

PROBLEM STATEMENT

TargetIT, which is the IT SaaS products and services company, has a portfolio of products and it is aimed at introducing a new enterprise management software product for the medium to large businesses. Should they go ahead with it?

SOLUTION

CUSTOMERS

- Identify the target customers and their needs, concerns, issues, expectations that are addressed by the product.
- Identify if they are a new or an existing customer segment (upselling is easier and less costly for existing customers).
- Understand the technical skills of our customers in buying the product.
- Learn about the 'why' factor - understand why they would buy from us.
- Learn about customer's acquisition and retention.
- Identify the channels to reach out to our customers.
- Profile customer w.r.t. their -
 - demographic (who is buying?)
 - behavioral (how are they buying?)
 - firmographic (what type of companies are they buying from?)
 - psychographic (why are they buying?)
 - transactional (how do they transact?)
 - technographic (what type of tech do they use?)
 - seasonal (when are the peak periods of interest?)
 - benefit (what benefits do people respond to?)
- Analyze customer's buying habits based on frequency, recency, volume, amount.
- Analyze customer's touch points like website, social media, customer service, physical stores, mobile apps, email marketing, live chat, advertising, product packaging, in-store displays, online reviews and ratings, loyalty programs, product or service usage, billing and payment process, surveys and feedback forms, community forums, events and promotions, sales calls and outreach, direct mail, user manuals and documentation.

- Learn about the size of the customer base affected by each problem to gauge the revenue sources for each category.
- Learn about the customer lifetime value of each customer and plan for the growth of the customer lifetime value.

TEAM

- Learn about the skills of the existing employees, and the need to hire new skilled employees.
- Define the team onboarding process of new employees, and training process for existing and new employees.
- On a quarterly basis learn about the team's interest in the cultural fit, career goal, potential, performance, skills, and will to effectively improve the product.

PROCESS

- Ensure selection and implementation of agile processes.
- I don't like restrictions in legally doing anything.
- I have two strong principles - earn crores every year and spend time with family.

PRODUCT

- Learn about the company's objective for introducing the product - solve another big problem or existing problem, increase revenue, expand product offering, expand the customer base, earn high profit margin with small investment change, future tech.
- The problem solved by the product categorized as per priorities like high, medium, small.
- Learn if the product is patented, proprietary, prototype, open source, commercial, custom-made, mass-produced, generic, licensed.
- Learn about the user experience of the product.
- Learn about product's substitute available in the market.
- Learn about the strengths, weaknesses, opportunities, threats of the product.
- Planning product's place in existing software product range, concept and positioning in the market.
- Learn about synergy with other products and if this product is cannibalizing the other products.
- Existing product replacement.

COMPETITION

- Learn about the market share of each competing product, and their competitive advantage / USP.
- Learn about the industry size.
- Learn about the industry growth drivers.
- Learn about the industry trends YoY, profit margin trends YoY or the growth rate.
- Learn about each product's unique selling proposition.
- Learn about their pricing models, pricing competition, and monthly and yearly price.
- Learn if the recession would impact our software demand and revenue.
- Learn if the competitors have patented the same product and list the options to mitigate the risk of copying any patented product.

PRICING

- Decide on the flat-rate pricing, tiered pricing, volume-based pricing, pay-as-you-go (payg) pricing, subscription pricing, freemium model, cost-plus pricing, dynamic pricing, price skimming, penetration pricing, psychological pricing, value-based pricing, bundle pricing, dynamic discounting, time-based pricing, freemium pricing model, cost-based pricing, markup pricing, per-user pricing, per-device pricing, per-feature pricing, perpetual licensing, usage-based pricing, fixed pricing, negotiated pricing, loyalty-based pricing, geographic pricing, subscription model, license-based pricing.

FUNDING

- Select and check availability of each type of funding - Bootstrapping (from company's current profits), Angel investment, Venture capital (VC) funding, Seed funding, Series A funding, Series B funding, Series C funding, Series D funding, Series E funding and beyond, Private equity investment, Initial Public Offering (IPO), Crowdfunding, Strategic partnerships, Debt financing, Convertible notes, Revenue-based financing, Grants, Government funding, Accelerator program funding, Incubator program funding, Corporate venture capital (CVC) investment, Joint ventures, Mergers and acquisitions (M&A), Strategic investors, Pre-sales and pre-orders, Licensing deals, Royalties, Corporate partnerships, Collaborative funding models.
- Calculate the amount of funds needed.
- Allocation of fund for different activities to enhance and launch the new software.
- Select if the funding would be on debt or equity.

PROFIT

- Estimate the time to break-even in the new product development investment.
- Calculate the operating profit, gross profit, and the net profit.

GROWTH STRATEGIES

- Select the type of growth strategy - organic or inorganic or both.
- Organic growth examples -
 - Expanding customer base through word-of-mouth referrals.
 - Increasing user adoption of the product through positive user experiences.
 - Iterative product development based on user feedback and needs.
 - Scaling operations efficiently to handle higher demand without external funding.
 - Improving the product's features and functionality over time.
 - Enhancing customer support and service to retain existing customers.
 - Expanding into new markets or industries using existing resources.
 - Investing in marketing and content strategies to attract organic traffic.
 - Optimizing the product for search engines and increasing organic search visibility.
 - Leveraging social media and community engagement to build brand presence.
- Inorganic growth examples -
 - Acquiring a company
 - to access its proprietary algorithms or algorithms.
 - to access its skilled workforce.
 - to gain access to its distribution channels.
 - with a large customer base to gain immediate access to new customers.
 - with a strong brand presence or reputation.
 - with established partnerships or alliances.
 - with valuable data or user insights.
 - to expand market share.
 - with strong customer relationships.
 - to enter a new geographical market or industry vertical.
 - to expand into related or complementary product categories.
 - to gain control of valuable software licenses or contracts.
 - to eliminate competition and increase market dominance.
 - to diversify product offerings.

- to accelerate time-to-market for a new product.
- to achieve vertical integration in the software value chain.
- to expand product reach to different industries.
- with proprietary technology or patents.
- with specialized expertise or unique technologies.
- Merging with a company -
 - to achieve cost synergies and economies of scale.
 - to consolidate resources and reduce redundant costs.
 - to improve competitiveness in the market.
 - to increase bargaining power with suppliers.
 - to pool resources for research and development.
 - to take advantage of its financial strength.
 - to create a stronger entity with complementary software.
 - with a smaller company with a talented development team
- Partnering with a larger company to leverage its resources and distribution reach.
- Joint venture with a company in the newer markets.
- Purchasing the intellectual property or rights to a successful software product.
- Invest in major marketing campaigns.
- Outsource or develop in-house depending on the gains.