

Emerging GTM Strategies for Technology Companies to Win in the New Subscription Economy

Insights and Actions to Deliver Breakthrough Go-To-Market Performance

August 2019

About This Report

The monumental growth of the subscription based “X-as-a-Service” industry over the last decade has largely been driven by the exponential growth in adoption of cloud applications and the broader demand by customers for increasingly agile technology solutions.

This massive transition is driving complexity in the customer purchasing process and forcing sales and marketing leaders to rethink the sales channels and economics of how they go to market to succeed.

We leveraged our DigitalPulse™ solution to uncover market insights and pinpoint key emerging strategies that we see the most successful companies adopting. DigitalPulse™ uniquely highlights the most relevant market issues and hones-in on actionable revenue opportunities executives can take.

This report contains specific market intelligence and industry examples of emerging strategies and tactics that all technology companies need to adopt to drive success. The underlying theme is that go-to-market success is increasingly driven by:

- Intense customer centricity; and
- A truly agile commercial culture

MarketBridge’s *Evergreen Growth Engine* Framework for Delivering Breakthrough Go-to-Market Performance

FIRST-MILE STRATEGY

LAST-MILE EXECUTION



FIVE EMERGING STRATEGIES TO FUTURE PROOF GROWTH

The subscription economy has fundamentally shifted sales and marketing strategies and execution motions. Tightly aligning to changing customer needs and rapidly adjusting your GTM are keys to long-term success.

CUSTOMER CENTRICITY

COMMERCIAL AGILITY

01
WIN ON A FRICTIONLESS CUSTOMER EXPERIENCE (OR LOSE)

Gone are the days when commercial growth investments could largely focus on acquisition—winning in the new economy requires a maniacal focus on delivering AND differentiating on an amazing customer experience.

[Learn more on pages 4-5](#)

02
CREATE MULTI-VENDOR PARTNERSHIPS WITH THE COMPETITION

The walled off technology company with a secret sauce is a thing of the past. Partnering with sometimes competing vendors – “Frenemies” – to reduce friction may be required to compete with increasingly powerful platforms like Amazon and Google.

[Learn more on pages 6-7](#)

03
CLOSE THE BUSINESS DECISION MAKER FIRST

Business-managed IT is the future—leverage persona-tailored messaging focusing on results, not technical specs, to resonate and win with the actual day-to-day users. Find low friction entry points to prove impact and build consensus.

[Learn more on pages 8-9](#)

04
PROACTIVELY ENGAGE CIOs TO ELIMINATE HIDDEN VETO POWER

Never neglect the CIOs growing concern of shadow IT. In fact, come at this head-on with messaging and sales motions that are fully tailored to the CIOs emerging concerns of systems integration and security.

[Learn more on pages 10-11](#)

05
EMPOWER PARTNERS AS YOUR NEW FRONT LINE TO SALES AGILITY

Enable partners to differentiate on customer experience with training, coverage support, and new compensation models. At the same time, identify and learn from partner successes to drive innovation.

[Learn more on pages 12-13](#)

1. Win on Customer Experience (or Lose)

Increasing competitive pressure and lower barriers to entry make experience the ultimate differentiator to bet on

Market Insights



- Increasing customer control in the subscription economy and the backloading of revenue upside is forcing companies to manage to new, retention-oriented metrics driven by experience.
- Companies are not only dramatically increasing their investments in service and experience-oriented coverage and product lines (see Sage, SugarCRM), but leveraging these externally in agile marketing and communications efforts.
- Furthermore, companies like Oracle are building relationships and equity by inviting customers into their development processes.

Potential Tactical Actions



- **Market and Customer Insights:** Source ‘always-on’ digital listening of your product market to identify the critical and evolving ‘experience pain points.’ Differentiate from the competition with a service and customer experience playbook designed directly around these pain points. Take this further and translate your insights into a differentiated market message value proposition.
- **Coverage & Channel Design:** Dedicate sales coverage explicitly to customer success and not simply as a tacked-on feature of your existing account coverage. This is the only way to balance long-term success and a culture of client centricity with short-term BD goals and quota attainment.
- **Service Motions and Metrics:** Ensure service team motions complement sales motions with a focus on usage, satisfaction vs. upsell and cross-sell quotas. Incent and drive these motions into the channel.
- **Enablement:** Build brand equity and differentiate on the experience. Bring clients in to help drive the development process.



Sage Intacct receives accolades from the G2 crowd and uses the customer's voice as a strong marketing tactic

Receiving the highest customer satisfaction score among business cloud solutions in the 2019 Spring Grid Reports offered Sage Intacct the ability to showcase how they set businesses up for success

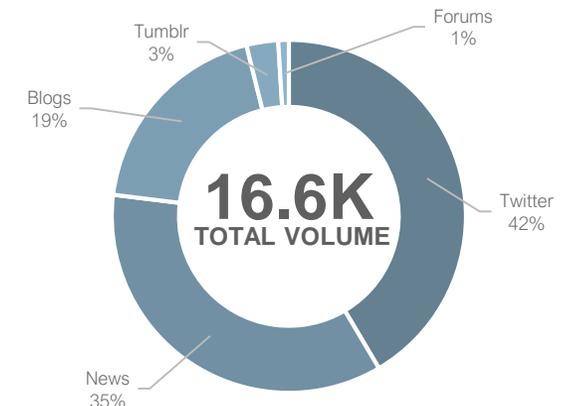
ACTIVITY TREND

April 1 – June 30, 2019



WHERE ARE THESE DISCUSSIONS HAPPENING?

April 1 – June 30, 2019



CORE INSIGHTS

1 **Sage Intacct Boasts Superior Ratings With G2 Crowd** – In a significantly engaged tweet, @SageIntacct (14.2K Followers), posts results of the 2019 Spring Grid Reports by @G2dotcom, where Sage Business Cloud Solutions was highlighted for their incredible customer experience. The core of @SageIntacct's marketing message was that Sage Intacct achieved the highest customer satisfaction score amongst all solutions on the reports, which were based on verified user reviews on G2 Crowd. Key findings on how Sage achieved the high ranking were (1) the ability to train users quickly regardless of the user's experience level, (2) the user interface driving an intuitive experience and (3) the ability to personalize the experience and get what you want from the platform.

2 **Oracle Defines Customer Success as Platform Transparency** – @OracleMktgCloud (65.5K Followers) posted thought leadership content in a blog noting the importance of transparency in cloud platforms. For Jeff Kleven, Principal Customer Success Manager for Oracle SaaS, a key learning from interacting with CIO's using Oracle is that trust is increased if a cloud platform reveals product roadmaps and openly discusses how they are fixing any issues, contrary to the belief that clients will leave.

3 **SugarCRM Partners to Drive Customer Experience** – The acquisition of Salesfusion by @SugarCRM (20K Followers) is due to seeing the increased need for personalized experiences as a core of customer experience.

2. Create Multi-Vendor Partnerships With the Competition

Deprioritize your competitive instincts, and focus on the customer's desire for frictionless, value-add experiences

Market Insights



- Companies are increasingly realizing customer experience extends beyond the boundaries of their competitive interests.
- Customers are increasingly searching for best-in-breed point solutions that integrate with each other vs. singular, all-encompassing software platforms.
- Major technology players (Microsoft, SAP, HPE, etc.) are making significant investments in partnerships and joint offerings with competitive companies.
- While perhaps contrary to normal competitive business instincts, these partnerships are acting as unique, unexpected and accretive customer value propositions.

Potential Tactical Actions



- **Growth Pathways:** Take stock of your core buyer's ecosystem and be agnostic to defined competitive product-markets. Focus on how your solution fits into a day-to-day ecosystem of software/services.
- **Market and Customer Insights:** Keep a pulse on the 'long-tail' of up and coming competition—this can often direct you to partnership as well as product innovation.
- **Data-Driven Targeting:** Collaborate and develop unique data assets that allow for more informed targeting of account prospects across both partners.

While partnering companies find strategic success in new opportunities, clients see themselves as the real winners

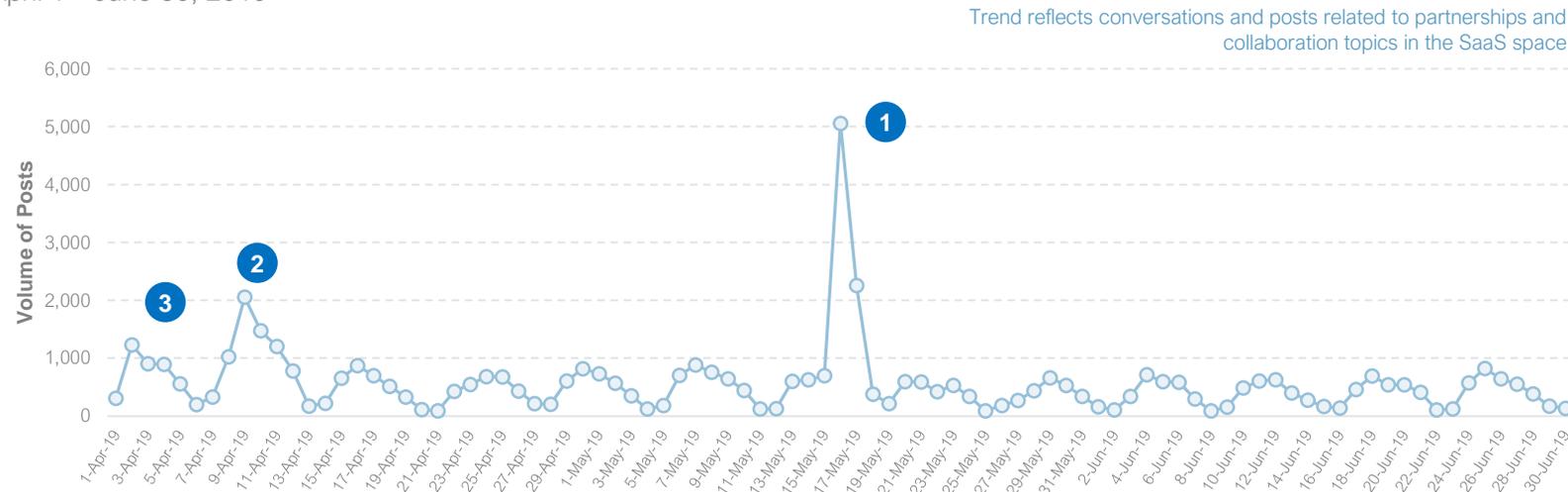
In the strongest case study of the measuring period (among many), the Sony and Microsoft announcement caused significant disruption, with consumers wildly applauding and praising the decision

CENTRICITY

AGILITY

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THE NEW NORMAL



CORE INSIGHTS

1 .||| Microsoft & Sony in Surprise Partnership – While a B2C case study, the announcement and online reaction was wildly representative of the trend (and consumer reaction) to the power of the “frenemy” strategy. In anticipation of Google’s Stadia entry into the gaming market, long-time rivals Microsoft and Sony announced a partnership in the gaming space to erase the age-old Xbox and PlayStation divide. Under the memorandum of understanding signed by the parties, the two companies will explore **joint development of future cloud solutions in Microsoft Azure** to support their respective game and content-streaming services. In addition, the two companies will explore the use of current Microsoft Azure datacenter-based solutions for Sony’s game and content-streaming services. Key to the announcement was the incredibly favorable consumer response suggesting the **partnership is a win for them...** not just for the two companies.

2 .||| Nutanix and HPE Partnership – Nutanix and HPE have formed a global partnership to deliver Nutanix Enterprise Cloud software on HPE server technology. Nutanix will introduce a new family of integrated appliances featuring HPE ProLiant and Apollo servers, with Nutanix software factory-installed and ready for deployment. Nutanix customers who want to run their Nutanix Enterprise Cloud on HPE server technology will soon have access to a complete portfolio of turnkey appliances for all use cases, and all applications. Announcement had over 97K impressions and over 180 RT.

3 .||| Cisco and SAP Collaboration – Using the language of a “deep collaboration,” Kip Compton, SVP Cloud Platform & Solutions Group for Cisco is featured in a video-based tweet discussing the implications for their GTM strategy.

3. Close the Business Decision Maker First

SaaS procurement models and specialized offerings have permanently shifted purchasing power to LOB decision makers

Market Insights



- Once considered “shadow IT,” business-managed IT is increasingly becoming a mainstream procurement model in SMB, Mid-Market and Enterprise customers.
- The wide-spread targeting of hyper-specialized subscription solutions to day-to-day departmental users and their Line-of-Business executives has passed a tipping point and is now the new norm for selling tech solutions.
- Successful GTM messaging and sales motions must now target both decision makers concurrently—LOB executives to deliver departmental efficiencies and innovation, and CIOs to deliver on required levels of compliance, security and interoperability.

Potential Tactical Actions



- **Buyer Personas & Journeys:** Map the distinct differences in how front-line business users of SaaS solutions and LOB executive decision makers evaluate competitive options and make their usage and purchase decisions versus their counterparts in IT. Then deliver persona-specific messaging at the right stage in their buyer journey.
- **Market and Customer Insights:** Acceptance of business-managed IT is growing, but change is constant. Track evolving early-adopter and power user needs and barriers to scaling licenses through always-on listening tools and intelligence gathering.
- **Marketing & Sales Motions:** Tailor your marketing campaigns and direct and channel partner-led sales scripting with messages that hit on the unique needs of LOB leaders and deliver unique value propositions just for that audience.

As the discussion shifts from “shadow IT” to “business-managed IT,” strategies to engage the business user are critical

While Slack and Dropbox provide the case studies for a “cubicle-up” tactic, companies are weighing what truly works if they hope to see long-term success or larger engagements with clients

ACTIVITY TREND

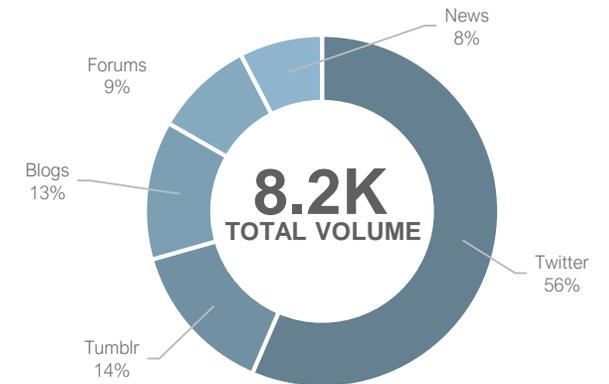
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Trend reflects conversations and posts related to shadow IT and business-managed IT topics in the SaaS space



WHERE ARE THESE DISCUSSIONS HAPPENING?

April 1 – June 30, 2019



CORE INSIGHTS

- 1** **Business-managed IT Terminology Rises** – In the 2019 Harvey Nash / KPMG CIO Survey, a key finding noted that “business-managed IT” was on the rise. Key to the online discussion was applause at the use of better terminology that was solution-focused as opposed to the more frictional “shadow IT” language. This is significant since MarketBridge’s research shows that much of the online discussion still talks about “stopping,” “blocking” or “defending” against shadow IT, rather than discussions on how it can be (and should be) simply better managed.
- 2** **Slack and Dropbox Growth Exemplifies “Bottom Up” Methodology** – The online engagement around Slack’s recent growth attributes its success to its “target-the-cubicle” strategy. Additionally, Dropbox has decided to mimic this in their attempt to target the same space as a competitor.
- 3** **Core Strategies in Winning Business User Emerge** – In the emergence of “business-managed IT” over shadow IT discussions, online discussions trend towards how to help bridge the business user and CIO in sales strategies. (1) Oracle was vocal during the measuring period that the **business user needs to be empowered in understanding how to better make the TCO case** for new software. Dell supported this in publishing and posting a new whitepaper on this issue. Microsoft published a calculator to help ISVs understand how to calculate the value of their platform. (2) Additionally, if a freemium approach is taken to achieve integration at the business end first, **ensuring that the same level of security exists as in an enterprise license is essential**. Microsoft legal teams weighed in on a huge online discussion about the rationale of banning Slack internally, with many clarifying that only the free version was banned and that Microsoft did not have issues with the paid version.

4. Proactively Engage CIOs to Eliminate Hidden Veto Power

CIOs retain decision-making power and budget, but digital transformation demands are forcing a focus on agility

Market Insights



- The ever-present threat and growing risks to data security and intellectual property theft are forcing CIOs to evaluate all SaaS solutions through an intensified lens of scrutiny.
- Freemium models continue to successfully promote front-line user adoption but present new and proliferating challenges around corporate compliance and governance.
- CEO-mandated digital transformation initiatives require next generation innovation by CIOs to deliver business agility without compromising on enterprise-grade protection. Successful SaaS solution vendors like Workday and IBM are striking a balance with their messaging on what seem like opposing forces.
- The explosion of app and SaaS solution adoption has forced seamless interoperability and data connector services to become requirements, not options anymore.

Potential Tactical Actions



- **Market and Customer Insights:** Gather CIO customer intelligence on a recurring basis to track changes in strategic and tactical challenges brought on by adoption of business-managed IT solutions, digital transformation initiatives, etc. to inform micro-targeting and messaging effectiveness.
- **Data-Driven Targeting:** To support successful ABM programs, segment target accounts and CIO buying units-based on new criteria around SaaS proliferation and business-managed IT growth internally.
- **Sales & Channel Enablement:** Inform and empower direct inside and field sales teams plus channel partners on selling to CIOs' next generation requirements (security, compliance, governance, interoperability), distinct from selling innovation value-propositions to the LOB-decision maker. Where possible, enable the LOB-decision maker to easily make the case to the CIO (see Acorio/ServiceNow on [page 13](#)).

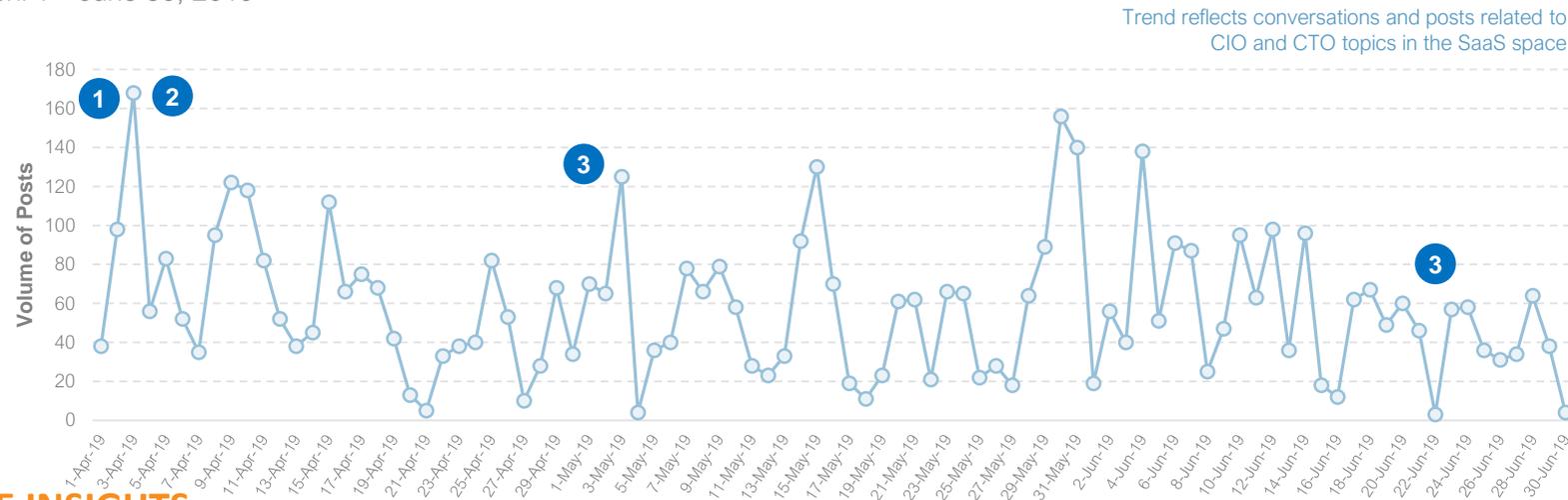
CIO budgets are on the rise as companies attack head-on the growing risk to their security and intellectual property

While CIOs would prefer to focus on smooth and successful digital transformation, many are still struggling to simply protect their company's security and data from non-IT-approved software

CENTRICITY AGILITY

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April 1 – June 30, 2019



MARKETING MESSAGING

IBM Infographic Used as Marketing on Twitter for IBM Cloud Private for Data

Gain a competitive advantage with compliance

The only constant is change
Compliance remains an ongoing responsibility, and when done correctly it can give your business a competitive advantage. Data visibility and governance are vital.

A recent study reports companies spend **2.71 times more** due to lack of compliance.¹

Get proactive
Continuous visibility, universal oversight and automated controls prevent data misuse and ensure proactive adaptation to new and anticipated regulations.

More than **50%** of firms struggle with data governance, shadow IT, and regulatory compliance.²

CORE INSIGHTS

1 **CIO Budgets Will Increase** – A key finding of the [2018 KPMG / Harvey Nash CIO Survey](#) found that from 2009 to 2018, CIO budgets have been steadily increasing and are expected to continue, suggesting that the progression from “freemium” to a paid platform will ultimately go through the CIO.

2 **Successful Digital Transformation a Key Driver for CIOs** – There is a sense of accomplishment on the part of the CIO / CTO when they perceive digital transformation to be moving forward... and SaaS helps that. Scott Spradley (@Spradley_Tyson; 1.7K F), CTO at Tyson's Foods [tweeted his pride in the Tyson IT and HR Teams for their success in a go-live launch of Workday](#), posting a graphic with Workday as the prominent image...and got a congrats from the Workday Twitter account.

3 **For CIOs, the Issue is Security and Compliance and Not Simply Opposition to Shadow IT** – A [Nextplane survey](#) shared by [influencers](#) online found that 46% of respondents have introduced new technology into the workplace. In that same survey, the top risk identified by 79% of executives when employees introduce or use technologies without IT approval is the risk to security of the company's data and information. The evidence of this top concern is seen through IBM marketing of an infographic for IBM Cloud Private for Data, [where a tweet by @IBMAalytics](#) (188K Followers) asks, “Does your firm struggle with regulatory compliance and shadow IT?” The infographic includes the data point that [companies spend, on average, 2.7x more due to a lack of compliance](#). Additionally, in a [highly engaged](#) online conversation, it was noted that the [announcement](#) that Microsoft was banning Slack from internal use was because free versions of Slack “do not provide controls to properly protect Microsoft Intellectual Property (IP).”

5. Empower Partners as Your New Front Line to Sales Agility

The more agile partners can be to market opportunity, the more likely you are to secure sustainable competitive advantage

Market Insights



- As solution-markets continue to quickly innovate, partners are emerging as the front line against the changing marketplace, becoming far more agile in their go-to-market execution.
- Furthermore, the concept of a solution agnostic partner is growing substantially, making it far more important to continue to win partner mind share. This shift is paralleled by a shift from a partner as a 'reseller' to a partner as a 'solution provider'—as ultimately customers are buying solution experiences.
- The vendor-partner relationship has become more symbiotic. 10–15 years ago, a partner was really an extension of the vendor and stood to gain tremendously as a reseller. But with the shift to the solution seller model, the imperative and upside now also lies with the vendor to be an extension of the partner's solution.

Potential Tactical Actions



- **Market and Customer Insights:** Think of your partner landscape just as you would your customer/prospect landscape. Focus intently on their changing needs and business models. This will drive your product and go-to-market innovation.
- **Channel Enablement:** Drive enablement far beyond the operational basics of product info and deal reg. Increasingly co-sell and drive pipeline value for your partners and align their incentives to drive stickiness between their solutions and yours.
- **Data-Driven Targeting / Performance Measurement:** Engage and drive pipeline value with your partners through collaborative data-driven approaches and measurement. Show how your investment is paying off for them and increasingly tighten the bond between their solutions and your portfolio.

Channel partners empowered with data, insights and emerging solutions are a driving force behind agile vendor sales growth

ServiceNow partner Acorio developed sales content based on a massive research effort, compiling statistics on ServiceNow's success, while Microsoft expands incentives for partners in pushing Azure-based ISV solutions

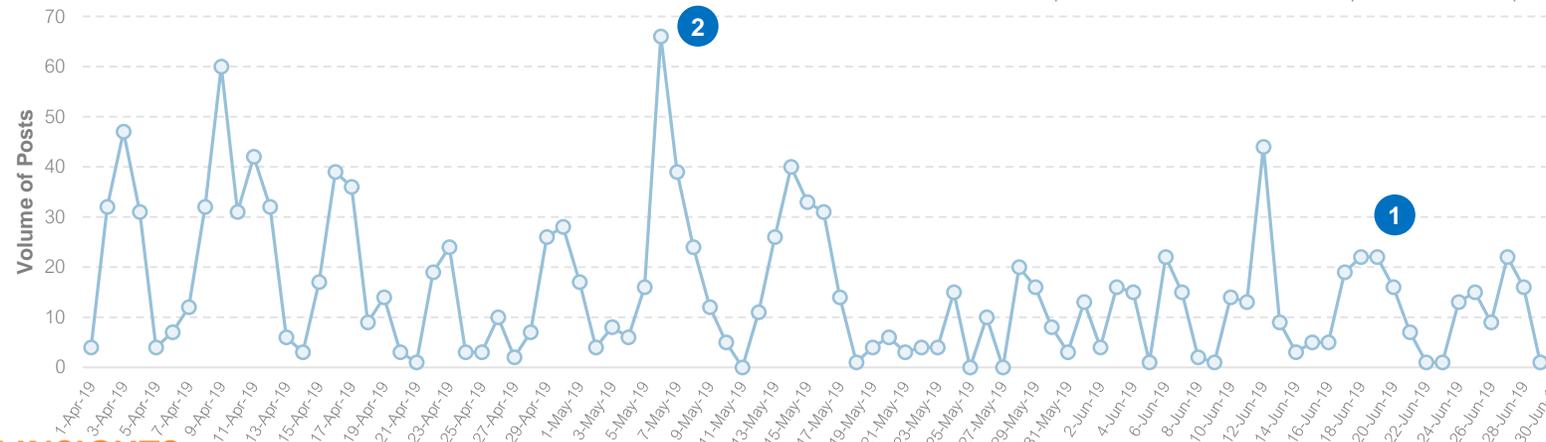
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Trend reflects conversations and posts related to channel partners, value-added reseller topics in the SaaS space



CORE INSIGHTS

1 **ServiceNow Channel Partner Acorio Empowers the Business User** – Acorio, a Gold-Level service partner with ServiceNow, developed and socialized ready-to-present PPT collateral designed to help business users in pitching ServiceNow to CIO's. Based on an impressive volume of research on Acorio's part, the presentation cites statistics pulled from various sources to include research firms and customer data. The content also presents 100 key statistics showcasing the power of ServiceNow and what they can achieve. In addition, digital marketing by Acorio drove other influencers to advertise the downloadable PPT deck for free use. Examples of the stats cited include:

- ServiceNow helps get new enterprise apps to market in half the time.
- Companies using ServiceNow achieve 2.5x faster application updates.
- ServiceNow users could repurpose 15% of IT service staff to higher-value work.

2 **Microsoft Sees Channel Partners as "Channel as a Service" Through Expansion Of Cloud Solution Program (CSP)** – Engagement was noted around announcements by Microsoft coming out of Microsoft Build 2019. Microsoft focused on their goal is to help enterprise customers in their digital transformation by introducing solutions from Azure-based ISV partners. The pathway for success as defined by two key changes: (1) Expanding co-sell to Microsoft 365, Dynamics 365 and Power Platform to create deeper collaboration in selling line-of-business applications, and (2) expanding sales incentives to Microsoft channel partners when they resell eligible ISV solutions through Microsoft's cloud solution provider (CSP) program. For all ISVs, small and large, Microsoft defined this as effectively offering "channel as a service" to accelerate customer acquisition.

BEST-IN-CLASS PARTNER ENABLEMENT



About MarketBridge and DigitalPulse™

YOUR PARTNER IN REVENUE GROWTH

We wrote the book on multichannel go-to-market strategy and execution, literally. Based on 25+ years of experience, made actionable with industry-specific best practices and benchmarks, we connect always-on strategy with agile execution to future-proof your success.



Capture timely and actionable customer, competitor and partner insights to drive change

Harness internal and external signals to optimize decisions across the buyer journey

Enable sales and marketing with the right content for every buyer at every stage

50+

Fortune 1000 clients



ABOUT OUR DIGITALPULSE™ REPORT

Listening Period: April 1 – June 30, 2019

Critical insights, for strategic change.

DigitalPulse™ is a comprehensive report that highlights most relevant market issues and hones in on actionable revenue opportunities businesses can take. Our human analysts track thousands of industry, buyer and competitor conversations to surface newsworthy, real-time insights as well as past historical data. We deliver competitor insights, clear commentary and tactical guidance to fuel marketing, sales and channel partner go-to-market strategies.

Listening Topic	Description	Parameters
Industry	Intent was to draw listening borders around the SaaS and subscription-based software and services space and behaviors and burdens for CIOs and other department heads requiring IT.	Sample keywords included any keywords related to subscription-based software and SaaS offerings to include “cloud offerings,” “SaaS,” and “shadow IT” as examples of keyword types.
Brands	Goal was to listen to the industry space and discover top and emerging brands.	<ul style="list-style-type: none">• Microsoft• Salesforce• Oracle• Workday• ServiceNow• Slack
Exclusions	Words, terms and phrases that needed to be eliminated as noise.	Efforts were made to isolate the findings to buying behaviors and barriers relative to CIOs and stakeholders.