

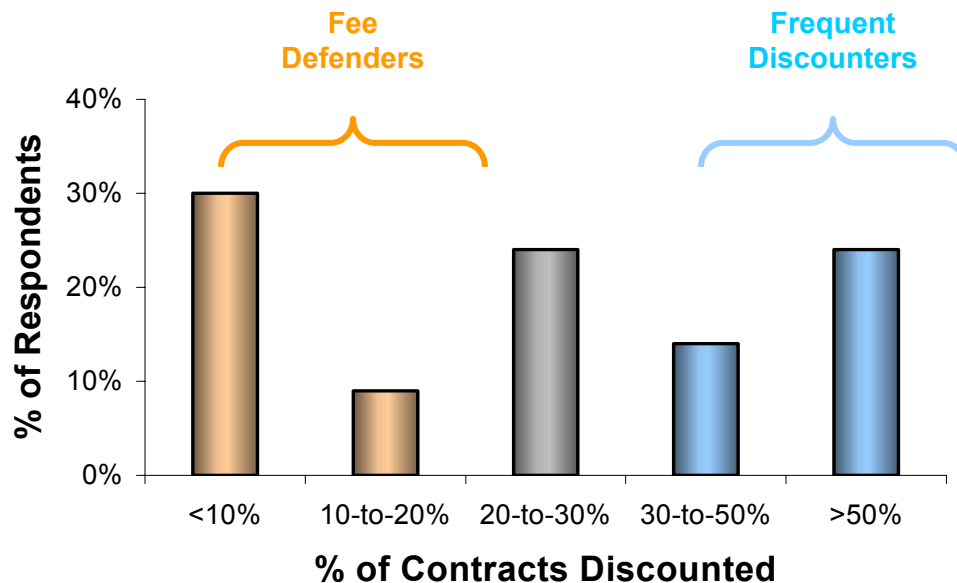
FACT SHEET: DEFENDING SUPPORT & MAINTENANCE PRICING

FACT #1: Maintenance and support pricing pressure is real and wide-spread.

A recent SSPA study found that *42% of large IT customers re-negotiate* their maintenance and support contracts with the objective of getting a lower price for the same level of service.

FACT #2: Some vendors are better than others at defending maintenance and support pricing

Our survey of over 100 enterprise vendors found wide variation in terms of how often, and by how much, they discount maintenance and support contract fees.



FACT #3: Best-practice companies take concrete steps to control and minimize discounting

Effective “fee defenders” in our study – those companies that successfully defend maintenance and support pricing – excel in three key areas:

1. They arm the right set of people with the right data to defend the “value story” at point of contract renewal.
2. They set intelligent, enforceable sales policies that discourage discounting from occurring.
3. They maintain a strong focus on and commitment to service delivery execution.

Based on our research, Kotler Marketing Group and the SSPA have developed a suite of tools, consulting, and training to help SSPA members become effective “fee defenders.”

See next page for more information...

DEFENDING SUPPORT & MAINTENANCE PRICING -- THE KOTLER/SSPA OFFERING --

Our process for improving companies' ability to defend maintenance and support pricing consists of the following **three steps**:

STEP 1: BENCHMARK THE RENEWALS PROCESS

Drawing upon our best-practice research we benchmark your maintenance and support organization against "fee-defender" companies in terms of organization, renewal policies, and business systems.

Findings will be compared to similar companies involved in our research with over 100 enterprise vendors.

STEP 2: DEVELOP CUSTOM ROI SALES TOOLS

Effective "fee defenders" document and communicate the value that their support organizations deliver to customers. Therefore the second step is to develop custom "ROI calculator" sales tools that enable your renewal teams to quantify the value of their maintenance and support offerings.

Each ROI tool is based on Kotler Marketing's VQ™ for maintenance and support, which uses an ROI framework developed in partnership with SSPA and its members. We customize this, focusing the tool on how your specific support offering impacts your target customers' business processes.

SSPA research provides a rich source of supporting benchmarks to use in ROI business cases, and Kotler Marketing works with you to supplement this with your own key performance metrics.

STEP 3: SALES & RENEWAL TEAM TRAINING

You can do everything right when it comes to setting policies and developing ROI sales tools, but still fail to get the anticipated results if your renewal team is not properly trained. That is why we developed a sales training program specifically to help renewal teams defend price. Topics covered include:

- ✓ Understanding customer business goals and relating them to support performance;
- ✓ Using the custom ROI tools from Step 2;
- ✓ Understanding ROI, NPV and other financial metrics;
- ✓ Renewal negotiations and objection handling.

We customize the curriculum to include the custom ROI tools from Step 2, and to fit with your existing sales process and methodology.

