



Case Studies

STRATEGY

QUESTION: Can we make the jump to a subscription model?

The Issue

A mature software company was looking to enhance their business model. They weren't sure if they had a current customer base that would change to a subscription model and if they could manage the transition financially.

Company Concerns:

- Should we change?
- Will our customer follow?
- How do we fund it?

Items Covered:

- Who has done this before
- What are the possible outcomes
- How will a change impact them financially?

First Steps

We set up a three-meeting structure with three weeks in between the meetings to allow for follow up. In the first meeting we outlined the concepts and got as wide around the problem as we could. The second meeting we started to converge. The third meeting we formed a vision, path, and purpose.

Second Steps

We surveyed some clients and interviewed financial sponsors. We had their largest shareholder speak with some other founders and get comfortable with the liquidity terms. We built a quarterly projection model out three years.

Items Covered:

- Listen to your clients
- Understand how financial sponsors work
- Build alignment with the founder and the leadership team

Results

- Funding and wisdom
- Renewed energy from the executive management team
- Business is viewed differently by investors

The Outcome

The CEO secured financing from a private equity firm. The technical team launched the new release with the new pricing model and the sales and service teams managed the transition. In 18 months the enterprise value of the firm was up significantly.

What could your company accomplish with a clearly defined strategic plan?