

# Market Analysis and Sales Model Considerations

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## The Situation



A London-based cloud software company engaged the Alexander

Group to understand the market opportunity and considerations for sales force expansion into Germany. Sales leadership desired to understand the Total Available Market (TAM) for their offerings, and to gain insights on sales investment and coverage model considerations for board-level review to inform their market expansion plans.

## The Challenge

The client had established a strong and fast growing business in the U.K. market but was uncertain how well this success would transfer to the market of Germany where market conditions differ with respect to cloud adoption, data security and privacy. The leadership wanted to quantify the overall potential in Germany, as well as the opportunity by vertical, company size and geographic area. They also desired an understanding of market conditions to inform their expansion strategy and roadmap.

## The Solution

Working in close collaboration with the client's sales strategy and operations team, Alexander Group (AGI) evaluated sources for market data, guided the acquisition of data and developed a dynamic model to analyze the German market opportunity. Running the model produced specific strategic guidance to prioritize the segments and markets for expansion focus. AGI also provided direction on sales strategy, messaging and deployment to ensure the greatest likelihood of success.

## The Benefit

Upon review, the software company's board approved the German market expansion plans and is in the final stages of preparing for market entry. The AGI modeling and recommendations provided the necessary quantification and guidance to move forward with confidence.

# Scoring Model Development:

Creation of model based on third party data, client information and AGI expertise

## Opportunity Model Approach Step 1: Determine and Assign Estimated ARPU

Step 1: Determine and Assign Estimated ARPU

	N Emp		
	0 - 99	100 - 999	10
N Firms	4,587	18,481	
€ / Employee Wgt	€ 37.50	€ 36.50	€
€ / Employee New	€ 35.00	€ 35.00	€
€ / Employee Ex	€ 60.00	€ 50.00	€
Weighting: New	90%	90%	
Weighting: Existing	10%	10%	

Total opportunity scenario takes into uses a 90/10 weighting of New ARPU

Customer Size	Seat	ARR	Seats	ARPU
EU MSP	30,629	3,259	8	
EU 0-99	159,706	3,027	52	
EU 100-999	988,787	21,027	41	
EU 1000-7499	538,783	25,497	21	
EU 7500+	400,391	46,500	8	

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## Opportunity Model Approach Additional Output: Company Ranking (Located in Excel Model)

Additional Output: Opportunity Ranking for Each Company

Company Name	Employees	Rev Emp
Capgemini AG	7,424	
ETI, European Tel. & Data S. V.	7,200	
Smith Barney Smith & Co. Inc.	6,874	
Comcast Electronic	6,500	
order services GmbH	6,400	
Post & Young AG Wirtschaftsprüfungsgesellschaft	6,300	
Technische Universität München	6,100	
Allegion SE	6,098	
Neubronn, Gesellschaft für Person. Lohn- und	6,048	
Group, Clearing GmbH	6,000	
Börsenverein Deutscher Aktien	6,049	
Previder Beratungs- und Schulungsgesellschaft	6,011	
Heinrich Heine Universität Düsseldorf GmbH & Co. KG	6,000	
Versicherungswirtschaftliche Beratungsgesellschaft	6,000	
Wahl GmbH Logistik GmbH	6,000	
Reaktor GmbH	6,000	
Die elektronische	6,000	
Merker Wasser- und Baugewerkschaft GmbH	6,000	
Black & Veatch Services GmbH & Co. OHG	6,000	
WFS	6,000	
Post M	6,000	
Deutsche Börse AG	6,000	
Aranyas Asset Management AG	6,000	
BMW Bauzulieferer GmbH	6,000	
Ascom AG	6,000	

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## AGI Has Developed A Model To Estimate Market Opportunity In Germany

Germany Market Opportunity Results

Using external data (from InsideView) and various internal assumptions / adjustments to ARPU, industry, and employee size category adjustments, AGI developed an estimated idea of market opportunity for Mimecast services in Germany

**Total Available Market ("TAM") = Approximately 317M Euro**  
Represents the total potential opportunity of 25,000 German companies, prior to any industry or employee size adjustments

**Likely Addressable Market ("LAM") = Approximately 134M Euro**  
Reflects TAM and includes adjustments to industries and employee size categories

**AGI Adjusted Opportunity = Approximately 146M Euro**  
Reflects LAM with an additional layer of adjustments to Top Industries and SMB employee size categories based on AGI research, experience, and expertise

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# Executive Recommendations:

Specific strategic advice on geographic and deployment approach

## The Legal & Corporate Services Opportunity Is Scattered At Low-End But Clustered At High-End

Deploy To Specific Areas

**Observations**  
In addition to clustering in the Dortmund / Essen / Cologne area, other large opportunities exist in Frankfurt and Munich, as well as smaller, scattered opportunity throughout the country.



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## The Initial Sales Roles Should Likely Be Focused On Conversion Activities

Employ Appropriate Sales Roles

	CURRENT UK COVERAGE		
	Conversion	Penetration	Retention
<b>Access</b>	Partner PAM Sales Director BDR	Partner PAM Account Manager	nils
<b>Persuade</b>	Partner PAM Sales Director Sales Engineer	Partner PAM Account Manager Sales Engineer	Partner PAM Account Manager
<b>Fulfill</b>	Sales Director Post-Sales Implementation (Non-Commercial)	Account Manager Post-Sales Implementation (Non-Commercial)	Account Manager Post-Sales Implementation (Non-Commercial)
PHASE I GERMAN ENTRY			
Employ Appropriate Sales Roles			
	PHASE II GERMAN BUILD-OUT		
	Conversion	Penetration	Retention
<b>Access</b>	Partner & PAM Sales Director	Partner & PAM Account Manager	nils
<b>Persuade</b>	Partner & PAM Sales Director	Partner & PAM Account Manager	Partner & PAM Account Manager
<b>Fulfill</b>	Sales Director Post-Sales (AM + NC)	Post-Sales (AM + NC)	Post-Sales (AM + NC)

\*Clear roles of engagement are needed to effectively work with channel partners  
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