

Platforms for the Next Wave

Roundtable discussion with SVPMA

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Rick Chavez – rchavez@microsoft.com



Background and 'biases'

OPERATOR

Business-technology disruption

- Reengineering
- Client-server
- Internet – Wave 1

ADVISOR

Strategy & transformation

- CSC Index
- Cambridge Technology Partners
- TCG Advisors



THOMSON REUTERS



Vanguard



Sabre

Vibe for today

Strategist 'hat'

- TCG Advisors, Viant, CSC Index

'In the trenches' perspectives

- Microsoft

Perspectives for future leaders

Context

Rules of Thumb

‘Toolkit’

Case study

Roundtable

IT Innovation: For the Past Decade



Enterprise IT
On Hold



Consumer IT
On Fire

The World is changing



Digital trends

User-centered design

- At home, at-work, on-the-go
- One me, multiple devices

From GUI to NUI

- Siri as the tip of the iceberg

Morphing of edge devices

- PC, laptop, ultrabook, smartphone, tablet, smartTV ...

Data, data everywhere

- Internet of people & intent
- Internet of people & things
- Science and algorithms – everywhere ascendant

SoE and the cloud

- ... from SoR to SoE

The path ahead

Big opportunities spark big thinking, big ambition...

...but in a time of major transition, we can get ahead of ourselves

- Productize too early
- Platform envy kicks in

The path ahead:

- Be bold in ambition
- Be pragmatic in execution
- Start small and focused

This conflicts with culture, organization, and management mindset

- Frameworks
- Tools
- Talent

Rules of Thumb

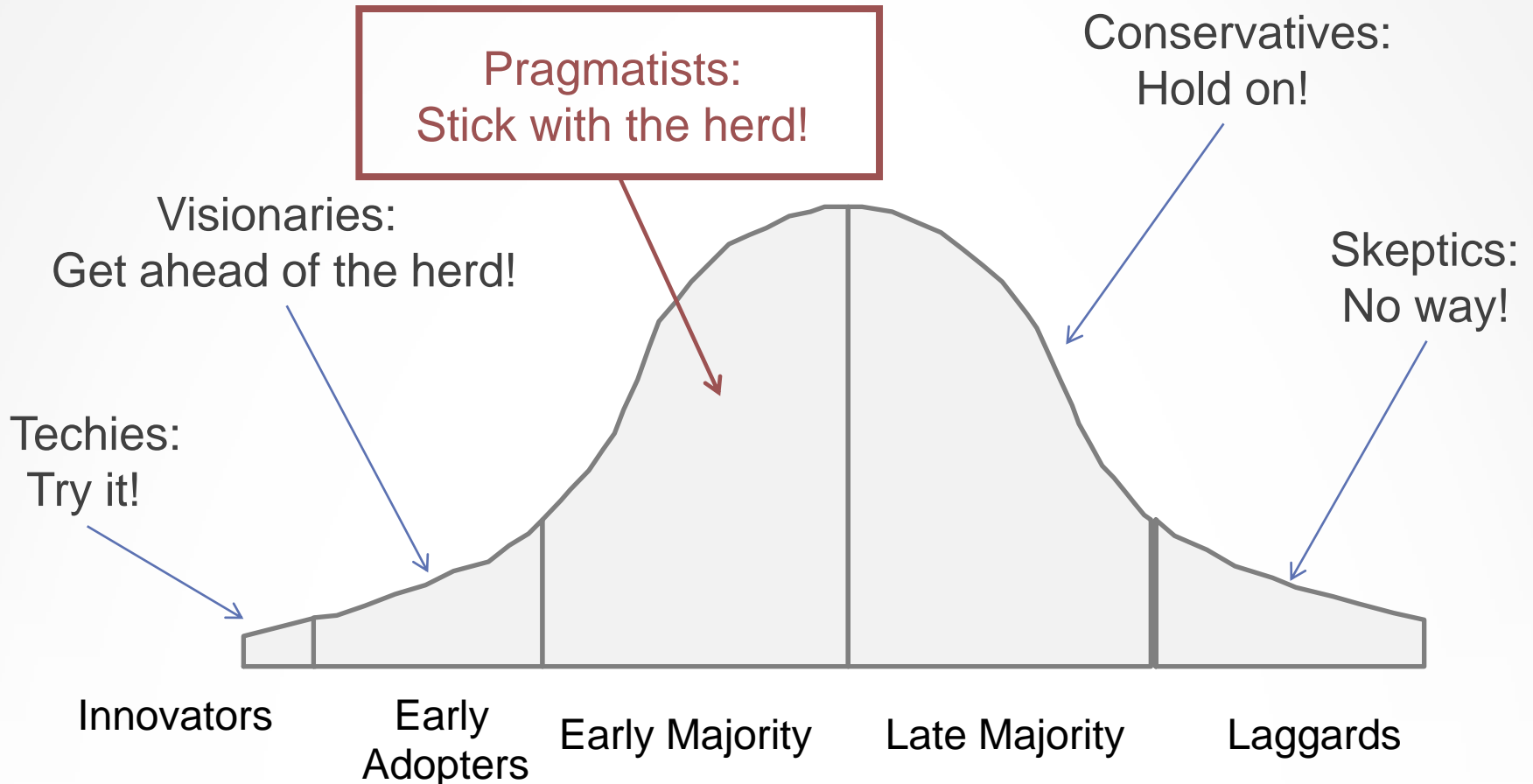
‘Those who forget history are doomed to repeat it.’

-- George Santayana



Technology Adoption Life Cycle

WE ARE AFTER 'PRAGMATISTS IN PAIN'



Pragmatists create the dynamics of high-tech market development. We are after pragmatist CxOs, whose pain centers on missed opportunities to create value with their target consumers.

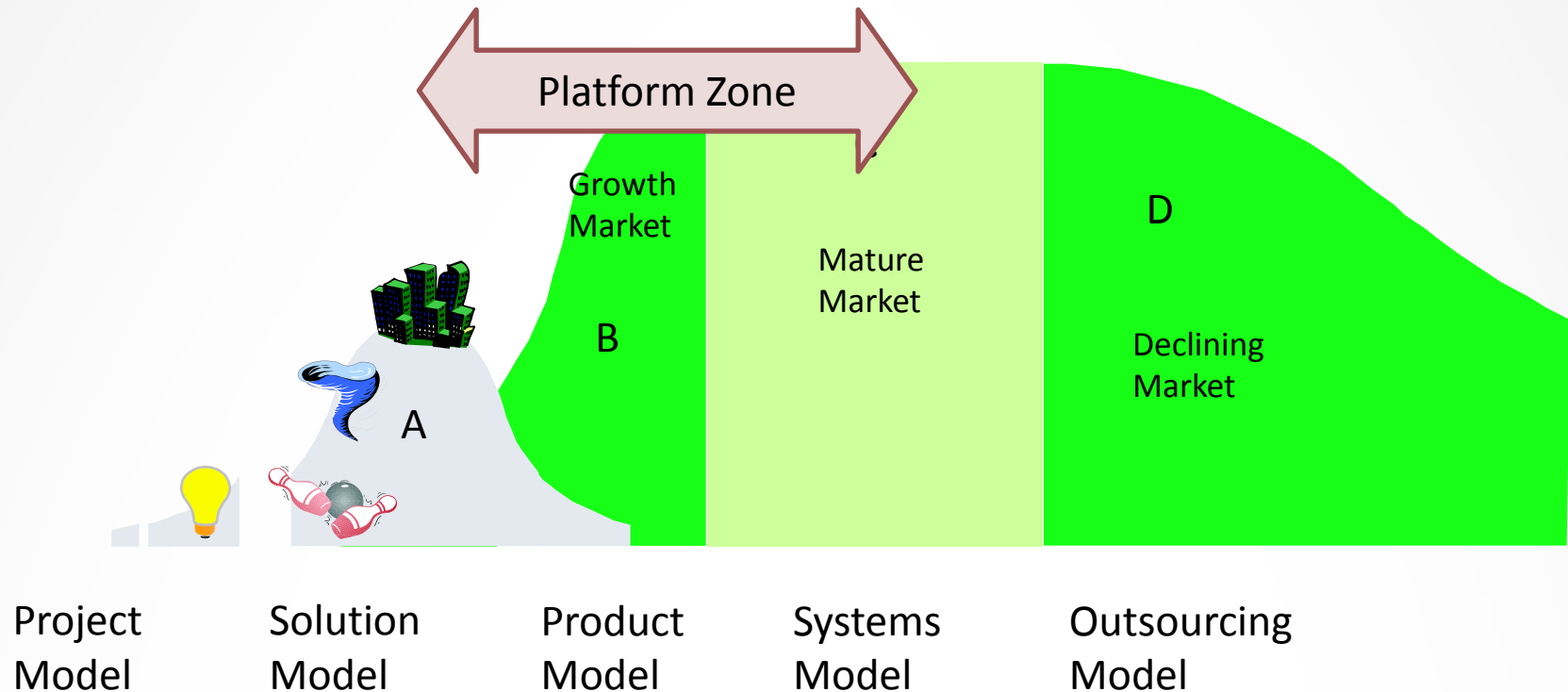
Finding & targeting the right buyer for solutions

Visionaries	vs.	Pragmatists
<ul style="list-style-type: none">• Adventurous• Early buy-in attitude• Think Big• Go it alone• Spend big• First strike capability• Think Pragmatists are pedestrian		<ul style="list-style-type: none">• Prudent• Wait-and-see• Manage expectations• Maintain relationships• Spend to budget• Staying power, 'go the distance'• Think Visionaries are dangerous

Pragmatists don't trust visionaries as references!

Business Model Evolution

THE CATEGORY MATURITY LIFECYCLE



Markets reward different business models at different stages of category maturity

Source: Geoffrey Moore. The Category Maturity Lifecycle and Technology Adoption Lifecycle (the chasm + first growth 'hill' depicted in gray) are time-tested frameworks for mapping investment strategy – for product developers and for investors expecting outside returns.

Toolkit



Techniques that help

Envision the future – as a ‘point of arrival’

- Not as an end-state
- Not as ‘we would have it’
- Not what ‘we can sell’
- What others might think, what value we can create

Be systematic about the ‘point of departure’

- Tools
- Process
- Talent

What the world might say about us, c. fall 2013

EXCERPT FROM MSA STRATEGY AS CONTEXT FOR MSA SOLUTIONS

Microsoft moves from player to pole position in digital advertising

The Power of Consumer Pull

Watch out Google, Facebook and Apple: The folks in Redmond are on the move.

As is typical for the company once it sets its sights on a goal it is relentless – and in this case, **relentlessly focused on users and their pursuit of life goals** with digital devices and media -- not only **at work**, but also **at home** and **on-the-go**. ... MSFT astutely saw that the launch of W8 was not merely an 'upgrade' to a computer operating system, but a shift in how people engage with media, with each other, and with merchants and brands.

Microsoft's intense focus on **relevant and engaging experiences** ... is paying dividends with marketer who are **shifting spend online with confidence**, because they can now connect their brands to deep needs of consumers with **measurable** results. Microsoft is able to build upon its **investments in Bing** to more deeply understand user intent, and to deliver personally relevant and valuable experiences that **gain user adoption and loyalty**.

'We see Microsoft as a critical partner to help **simplify** the complex process of reaching consumers across devices and contexts – this is a brawn, brain and creativity challenge worthy of a company of Microsoft's stature,' says Bob McDonald, **CEO of P&G**. 'They are the only company capable of taking deep consumer insight and harnessing it to **transform how we reach and engage across our business**. And they make it easy to execute through **the end-to-end marketing solutions** designed to achieve my objectives.'

... The payoff here: Microsoft has become the leader in **Advertising 2.0: integrated high quality commercial engagement** connecting consumers with the brands that serve them across the devices of their lives.

9-Point Market Strategy Framework

Source of money	1. Target Customer	
	2. Compelling Reason to Buy	Source of demand
To fulfill CRTB	3. Whole Offer	
	4. Partners & Allies	Needed for whole offer
Function of whole product complexity	5. Distribution	
	6. Pricing	Against customer value
Next-best option	7. Competition	
	8. Positioning	Relative to next-best
Next growth segment	9. Next Target	

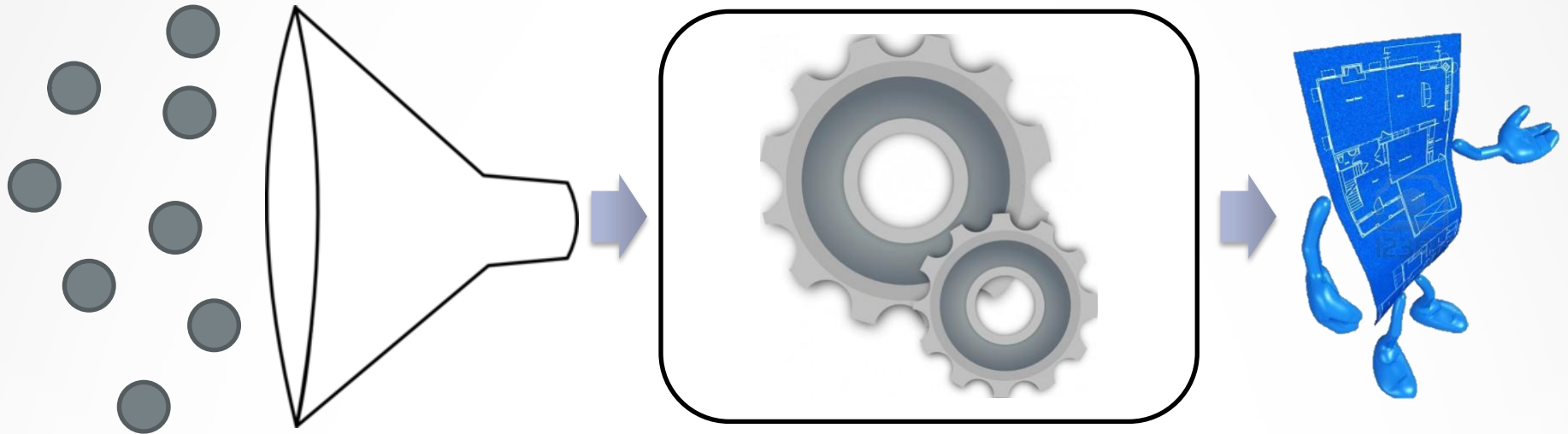
Time-tested on companies at all stages of maturity

Target segment + 'Big Problem' identification

Source of money	1. Target Customer	
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We use the top 2 points along with our early segment definitions to focus and frame the game

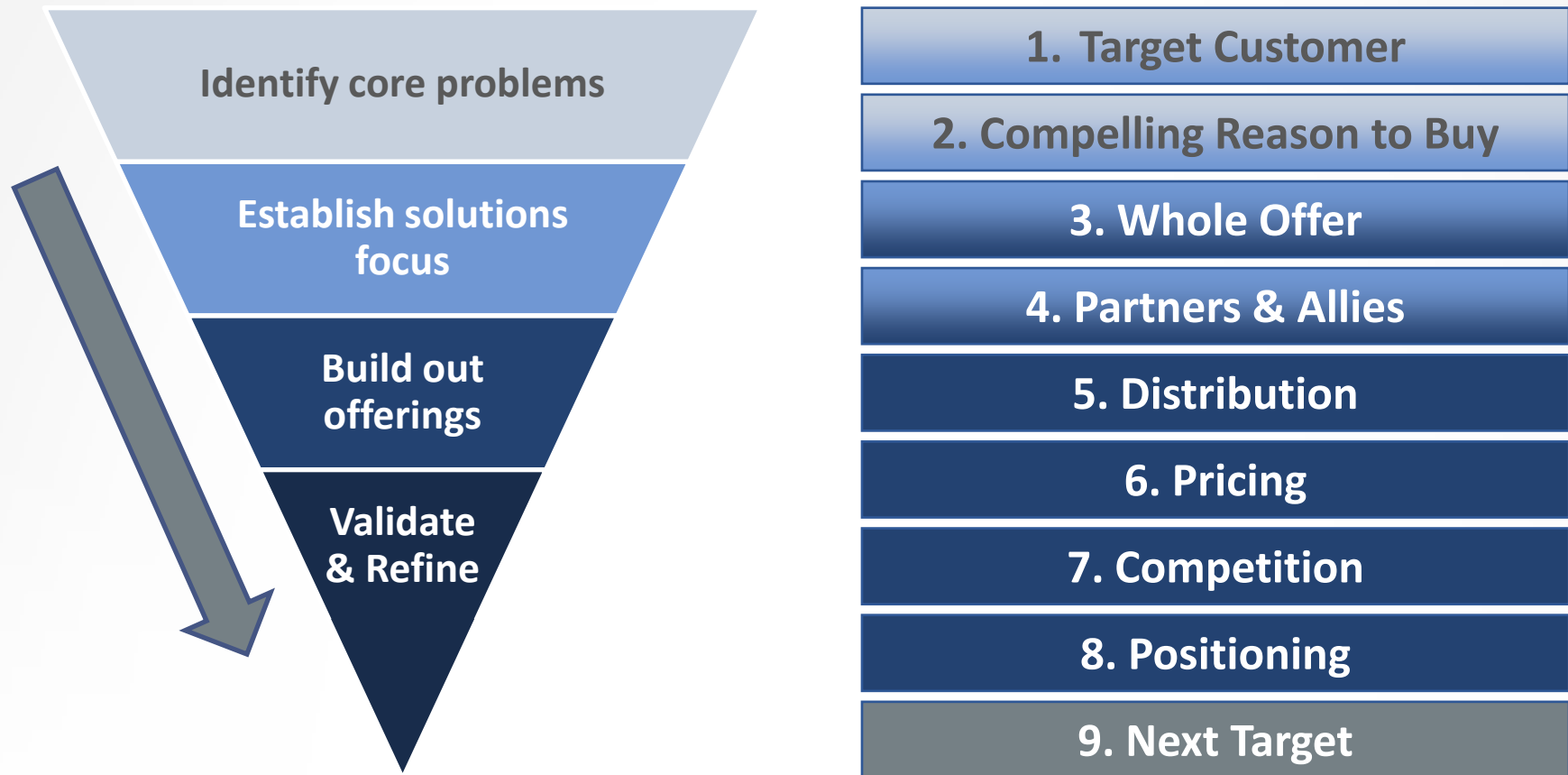
Running a 'drill'



We will work through the Target Market Initiative framework as we refine our focus

Illustrative

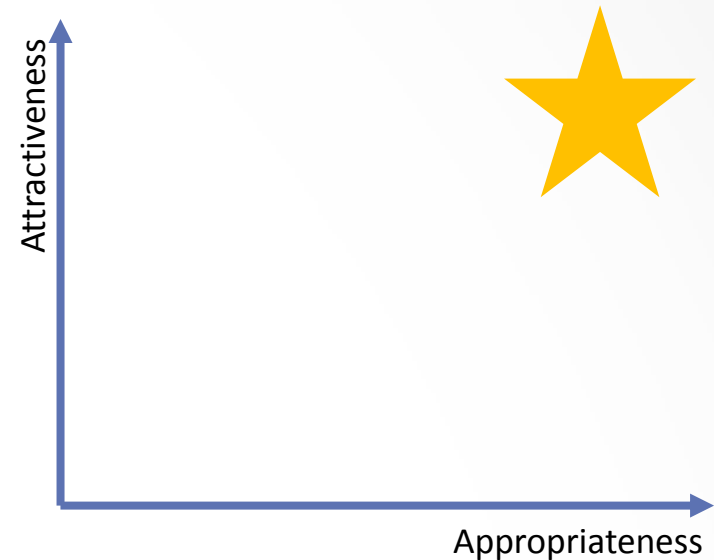
AT EACH PHASE WE WILL EVALUATE THE OPPORTUNITIES AND NARROW OUR FOCUS



We want solutions that are *Attractive & Appropriate*

Attractiveness

- Urgent, high value problem
- Available budget
- Low competitive intensity
- Follow-on potential



Appropriateness

- Brand relevance – the world wants us to solve this problem
- Strategic alignment
- MSFT asset leverage
- Time to market – component availability
- Low execution & solution risk

Getting to initial solutions focus

Step

Activity / Purpose

Result

Identify core problems

Identify core patterns across segments
First pass prioritization – focus on attractiveness

Identified 11 big problems across 6 verticals
Consolidated into 4 core scalable patterns

Establish near-term solution focus

Develop, then evaluate 15-20 concrete solution scenarios within core patterns
Identify top 2 focus areas based on attractiveness & appropriateness

TBD

Build out offerings

Complete whole offer definition for top 2 focus areas
Identify components needed, internal assets and partners

TBD

Validate & refine

Create communication material
Validate with target accounts and refine as needed

TBD

Target segment + 'Big Problem' identification

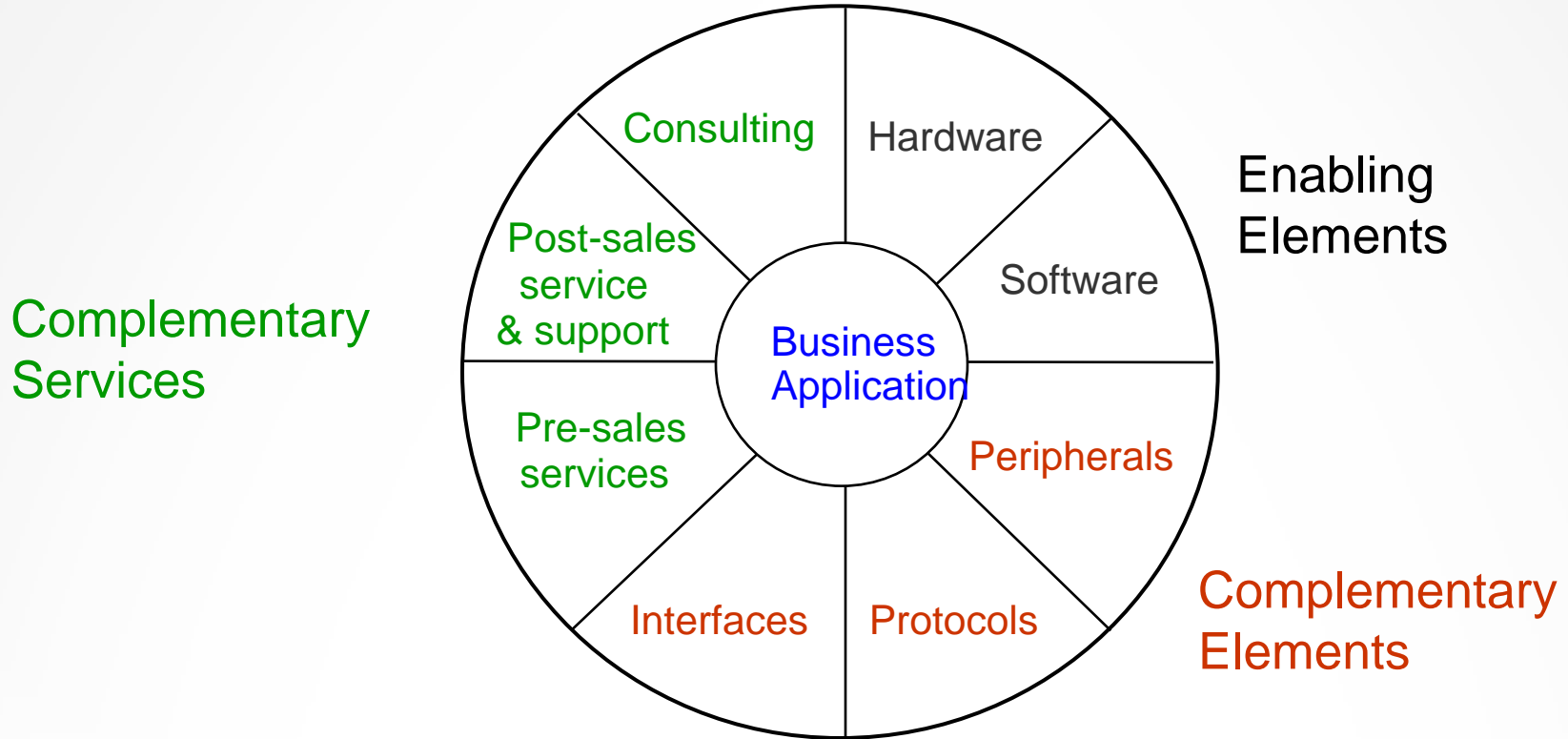
NEXT STEP – TOP 4 POINTS OF THE 9-POINT FRAMEWORK

Source of money	1. Target Customer	
	2. Compelling Reason to Buy	Source of demand
To fulfill CRTB	3. Whole Offer	
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	8. Positioning	Relative to next-best
Next growth segment	9. Next Target	

We use the ***top 4 points*** to identify target solutions for in-market validation

A look down the road

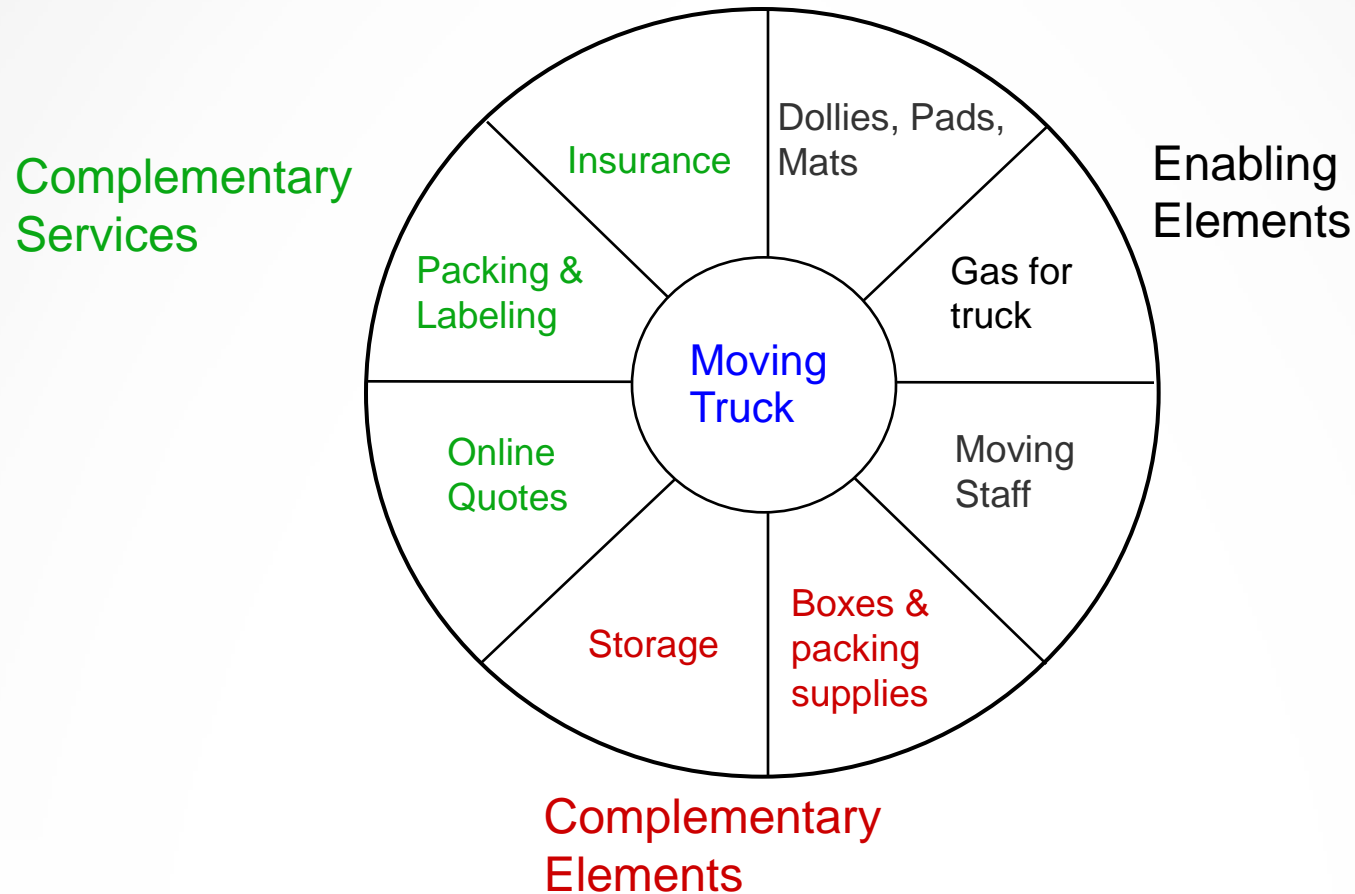
THE WHOLE OFFER MODEL



Whole offer modeling is an exhaustive analysis of the minimum set of products & services to ensure the fulfillment of the target customer's compelling reason to buy.

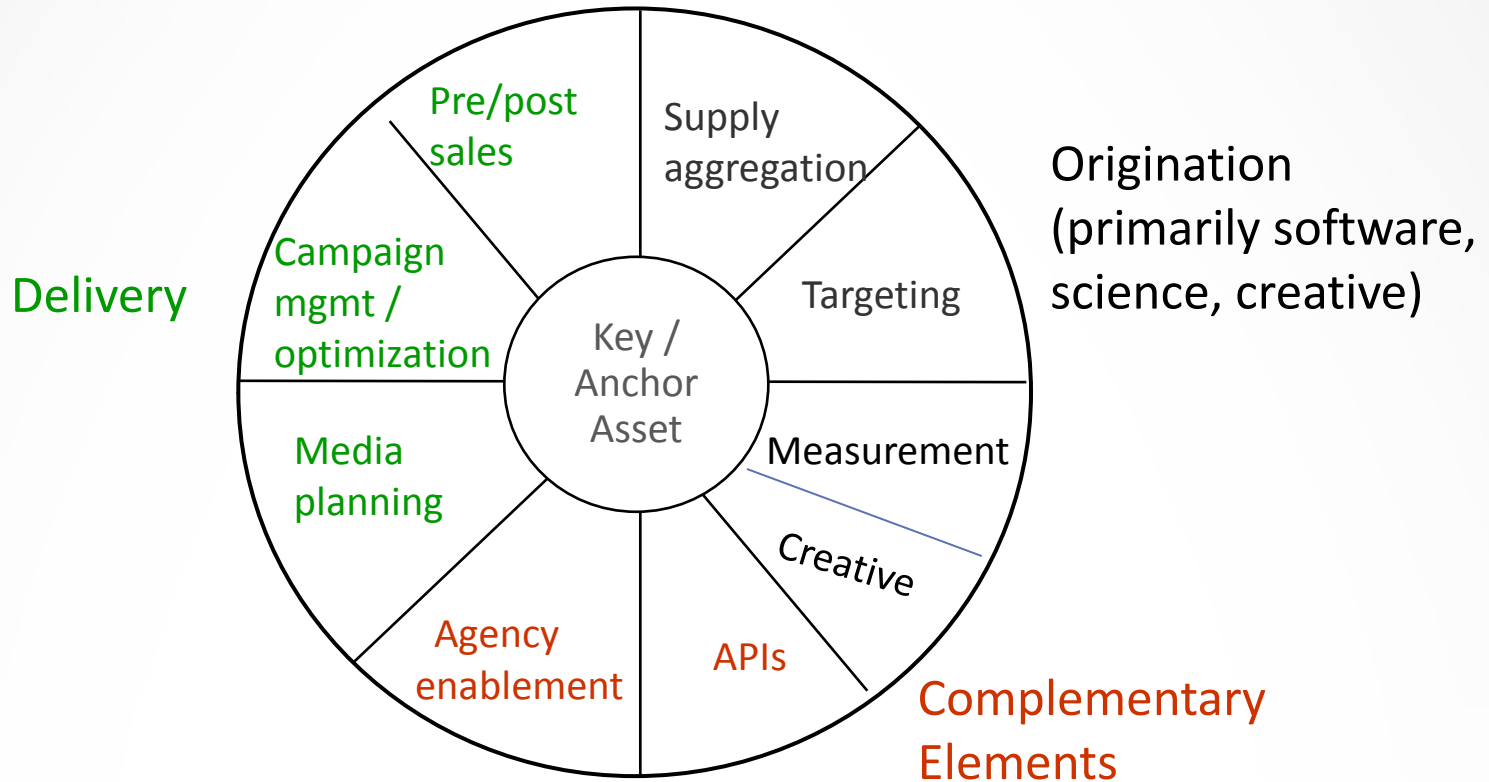
The Whole Offer model

MOVING HOUSE EXAMPLE



Digital marketing template – early strawman

THE WHOLE OFFER MODEL



Illustrative

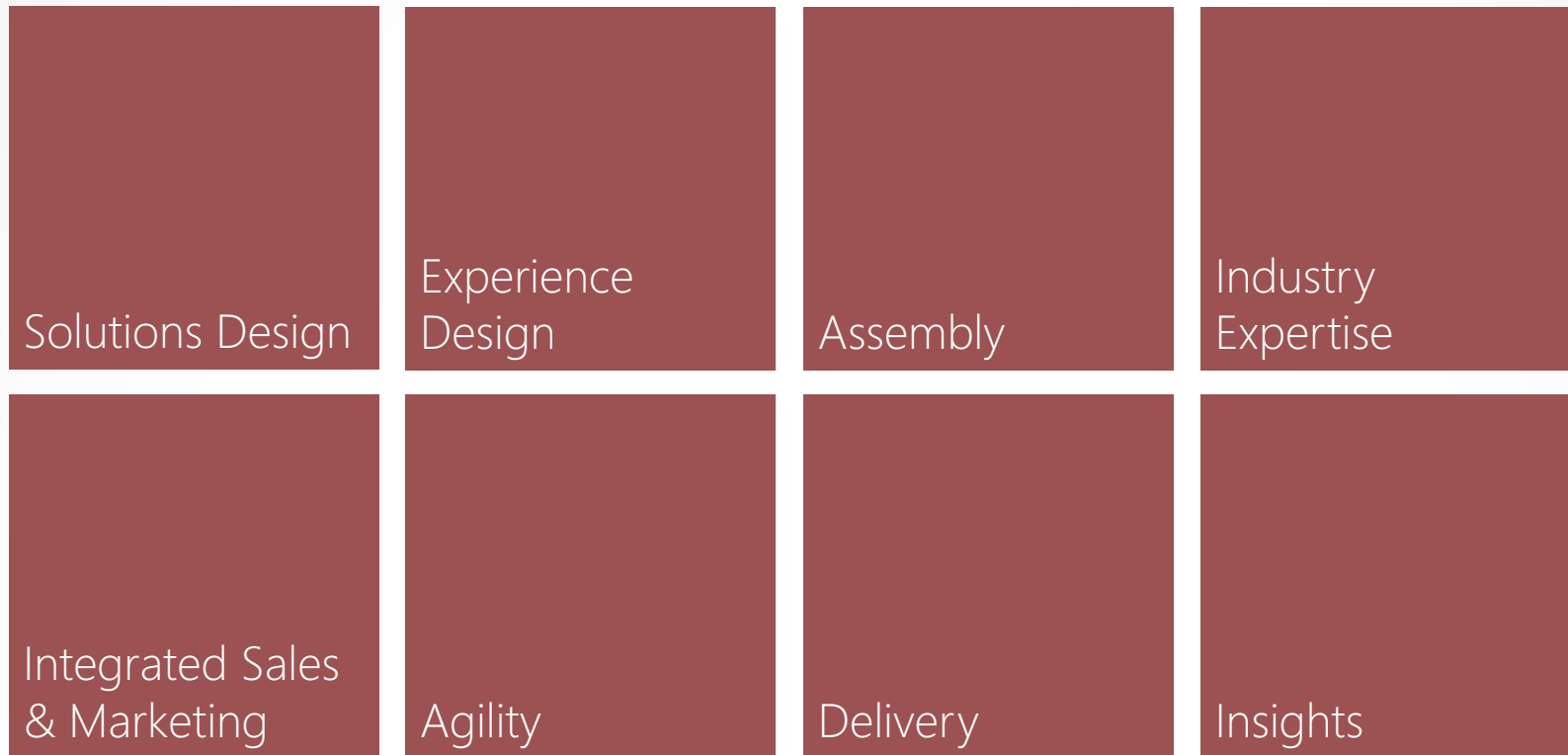
- (1) put the key or lead asset at the center, to call out the 'lead' or featured asset as part of this use case
- (2) Redefine this template however you see fit, use this as a thought sparker

Talent

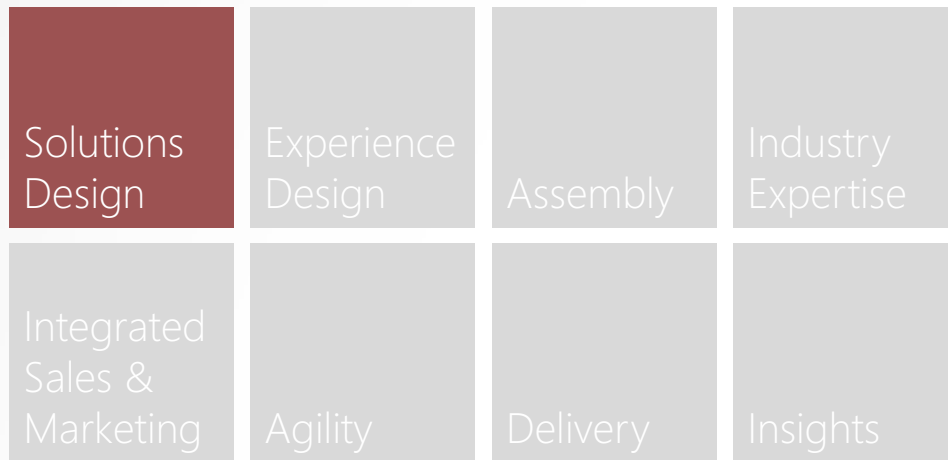
Case study in inter-discipline effort



Integrated Disciplines

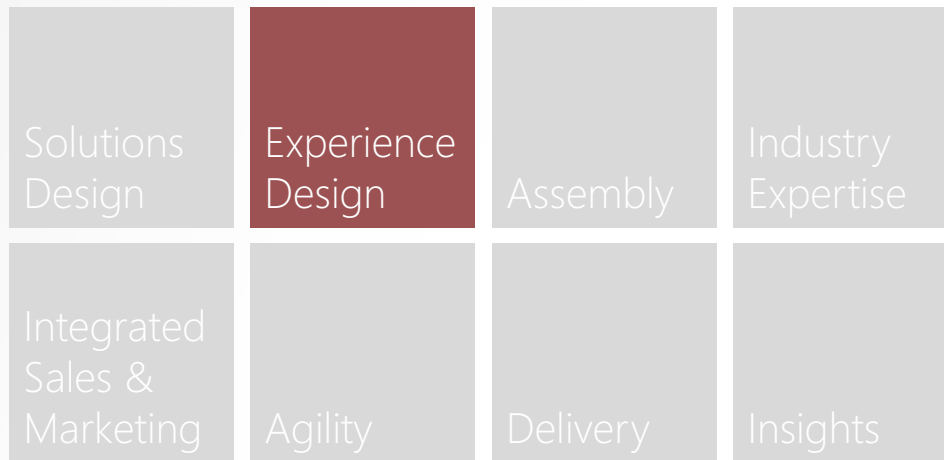


Integrated Disciplines



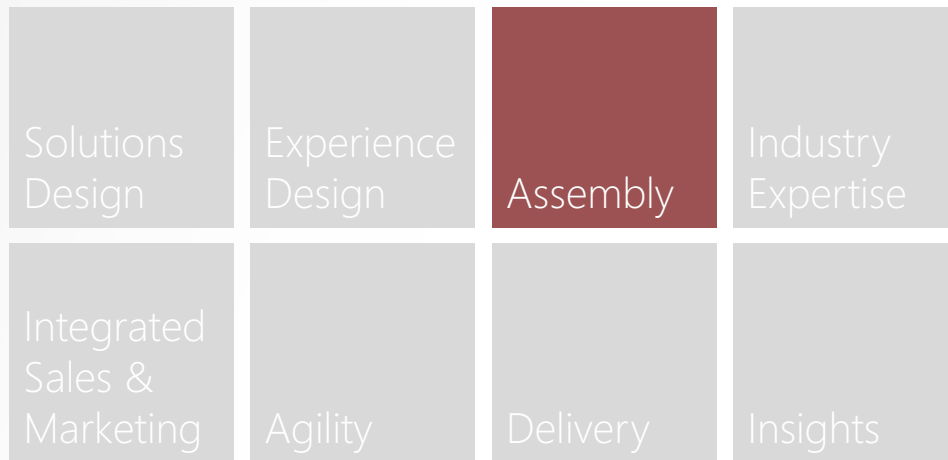
- 'Patterns'
- Internal + Ecosystem

Integrated Disciplines



- Primary lens for everything
- Design Thinking
- Consumer-led
- Best imaginable experience

Integrated Disciplines



- 'Late binding'
- Consumer internet <-> Enterprise

Integrated Disciplines

Solutions Design	Experience Design	Assembly	Industry Expertise
Integrated Sales & Marketing	Agility	Delivery	Insights

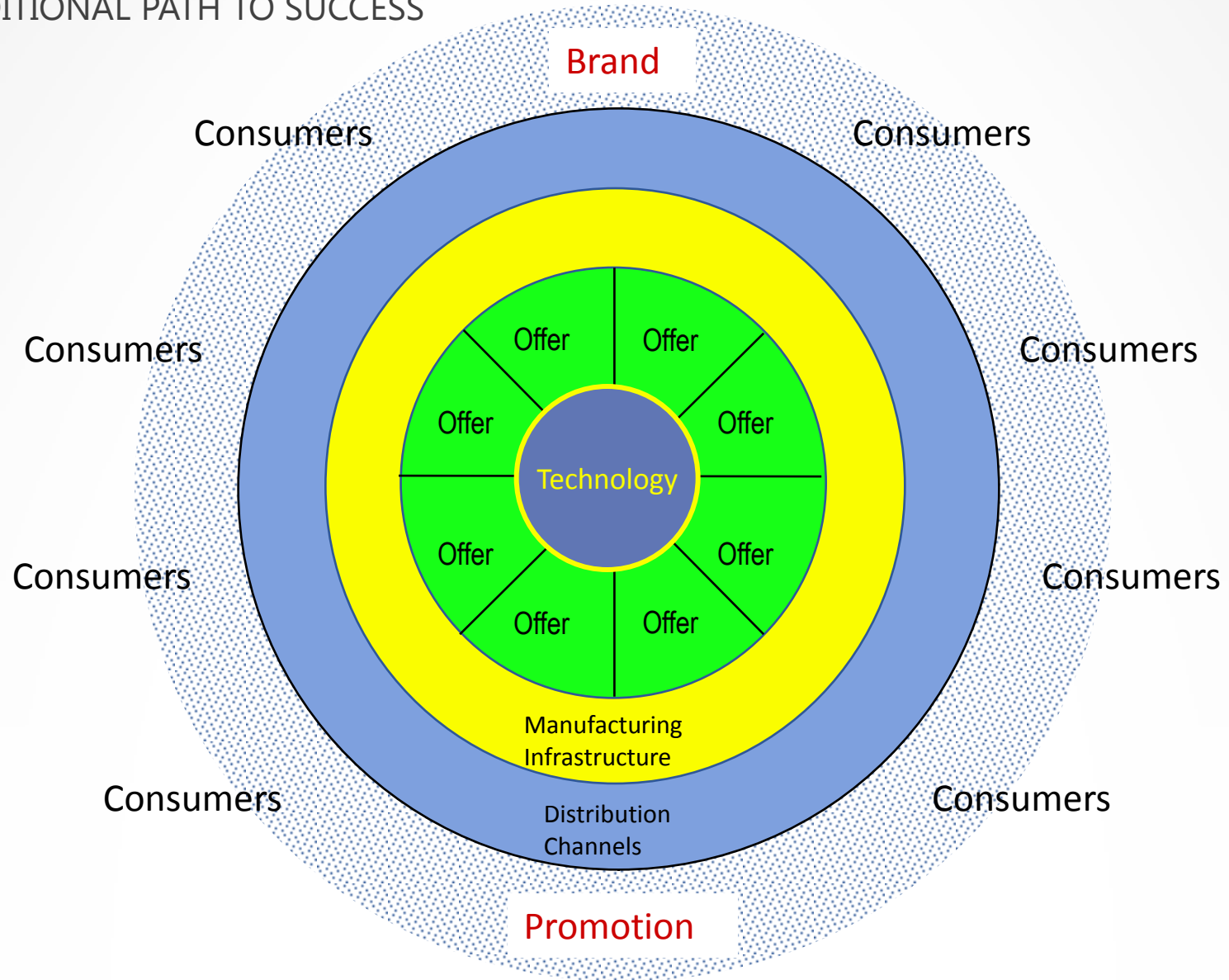
- Management models
- Qualitative (best practices)
- Quantitative (fact-based)

Management Challenges

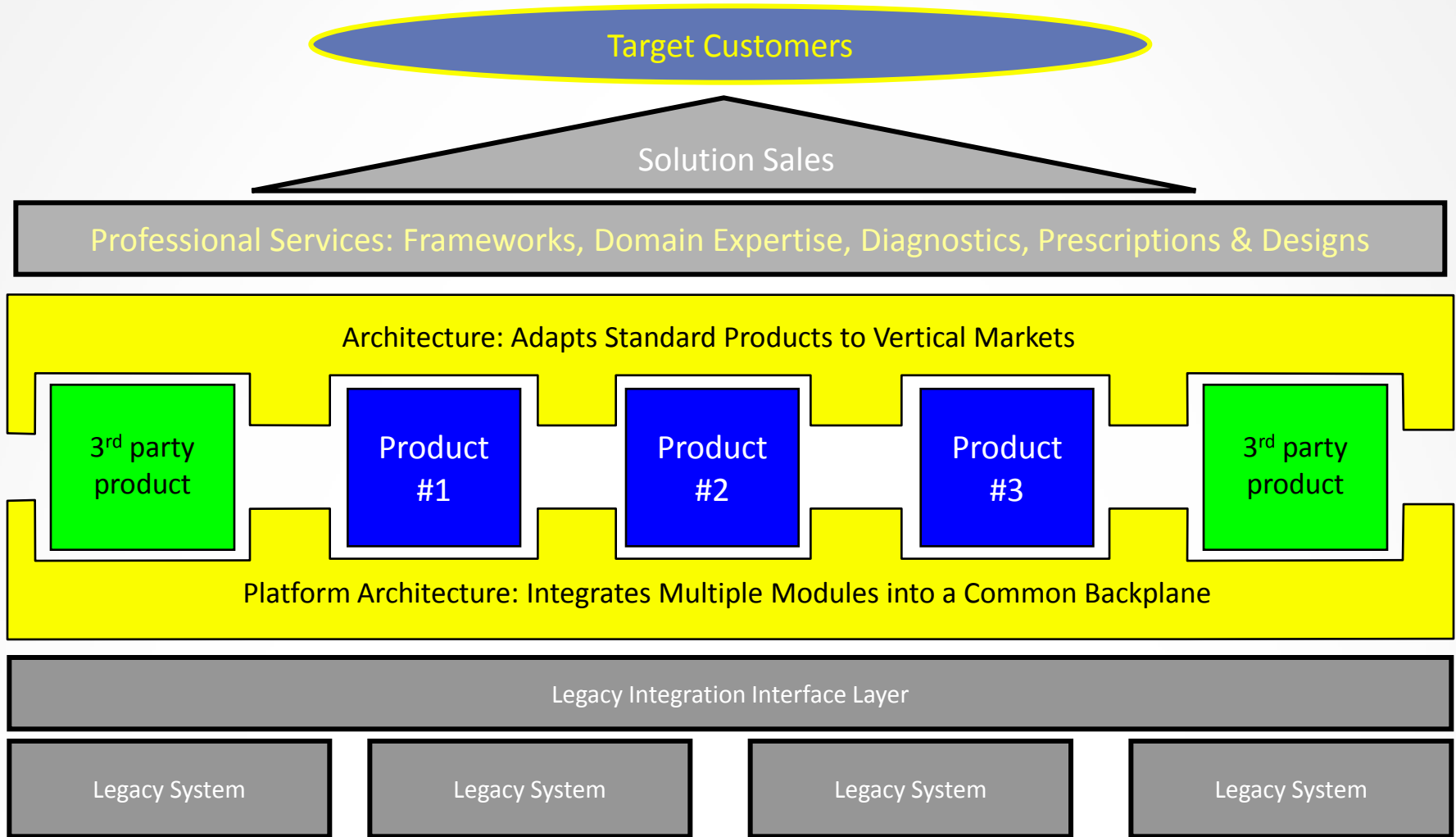


Volume Operations Model

TRADITIONAL PATH TO SUCCESS



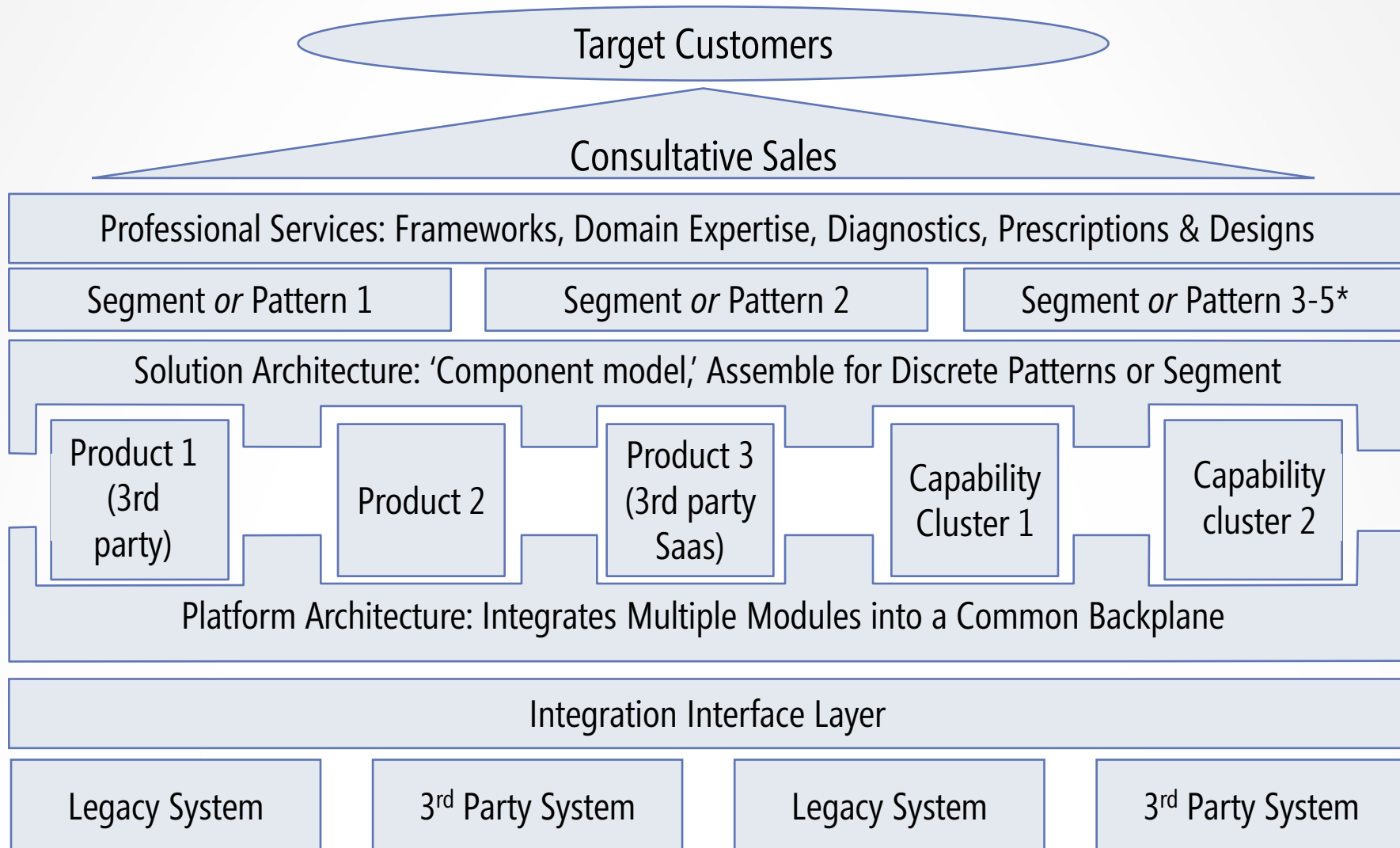
Complex Systems Enterprise Model



The Models are Polar Opposites

Area of Focus	Complex Systems Model	Volume Operations Model
Research	Qualitative Interviews	Quantitative Analytics
Design	Assembled Architectures	Stand-Alone Modules
Manufacturing	Adaptive Methodologies	Deterministic Processes
Marketing	Relationship Marketing	Branding & Promotion
Sales	High-Touch Persuasion	Low-Touch Distribution
Services	Consultative Dialogs	Closed-Loop Transactions

Complex at the Edge... Volume at the Core



Operating model implications

Top-down: 'Whole Offer' model for creating solutions based on repeatable patterns, customer demands

Segment or Pattern 1

Segment or Pattern 3-5*

Solution Architecture: 'Component model,' Assemble for Discrete Patterns or Segment

Product 1
(3rd party)

Product 2

Product 3
(3rd party SaaS)

Capability Cluster 1

Capability cluster 2

Bottom-up: Rationalize platform requirements based on solution priorities

Legacy System

3rd Party System

Legacy System

3rd Party System