



Business Intelligence

Software packages continue to accelerate in terms of sophistication and complexity. The investment that pours into some products, in terms of time and money, is astounding. Ironically, the investment in understanding the sales, market penetration and user base of these products sits at the other end of the scale. Typically, software companies use sales figures and elementary market research to deliver the information used in off-site strategic planning sessions that will dictate the future direction of their software products and ultimately the company itself.

This issue takes us into the realm of Business Intelligence (BI) – the ability to collect and analyze both qualitative and quantitative information about the performance and usage of your product in the market place. BI has a close relationship with GIGO (Garbage In Garbage Out). In other words, the value of your BI is directly related to the quality of the information you are collecting.

Sales figures only show you what you know. They don't, for example, tell you how many:

- sales were actually made by distributors (ie you'll just have to trust them)
- sales were lost to piracy (ie via sharing, hacking or other means to use software free)
- demo versions are actually being used (ie can't count the shared copies)
- convert from Demo to full version
- customers upgrade their PC each year and what the hardware platform trend is

- demographic information about your user base (ie usually larger than your customer base)

There are a variety of reasons as to why this information is not available and it's not due to inadequate funding.

Typically, software companies believe that software performance in the market is an art not a science. They have this impression because marketing companies tell them it is so. They also say that desk research on a representative sample size will deliver accurate results – but how accurate will your results be to the question like "How many times have you shared or pirated the software?" Alternatively, you could start with quantitative assessment via survey and again it's questionable how honest and accurate the respondents will be. In many cases, this involves human labor (interviewer, interviewee, analysis and reporting) which translates to time and ultimately dollars.

The issue is not the accuracy of the assessment since typically respondents are asked non-confrontational questions. Rather, it's the cost of the exercise and the inability to collect a much broader spectrum of information. For small software companies and start-ups, labor based research is financially impracticable.

It is important to note, that this is not an attack on the Market Research industry – more a reflection of the current state of thinking. Like software usage in the market place, a Market Research company only knows what it knows.

Alternatively, you can entice a user to complete a registration card (either cardboard based or web page based) but you can't make them do it and provide accurate information.



Software activation technology; also referred to as license management software or anti-piracy technology, continues to gain acceptance with customers and sophistication in technology. The really clever technologies not only secure software from inappropriate usage but also provide significant BI benefits.

The result is increased sales due to software being protected and decreased market research expenditure due to BI being collected and reported automatically at a fraction of the cost of traditional research. The BI reports on a wide and comprehensive spectrum of user, usage, platform and other information that adds significant benefits to both strategic and tactical planning for the product and the company. All this results in a more in depth and granular understanding of the user market and

technology, ultimately leading to better marketing and increased profitability.

Understanding consumer behaviour is critical to any sales and marketing activities, including software development. It allows for planning of business and marketing strategies and thus maximizing sales for increased profits. Through BI, Software developers gain a better understanding of who their customers are, what they like, where their technology platform is going and at what pace, when is the best time to launch new initiatives, which are the more effective distribution channels etc. BI is considered essential in this modern business environment for effective sales planning and activities. The challenge is to find a software security service provider that can protect your livelihood and exceed your expectations on what BI can deliver to you.

Please don't hesitate to contact us should you wish to further explore these issues or provide feedback.

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