KIMBERLITE
PARTNERS, LLC

Approximately 35 years ago, the software industry took a hard look at the then current methods for selling, developing, maintaining and supporting software solutions and created the Software as a Service (SaaS) revolution. Virtually all software solutions coming to market these days are SaaS based. This approach has resulted in all sorts of changes, for the good, in software ownership, management and operation. This lead to some pretty incredible financial valuations/multipliers and some real darlings of the financial markets. But the benefits are not only limited to great multipliers but to a better experience for the customer and the company.

The result is that virtually all companies are looking for some way of delivering their offerings as a subscription and businesses/consumers have come to accept this model. Virtually all industries are trying to adopt this model, from consumer goods to home repair to phone systems to servers. The consulting industry has toyed with this area for longer than the 35 years of the SaaS revolution. Some might even say that it was one of the earliest adopters of this approach with Managed Services. Managed Services has been around for a long time. But Managed Services has historically been focused on very easy to define and execute activities and skills. It was focused on the tactical activities in IT, network operations, system administration, data base administrations...

Today, however, organizations are taking a closer look at those activities that have historically been more white glove, more bespoke and much more core to some of the higher end consulting practices. Businesses instead of investing in a person at an hourly rate over a long period of time are intrigued with the prospect of buying a service that provides the senior level resources needed to assist them with their systems, solutions or business practices as a subscription with the ability to provide the resource and knowledge needed and retaining the customers context/practices.

Kimberlite Partners is specialized in helping organizations create just these types of services which we like to call Managed Application Consulting or MAC. Now there are many aspects of developing, enabling and managing a MAC that are critical to the success of such offerings. In this series of whitepapers, we hope to explore critical areas that will determine your success.

In this whitepaper, we look at the 8 key characteristics of a delivery organization for a MAC. Critical to the success of any MAC is the ability of the services/delivery organization to meet the customer's needs and satisfy those needs. The best designed offering and the best sales team is no match for an organization that cannot deliver.

This white paper, #3 in our 10-part series, curates the "musts" from our 15 years of creating, managing and evolving install base subscription services for business application publishers and solution providers.

The 8 Keys to a Highly Successful Install Base Subscription Service

1 **Continuity of Resource(s):** Having easy to fall into the trap that sustaining resources are a training ground for the "real" Consultants engaged in initial implementations. In fact, the most tenured and highest caliber consultants are best leveraged servicing the installed base, particularly if your organization has adopted a templated implementation methodology.

2 **Tenured Consultants:** It's easy to fall into the trap that sustaining resources are a training ground for the "real" Consultants engaged in initial implementations. In fact, the most tenured and highest caliber consultants are best leveraged servicing the installed base, particularly if your organization has adopted a templated implementation methodology.

3 **Proactivity:** This is not support. The simplest way to think about the difference between a subscription sustaining service is that most work packets will be brought to the Customer proactively by virtue of a well-formed methodology and engagement strategy. This is highly contrasted with the fully reactive inbound case paradigm of a classic support model.

4 **Enabling Technology:** A world-class sustaining offering can't exist without the technology to support it. Contract Management. Entitlement tracking. Concessions Management. Customer Surveys. Key Performance Indicators. Operational and Financial Reporting. Well-formed subscription products, world-class resources and best-in-class processes are strained without high performing and fully adopted system(s).

5 **Embrace *both* Customer Types:** If you're a Solution Provider that implements net new logos and inherits Customers "from the wild", a well-formed sustaining service offering can and should delight both types of Customers with only modest tuning of your delivery and methodology, and sales messaging.

6 **All the Tools in the Toolbox:** The core offering should have all the necessary tools needed to sustain the solution from analysis to execution. Based on the logical segmentation of your install base, more than one subscription offering may be appropriate, but use caution in differentiating those offerings by what you will or will not do for your Customer. For example, a lower cost offering that disallows custom scripting. There are better ways to differentiate your offerings.

7 **Annual Recurring Revenue (ARR):** The benefits of ARR over one-time services revenue are widely known. Ensuring a few critical attributes are strictly followed, a subscription sustaining service should result in significant, audit resilient ARR, and as a consequence, greatly accelerated business valuation.

8 **What's in a name?:** Plenty. Your subscription sustaining service should have a catchy product name and logo. If multiple products, they should be aligned under one brand and differentiated by a qualifier (e.g. Bronze / Silver / Gold or Standard / Enterprise). Avoid the term Support or any support-like connotation – remember, this is high-horsepower consulting!

KIMBERLITE PARTNERS is the industry leader in developing, modifying, and/or maximizing your Managed Services offering using our proven **Managed Application Consulting (MAC)™** model. Enabled via our **DiamondEase™** methodology and operationalized via our optional technology solution, industry leading Solution Providers and Software Publishers have leveraged Kimberlite Partners to drive significant incremental annual recurring revenue, improve customer and employee satisfaction, and increase license renewals and upsells.

Think you would benefit from an install base subscription service? Contact Us.
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