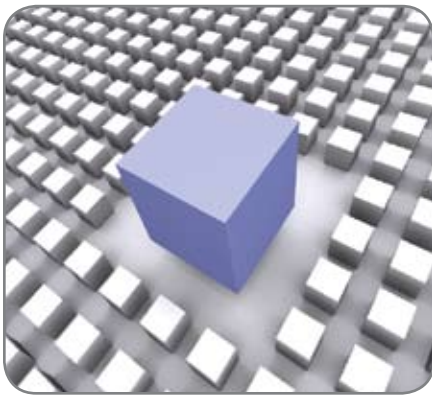




Productize Your Services

Increase profits, decrease sales cycles, stabilize revenues.



For PS people, productizing services is counter-intuitive because we make our living in customization, tailored services, and customer intimacy.

Lessons From B2C

At The Shattuck Group we focus exclusively in B2B. However, from time to time we recognize that there are certain beneficial lessons that B2C can teach us. Consumers are very accustomed to buying from a range of pre-defined offerings - think burger, fries, & drink combos set up by number. B2B PS firms who productize their services can reap many benefits like increased profits, decreased sales cycles, and stable long-term revenues.

The B2B Challenge

For PS people, productizing services is counter-intuitive. After all, we make our living in customization, tailored services, and customer intimacy. Gold, silver, and bronze offerings do not come naturally to us because we're used to delivering whatever the client needs. Even so, we find ourselves doing a lot of the same work for different clients because they come to us for our capabilities in our field of expertise.

Two Major Challenges

Nearly every PS firm runs into the same two major challenges:

1. Finding and closing the deal.
2. Streamlining delivery to maximize profits.

The Benefits of Productizing

There are many benefits from productizing services:

- It allows the market to self-service their final deliverables which dramatically shortens sales cycles.
- It reduces cost of sales (when done well) because clients know what they are getting and need less hand-holding in the sales process.
- It allows providers to achieve certain efficiencies because the deliverables are pre-defined, which means operations can be tooled to a limited number of offerings. This can in turn allow for greater profits per limited offering.
- It greatly reduces the risk of profit loss inherent in project work where scope creep from clients erodes profits.

What Is Productizing?

Let us be clear about what productizing services really means. When a PS firm productizes services, they:

- Limit the range of choices that are available to clients.
- Limit the deliverables that are available from each offering.
- Package desired deliverables into a pre-defined and stratified set of offerings.



*A win-result is a vision
in your client's mind
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- Dramatically curb customization in the sales cycle.
- Position the sales cycle for value-add up-sells that increase profitability.
- More often than not, publish a price range for each offering that the client knows about and can match budgets against up front.

There are many firms who simply cannot package their offerings. But for those whom this strategy makes sense, the road-map below is an effective approach we have used for several clients.

How To Productize Offerings

- Analyze the trailing 18 months of business looking for trends in project scope, deliverables, pricing, and profits.
- Stratify these into 3-5 levels of service, deliverables, and price where profits are guaranteed at each level.
- Create a compelling story that causes potential clients to look at the range of solution and expect win-results associated with ascending price and value from least expensive to most expensive.
- Make a range of up-sells optional for each level and ensure they can

- be delivered profitably at any level.
- Conduct market research and test your hypotheses against existing clients and the larger market – conduct both quantitative and qualitative research (see Thought Leadership piece on market research)
- Build the range of sales tools necessary to pitch the offerings.
- Build awareness campaigns and take them to market.
- Roll out offerings to customers first and larger market second.
- Track responses and make adjustments to offerings as necessary.

Beyond Gold, Silver, & Bronze

We have witnessed PS firms stratifying service offerings into Gold, Silver, & Bronze without doing their homework to understand perceived value. The results are typically ho-hum. A good rule of thumb is that productized services will render returns similar to the level of work you put into them. If you do not understand your target profile decision-maker's win results, you have no real reason to believe they'll care about or specify your offerings. Remember that a win-result is a vision in your client's mind about where they will be after implementing your solution.

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About The Shattuck Group

The Shattuck Group is a full service marketing firm that specializes in professional services firms. Our clients benefit from our years of experience, our customer intimate approach, and our ability to tailor services to their specific needs. We have a demonstrated history of positioning our clients

for growth, expanding their market opportunities, and building equity in their firms. We deploy common sense best-practices that consistently deliver very desirable results. To learn more about us, please visit us online at www.theshattuckgroup.com.