

# 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 Strat	Location	SMB	EM	SE	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	

## 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	
Börsenmakler Germania GmbH	6,049	
Previder Beratungs- und Schulungsgesellschaft	6,011	
Heinrich Heine Universität Düsseldorf GmbH & Co. KG	6,000	
Versicherungswirtschaftliche Beratung Partnerschaftsgesellschaft Logistik GmbH	6,000	
Frankfurt GmbH	6,000	
Die elektronische GmbH	6,000	
Merker Wasser- und Baugewerkschaft GmbH	6,000	
Bank für South Services GmbH & Co. OHG	6,000	
MTS	6,000	
Post M	6,000	
Deutsche Börse AG	6,000	
Arbeitskreis Management AG	6,000	
BIT Baufachmann GmbH	6,000	
Aspenware GmbH	6,000	

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



# 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



## 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			PHASE II GERMAN BUILD-OUT		
	Conversion	Penetration	Retention	Conversion	Penetration	Retention
<b>Access</b>	Partner & PAM Sales Director	Partner & PAM Account Manager	nils	Partner & PAM Sales Director	Partner & PAM Account Manager	nils
<b>Persuade</b>	Partner & PAM Sales Director	Partner & PAM Account Manager	Partner & PAM Account Manager	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)	Sales Director Post-Sales (AM + NC)	Post-Sales (AM + NC)	Post-Sales (AM + NC)