



productcamp BOSTON
November 7, 2009

Software Pricing & Licensing Roundtable

With

Jim Geisman founder of Software Pricing Partners

Amy Konary, Research Director with IDC

Facilitated by

Chuck Anastasia, Product Manager at Dassault Systems

Content

- About the panel
- Product Management challenges
- Professional perspectives on pricing & licensing
- Q&A
- Pricing & Licensing resources



Jim Geisman, Software Pricing Partners

- Founder and principal of Software Pricing Partners
- Marketing management at Tektronix and first director of marketing at Apollo Computer.
- Member of the ARPANET team
- BS and MS in EE from Tufts and MBA from Harvard Business School



<http://www.softwarepricing.com/>

Amy Konary, Research Director IDC

- Focused on software pricing, licensing, and delivery
- Covers: software go-to-market trends, evolving license models, global price management, and licensing technologies
- Many awards and honors, often quoted in the business press



<http://www.idc.com/getdoc.jsp?containerId=PRF000265>



Chuck Anastasia, Dassault Systems

- Product Manager, focused on pricing and licensing
- Enterprise engineering applications for realistic simulation
- Engineering & management at Raytheon, TI, GE
- Consulting, sales & marketing in small business



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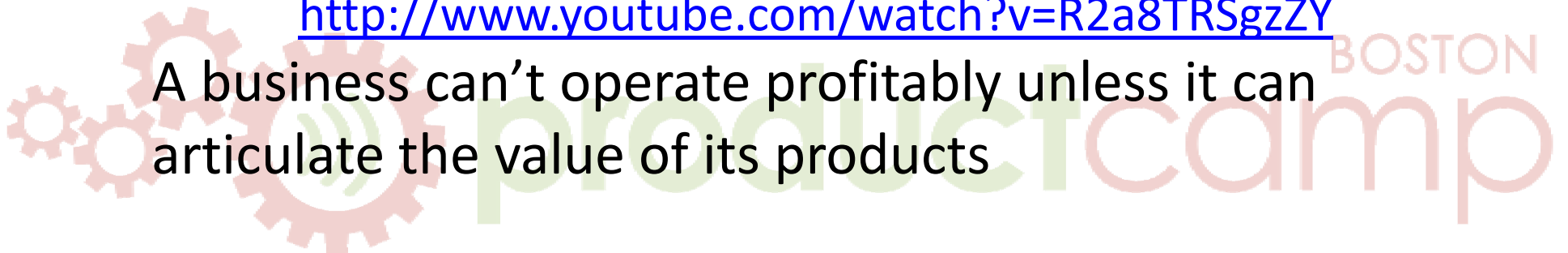
<http://www.icoolspark.blogspot.com/>

Product Management Challenges



<http://www.youtube.com/watch?v=R2a8TRSgzZY>

A business can't operate profitably unless it can articulate the value of its products



Product Management challenges

- Is free the right price? If so, when?
- Establishing pricing metrics that reflect value to the customer.
 - The same product provides different value to different customers (auction model)
 - Creation of offers for customers with different budgets & requirements
- Managing Competition
 - Competitive Intelligence
 - Identifying and maintaining vectors of differentiation
- Pricing new (and relatively immature) products for their target, not their current status.



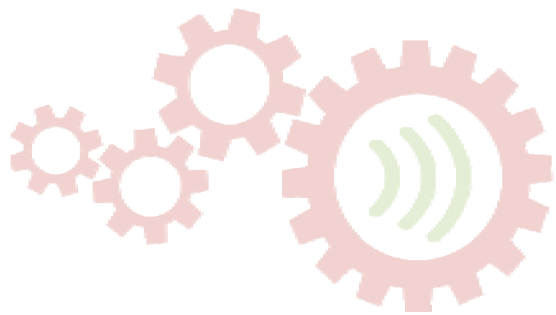
Product Management challenges

- Trends and issues in licensing models
 - Subscription vs. Paid up & Maintenance
 - SaaS
 - Consumable entitlement (cell phone minutes)
 - Named user (access to a service vs. usage)
- Negotiating royalty arrangements for third party IP providers.



Licensing Overview

Model	Analogy	Example	Notes
Subscription. Time based	Rent	Antivirus, SalesForce	Recurring revenue, expense, lower short term cost
Perpetual	Buy a condo	Oracle	Capital, lower long term cost, <i>not</i> unlimited
Maintenance	Condo association fees	Oracle	Recurring revenue for perpetual
Consumable	Pre-paid phone cards		Pay as you go
Free	TV, Radio	Google, Acrobat reader	Tied to another revenue stream
Usage	Electric bill		Pay for actual use, Flexible, but discourages use



Pricing & Licensing Resources (1/2)

- Maximizing your Microsoft Software Investment July 2009 [sponsored WHITE PAPER by Amy](#)
<http://tiny.cc/eikf9>
- Will the economic crisis normalize software pricing?...depends on what you mean by normal - [blog guest posting by Amy](#)
<http://tiny.cc/nro9W>
- Software Pricing Partners Reading Room [from Jim Geisman](#)
<http://www.softwarepricing.com/readingroom/content.cfm>
- [Recent Presentations](#) from Jim: SaaS Pricing Models that don't [leave money on the table](#)
 - <http://www.softwarepricing.com/whats-new.cfm>
 - <http://tiny.cc/UNe5I>



Pricing & Licensing Resources (2/2)

- Reed Holden **Blog** <http://reedholden.wordpress.com/>
- Mark Burton **Blog** <http://markrburton.wordpress.com/>
 - Pricing with Confidence **Book** <http://www.pricingwithconfidencebook.com/>
- Rafi Mohamed the Art of Pricing Book & **Blog**
 - <http://www.pricingforprofit.com/pricing-strategy-blog/>
- SoftSummit **Knowledge Library** presentation PDFs & videos
 - http://www.softsummit.com/softsummit_knowledge_library_media_downloads.shtml
- Professional Pricing Society **blog**
 - <http://professionalpricingsociety.blogspot.com/>
- Sam Conforti SW licensing **blog**
 - <http://www.softwarelicensingblog.com/>

