10. Key Activities:

- App development and maintenance
- Dental consultations and treatment planning
- Clear aligner manufacturing and shipping

- Marketing and advertising campaigns
- Continuous monitoring of customer progress and support

The Toothsi dental aligner app demonstrates a strong product-market fit by addressing the pain points of individuals seeking teeth straightening solutions. Its at-home clear aligner approach offers convenience, comfort, and aesthetic appeal compared to traditional braces. The key metrics, such as app downloads, conversion rates, and customer satisfaction ratings, can help gauge the app's success and enable continuous improvement of the treatment process. The app's focus on leveraging technology, partnerships with dental professionals, and its brand reputation contribute to its competitive advantage in the market.

Q.2Set.(B) Analyze product market fit of “Redbus bus booking app”. Create the lean canvas board. [4 + 4 = 8]

Lean Canvas Board:

1. Problem:

- Inefficient bus ticket booking process: Customers face challenges in finding and booking bus tickets conveniently.
- Lack of transparency: Users struggle to access accurate information about bus routes, schedules, and ticket availability.

2. Solution:

- Redbus bus booking app: A user-friendly mobile application that simplifies the bus ticket booking process and provides real-time information about bus routes, schedules, and ticket availability.

3. Unique Value Proposition:

- Convenient and hassle-free bus ticket booking: Redbus app offers a seamless and efficient way to book bus tickets, eliminating the need for physical ticket counters or agents.
- Real-time information: Users can access up-to-date information about bus routes, schedules, and ticket availability, ensuring transparency and reliability.

4. Key Metrics:

- Number of app downloads and active users
- Conversion rate from app downloads to ticket bookings
- Average revenue per user (ARPU)
- Customer satisfaction ratings and feedback

5. Channels:

- Mobile app stores (Google Play Store, Apple App Store)
- Website and online advertising
- Partnerships with bus operators and travel agencies
- Social media platforms and targeted online marketing campaigns

6. Customer Segments:

- Individual travelers: People who frequently travel by bus for leisure or work purposes.
- Tourists: Travelers visiting new cities or countries who require reliable bus transportation.
- Commuters: Daily commuters who rely on buses for their regular transportation needs.

7. Cost Structure:

- Technology infrastructure and development
- Marketing and advertising expenses
- Customer support and service
- Partnerships and collaborations with bus operators

8. Revenue Streams:

- Commission from bus ticket bookings made through the app
- Premium features or subscription options for enhanced user experience
- Partnerships and advertising with related service providers (hotels, car rentals, etc.)

9. Unfair Advantage:

- Established brand reputation and recognition in the bus ticket booking industry
- Extensive network of bus operators and travel partners
- Strong technological capabilities for seamless user experience and real-time information updates

10. Key Activities:

- App development and maintenance
- Partnerships and collaborations with bus operators and travel agencies
- Marketing and advertising campaigns
- Continuous improvement of user experience and customer support

Overall, the Redbus bus booking app demonstrates a strong product-market fit by addressing the pain points of customers in the bus ticket booking process. Its user-friendly interface, real-time information, and convenience contribute to its competitive advantage in the market. The key metrics, such as app downloads, conversion rates, and customer satisfaction ratings, can help measure the app's success and further refine its features to meet user needs.

Q.2Set.(C) Analyze product market fit of “RazorPay payment gateway app”. Create the lean canvas board. [4 + 4 = 8]

Lean Canvas Board:

1. Problem:

- Inefficient payment processes: Businesses struggle with complicated and time-consuming payment procedures, hindering their ability to receive payments seamlessly.

- Limited payment options: Customers face difficulties in finding convenient and secure payment methods when making online purchases.

2. Solution:

- RazorPay payment gateway app: A mobile application that provides businesses with a simple and secure platform to receive online payments, offering customers a wide range of payment options.

3. Unique Value Proposition:

- Seamless payment experience: RazorPay app streamlines the payment process, making it easy for businesses to receive payments and customers to make purchases.
- Variety of payment options: The app supports multiple payment methods, including credit cards, debit cards, net banking, UPI, and digital wallets, catering to diverse customer preferences.

4. Key Metrics:

- Number of app downloads and active users
- Transaction volume and value processed through the app
- Conversion rate of businesses adopting RazorPay as their payment gateway
- Customer satisfaction ratings and feedback

5. Channels:

- Mobile app stores (Google Play Store, Apple App Store)
- Website and online advertising
- Partnerships with e-commerce platforms, service providers, and financial institutions
- Direct sales and customer referrals

6. Customer Segments:

- Businesses (SMEs, startups, online merchants) looking for a reliable and user-friendly payment gateway solution
- Customers making online purchases who desire secure and convenient payment options

7. Cost Structure:

- Technology infrastructure and app development
- Integration and maintenance costs for partnering with e-commerce platforms and financial institutions
- Customer support and service
- Marketing and advertising expenses

8. Revenue Streams:

- Transaction fees or commissions charged on each successful payment processed through the app
- Value-added services or premium features for businesses (analytics, recurring billing, subscription management)
- Integration fees from partnerships with e-commerce platforms and service providers

9. Unfair Advantage:

- Strong brand reputation and trust in the payment gateway industry
- Robust technology infrastructure and security measures
- Extensive network of partnerships with e-commerce platforms, financial institutions, and service providers

10. Key Activities:

- App development and maintenance
- Integration with e-commerce platforms and financial institutions
- Marketing and advertising campaigns targeting businesses and customers
- Continuous improvement of user experience and security measures
- Ongoing customer support and service

The RazorPay payment gateway app exhibits a strong product-market fit by addressing the payment-related challenges faced by businesses and customers. Its focus on simplifying the payment process and offering a wide range of payment options makes it an attractive solution for businesses seeking a reliable payment gateway. Key metrics such as app downloads, transaction volume, and customer satisfaction ratings can help evaluate the app's success and guide future enhancements. The app's established brand reputation, extensive partnerships, and robust technology infrastructure contribute to its competitive advantage in the market.

Q.3Set(A) Discuss Positioning and Messaging for Twilio product.

[4]

Positioning and messaging for Twilio:

Positioning:

Twilio can be positioned as a leading cloud communications platform that empowers businesses to build and scale personalized, reliable, and engaging customer experiences through various communication channels. The key elements of Twilio's positioning can include:

1. **Developer-Friendly:** Highlight Twilio's developer-focused approach, emphasizing the ease of integration and flexibility of their APIs, SDKs, and tools, enabling developers to quickly build and customize communication solutions.
2. **Scalable and Reliable:** Emphasize Twilio's robust infrastructure and global reach, positioning it as a scalable and reliable platform that can handle high volumes of communication traffic, ensuring uninterrupted service.
3. **Omnichannel Communication:** Highlight Twilio's ability to enable businesses to engage with their customers seamlessly across multiple channels, including

SMS, voice, video, email, chat, and social media, providing a unified customer experience.

4. Customization and Personalization: Emphasize Twilio's capabilities to enable businesses to tailor their communications, allowing them to create personalized and contextually relevant interactions, enhancing customer engagement and satisfaction.
5. Innovation and Future-Ready: Position Twilio as a forward-thinking company that stays ahead of emerging communication trends and technologies, enabling businesses to adapt and integrate new channels and features as they evolve.

Messaging:

The messaging for Twilio can revolve around the following key points:

1. Empowering Business Communication: Highlight how Twilio empowers businesses to effectively communicate with their customers, enabling them to deliver exceptional experiences that drive customer satisfaction, loyalty, and business growth.
2. Seamless Integration: Emphasize how Twilio's easy-to-use APIs and developer tools allow businesses to seamlessly integrate communication capabilities into their existing systems and applications, reducing development time and complexity.
3. Scale and Reliability: Highlight Twilio's scalable infrastructure and redundant architecture, ensuring businesses can handle communication needs of any size, from startups to enterprises, while maintaining high reliability and performance.
4. Omnichannel Customer Experience: Showcase Twilio's capabilities to enable businesses to engage with customers through their preferred channels, providing a consistent and unified experience across all touchpoints, fostering stronger customer relationships.
5. Innovation and Future-Proof Solutions: Highlight Twilio's commitment to innovation and continuous improvement, showcasing how they stay at the forefront of communication technology trends, allowing businesses to future-proof their communication strategies.
6. Developer Community and Support: Emphasize Twilio's vibrant developer community and robust support system, demonstrating their dedication to assisting businesses throughout their communication integration journey, ensuring successful implementation and adoption.

Overall, positioning Twilio as a developer-friendly, scalable, and omnichannel communication platform, combined with messaging that highlights empowerment,

seamless integration, scalability, and innovation, can effectively convey the value and benefits of Twilio's products and services to businesses.

Q.3Set(B) Discuss Positioning and Messaging for Tally product.

[4]

Positioning and messaging for Tally:

Positioning:

Tally can be positioned as a leading business management software that simplifies financial and accounting processes for businesses of all sizes. The key elements of Tally's positioning can include:

1. **Easy-to-use and User-friendly:** Highlight Tally's intuitive and user-friendly interface, positioning it as a software solution that simplifies financial management tasks and makes accounting accessible to non-experts.
2. **Comprehensive Financial Management:** Emphasize Tally's comprehensive features that cover various financial processes such as bookkeeping, invoicing, inventory management, taxation, and financial reporting, providing businesses with a holistic solution for their financial needs.
3. **Scalable and Flexible:** Highlight Tally's scalability, allowing it to adapt to the growing needs of businesses as they expand. Position Tally as a software that can accommodate different business sizes and industries, from small startups to large enterprises.
4. **Data Security and Compliance:** Emphasize Tally's robust security measures and adherence to regulatory compliance, positioning it as a reliable and trustworthy software that protects sensitive financial data.
5. **Localized and Global Reach:** Highlight Tally's ability to cater to businesses globally, while also offering localized versions and support, ensuring compliance with local accounting standards and tax regulations.

Messaging:

The messaging for Tally can revolve around the following key points:

1. **Simplify Financial Management:** Highlight how Tally streamlines financial processes, automating tasks, and reducing manual effort, enabling businesses to focus on core operations while ensuring accuracy and compliance.
2. **User-friendly Interface:** Emphasize Tally's intuitive interface and user-friendly design, showcasing how it enables businesses to easily navigate and use the software, regardless of their accounting expertise.
3. **Comprehensive Financial Solutions:** Showcase Tally's wide range of features, including bookkeeping, invoicing, inventory management, taxation, and reporting,

conveying how businesses can rely on Tally as a one-stop solution for their financial management needs.

4. Scalability for Growth: Position Tally as a scalable software solution that can accommodate the evolving needs of businesses, supporting their growth and expansion without the need for extensive system changes or migrations.
5. Data Security and Compliance: Highlight Tally's robust security measures and compliance with accounting standards and tax regulations, reassuring businesses that their financial data is safe and that they can meet regulatory requirements effortlessly.
6. Localized and Global Reach: Showcase how Tally caters to businesses globally while offering localized versions and support, ensuring businesses can comply with local accounting practices and regulations.
7. Customer Support and Training: Highlight Tally's commitment to customer success through comprehensive support and training resources, demonstrating how businesses can leverage Tally effectively and maximize its benefits.

Overall, positioning Tally as an easy-to-use, comprehensive, scalable, and secure financial management software, combined with messaging that focuses on simplification, user-friendliness, scalability, compliance, and customer support, can effectively convey the value and benefits of Tally to businesses across various industries and sizes.

Q.3Set(C) Discuss Positioning and Messaging for AirBnB product.

[4]

Positioning and messaging for Airbnb:

Positioning:

Airbnb can be positioned as a global online marketplace for unique and authentic accommodations, offering travelers a diverse range of accommodation options and experiences. The key elements of Airbnb's positioning can include:

1. Unique Travel Experiences: Highlight Airbnb's focus on providing travelers with unique and personalized accommodation options that go beyond traditional hotels, allowing them to immerse themselves in local communities and cultures.
2. Diversity and Choice: Emphasize Airbnb's extensive inventory of accommodations, ranging from cozy apartments and vacation homes to luxury villas and unique stays like treehouses or houseboats, offering travelers a wide array of choices to suit their preferences and budget.
3. Trusted Community: Highlight Airbnb's community-driven platform, where hosts and guests can build trust and connections through verified profiles, reviews, and secure payment systems, ensuring a safe and reliable travel experience.
4. Local Insights and Authenticity: Position Airbnb as a platform that connects travelers with local hosts who can provide insider tips, recommendations, and

unique experiences, allowing guests to discover the authentic side of their destination.

5. **Flexibility and Affordability:** Showcase Airbnb's flexibility in terms of booking options, such as entire homes, private rooms, or shared spaces, catering to different travel needs. Emphasize Airbnb's affordability compared to traditional accommodations, offering value for money.

Messaging:

The messaging for Airbnb can revolve around the following key points:

1. **Unique and Memorable Stays:** Highlight how Airbnb allows travelers to find and book one-of-a-kind accommodations that add a special touch to their travel experiences, creating lasting memories.
2. **Endless Choice and Variety:** Showcase Airbnb's vast inventory of accommodations, from cozy apartments to extraordinary stays, providing travelers with limitless choices to find the perfect accommodation for their trip.
3. **Connect with Locals:** Emphasize how Airbnb enables travelers to connect with local hosts who can offer insider recommendations, share their knowledge of the area, and provide authentic experiences, ensuring a deeper connection with the destination.
4. **Trust and Safety:** Assure travelers of Airbnb's commitment to safety and trust by highlighting the verification process for hosts and guests, secure payment systems, and the ability to read reviews from past guests.
5. **Flexibility and Personalization:** Highlight Airbnb's flexibility in terms of accommodation types, amenities, and locations, allowing travelers to customize their stay according to their preferences and travel plans.
6. **Value for Money:** Showcase how Airbnb offers a range of accommodations at various price points, providing affordable options for travelers without compromising on quality or unique experiences.
7. **Seamless Booking Experience:** Highlight Airbnb's user-friendly platform and intuitive booking process, making it easy for travelers to search, book, and manage their stays hassle-free.
8. **24/7 Support:** Emphasize Airbnb's round-the-clock customer support, assuring travelers that assistance is available whenever they need it during their stay.

Overall, positioning Airbnb as a platform for unique travel experiences, with messaging that focuses on authenticity, choice, trust, flexibility, and value, can effectively convey the value and benefits of Airbnb to travelers seeking memorable and personalized accommodations worldwide.

Q.4 Set. (A) “Prove your product first, scale / optimize later” is a best practice for startups. How was this done in case of ID Fresh foods? [4]

The approach of "Prove your product first, scale/optimize later" is indeed a common best practice for startups. In the case of ID Fresh Foods, a well-known Indian food company specializing in ready-to-cook and ready-to-eat products, they followed a similar path to validate and establish their product before scaling and optimizing their operations. Here's how they did it:

1. **Focus on Product Quality:** ID Fresh Foods prioritized the quality and freshness of their products from the beginning. They maintained strict quality control measures, ensuring that their ready-to-cook and ready-to-eat food items met high standards and customer expectations.
2. **Targeted Local Market:** Instead of trying to expand rapidly across multiple regions, ID Fresh Foods initially focused on the local market in Bengaluru, India. They concentrated on building a strong presence and establishing a loyal customer base in their home city before expanding further.
3. **Direct Customer Interaction:** ID Fresh Foods engaged in direct customer interaction to understand their preferences, gather feedback, and refine their products. This approach allowed them to build trust and loyalty among their customer base, ensuring product-market fit.
4. **Continuous Improvement:** ID Fresh Foods constantly worked on improving their recipes, packaging, and production processes based on customer feedback and changing market trends. They iterated on their products to ensure they met customer expectations and kept up with evolving consumer demands.
5. **Word-of-Mouth Marketing:** ID Fresh Foods relied heavily on word-of-mouth marketing to spread awareness and gain traction. By delivering quality products consistently, they generated positive reviews and recommendations from satisfied customers, which further boosted their credibility and market presence.
6. **Strategic Partnerships:** ID Fresh Foods formed strategic partnerships with retail chains, supermarkets, and online platforms to expand their distribution channels. These partnerships helped them reach a wider audience and increase their product visibility.
7. **Controlled Expansion:** Once ID Fresh Foods had proven the demand and acceptance of their products in the local market, they gradually expanded their operations to other cities in India. They ensured that they had a strong foothold in each new market before moving on to the next, maintaining a controlled and sustainable growth approach.
8. **Optimize Operations:** As ID Fresh Foods continued to grow, they focused on optimizing their operations and supply chain to meet increasing demand while maintaining product quality and consistency. This included investing in state-of-the-art production facilities, implementing efficient processes, and leveraging technology to streamline operations.

By following this "prove your product first, scale/optimize later" approach, ID Fresh Foods successfully validated their products, built a loyal customer base, and

established a strong brand reputation. This strategic approach allowed them to grow steadily while maintaining quality and ensuring customer satisfaction, positioning them as a leading player in the Indian ready-to-cook and ready-to-eat food market.

Q.4 Set. (B) “Prove your product first, scale / optimize later” is a best practice for startups. How was this done in case of Spotify? [4]

Q.4 Set. (C) “Prove your product first, scale / optimize later” is a best practice for startups. How was this done in case of Netflix? [4]

Q.5 Set. (A) Which funding sources are suited for new startups. Justify [4]

Q.5 Set. (B) Which funding sources are suited for established and stable company. Justify [4]

Q.5 Set. (C) Which funding sources are suited for socially responsible company. Justify [4]

Ans 5

1. Funding Sources for New Startups:

a. Bootstrapping/Self-Funding: New startups can leverage personal savings or credit cards to fund their initial stages. Bootstrapping allows founders to maintain control, retain ownership, and prove the viability of their business before seeking external funding.

b. Friends and Family: Startups can turn to friends and family for early-stage investments. This funding source can provide initial capital, support, and a level of trust that may be difficult to obtain from other sources in the early days of a startup.

c. Angel Investors: Angel investors are well-suited for new startups as they often invest in the seed or early stages of a business. They bring not only capital but also industry expertise, mentorship, and valuable connections to help startups validate their business models and accelerate growth.

d. Crowdfunding: Crowdfunding platforms enable startups to raise funds from a large number of individuals, validating market demand and creating a community of early adopters. It is particularly suitable for startups with a compelling product or value proposition that resonates with a broad audience.

2. Funding Sources for Established and Stable Companies:

a. Bank Loans: Established and stable companies with a proven track record can leverage bank loans to finance expansion, capital expenditures, or operational needs. Banks often provide loans at competitive interest rates and flexible repayment terms based on the company's financial stability.

b. Venture Capital/Private Equity: If an established company seeks rapid growth or wants to embark on new initiatives, venture capital or private equity funding can be appropriate. These funding sources typically invest in later stages when a company has a solid track record, revenue streams, and growth potential.

c. Corporate Bonds: Established companies with stable cash flows and creditworthiness can issue corporate bonds to raise capital. Bonds provide a fixed income stream to investors and offer a way for companies to access larger amounts of capital while diversifying their funding sources.

d. Strategic Partnerships and Joint Ventures: Established companies can explore strategic partnerships or joint ventures with complementary businesses. These collaborations can provide access to capital, expertise, resources, and market opportunities without diluting ownership or seeking traditional funding.

3. Funding Sources for Socially Responsible Companies:

a. Impact Investors: Socially responsible companies can seek funding from impact investors who prioritize both financial returns and positive social or environmental impact. Impact investors provide capital to support companies addressing social or environmental challenges while seeking sustainable financial performance.

b. Social Impact Bonds: Social impact bonds, also known as pay-for-success bonds, are a funding mechanism where private investors provide upfront capital for social programs or initiatives. The returns are contingent upon the program's success in achieving predetermined social outcomes.

c. Government Grants and Programs: Socially responsible companies may qualify for government grants or programs that support initiatives aligned with social or environmental goals. These funding

sources can provide non-dilutive capital and access to resources and networks focused on social impact.

d. Foundations and Nonprofit Organizations: Socially responsible companies can explore partnerships or funding opportunities with foundations or nonprofit organizations that align with their mission and values. These entities often provide grants, donations, or impact investment funds to support socially responsible initiatives.

It's important for companies to align their funding sources with their specific needs, stage of development, and objectives. Evaluating the pros and cons of each funding source and considering factors such as control, ownership, strategic fit, and alignment of values can help companies make informed decisions about their funding strategies.

Q.6 Set. (A) Which revenue model would you recommend for 'Google Drive' for corporates? Justify. [4]

Q.6 Set. (B) Which revenue model would you recommend for 'Postman API testing' product? Justify. [4]

Q.6 Set. (C) Which revenue model would you recommend for 'Kissflow' for corporates? Justify. [4]

i) Revenue Model for 'Google Drive' for Corporates: Subscription-based Model

Justification:

For 'Google Drive' targeting corporates, a subscription-based revenue model is recommended. Here's why:

Scalable Pricing: A subscription-based model allows Google Drive to offer different plans with varying storage capacities, user limits, and additional features tailored to the needs of corporate customers. This provides flexibility and scalability, allowing organizations to choose the plan that best aligns with their requirements.

Predictable Revenue Stream: By offering a subscription model, Google Drive can generate a consistent and predictable revenue stream from corporate customers. This recurring revenue ensures financial stability and allows for better long-term planning and investment in product enhancements and support.

Value-added Features: Google Drive can differentiate its subscription plans by offering value-added features specifically designed for corporate users. These may include advanced security and compliance measures, integration with other productivity tools, enhanced collaboration capabilities, and priority customer support. These additional features create higher-value subscription tiers, justifying higher pricing.

Storage Upsells and Add-ons: A subscription model allows Google Drive to offer upsells and additional services to corporates. As organizations' storage needs grow, they can easily upgrade to higher storage capacities within their subscription plans. Google Drive can also provide add-ons such as data backup, advanced file management, or integration with enterprise systems, allowing customers to customize their plans and pay for additional functionalities.

Integration with Google Workspace: Google Drive can leverage its integration with other products in the Google Workspace suite, such as Gmail, Google Docs, Sheets, and Slides, to offer bundled subscription plans. This creates a cohesive and seamless experience for corporate customers, encouraging broader adoption of Google's productivity tools and increasing overall revenue.

Enterprise Licensing and Contracting: Google Drive can offer enterprise licensing agreements and customized contracts for large corporate customers. This provides organizations with tailored pricing, volume discounts, and dedicated support, addressing the specific needs of enterprise clients and fostering long-term relationships.

A subscription-based revenue model for 'Google Drive' ensures a steady revenue stream, aligns with the scalability and flexibility required by corporate customers, and allows for differentiation through value-added features and customization options.

ii) Revenue Model for 'Postman API Testing' Product: Freemium Model with Premium Features

Justification:

For 'Postman API Testing' product, a freemium revenue model with premium features is recommended. Here's why:

Wide User Adoption: Offering a free version of the product allows 'Postman API Testing' to gain widespread user adoption. Developers and small teams can use the free version to experience the core functionality and benefits of the tool, leading to increased market awareness and user base.

Upselling Premium Features: By providing a freemium model, 'Postman API Testing' can offer additional premium features or advanced capabilities that cater to the needs of more advanced or enterprise-level users. These premium features may include team collaboration, advanced testing and monitoring functionalities, API documentation generation, and integration with other development tools.

Value-based Pricing: 'Postman API Testing' can set pricing tiers based on the value that premium features deliver to users. By aligning the pricing with the value gained from the tool, 'Postman' can effectively monetize its offering while still providing a free version to attract new users.

Conversion and Customer Retention: The free version serves as a gateway for users to experience the product and realize its benefits. By demonstrating the value of the premium features, 'Postman API Testing' can convert free users into paying customers. Additionally, providing ongoing updates, customer support, and regular feature enhancements can increase customer loyalty and retention.

Developer Community Building: The freemium model allows 'Postman' to build a strong developer community around its product

Revenue Model for 'Kissflow' for Corporates: SaaS Subscription Model

Justification:

For 'Kissflow' targeting corporates, a Software-as-a-Service (SaaS) subscription revenue model is recommended. Here's why:

Recurring Revenue: A SaaS subscription model allows 'Kissflow' to generate recurring revenue from corporate customers. Instead of one-time sales, customers pay a recurring fee for ongoing access to the platform and its features. This provides a steady and predictable revenue stream, enabling better financial planning and investment in product development and support.

Scalable Pricing: 'Kissflow' can offer different subscription tiers or plans to cater to the varying needs and sizes of corporate customers. These plans can be based on factors such as the number of users, the level of automation, and additional features. This flexibility in pricing allows 'Kissflow' to accommodate both small businesses and large enterprises, ensuring scalability and attracting a broader customer base.

Value-based Features: 'Kissflow' can differentiate its subscription plans by offering value-added features and functionalities that specifically address the needs of corporate users. These may include advanced workflow automation, customization options, integrations with other business systems, analytics and reporting capabilities, and dedicated customer support. Providing higher-value features in premium subscription tiers justifies higher pricing.

Ongoing Support and Updates: With a SaaS subscription model, 'Kissflow' can provide ongoing support, maintenance, and regular updates to its customers. This ensures that customers always have access to the latest features, security enhancements, and bug fixes. Continuous improvement of the platform helps maintain customer satisfaction and retention.

Cloud-based Infrastructure: By offering 'Kissflow' as a cloud-based solution, corporates can benefit from easy deployment, scalability, and reduced IT infrastructure costs. The subscription

model allows businesses to access the platform securely from anywhere, without the need for on-premises installations or maintenance. This convenience and cost-effectiveness make it an attractive proposition for corporates.

Integration and Add-on Services: 'Kissflow' can offer additional integration options and add-on services to complement its core platform. This may include integrations with popular business tools such as CRM or accounting software, as well as providing consulting or implementation services to help corporates maximize the value they derive from using 'Kissflow.'

A SaaS subscription revenue model for 'Kissflow' ensures a steady revenue stream, allows for scalability and flexibility, and aligns with the value proposition and needs of corporate customers. It also enables ongoing customer engagement, support, and continuous improvement of the platform to maintain long-term customer relationships.

Q.7 Set. (A) 2 friends got together to launch as B2B product company. In the first year they assessed the product idea, built an MVP to validate the idea, put together a team to build the product.

In the second year they started selling the product to a few companies and in the third year they increased their sales to even more customers.

In the first year the company did not make any profit. In the second year they made a small profit and in the third year they made even more profit. At the end of the third year they reached the break-even point.

Based on the description given above, explain how the company claims to have made profit in year 2 while the break-even was reached only at end of year 3. [4]

The description suggests that the company made a small profit in the second year but reached the break-even point only at the end of the third year. This can be explained by considering the company's financial performance and the timing of their expenses and revenue.

In the first year, the company focused on assessing the product idea, building an MVP, and assembling a team. During this period, they incurred various costs such as research and development, hiring, marketing, and infrastructure setup. These expenses were likely higher than the revenue generated since they were still in the early stages of product development and sales.

In the second year, the company started selling the product to a few customers. Although the revenue increased, it might not have been sufficient to cover all the expenses incurred in the first

year, especially considering ongoing costs such as salaries, marketing, and operations. However, by optimizing their processes and gaining more customers, they managed to generate a small profit. This indicates that their revenue started exceeding some of their expenses, resulting in a positive bottom line.

By the end of the third year, the company increased their sales to even more customers. As the customer base expanded and revenue continued to grow, they were able to cover all their expenses, including the remaining costs carried forward from the first and second years. Reaching the break-even point at the end of the third year means that their revenue finally matched or exceeded their total expenses incurred since the inception of the company.

The profit made in the second year, although small, indicates progress and a positive trend towards profitability. However, it does not necessarily mean that all previous expenses were fully recovered by that point. It takes time for a company to generate enough revenue to cover all its initial costs and ongoing expenses, which is why the break-even point was reached only at the end of the third year.

It's important to note that profitability and reaching the break-even point are significant milestones for a company's financial health and sustainability. The company's ability to generate profit in the second year and ultimately reach the break-even point in the third year indicates that their business model, product, and sales efforts were successful in gradually turning the company into a profitable venture.

Q.7 Set. (B) 2 friends got together to launch as B2B product company. In the first year they assessed the product idea, built an MVP to validate the idea, put together a team to build the product.

In the second year they started selling the product to a few companies and in the third year they increased their sales to even more customers.

In the first year the company did not make any profit. In the second year they made a small profit and in the third year they made even more profit. At the end of the third year they reached the break-even point.

Based on the description given above, explain how the company claims to have made profit in year 2 while the break-even was reached only at end of year 3. [4]

Q.7 Set. (C) 2 friends got together to launch as B2B product company. In the first year they assessed the product idea, built an MVP to validate the idea, put together a team to build the product.

In the second year they started selling the product to a few companies and in the third year they increased their sales to even more customers.

In the first year the company did not make any profit. In the second year they made a small profit and in the third year they made even more profit. At the end of the third year they reached the break-even point.

Based on the description given above, explain how the company claims to have made profit in year 2 while the break-even was reached only at end of year 3. [4]

Q.8 Set. (A)

- Using the concept described in the book “Innovator’s Dilemma”, explain why large companies like SAP did not embrace cloud technology early, compared to startups such as Salesforce.com. [4]

The concept of the "Innovator's Dilemma," as described in the book by Clayton Christensen, can help explain why large companies like SAP did not embrace cloud technology early compared to startups like Salesforce.com. The Innovator's Dilemma suggests that established companies often struggle to adopt disruptive technologies due to various factors, including their existing business models, organizational structures, and customer expectations.

1. Existing Business Model: Large companies like SAP often have well-established business models built around traditional on-premises software solutions. These companies have invested significant resources in their existing technology infrastructure, sales channels, and customer relationships. Embracing cloud technology would require significant changes to their business models, potentially disrupting existing revenue streams and customer relationships.
2. Organizational Structure and Culture: Established companies like SAP have hierarchical organizational structures and processes optimized for their current operations. Introducing cloud technology would require a shift in mindset, organizational agility, and the ability to respond quickly to market changes. This can be challenging for large organizations that are typically more bureaucratic and resistant to change compared to nimble startups.
3. Customer Expectations and Risk Aversion: Large companies often have a sizable customer base that has grown accustomed to their existing products and services. These customers may have specific requirements, security concerns, and a reluctance to migrate to a new technology platform. Large companies like SAP, with a reputation built on reliability and stability, may be more risk-averse when considering adopting disruptive technologies that may not have proven track records or meet their customers' stringent needs.

4. Financial Considerations: Large companies may have substantial investments in their existing infrastructure and technologies. Shifting to cloud-based solutions requires significant upfront investments, reengineering of products, and potential cannibalization of existing revenue streams. Balancing these financial considerations while ensuring a smooth transition to the cloud can be a complex decision for established companies.

On the other hand, startups like Salesforce.com were able to embrace cloud technology early due to several advantages:

1. Agile and Flexible: Startups have more flexibility to adapt their business models and organizational structures to emerging technologies. They can quickly pivot their strategies, take calculated risks, and capitalize on disruptive innovations without being encumbered by legacy systems or customer expectations.
2. Focus on Niche Markets: Startups often identify and target specific market segments or customer pain points that may be underserved by established companies. Salesforce.com, for example, focused on providing cloud-based CRM solutions, catering to the needs of sales and customer service departments, while traditional companies like SAP had broader product portfolios and a wider range of customers to serve.
3. Lower Legacy Burden: Startups have fewer legacy systems, processes, and customer relationships to disrupt. They can build their operations from scratch with cloud technology as the foundation, enabling them to bypass the constraints and complexities faced by established companies in transitioning from traditional models to the cloud.
4. Early Customer Adoption: Startups have an advantage in attracting early adopters who are more open to trying new technologies and are willing to take risks. Salesforce.com was able to gain traction with customers seeking the advantages of cloud-based CRM solutions, such as scalability, accessibility, and lower upfront costs.

Overall, the Innovator's Dilemma helps explain why large companies like SAP did not embrace cloud technology early compared to startups like Salesforce.com. The challenges associated with existing business models, organizational structures, customer expectations, and risk aversion create barriers for established companies to disrupt themselves with new technologies. Startups, with their agility, niche focus, and ability to attract early adopters, have a greater advantage in embracing and capitalizing on disruptive innovations.

- Using the “3-box solution” described by Prof. Vijay Govindarajan, explain how Adobe moved its product (s) from desktop to cloud. [4]

The "3-box solution" framework, developed by Prof. Vijay Govindarajan, helps explain how Adobe successfully transitioned its products from desktop-based software to the cloud. The framework consists of three boxes representing different time horizons and strategies: Box 1 (Manage the Present), Box 2 (Selectively Abandon the Past), and Box 3 (Create the Future). Let's see how Adobe applied this framework to move its products to the cloud:

Box 1: Manage the Present

1. In this box, Adobe focused on managing and optimizing its existing desktop-based software products, such as Adobe Photoshop and Adobe Illustrator. These products were core revenue generators for the company at the time. Adobe continued to invest in enhancing and improving these products to meet customer needs and maintain their market leadership position. They ensured the stability and profitability of their existing business while preparing for the transition to the cloud.

Box 2: Selectively Abandon the Past

2. Adobe recognized the need to transition from the traditional desktop software model to the cloud in order to meet changing customer demands and industry trends. They strategically identified certain aspects of their existing products that could be phased out or modified to align with the future cloud-based approach. For example, instead of selling perpetual licenses for their software, Adobe started offering subscription-based pricing models, which laid the foundation for the shift to the cloud.

Box 3: Create the Future

3. In Box 3, Adobe focused on creating the future by developing and launching cloud-based solutions that would eventually replace their desktop software. They introduced the Adobe Creative Cloud, a comprehensive suite of cloud-based applications and services, including Photoshop, Illustrator, InDesign, and more. This allowed users to access the software through the internet and provided additional benefits such as regular updates, collaboration features, and seamless integration across devices.

Adobe's transition to the cloud was not a sudden shift but rather a carefully planned and executed process using the 3-box solution framework. They managed their existing products while selectively abandoning certain elements of the past and investing in the creation of a new cloud-based future.

By adopting this approach, Adobe successfully transformed its business model, generating recurring subscription revenue, establishing a closer relationship with customers through cloud-based services, and staying ahead of competitors in an evolving market.

Overall, the 3-box solution framework provided Adobe with a structured and strategic approach to move its products from the desktop to the cloud, ensuring continuity of their existing business while embracing the opportunities and benefits offered by cloud technology.

Q.8 Set. (B)

- Using the concept described in the book “Innovator’s Dilemma”, explain why large companies like SAP did not embrace cloud technology early, compared to startups such as Salesforce.com. [4]
- Using the “3-box solution” described by Prof. Vijay Govindarajan, explain how Adobe moved its product (s) from desktop to cloud. [4]

Q.8 Set. (C)

- Using the concept described in the book “Innovator’s Dilemma”, explain why large companies like SAP did not embrace cloud technology early, compared to startups such as Salesforce.com. [4]
- Using the “3-box solution” described by Prof. Vijay Govindarajan, explain how Adobe moved its product (s) from desktop to cloud. [4]
