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JOINING FORCES: HOW COLLABORATION AND PARTNERSHIPS CAN BREED SUCCESS

The Changing Landscape

Business Intelligence software has become a commodity product. While this may take some people by surprise to hear a Business Intelligence software vendor make such a statement, it is nevertheless the truth. Most companies want or need more robust reporting functionality, Executive or Corporate Dashboards, ways to extract, transform, and load data from multiple disparate data sources. And there are no shortages of products on the market that can do some or all of the functions. Some better than others, some more integrated and easier to use than others, some more robust than others, but plenty of tools out there.

And so too has the business of Professional Services, Systems Integration, or IT Consulting, whatever you call yourself become commoditized. Human capital is what you have to offer, and any company with a few smart people can hang out a sign and begin to perform work. Again, some better than others, but just some familiarity with a few “industry leading” technologies, and they are up and going.

In order to differentiate from the plethora of Business Intelligence software vendors and Professional Services companies in the market today, it has become more advantageous to form strategic partnerships to develop industry specific solutions that draw upon each company's area of expertise. Rather than forming partnerships simply to conduct one-off jobs, it is more beneficial for both companies to work jointly on developing solutions that both partners can then market and promote.

While it may not be possible to attack the giant services companies or software vendors head on, in terms of brand recognition or perceived expertise by the customer, in economic conditions like what exist today, it is possible to compete on price, assuming that you are able to offer an exceptional solution at a great cost. And oftentimes, smaller software vendors are more willing to work with the services company to develop the Proof of Concept or Demo for the prospective customer, or even a generic demo to show prospects.

There are several reasons to take such an approach, and this paper will make a case why it is imperative in today's market for software vendors and professional services companies to join forces for the growth of both organizations.

Joining Forces for Survival

The acquisition of major Business Intelligence vendors over the last couple of years by large software companies has had a dramatic effect on the Business Intelligence market. Of that, there is no doubt. In the process, other opportunities have emerged for the small to medium sized BI vendors, the so called second and third tier vendors. That also, is nothing new.

What is new though, for the forward thinking company, is that opportunities exist that never have before, if the correct strategic steps are taken.

The major Business Intelligence vendors' costs continue to be prohibitive for many companies who wish to undertake a BI initiative. And not just licensing costs and fees, but the ongoing Total Cost of Ownership, as many of these systems are extremely labor intensive and require specialized knowledge just to make them work.

Unbeknownst to many organizations though, there exists a ready pool of smaller, more agile, more cost effective, and in many cases better, BI software companies capable of providing exactly what the company needs, all for a much lower cost of ownership. The problem for the software companies though, is that due to their smaller size and footprint, many organizations don't even realize they exist.

At the same time, many consultancies and systems integrators are feeling the slowdown as prospective customers delay or cancel altogether their BI initiatives due to lack of funding or the reallocation of capital for other projects. Because of this, the Professional Services company's survival is being threatened as well. There is a way though to thrive, even in a down economy, if a solution can be delivered quickly and economically.

This is where a well thought out, strategic partnership between a software vendor and a professional services company comes into play. By drawing upon the domain expertise of the services company, whether it is in telecom, energy, retail, healthcare or any other domain, an industry specific Business Intelligence solution can be created that will allow for quicker implementation, at a lower cost, than ever before.

Find Your Sweet Spot

Every Professional Services company has an area of expertise. While it may have branched out into other domains and industries over the years, at its heart lies its sweet spot. Whether it is in working with manufacturers or healthcare providers, the Professional Services company knows, for the most part, what the customer is going to need to do and will need to implement in order to perform more efficiently and to maximize its profitability.

By capitalizing on this domain expertise, a Professional Services company can partner with a software vendor to provide a complete solution that addresses the needs of the companies within the industry. While it will not be able to create a "one-size fits all" product, it will likely be able to develop a solution that is 60%-70% complete for each company within a given industry, thus eliminating much of the front-end development with each new customer. This in turn will allow for the services company to offer the solution at a very competitive price, and in a relatively short amount of time.

Industries in which JNetDirect is already working with partners are the Gaming and Hospitality, Health Care, and Insurance industries, with development continuing in the area of Oil and Gas and Renewable Energy. By focusing on one particular industry with one particular partner, we are able to more effectively market to the prospective customers, while also gaining valuable experience in that industry so we are able to be proactive in our marketing activities as well, and are able to “talk the talk” of the industry.

As with any partnership, it must be a win/win proposition. Neither the services company, nor the software vendor should be expected to perform the lion’s share of marketing. Efforts such as joint press releases, newsletters, webinars, etc. keep both companies actively involved and excited about the venture, and oftentimes this leads to a stronger relationship between the people involved, which in turn encourage new ideas on how to be more successful.

Bringing It All Together

By focusing on building strong, strategic partnerships centered on the services company’s area of expertise, cost effective, rapidly deployable solutions can be developed for practically any industry.

By ensuring that both the software vendor and the services company manage expectations and agree on how to conduct things such as marketing, demos, proofs of concept, etc., solutions can be implemented quickly and cost effectively for customers.

About JNetDirect, Inc.

JNetDirect has been a software solutions provider since 1999 and is located in the Washington, D.C. metro area. Our software includes JDBC drivers, Business Intelligence, Business Process Management, Database Management, Password Management, and a disaster recovery and backup solution.

JNetDirect’s products are currently used by over 3,500 companies in over 40 countries.