

“Our latest software release has all the bells and whistles, but we later discovered that what our customers really wanted was a triangle.”

Before the Big Recession, major companies worked with major capital expense budgets. When it came to IT expenditure, decisions were made by the IT Department, and if Management couldn't follow what the Engineers were talking about, well too bad. For tech enterprise companies, Big Success came when CEO's signed the Big Sales Contract and millions of dollars moved from one business to another. The money paid for an up-front hardware installation, much like a deposit, then the seller could sit back and watch the dollars roll in as the Big Maintenance contract continued to pay, year in and year out.

This is an over-simplified version of the story brilliantly analyzed in **Consumption Economics: The New Rules of Tech** by authors Wood, Hewlin, and Lah. (Go to www.nalpeiron.com to find out how to get a free copy - well worth it!) The authors warn that even for some major companies that today may be extremely comfortable and confident in the levels of maintenance income they have on their books, that even the slightest expectation that such revenue has any stable future is foolish.

Up-front capital investment and large maintenance budgets are a thing of the past, wiped out in part by economic realities, but even more so by technological innovation, especially cloud computing. As computer use became standard business practice in the 70's, end-users may still have been impressed or intimidated by the complexity of newness. Nowadays, not only are they tired of complexity - they know better. And during those same lean economic times, pretty much everyone had the opportunity to buy a smartphone that was more powerful, easier, and more fun to use than their workplace computer.

So the next time employees were told there was a new software rollout they were going to have to learn, with no pay increase and no paid time to learn it, people thought... hmmmhh..... really???? I DON'T THINK SO!!!!!! One of the team members would do a little research - perhaps on that same smartphone - find something cheaper and easier, tell the rest of the team, and then they would *rebel*. When they told Management about their plan, and that the cost of trying out this other cloud-based system would have almost no up-front costs, they won the argument because they truly believed they would be more successful with the more user-friendly software. Management was willing to give it a shot because even if their capital purchase budget had disappeared, they didn't need much to get started with only a one month transaction at the cloud-based company, and what choice did they have anyway?

Once the team began working with the new software, the cloud-based tech enterprise company begins its real work: **creating success for its customers**. Using Nalpeiron Software Analytics, your tech company knows in real-time when the end-users are adopting more features and when they are having difficulties. Rather than investing in creating new bells and whistles, your engineers can focus on improving the features the end-users use the most, or helping with the areas they are most challenged by. Does someone trying to get their job done, meet this

month's quota's, get to the meeting on time and have the report printed out really care about the latest version of your software and it's fancy new features? No. In fact, if trying to figure out those new features are what prevented her from making it to the meeting, with the well-researched report, and having this month's sales in hand... Close monitoring of desktop application usage can quickly head off customer frustrations such as these. In fact, using the software analytics to its fullest would mean predicting **future** customer needs based on usage and so never getting in their way with unnecessary and irritating features.

As your customers become more successful with your products, they increase their investment, engage more, and build better businesses. Our tech enterprise service businesses are intrinsically tied to our customers' success, both at their workstations and in their markets. Use the data provided by your software application performance analytics to enhance customer success, improve the end-user experience, and they will sign up for more of your services exactly as their business grows to require them.