

## Session: The 4<sup>th</sup> C, How Cloud Computing Changes Everything

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### Background

- 4-5 years have done 4-5 SaaS products
- Netscape launched “upshot” → “siebel online”
- This topic involved on mostly B2B units
  - How has changed go-to-market with cloud computing
- Selling products vs. selling services
- Couldn't find SaaS go-to-market model
  - Changes in cloud service world
  - Blogged about it

### Traditional Linear Market Strategy

- Spattering of customer interaction
- Top down
- For products

### 7 Transitions

#### 1) Products become Services

- |                  |     |             |
|------------------|-----|-------------|
| - Infrastructure |     | - DVDs      |
| - SaaS           | vs. | - CDs       |
| - Storage        |     | - Downloads |

#### 2) Pricing is all value-driven and subscription

- |                      |     |                              |
|----------------------|-----|------------------------------|
| - “Pay as you go”    |     | - License + Maintenance \$\$ |
| - “Leave as you may” | vs. | - Chunky sales cycles        |
| - SLA                |     | - Contract                   |

#### 3) Companies are Reinvented

- Still linear process of delivery even in Agile
- Linear with customer in the middle in future

#### 4) Place – Channels are creatively destroyed and recreated

- Traditional is Sales → IT Buyers
  - ↳ distributors ↗
- New is Sales → Service Providers → IT Buyers
  - ↓
  - App stores
  - ↓
  - Business buyers
- Enabler of trial service vs. product distribution

5) Customers re-segment, reshape and surround your company

Large Enterprise	→	Projects 12 mo- 2 yrs
Small/Med Enterprise	→	6 months
Small Business	→	6 weeks
SOHO	→	6 days

- Customers segment into high- and low-value
- IT's value going down
- No one wants long-term projects
- Customers still in middle of model – surround them with company

6) Promotion becomes experience

Lead generation → Trial/try → Transact

- Search Box.net is a good
- Social Network “freemium” example.
- Viral Try free, then buy.

7) Competition comes from everywhere

- Customers become competitors