# **SoftSummit**<sup>™</sup>2015

Software Monetization Maturity Model Unlocking Growth, Scalability and Customer Empowerment

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## Software Monetization Maturity Model Overview

## • What is a "Maturity Model?"

- Framework to assess maturity level of U.S. Department of Defense providers
- Significantly expanded to many topics

## • What is the Software Monetization Maturity Model?

 Model of how to maximize software revenue while increasing customer satisfaction

## • Why did we build it?

Prospects & customers asking for guidance

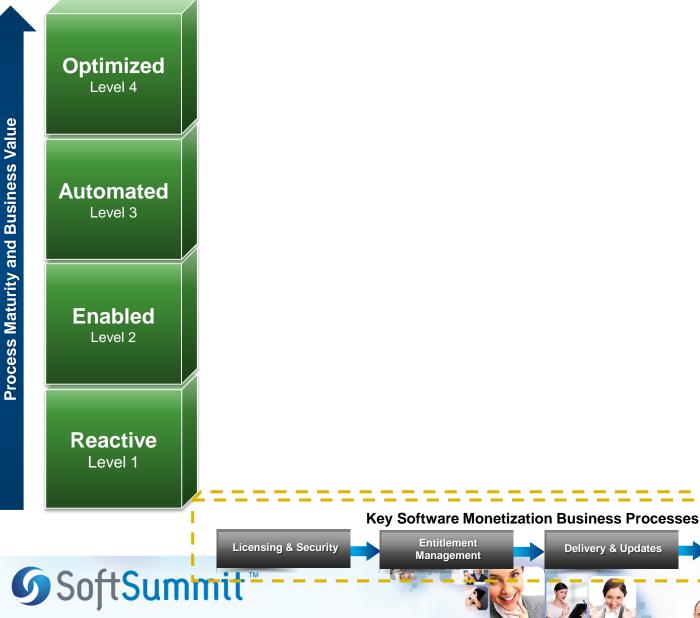
## • How can you leverage the maturity model?

- Paint a vision of the optimal/best practices area
- Provide a model to assess your own expertise
- Define a plan to increasing process automation and business value



SOFTWARE MONETIZATION – Transform. Optimize. Profit.

From Reactive to Optimized



### SOFTWARE MONETIZATION – Transform. Optimize. Profit.

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**In-Product Analytics** 

From Reactive to Optimized

## Reactive

Are our applications protected and are we centrally managing entitlements?

Realization of the need for licensing and entitlement management capabilities with limited use of licensing and piracy protection technology. Exploring options for managing entitlements (mostly manual), starting to move away from physical delivery of software and updates.

**Key Software Monetization Business Processes** 

**Delivery & Updates** 

In-Product Analytics

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### SOFTWARE MONETIZATION – Transform. Optimize. Profit.

Licensing & Security

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Entitlement

Management

From Reactive to Optimized

**Process Maturity and Business Value** 

Enabled Level 2 Are we using standard licensing, software delivery and update processes across all products? Licensing is generated against entitlement rights with limited customer self-service to red improve compliance and enable monetization of capabilities. Electronic delivery of software are not enforced based on entitlement rights. Limited visibility into product version use info						
	Reactive Level 1	Are our applications protected and are we centrally managing entitlements? Realization of the need for licensing and entitlement management capabilities with limited use of licensing and piracy protection technology. Exploring options for managing entitlements (mostly manual), starting to move away from physical delivery of software and updates.				
		Key Software Monetization Business Processes				
	SoftSun	Licensing & Security				

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From Reactive to Optimized

**Process Maturity and Business Value** 

### Have we automated processes for scale and best user experience? Automated Integration and automation across entitlement management, software delivery, updates and inproduct analytics make licensing transparent, simple and self-service while increasing control, Level 3 moving to usage models, reducing maintenance revenue leakage and increasing customer insight. Are we using standard licensing, software delivery and update processes across all products? Enabled Licensing is generated against entitlement rights with limited customer self-service to reduce piracy, Level 2 improve compliance and enable monetization of capabilities. Electronic delivery of software/updates are not enforced based on entitlement rights. Limited visibility into product version use information. Are our applications protected and are we centrally managing entitlements? Reactive Realization of the need for licensing and entitlement management capabilities with limited use of Level 1 licensing and piracy protection technology. Exploring options for managing entitlements (mostly manual), starting to move away from physical delivery of software and updates. **Key Software Monetization Business Processes** Entitlement Licensing & Security **Delivery & Updates** In-Product Analytics Management **SoftSummit** SOFTWARE MONETIZATION – Transform. Optimize. Profit.

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From Reactive to Optimized

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	Optimized Level 4	Are we optimized for growth, scalability and customer empowerment? Software is optimized to orchestrate agility, scalability and visibility to empower rapid adoption of new business and supply chain models and the subscription economy. Licensing, in-product use and entitlement data leveraged to provide value-added services to drive recurring revenue streams.
2	Automated Level 3	Have we automated processes for scale and best user experience? Integration and automation across entitlement management, software delivery, updates and in- product analytics make licensing transparent, simple and self-service while increasing control, moving to usage models, reducing maintenance revenue leakage and increasing customer insight.
2	Enabled Level 2	Are we using standard licensing, software delivery and update processes across all products? Licensing is generated against entitlement rights with limited customer self-service to reduce piracy, improve compliance and enable monetization of capabilities. Electronic delivery of software/updates are not enforced based on entitlement rights. Limited visibility into product version use information.
2	Reactive Level 1	Are our applications protected and are we centrally managing entitlements? Realization of the need for licensing and entitlement management capabilities with limited use of licensing and piracy protection technology. Exploring options for managing entitlements (mostly manual), starting to move away from physical delivery of software and updates.
5	SoftSum	Key Software Monetization Business Processes         Licensing & Security       Entitlement Management         Delivery & Updates       In-Product Analytics
OFT	WARE MONETIZ	ATION – Transform. Optimize. Profit.

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### **Business Outcomes at Each Level**

	LICENSING/SECURITY	ENTITLEMENT MANAGEMENT	DELIVERY & UPDATES	IN-PRODUCT ANALYTICS
<b>Optimized</b> Level 4	<ul> <li>Recurring and optimized revenue streams are easily adaptable across markets</li> <li>Continuous management of software compliance with complete transparency between vendors &amp; customers</li> <li>Monetizing application use anytime, anywhere</li> </ul>	<ul> <li>Optimized monetization through value-added services</li> <li>Recurring revenue streams with best-in-class renewal rates and customer loyalty</li> <li>Increased market reach with channel empowerment</li> </ul>	<ul> <li>Highest level of customer satisfaction with optimal delivery performance</li> <li>Reduced costs with optimized software delivery</li> </ul>	<ul> <li>New revenue from value-added services</li> <li>Optimization of R&amp;D spend through detailed in-product analytics</li> <li>Highest customer satisfaction from additional services – predictive support</li> </ul>
Automated Level 3	<ul> <li>Improved process automation for license lifecycle mgmt</li> <li>Improved customer experience by automating license lifecycle mgmt. (rehosts, renews)</li> <li>Improved monetization, protection and security</li> <li>Minimized out of compliance in all environments (including virtual machines)</li> </ul>	<ul> <li>Increased customer satisfaction due to self- service &amp; self-mgmt</li> <li>Improved product/order time to market via integration &amp; automation</li> <li>Mining of the install base to identify opportunities for upsell &amp; cross sell</li> </ul>	<ul> <li>Improved security by automated updates</li> <li>Thwart maintenance /upgrade revenue leakage by preventing update/upgrade sharing</li> <li>Improved operational efficiency from automated downloads/updates</li> </ul>	<ul> <li>Data-driven roadmap decisions from in- product use insight</li> <li>Efficient support from device profile data</li> <li>Reduce/justify QA and development cost based on device profile information</li> </ul>
Enabled Level 2	<ul> <li>Reduced revenue leakage from software license overuse</li> <li>Reduced time to market with license technology standards</li> <li>Easily introduce new product packaging, licensing &amp; pricing models for new market segments and changing needs</li> </ul>	<ul> <li>Revenue from better entitlement visibility</li> <li>Cost savings from automation of entitlement processes &amp; self-service</li> <li>Improved channel support &amp; visibility to increase revenue &amp; provide better customer service</li> </ul>	<ul> <li>Improved customer satisfaction with insight into entitled downloads</li> <li>Revenue from reduced unauthorized downloads</li> <li>Improved customer satisfaction by automating delivery of hot fixes</li> </ul>	<ul> <li>Modify roadmaps/ products based on product version adoption</li> <li>Increased renewals &amp; upgrade revenue by directly communicating with customers</li> </ul>
<b>Reactive</b> Level 1	<ul> <li>Realization that software protection and licensing is needed to prevent piracy and monetize in new ways to grow the business</li> </ul>	<ul> <li>Recognition that manually managing who is entitled to what impacts customer experience and inhibits revenue growth</li> </ul>	<ul> <li>Understand physical software delivery and customers using FTP sites for software is costly and inconvenient</li> </ul>	Product decisions made with little or no insight into how or what product versions/ features are used

**Process Maturity and Business Value** 

### Software Monetization Maturity Model Demonstrated Competencies at Each Level

### LICENSING & SECURITY

### ENTITLEMENT MANAGEMENT

#### DELIVERY & UPDATES IN-PRODUCT ANALYTICS

<b>Optimized</b> Level 4	<ul> <li>Support for all license enforcement and usage models, including: subscription, metered down, pay-for use to address customer needs</li> <li>Real-time monitoring and reporting on application usage</li> <li>Device &amp;/or user authentication to enforce subscription model</li> <li>Report &amp; monetize usage in virtual machine cloning environments</li> <li>Anywhere, Anytime Computing</li> </ul>	<ul> <li>Ability to scale quickly to enable value added services—enterprise license agreements, entitlement data analytics, renewal automation, eCommerce/billing</li> <li>Upgrades completely under enterprise control</li> <li>Rules-driven entitlement management auto- determines entitlement changes upon acceptance of "version upgrade" flow</li> <li>Empower channel partners to manage on behalf of customer to provide excellent customer service</li> <li>Ensure product activation conforms to device profile</li> </ul>	<ul> <li>Electronic software delivery is integrated with a CDN, CRM, ERP, PLM and other agile systems for process automation</li> <li>Download multiple files simultaneously; multi-threaded downloads; ability to pause, resume &amp; recover from lost connections or crashes</li> <li>Customizable export control based on country of download origin</li> <li>Analytics to understand user habits and to make better decisions</li> </ul>	<ul> <li>Automated collection of unstructured data for analysis, product insight &amp; better decisions</li> <li>Both snapshot and historically data points enables extensive reporting, complete in-product analytics and more informed roadmap discussions</li> <li>Proactive support, perform remote diagnostics, send alerts, detect potential failures before they happen and execute scripts on remote devices</li> </ul>
Automated Level 3	<ul> <li>Multiple monetization models to meet customer demands— counted, served, distributed with a movement towards usage- based &amp; overage models, collects usage in disconnected environments, enforcement based on geography</li> <li>Integrated back-office with end-to-end license management to support a licensing ecosystem</li> <li>Licenses are managed on-premises &amp;/or in the cloud</li> <li>Call home to activate &amp; update licenses to back-office &amp; report usage to cloud licensing server</li> <li>Enforcement based on upgrade eligibility</li> <li>Provide secure communication; detect &amp; report usage to recover lost revenue</li> <li>Detect virtual machine cloning in disconnected environment to minimize out of compliance/overuse</li> </ul>	<ul> <li>Automated management of entitlement rights with bi-directional ecosystem (ERP, CRM, CPQ, SAM) integration, license lifecycle policy management &amp; enforcement to get an always accurate view of entitlements and activations</li> <li>Automated &amp; integrated order-to-entitle process for up-sells, version upgrades &amp; administering downgrade rights</li> <li>Auto-availability &amp; notification of upgrades if on maintenance</li> <li>Support customer/ entitlement hierarchy &amp; allocation</li> <li>Customer and channel (VARs, distributors, LARs &amp; OEMs) self-service managing entitlement lifecycle; compliance reporting</li> </ul>	<ul> <li>Electronic software delivery is fully embraced and is entitlement-based</li> <li>File upload process is automated but often requires manual intervention</li> <li>Upgrade notifications and download links are sent to customers as they are using the product</li> <li>Automated export control at time of download</li> <li>Access and insight into download activity and reports; can see what version the customer is entitled to but not what is installed</li> </ul>	<ul> <li>Automated collection of data – demographic, event-specific, device profile – as well as specific features—based on a snapshot in time; not ongoing</li> <li>Reporting and views into how and how much product is being used</li> <li>Able to send in-application messages to users as they are using the product, not targeted by user segments</li> <li>Able to support customer with limited installed base information</li> <li>No remote diagnostics</li> </ul>
<b>Enabled</b> Level 2	<ul> <li>Standardize on licensing approach to achieve common experience and reduce costs</li> <li>Monetize parts of the application, add sharing concepts to reduce shelf-ware, use floating/ concurrent and subscription/termed licensing</li> <li>Centrally manage licenses via an on-premises license server—available 24/7 and disconnected environments (no internet connection)</li> <li>License enforced based on device fingerprint to prevent installing on multiple devices, use cryptography to minimize license tampering, application security detects tampering and stops running to minimize piracy</li> <li>Detect &amp; deny running in virtual environments using on-premises license server or external dongle to prevent overuse/out of compliance</li> </ul>	<ul> <li>Semi-automated management of entitlement rights with limited customer views &amp; self-service, customer can view entitlements &amp; generate licenses, feeds to ERP/CRM/ eCommerce</li> <li>Entitlements for version &amp; edition upgrades are handled outside of entitlement management system</li> <li>Channel support for bulk entitlements &amp; stocking orders, view entitlements</li> </ul>	<ul> <li>Support both physical and electronic delivery of software</li> <li>Customers have to find upgrades/updates on their own</li> <li>Software delivery is through a customer portal</li> <li>May use a FTP (File Transfer Protocol) or CDN (Content Delivery Network) to speed downloads</li> <li>Export control in the contract and at time of order processing, not at time of download</li> <li>No tracking or access to download activity or reports</li> </ul>	<ul> <li>Automated collection of version in use</li> <li>Can validate that software has been installed</li> <li>Targeted in-application messages to users when using the product</li> </ul>
<b>Reactive</b> Level 1	<ul> <li>Simple on/off licenses – use non-unique, non-machine-specific serial #s or other with limited or no enforcement</li> <li>License is not tied to a specific device</li> <li>Offers no protection against installing on multiple devices using same license or reverse engineering</li> <li>Uses serial number to unlock without any protection against generic key generator</li> <li>No virtualization awareness or protection from overuse</li> </ul>	<ul> <li>Manual, spreadsheet or no system used to track entitlement rights</li> <li>No tracking of who owns which version of software</li> <li>Customers &amp; channel partners can not see or access entitlements</li> <li>Support call center hit with "licensing" issues</li> </ul>	<ul> <li>Physical delivery of software and updates via DVD</li> <li>Physical distribution of upgrades</li> <li>Manual export control of software to meet compliance regulations</li> </ul>	<ul> <li>No automated collection of product use information – i.e. # of users, versions in use, upgrade patterns, OS used, etc.</li> <li>Manual collection of product use information via customer interactions and support leads to incomplete or inaccurate information</li> </ul>

## Software Monetization Maturity Model Demonstrated Competencies at Each Level

#### LICENSING & SECURITY

ENTITLEMENT MANAGEMENT

### **IN-PRODUCT ANALYTICS**

DELIVERY & LIPDATES

	LICENSING & SECURITY	ENTITLEMENT MANAGEMENT	DELIVERY & UPDATES	IN-PRODUCT ANALYTICS
<b>Optimized</b> Level 4	<ul> <li>Support for all license enforcement and usage models, including: subscription, metered down, pay-for use to address customer needs</li> <li>Real-time monitoring and reporting on application usage</li> <li>Device &amp;/or user authentication to enforce subscription model</li> <li>Report &amp; monetize usage in virtual machine cloning environments</li> <li>Anywhere, Anytime Computing</li> </ul>	<ul> <li>Ability to scale quickly to enable value added services—enterprise license agreements, entitlement data analytics, renewal automation, e-Commerce/billing</li> <li>Upgrades completely under enterprise control</li> <li>Rules-driven entitlement management auto-determines entitlement changes upon acceptance of "version upgrade" flow</li> <li>Empower channel partners to manage on behalf of customer to provide excellent customer service</li> <li>Ensure product activation conforms to device profile</li> </ul>	<ul> <li>Electronic software delivery is integrated with a CDN, CRM, ERP, PLM and other agile systems for process automation</li> <li>Download multiple files simultaneously; multi-threaded downloads; ability to pause, resume &amp; recover from lost connections or crashes</li> <li>Customizable export control based on country of download origin</li> <li>Analytics to understand user habits and to make better decisions</li> </ul>	<ul> <li>Automated collection of unstructured data for analysis, product insight &amp; better decisions</li> <li>Both snapshot and historically data points enables extensive reporting, complete in-product analytics and more informed roadmap discussions</li> <li>Proactive support, perform remote diagnostics, send alerts, detect potential failures before they happen and execute scripts on remote devices</li> </ul>
Automated Level 3	<ul> <li>Multiple monetization models to meet customer demands— counted, served, distributed with a movement towards usage- based &amp; overage models, collects usage in disconnected environments, enforcement based on geography</li> <li>Integrated back-office with end-to-end license management to support a licensing ecosystem</li> <li>Licenses are managed on-premises &amp;/or in the cloud</li> <li>Call home to activate &amp; update licenses to back-office &amp; report usage to cloud licensing server</li> <li>Enforcement based on upgrade eligibility</li> <li>Provide secure communication; detect &amp; report usage to recover lost revenue</li> <li>Detect virtual machine cloning in disconnected environment to minimize out of compliance/overuse</li> </ul>	<ul> <li>Automated management of entitlement rights with bi-directional ecosystem (ERP, CRM, CPQ, SAM) integration, license lifecycle policy management &amp; enforcement to get an always accurate view of entitlements and activations</li> <li>Automated &amp; integrated order-to-entitle process for up-sells, version upgrades &amp; administering downgrade rights</li> <li>Auto-availability &amp; notification of upgrades if on maintenance</li> <li>Support customer/ entitlement hierarchy &amp; allocation</li> <li>Customer and channel (VARs, distributors, LARs &amp; OEMs) self-service managing entitlement lifecycle; compliance reporting</li> </ul>	<ul> <li>Electronic software delivery is fully embraced and is entitlement-based</li> <li>File upload process is automated but often requires manual intervention</li> <li>Upgrade notifications and download links are sent to customers as they are using the product</li> <li>Automated export control at time of download</li> <li>Access and insight into download activity and reports; can see what version the customer is entitled to but not what is installed</li> </ul>	<ul> <li>Automated collection of data – demographic, event-specific, device profile – as well as specific features—based on a snapshot in time; not ongoing</li> <li>Reporting and views into how and how much product is being used</li> <li>Able to send in-application messages to users as they are using the product, not targeted by user segments</li> <li>Able to support customer with limited installed base information</li> <li>No remote diagnostics</li> </ul>
<b>Enabled</b> Level 2	<ul> <li>Standardize on licensing approach to achieve common experience and reduce costs</li> <li>Monetize parts of the application, add sharing concepts to reduce shelf-ware, use floating/ concurrent and subscription/termed licensing</li> <li>Centrally manage licenses via an on-premises license server—available 24/7 and disconnected environments (no internet connection)</li> <li>License enforced based on device fingerprint to prevent installing on multiple devices, use cryptography to minimize license tampering, application security detects tampering and stops running to minimize piracy</li> <li>Detect &amp; deny running in virtual environments using on-premises license server or external dongle to prevent overuse/out of compliance</li> </ul>	<ul> <li>Semi-automated management of entitlement rights with limited customer views &amp; self-service, customer can view entitlements &amp; generate licenses, feeds to ERP/CRM/ e-Commerce</li> <li>Entitlements for version &amp; edition upgrades are handled outside of entitlement management system</li> <li>Channel support for bulk entitlements &amp; stocking orders, view entitlements</li> </ul>	<ul> <li>Support both physical and electronic delivery of software</li> <li>Customers have to find upgrades/updates on their own</li> <li>Software delivery is through a customer portal</li> <li>May use a FTP (File Transfer Protocol) or CDN (Content Delivery Network) to speed downloads</li> <li>Export control in the contract and at time of order processing, not at time of download</li> <li>No tracking or access to download activity or reports</li> </ul>	<ul> <li>Automated collection of version in use</li> <li>Can validate that software has been installed</li> <li>Targeted in-application messages to users when using the product</li> </ul>
Reactive Level 1	<ul> <li>Simple on/off licenses – use non-unique, non-machine-specific serial #s or other with limited or no enforcement</li> <li>License is not tied to a specific device</li> <li>Offers no protection against installing on multiple devices using same license or reverse engineering</li> <li>Uses serial number to unlock without any protection against</li> </ul>	<ul> <li>Manual, spreadsheet or no system used to track entitlement rights</li> <li>No tracking of who owns which version of software</li> <li>Customers &amp; channel partners can not see or access entitlements</li> </ul>	<ul> <li>Physical delivery of software and updates via DVD</li> <li>Physical distribution of upgrades</li> <li>Manual export control of software to meet compliance regulations</li> </ul>	<ul> <li>No automated collection of product use information – i.e. # of users, versions in use, upgrade patterns, OS used, etc.</li> <li>Manual collection of product use information via customer</li> </ul>

## **Customer Success Story**

- Sold testing software to software producers
- Struggled with manual processes and inflexible business models in the "reactive" maturity level
  - Sold per seat, "all included"
  - Uses serial # to enable software
  - Tracks software sales on spreadsheets
  - No channel, all direct
  - Software is delivered and upgraded via DVD
  - No automated collection of use (no idea what version)
- Established goals to improve their business operations and move from "reactive" to "enabled"
- Improvements resulted in large revenue increases and improved customer satisfaction



Optimized Level 4         Automated Level 3         Automated Level 3         Business Outcomes         Sel 2 editions: "standard" testing, "advanced" testing         • Move from per seat to concurrent         • Move from per seat to concurrent         • Sell 2 editions: "standard" testing, "advanced" testing         • Desired State         • Reactive Level 1         • Sold per seat, "all included"         • Tracks software sales on concurrent         • Sold per seat, "all included"         • Tracks software sales on concurrent         • No automated channel in Asia         • Provide self-service antifement data         • Provide self-service antifement data         • Desired State         • Sold per seat, "all included"         • Tracks software sales on collection of use (no classer)         • No channel, all direct         • Uses serial # to enable card upgraded via DDD         • Desired State         • Othermel state         • Othermel state         • Desired State         • Desired State         • Desired State         • Othermel, all direct         • Uses serial # to enable card upgraded via DDD         • Desired State         • Othermelstate         • Desten	LICENSING/SECURITY	ENTITLEMENT MANAGEMENT		DELIVERY & UPDATES	IN-PRODUCT ANALYTICS	_/
Automated Level 3 <ul> <li>Large increase in revenue – compliance, new market, channel</li> <li>Customer satisfaction increased – per seat was expensive, in- product activation &amp; self-service</li> </ul> <ul> <li>Move from per seat to concurrent</li> <li>Sell 2 editions: "standard"</li> <li>Added an indirect channel in Asia</li> <li>Provide self-service activation to avoid calls, requiring centralized entitlement data</li> </ul> <ul> <li>Sell 2 editions: "standard"</li> <li>Provide self-service activation to avoid calls, requiring centralized entitlement data</li> </ul> <ul> <li>Distribute electronically via FTP, not entitlement based</li> <li>Sold per seat, "all included"</li> <li>Tracks software sales on software</li> <li>Software is delivered and upgraded via DVD</li> <li>No automated cidea what version)</li> </ul> <ul> <li>No channel, all direct</li> <li>Software is delivered and upgraded via DVD</li> </ul> <ul> <li>No current State</li> </ul> <ul> <li>Current State</li> <li>Current State</li> <li>Software</li> <li>Software</li> </ul>						
concurrent       channel in Asia         Provide self-service activation to avoid calls, requiring centralized entitlement data       Provide self-service activation to avoid calls, requiring centralized entitlement data         Desired State       • Sold per seat, "all included"       • Tracks software sales on spreadsheets         No automated       • No automated collection of use (no idea what version)         Level 1       • Sold per seat, "all included"         • Sold per seat, "all included"       • Tracks software sales on spreadsheets         No channel, all direct       • Software         Uses serial # to enable software       • Software is delivered and upgraded via DVD         Current State       • Software	Move from per seat to	Added an indirect		<ul> <li>Large ind revenue new man</li> <li>Custome increase was expense product a</li> </ul>	crease in – compliance, ket, channel er satisfaction d – per seat ensive, in- activation &	
Reactive       spreadsheets       via FTP, not entitlement       collection of use (no idea what version)         Level 1       Uses serial # to enable software       Software is delivered and upgraded via DVD       collection of use (no idea what version)         Current State       Software is delivered and upgraded via DVD       collection of use (no idea what version)	<ul> <li>concurrent</li> <li>Sell 2 editions: "standard" testing, "advanced" testing</li> </ul>	<ul> <li>channel in Asia</li> <li>Provide self-service activation to avoid calls, requiring centralized entitlement data</li> </ul>		self-serv	ice	
	• Sold per seat, "all included"	<ul><li>spreadsheets</li><li>No channel, all direct</li><li>Uses serial # to enable</li></ul>	via bas • Sof	FTP, not entitlement ed Desired State tware is delivered	collection of use (no	
		3	ate			

## **Customer Success Story**

- Manufacturer of telecom devices
- Focus shift from hardware + software to software + hardware
- Some business processes automated, others struggled (some "reactive," some "automated")
  - Didn't enforce capacity limit, no support for concurrent/license sharing
  - FTP-only, limited software delivery and update capability
  - No in-product analytics
- Established goals to improve their business operations improve processes
- Improvements resulted in revenue increases (charging for overages, increased renewal awareness) and increased customer satisfaction via usage transparency
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**SOFTWARE MONETIZATION** – *Transform. Optimize. Profit.* 

	LICENSING/SECURITY	ENTITLEMENT MANAGEMENT	DELIVERY & UPDATES		IN-PRODUCT ANALYTICS	
<b>Optimized</b> Level 4	<ul> <li>Pay for capacity overage, new offer of in-arrears true-up</li> <li>Embrace virtual machine technology (no fear of cloning)</li> <li>Sell software which can run on any hardware. Still sell hardware</li> <li>Leverage entitlement to drive renewal process</li> </ul>	<ul> <li>Complex configuration rules are enforced during activation, self-service allocations, auto-upgrades</li> <li>Provide maintenance/ subscription expiration notices in the product management console</li> </ul>				
Automated Level 3 Enabled	<ul> <li>Use of license enforcement across most products using hardware serial # for binding to prevent leakage</li> <li>Doesn't enforce capacity limit</li> </ul>	<ul> <li>Monitors and auto- requests licenses from back-office with automated distribution to nodes</li> <li>Extensive self-service entitlement management</li> </ul>	<ul><li>increasing awarenes</li><li>Increase of</li></ul>	rever or o g ren s custo on by	nue by verage and ewal omer v providing	
Level 2 Reactive Level 1	or use concurrent/license sharing • Sells features/capacity for proprietary hardware/device Current State	<ul> <li>FTP-only, limited software delivery and update capability</li> </ul>			in-product analytics	
OFTWARE	tSummit <sup>™</sup> MONETIZATION – Transform	Current State			Current State	

## Customer Success Story

- Integrated infrastructure provider "infrastructure in a box"
- Struggled with monetizing product offerings without a software license structure in place along with thousands of product update bundles kept them in the "reactive" and "enabled" maturity levels
- Established goals to improve their business operations and move from "reactive" to "enabled"
- Improvements resulted in increased revenue from "even better" support services
- Increased customer satisfaction and reduced support calls with automated patch management



	LICENSING/SECURITY	ENTITLEMENT MANAGEMENT	DELIVERY & UPDATES	IN-PRODUCT ANALYTICS
<b>Optimized</b> Level 4				<ul> <li>Leverage in-product analytics to improve support</li> <li>Error report and alerting</li> <li>Remote diagnostics – "click here to send your logs to support"</li> <li>Performance data automatically captured</li> </ul> Desired State
Automated Level 3	Introduce consumption-based pricing     Desired State		<ul> <li>Delivery of updates was automated with eligibility validated</li> <li>Automated patch management</li> <li>Current State</li> </ul>	Business Outcomes • Increase revenue by providing "even better"
Enabled Level 2			<ul> <li>Delivers updates to drivers, firmware via "download center"</li> <li>Validation of export control/ denied party was critical</li> <li>UI was difficult as updates included 1000's of choices Initial State</li> </ul>	
Reactive Level 1	<ul> <li>Sells extremely complex hardware/software components</li> <li>Sells many different hardware models</li> <li>Does not use licensing to control or monetize</li> <li>Initial State</li> <li>TSUMMUT</li> <li>MONETIZATION – Transform</li> </ul>	n. Optimize. Profit.		management

## In Summary

- The maturity model is a tool to assess and increase Software Monetization business value
- Build a roadmap to greater value
  - 1. Define business goals
  - 2. Identify required business outcomes to achieve goals
  - 3. Map Software Monetization capabilities necessary to product business outcomes
  - 4. Develop plan to achieve required capabilities



## Let's Keep in Touch!









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