



MARKETING FOR VALUE™

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I. EDITOR'S REMARKS

Welcome to the premier issue of Market4Demand's MARKETING FOR VALUE. In light of the recent changes in our industry, technology marketing, as we now know it, must change in order to deliver shareholder and customer value. The mission of MARKETING FOR VALUE is to help technology entrepreneurs, venture capitalists and marketers learn about value-based marketing. While some of the principles and guidelines are new, others are well established though often ignored.

I'd like to thank all who donated their time, expertise and resources to make this first issue possible, with a special thanks to our sponsors: BoldFocus, Ignite PR and The Young Group.

Enjoy!

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II. ENTREPRENEUR SPOTLIGHT: Motiva CEO Jeff Carr Re-Launches Again

Interview by Peggy King

"When you re-launch the product, you re-launch the company," says Bob Wright, a veteran of more than 85 high technology product launches, during his presentation entitled "The New Definition of Marketing Launch," which was recently a session provided by Market4Demand's Marketing Educational Series for Entrepreneurs (MESE). "This repositioning of a company occurs whether the product re-launch results from an acquisition, an attempt to increase the average size of deals, or a part of a strategy that calls for focusing on an overlooked market segment."

Jeff Carr is a CEO who "gets it" when it comes to the simultaneous re-launch of a software

company and its key product. When Carr took over the top job at Again Technologies of Pleasanton, California, the company had a mature incentive management software product, now called Motiva8, that had recently been re-engineered to achieve a zero footprint Internet architecture and a newly modularized framework for open integration. Carr recognized the opportunity to transform Again Technologies from its position as the top (because it was the only) vendor Enterprise Performance Optimization (EPO) software vendor, into Motiva, a company that sells software in the emerging Enterprise Incentive Management (EIM) market sector.

Carr took over the CEO post at Again Technologies in August, 2001, closed a third round of financing soon thereafter, hired a group of seasoned executives he refers to as a "black belt marketing team," and retained product and company launch guru Bob Wright of Marketing Arts in San Francisco for three days a week from October when the re-launch efforts began until early December when the new name, positioning and corporate identity debuted on the new Motiva web site. During those ten very intensive weeks when the re-launch efforts were in full force, Carr recalls that he was devoting between 40 and 50 percent of his time to marketing-related functions.

Before taking the helm at Again Technologies, Carr gained extensive product repositioning and re-launch experience during his ten years at PeopleSoft in executive management positions including senior vice president of global marketing. He left PeopleSoft when CEO Mary Coleman recruited him to be president of business-to-business software company RightWorks. During the months he spent at RightWorks, before the company was acquired by i2 Technologies of Dallas last year, Carr presided over the transformation of RightWorks' eprocurement solution into a globalized product with multi-language and multi-currency capabilities. Under Carr's direction, Motiva's engineers are now adding multi-language and multi-currency features to Motiva's Motiva 8.

"There was a lot of parallel processing going on," says Carr in reference to the work that Wright and the Motiva marketing executives were doing with consulting groups including The Russell Mark Group for naming and corporate branding services, Landkammer Partners for designing a new logo and visual identity, and Clear Ink for their new web site design. In less time than it takes many software companies to prepare their annual report, caterpillar Again Technologies was shedding its old tagline, visual imagery and marketing position to emerge as the Motiva butterfly. Thinking back on that hectic time and on his marketing experience at PeopleSoft and RightWorks, Carr has some straightforward advice to offer marketing executives at software companies who are planning a re-launch:

1. Make as big a splash as possible when you re-launch.

You can get maximum leverage by rebranding your company at the same time that you are extending the core product. Again Technology had a perfect opportunity to re-invent itself as Motiva. "We knew that it was now or never for a major re-launch. We needed to ramp up our marketing efforts to draw attention to the revitalized product, so what better time could there be to call attention to ourselves with a new name, new logo, new web site and new corporate collateral," says Kit Robinson, Motiva's vice president of corporate communications.

2. Work with people that you know and trust.

Last fall, a generous third round of funding made it possible for Carr to hire seven sales, marketing and field service executives and a new corporate counsel. Of these new appointments, five had been managers at PeopleSoft during Carr's ten-year career there,

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three had come to Motiva from Commerce One, a RightWorks competitor, and one manager had worked with Carr at both RightWorks and PeopleSoft.

With the advantage of having people who had worked together (or in some cases even competed with one another) in "past lives", the daunting goal of re-launching the company within a mere ten weeks time was ultimately attainable. Had the team needed more "getting to know you" time, it's doubtful this feat could have been accomplished.

"As soon as new managers signed on with the company, Carr would bring them in to participate in the re-launch strategy sessions," Wright recalls.

3. Don't let the members of your advisory board be mere figureheads. Enlist their help immediately and constantly.

Ray Gadbois, formerly PeopleSoft's vice president of corporate marketing, had been in active retirement for several years, delivering occasional business school guest lectures and serving as an advisor to several high-tech companies including Again Technologies. "Ray was instrumental in bringing Jeff on board and Jeff returned the favor," Wright recalls. Soon after Carr took the helm, he called upon Gadbois' help for recruiting other key members of the management team and getting advice on product positioning and on which firms to retain for help with re-launch and rebranding.

Gadbois became so actively involved that he exchanged his singular title of advisory board member for the dual titles of chief marketing officer and senior vice president of marketing and corporate strategy.

4. Stay away from "one-of-a-kind" market niches and opt to be a player in a well-established market segment instead. Motiva used its re-launch as an opportunity to lose the Enterprise Performance Optimization (EPO) tagline. The new tagline, "Incentive management drives the enterprise" reinforces Motiva's position as an incentive management vendor.

"By being in the same category with Manugistics and other competitors who are bigger than we are, we hope to rise with the tide in the category. Very soon after coming on board, I made it a goal to build awareness with industry analysts," explains Carr.

Even before its name change, most of the company's press releases began their first sentence with the phrase "an emerging leader in enterprise incentive management (EIM) software." After the positioning change, Motiva gained the coverage from industry analysts that eluded Again Technologies when it was the only EPO vendor. Robinson notes that GartnerGroup, Aberdeen, and AMR Research have all begun to track EIM products. EIM, also known as compensation management, is on its way to becoming a well-established category. Enterprise software vendors Manugistics, Seibel, and Oracle all have compensation management modules in their enterprise suites. Pure-play competitors in the EIM segment include Incentive Systems, Callidus Software and Synogy.

"We're not the largest vendor in the EIM market segment, but at least we have been noticed. Already we're floating higher than we were before," says Carr.

BoldFocus is a full-service Internet solutions company that develops corporate web sites (extranets, portals) and provides a suite of online marketing campaign and content management solutions. Since 1995, BoldFocus has provided Internet solutions for many

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III. FEATURE ARTICLE: How Not to Blow It With the Press--Avoiding the Top Mistakes

by Peggy King

So your Founder/CTO spoke to a *Business 2.0* contributor who wanted just the facts for a succinct 300-word product-focused sidebar? Instead of giving her a quick snapshot, though, he overwhelms her with competitive analysis, market segmentation and some premature buzz about a big new customer. "No matter," you say, "We'll just make sure he gets it right when *Fast Company* begs to do a feature on our new enterprise-transforming application."

The reporter from *Upside* walks away from "an opportunity" to spend an hour with one of your newly recruited junior marketing managers without giving your company any ink in the upcoming issue. "Well then," you tell your team, "We'll simply try again tomorrow with *Red Herring*, this time sending a more seasoned person."

You cancel an interview with an *Industry Standard* reporter on short notice when key investors suddenly call a meeting with you. "Not to worry," you say to the Board, "We'll just have our PR people make sure we get our enterprise-transforming solution into the next issue of *Internet Week*."

In case you hadn't heard, every one of the above-mentioned publications has either folded or developed a severe case of attrition. Howard Baldwin, my friend and favorite assigning editor for over a decade, calculated a few months ago that he was one of 823 Bay Area-based technology journalists who had lost jobs since the beginning of 2001. Veteran technology journalist Deborah Branscum holds an annual conference called MonsterBuzz. This year's MonsterBuzz roundtable discussion is aptly subtitled, "Working with a Downsized and Cranky Press."

I've been a freelance technology journalist since 1988 and, as a public service, I'll be my crankiest self and let you in on the three worst things you can say during face-to-face meetings with reporters, should you be lucky enough to still land them.

1. "We have no competitors." I write for business publications and my readers are people who use your products to get their work done. In the real world of business, even revolutionary new products have competitors. Ledger books were the competitors for the VisiCalc spreadsheet and electric typewriters were the competitors for standalone word processors. Even if I am not writing a product review or competitive analysis, I may be asking you about the competition because I feel that mentioning competing products or technologies provides my readers with a point of reference for understanding how a new product or service might change the way they work.

When I'm interviewing a vendor who is coy about naming competitors or says there are none, I get cranky because he or she has foiled my honest attempt to provide useful information for readers. When I'm cranky, I'm motivated to find out as much as possible about the competition and give them more ink than I might otherwise have planned.

There's no need to offer a reporter information about your competitors. But if he or she requests it and you won't name names, don't be surprised to find the article is less about you and more about those unnamed companies.

2. "We have created a new market segment." This kind of talk can be part of your elevator pitch to the venture capitalists or take up a few paragraphs in your white paper, but an overworked journalist has neither the time nor the inclination to hear the minute details of your "marketecture." It's one thing to discuss the unique advantages of your product or technology with a reporter, but it can undermine your credibility to insist that your company's products are in their own market segment.

When you meet a reporter face-to-face for the first time, both parties are assessing the usefulness of the relationship. As an entrepreneur, you're looking for a source of ink pure and simple, the purer the better. Beyond simply getting their words written, reporters have a less easily understood need to forge ties in the vendor community. We need reliable contact with vendors even more than we did in the recent past when most technology reporters had a narrow, well-defined beat. Those of us still attempting to make a living as reporters are often called upon to write about companies, products and services that are outside our areas of expertise. Therefore, we are constantly on the lookout for good sources.

Let's say that I have an hour to spend with an entrepreneur. If the entrepreneur spends the better part of the hour attempting to convince me that he or she has a product that defies categorization, I might walk away with material for one article. If that entrepreneur talks about the product and then proceeds to put his or her product in the context of an existing market segment, then I walk away from the interview feeling that I have met someone who knows more than I do, someone that I would be willing to call as a source for another article.

3. "We advertise in your publication." Whether you do so directly or in a very subtle way, reminding the reporter that your company advertises in his or her publication is considered very bad form. In my early days as a trade journalist, I worked for a publisher who told me I should carry a copy of the magazine's editorial kit whenever I went on an interview. When I heard that comment, I knew it was time to look for another position. Separation of advertising and editorial is as sacrosanct (or should be, at least) as separation of church and state.

In the aftermath of Enron, stories of stock analysts who continue to issue "buy" or "hold" recommendations for companies on the verge of collapse are legion. We tech journalists don't make enough money to be bribed in that way. (If you want to garner influence with us, the only way is by feeding us at press events. The bigger the shrimp, the better; smoked salmon and crab legs can also win points.)

In all seriousness, journalists' primary allegiance is to readers rather than advertisers. If our content is not useful to business readers, no amount of advertising will convince them to continue their subscriptions. So be careful not to state or imply that writers have any obligations to advertisers.

Don't risk blowing your limited opportunities for forging a productive and ongoing relationship with key members of the press. Get press training before it's too late.

About the Author:

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Peggy King, a technology journalist located in the San Francisco Bay Area, has over 17 years of technical and business writing experience, and has spent the last 10 years writing for leading computer trade publications. Since 1995, she has occasionally conducted press training sessions for executives and entrepreneurs at technology companies. Peggy can be reached at peggyking@aol.com.

IV. FEEDBACK

We want to hear from you. If you'd like to know more about value-based marketing or if you know of companies applying value-based marketing ideologies to improve profitability and customer satisfaction, drop us a line at (415) 218-6041.

Want to learn more about Market4Demand's Marketing Educational Series for Entrepreneurs, including its speaker panel members and upcoming events? Visit www.market4demand.com

V. THIS MONTH'S RECOMMENDED MARKETING BOOK AND LINK

Book Recommendation: **Value-Based Marketing**, Peter Doyle (offers marketing strategies for driving corporate growth and shareholder value)

Marketing Link: www.mckinseyquarterly.com (offers useful articles on marketing and other business topics)

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VI. UPCOMING EVENTS

October 29, 2002
MARKET4DEMAND'S REAL WORLD MARKETING CLINIC
"The New Definition of Marketing Launch" and "How to Build an Alliance Program"

To learn more about the above upcoming events or register, visit www.market4demand.com.

About Market4Demand
Market4Demand, a technology marketing services firm located in San Francisco, delivers strategic and tactical marketing services that help increase shareholder and customer value. Market4Demand specializes in marketing planning and implementation, interim marketing management, and marketing communications. The company offers expertise in both enterprise and consumer technology solutions. In 2001, it launched Market4Demand's Marketing Educational Series for Entrepreneurs (MESE), a sequence of workshops developed to empower entrepreneurs with practical, value-based technology marketing best practices. For more information about Market4Demand's services and Market4Demand's Marketing Educational Series for Entrepreneurs (MESE) visit www.market4demand.com or call (415) 218-6041.

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