

# Marketing Plan

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**e-motionsoftware**  
we keep the business of business moving

### **I Company Description**

Scott Keohane and a partner founded e-motion software in 2003 and established its worldwide headquarters in Austin, Texas. They envisioned software solutions that conformed to a particular business, not the other way around, with products designed to (1) improve operating efficiency, (2) empower users, (3) enhance security, (4) improve return on investment (ROI), and (5) streamline business processes. Ultimately, however, Keohane's partner decided to leave the company. Keohane converted the partner's shares into a note, according to the partnership agreement the two had in place.

The origins of the company were based in Keohane's ten years of entrepreneurial endeavors, four years of which were spent as an independent

consultant in the Oracle applications marketplace. Oracle is the world's largest enterprise software company. According to Oracle's Web site, the company's business is information—how to manage it, use it, share it, and protect it. Commercial enterprise information management software systems, such as those offered by Oracle, promise seamless integration of all information flowing through a company.

In a global marketplace in which external company collaborations are driving business efforts and internal cross-functional integration is critical for timely decision making, enterprise systems can help position companies in this highly competitive environment. Enterprise systems, such as the Oracle E-Business Suite, provide a simplified, unifying corporate technology platform. This type of platform enables companies to utilize high-quality internal and external information both strategically and tactically. The E-Business Suite includes numerous product families (e.g., advanced procurement, contracts, performance management, customer data/relationship management, financial, human resource management, logistics, manufacturing, marketing, order management, projects, sales, service, and supply chain management).

As an independent consultant, Keohane was continually asked to customize existing Oracle technology or create one-off applications to meet common requirements. When he identified the need for third-party products that would withstand upgrades to the underlying Oracle architecture, he formed e-motion software, LP. The overall business concept was to utilize the Oracle E-Business Suite as the underlying framework for customization to fit a particular customer's needs. Soon after its founding, e-motion software became a member of the Oracle Partner Network. By joining the Oracle Partner Network, e-motion software gained access to Oracle Software Licenses, technical training, marketing funds, and comarketing opportunities.

### **II Business Mission**

E-motion software is committed to the Oracle E-Business Suite of Applications and will provide a level of support that is unmatched in the industry. The company's goals are to make Oracle Applications more reliable, to enhance the Applications' function-

ality, and to make the Suite's use more efficient. The company's products offer an attractive alternative to in-house development and support. E-motion software's customers will be utilizing functional products that are self-funding. That is, the savings achieved through a more efficient workforce and enhanced security will far exceed the cost of the company's products. The company's commitment extends from the methods used to build e-motion software products to the company's simple installation procedures to the postinstallation service. E-motion software products run on multiple server platforms, require no customization, and are fully compatible with existing hardware and software warranties.

### III Marketing Objective

The marketing objective is to establish the company as an expert in the third-party marketplace. The third-party product market for functions that are specifically designed for integration with Oracle Applications is still in its infancy. E-motion software has to establish itself as a leader in this new marketplace. To accomplish this objective, customers must see that e-motion software products are safe and secure and that they do not affect existing Oracle functionality or their Oracle warranty.

**Objective Metric:** Three major Oracle clients by the end of 2005

To accomplish this marketing objective, e-motion software must obtain three major Oracle clients by the end of 2005. These clients will serve as reference sites for the company. These clients will enable e-motion software to demonstrate the gains achieved by using its products. As such, the clients need to be vocal and create viral marketing within the industry.

**Objective Metric:** One client in each region of the United States by the end of 2006

Given the close-knit nature of Oracle clients through organizations such as the Oracle Application User's Group (OAUG), e-motion software needs to obtain clients within each of the major geographic areas in the United States: Northeast, Mid-Atlantic, Southeast, Midwest, Northwest, and West Coast.

### IV Situation Analysis

#### Industry Analysis

##### Trends

The Enterprise Resource Planning (ERP) community has undergone a radical change since the turn of the century. Historically, applications were designed for

the professional user or technology expert. Today's marketplace, however, has shifted from the professional user to employee users. That is, employees in all functional areas have access to and utilize information from ERP applications. Thus, ERP providers are now developing applications intended for individual employee use instead of bigger applications designed for the professional user. These self-service, employee-based applications have fundamentally changed the way ERP applications are sold, implemented, and administered. Professional users are no longer the keepers of the data, manually entering and updating data from forms and memos. They have now become administrators in charge of ensuring data integrity. The promise of transforming departments, such as human resources and benefits, from manual-intensive data entry shops into proactive reporting shops has shifted the marketplace to self-service suite applications. This emerging trend has prompted the development of self-service applications that enable employees to utilize systems that are within their individual realms of expertise, yet are integrated across the firm.

##### Competitors

E-motion software represents a new voice within the Oracle community. The company is creating a new niche in the marketplace and therefore faces competition from a variety of sources. There are currently no head-to-head competitors. The existing competition can be split into three very distinct groups: Oracle, consulting firms, and in-house development centers.

Apart from creating the ERP industry, Oracle has resources that dwarf every other company in the ERP marketplace. With its available capital and the size of its development group, Oracle could simply reallocate a small development team to work on competing products. Oracle has, however, repeatedly released products that were little more than advanced betas, resulting in weeks of downtime for companies implementing the new products. By building applications that require no customization to Oracle code, e-motion software can confidently assure its customers that its products will work.

Consulting firms could advise the client to include the cost of custom application development into the total cost of the consulting engagement. This is standard protocol for competing consultancies and would effectively stop e-motion software from entering into a client site. Most consultancies, however, do not have a support and development center to handle ongoing system management. E-motion software will compete directly with consultancies by providing superior service at an affordable price.

In-house development centers (IHDCs) pose a tricky problem for e-motion software. If a company has an IHDC, it is usually a trusted source that knows the company, its standards, and its software.

Additionally, the IHDC is usually considered a “no-cost” center because salaries are already included in the company’s budget. Thus, program development and implementation are considered just another project with no additional cost. On the positive side, information technology (IT) budgets have been slashed and IT departments scaled down over the past few years. Though IT spending has begun to trend upward again, the creation of IHDC units has lagged this spending trend. E-motion software plans to capitalize on this lag in IHDC unit development and upward spending trend.

#### Customer Profile

The marketplace has moved from professional users to employee users. Basically, professional users are now babysitters, ensuring that employees do not enter incorrect information into the system. This creates quite a quandary, however. Professional users must maintain the integrity of the system, while releasing control of it at the same time. This often forces the professional user to become a reactive unit, rushing to fix things when they break down. Employee users generally do not know the many idiosyncrasies of the ERP system. Thus, to maintain system integrity and ensure data reliability, professional users must often spend time double-checking employees’ data entry and answering help desk calls about how to use the system. This is not what a self-service ERP solution is designed to deliver, however. E-motion software proposes to enter the self-service arena with a broad range of products designed to regain the efficiencies promised by self-service applications.

#### Technology

The costs of developing and maintaining an ERP solution require that the underlying technology be relevant for several years after the product is purchased and installed. The rapid emergence of Internet-based transactions (e.g., banking, loan applications) brought self-service applications to the forefront of business opportunity. Initially, Oracle attempted to use a mix of PL/SQL and DHTML code in the self-service offerings, but the applications resulting from this mix were not very good looking, had little functionality, and were difficult to implement. Oracle then switched to using Java Server Pages (JSP) as its self-service foundation, with PL/SQL and HTML as the accessory languages. Products with the JSP foundation were well received in the marketplace. E-motion software plans to adhere to Oracle’s decision to use JSP, especially since JSP offers e-motion software some key benefits: (1) JSP is robust and flexible, allowing all applications to use the same coding techniques; (2) JSP is recyclable, which means that e-motion software can leverage existing code across new applications; (3) JSP is accessible because Java is one of the best-known programming

languages; (4) JSP is portable, allowing e-motion software to easily enter other ERP markets; and (5) the use of JSP means that e-motion software will always comply with Oracle-approved practices.

## SWOT Analysis

The strengths, weaknesses, opportunities, and threats (SWOT) analysis provides a snapshot of e-motion software’s internal strengths and weaknesses and external opportunities and threats.

#### Strengths

- Founder—Scott Keohane is extremely knowledgeable about the third-party marketplace, and he is also personally and financially dedicated to making the business a success.
- Active and committed advisory council.
- Reliable products and product support.
- Member of Oracle Partner Network.

#### Weaknesses

- A one-person company that has to supplement the company with independent consulting services.
- Not enough time dedicated to company development.
- Though it has considerable anecdotal information, the company is lacking in marketing research.
- Financial resources.

#### Opportunities

- Changing marketplace that coincides with e-motion software’s product development.
- The move toward employee users instead of professional users.
- Growth market.
- Technological changes.
- Refocus on IT applications.
- Persistent threat of security breaches.
- Growing focus on cross-functional interactions in the business press.
- New entries into the workforce (e.g., recent college graduates) are trained to use computers in decision making and thus expect companies to have data programs in place.

#### Threats

- Competitors—all three groups of competitors are likely to have deeper pockets than e-motion software.
- Offerings can be duplicated by knowledgeable experts.
- Limited market access across the United States.
- Economies of scale in larger companies such as Oracle.
- IT departments do not have unlimited budgets.

## V Marketing Strategy

### Target Market Strategy

E-motion software’s sales plan is based on the company’s understanding of the marketplace and on how it will resolve inefficiencies with the use of the

Oracle E-Business Suite of Applications. From his consulting experience in helping potential clients install and maintain their individualized suite of applications, Keohane has considerable understanding of users' needs. To obtain clients, e-motion software will rely on continuing existing relationships with prospective clients, maintaining ongoing relationships with other consulting firms, and reaching new clients via marketing and sales initiatives.

Geographically, e-motion software will direct its marketing and sales efforts within the contiguous United States. Though global operations are potential clients, the current size of e-motion software suggests that the U.S. marketplace is more viable at this time. Within this marketplace, e-motion software will focus on companies that have between 500 and 10,000 employees. These are the small-to-midsize companies that utilize the Oracle E-Business Suite of Applications. Companies of this size are unlikely to have their own development staffs in place or have the desire to develop and/or support home-grown applications. Within these small-to-midsize companies, the individual target customer varies by the product offering. For example, a database administrator will be targeted for the company's system administrator products, and the IT director will be targeted for the functional line of product offerings.

## Marketing Mix

### Product

E-motion software develops applications specifically for the Oracle E-Business Suite. For clients of Oracle Applications who desire greater efficiency and an increase in ROI on their installed ERP systems, e-motion software will offer a line of products designed specifically to improve performance of the existing Oracle Application installation. Clients that have in-house development staff will be able to lower the total cost of ownership of a product by having e-motion software upgrade their Oracle installation. Clients without in-house staffs, however, are more likely to benefit from e-motion software installations because they will now be able to perform a greater number of tasks that are not offered by Oracle.

As a product-based company, e-motion software cannot ignore the importance of product marketing. The three product attributes that will drive the business are level of service, usability, and clear return on purchase price. The reluctance of some customers to install relatively new third-party products in their ERP systems is an obstacle to overcome via product marketing. The company has to deliver on its promise that "e-motion software products make the business process of our customers more efficient, while easily understanding the upgrades to the underlying Oracle Application." E-motion must remain focused on this promise during both the product development and the product delivery process.

E-motion software's product line consists of functions that respond to inefficiencies identified from years of experience with Oracle ERP systems. Since the product portfolio is built expressly for the Oracle Applications E-Business Suite, the products are updated continually to maintain compatibility as well as to take advantage of new technologies and capabilities released by Oracle. All products enjoy the following characteristics: tight integration with Oracle, intuitive design, compatible architecture, and streamlined interfaces. Product offerings are iPraise, Responsibility Management, Password Reset, and Global Directory.

**iPraise:** The employee appraisal system developed by e-motion software is the most dynamic appraisal system available to Oracle customers. Combining e-motion software's commitment to streamlined application interfaces with the vast functionality available to Oracle E-Business Suite customers, iPraise represents the next generation of appraisal systems. The system is flexible, allowing it to be configured to meet the specific needs of the organization. Using the appraisal configuration engine, the customer can choose to include or omit several aspects of the appraisal process and even determine in which order they are to be constructed. Thus, iPraise is a complete solution for Oracle customers. Customers can opt to integrate other modules of Oracle that have been configured previously with the E-Business Suite. Installing iPraise is fast and easy.

**Responsibility Management:** Responsibility Management solves one of the most important questions faced by all Oracle system administrators: "Who has access to which data?" Using Responsibility Management, a system administrator or database administrator can quickly, easily, and accurately identify who has access to which data in real time. Responsibility Management can inform the administrator of the following:

- Employees with particular responsibility
- Employees without a single responsibility
- User names that are not attached to any employee
- User names that are attached to more than one employee
- User accounts that are expiring in *x* number of days
- User accounts created in *x* days prior
- All users that have been given *y* responsibilities in *x* days prior

Results are displayed in a simple table that can be arranged and sorted. The table can also be exported to Excel for further investigation.

In addition to the query capabilities, Responsibility Management enables the system administrator to make changes to the user account, such as:

- End date a responsibility
- User account expiration update for a particular responsibility



- Bulk assignment of responsibilities (by organization, job, location, etc.)
- Bulk end-dating of responsibilities (by organization, job, location, etc.)

Overall, Responsibility Management enables system administrators to enforce security policies by providing a simple, easy-to-use function to identify who has what responsibility. Each day that a person has access not identified with his or her position is unnecessary and insecure.

**Password Reset:** Forgotten passwords are the single largest end-user issue. Every day, help desks are bombarded with calls from end-users who have forgotten their passwords. The standard Oracle log-in link does not provide a solution for this problem, so end users are forced to call the help desk to reset the password. E-motion software's Password Reset function is the solution.

Password Reset is modeled after the standard password reset functionality available on most Web sites. Even if the user is using Password Reset for the first time, all the components will seem familiar, and the user will know where to go next without receiving complex instructions or training. Password Reset functions as part of the Oracle Applications. There are no outside Web sites to access or other applications to open. The user simply clicks on a link from the log-in page, enters the required information, and the password is reset. The user can then log in immediately with the new password. Password Reset validates a user's identity by going directly to the Oracle database and running queries against it. This tight integration ensures reliability.

**Global Directory:** Most companies utilize a separate system for their corporate directory. This requires entering and maintaining all employee information in Oracle and then re-entering that information into a separate system. Worse yet, they print the company directory from a separate system. Not only is this extremely inefficient, but there is a great chance for error. In today's fast-changing world, employee information can change on a weekly basis. As a result, the "other" system is often neglected, and its data are unreliable. Global Directory solves this issue by "going to source" and gathering data directly from the Oracle database; thus Global Directory has up-to-the-minute validity. Global Directory allows users to query the database for a wide variety of information. The results can be customized to give employees the depth of knowledge they require.

Global Directory functions as part of the Oracle Applications. There are no outside Web sites to access or other applications to open. Using the export function, users can transfer results into Excel, XML, or CSV, making it possible to utilize the information for such items as contact lists, distribution forms, and mailing labels.

### Place/Distribution

E-motion software is now headquartered in Bedford, Massachusetts. However, home office location has little to do with the actual distribution of e-motion software's products since the products are installed and implemented at the client company. E-motion software will perform its own marketing channel functions (e.g., transactional, logistical, and facilitating) and does not foresee the need for any intermediaries in this process. However, e-motion software is a strong supporter of industry groups, such as the Oracle Applications User Group, and related industry events. Such support allows the company to become recognized as a vendor among Oracle Applications clients.

E-motion software does offer a partner program for companies that wish to resell or refer e-motion software products to Oracle ERP clients. The program is segmented into two separate categories. The Alliance Partner Referral Program is tailored for businesses that have customer relationships with companies in specific industries or with businesses or IT needs that e-motion software programs can uniquely address. An Alliance Partner will identify e-motion software customers and refer them to e-motion software for a share of the revenue from the referred account. As part of the program, Alliance Partner members receive all the training and materials needed to promote e-motion software solutions to their client base. The Alliance Solution Provider Program is designed for qualified Oracle-focused consultancies with a strong track record for providing top-notch service to their clients. Partner program members are trained and certified by e-motion software. Once certified, implementation partners can then configure and implement e-motion software products with unparalleled service and support.

### Promotion

As a third-party purveyor of products for Oracle, it is important for e-motion software to convey, clearly and succinctly, its "reason for being." Company material will have the heading: "e-motion software: we keep the business of business moving." It will emphasize the Oracle connection with the following statement on documents, as appropriate: "Oracle clients around the country are realizing true gains in productivity and efficiency by taking every day tasks and putting them in motion."

E-motion software will adhere to mainstream thinking regarding the promotion of third-party products for ERP solutions.

- A cohesive, easy-to-manuever, and user-friendly Web site (<http://www.e-motionsoftware.com>)
- Recorded demos on the company Web site (requires users to register for a demo user account)
- Press releases as a member of the Certified Oracle Partner Network

- Demonstrations presented at trade shows and events
- Word-of-mouth and reference sites
- The Internet via Google AdWords campaigns to drive potential clients to the company Web site
- Product datasheets that provide pertinent product data, features, and benefits of installation (available on the company Web site or via hard copy)

Importantly, e-motion software is a company that relies heavily on direct selling to reach potential customers. This promotional method requires a large amount of cold calling. E-motion software purchases the names of potential customers from marketing services that collect such information from customers of Oracle ERP products.

#### Price

E-motion software prices its products to sufficiently cover the costs associated with development, sales, and support and to provide cash flow for future growth and development. The following table provides the company's standard price list. These list prices can vary, however, as there is a trickle-down effect in the industry. Essentially, pricing starts with Oracle, trickles through the consulting firm, and then down to e-motion products.

Prices are based on industry standards for classification. For example, Password Reset, as an enterprise system product, has a total purchase price of \$15,000, with a \$2,700 software update and support fee. Responsibility Management, iPraise, and Global Directory are priced on a per employee (user) basis with a minimum purchase of 2,000 employees. For example, Global Directory is \$2 per employee with a minimum purchase of 2,000 employees. Thus, the

least amount a company could purchase this product for is \$4,000. The 18 percent annual maintenance fee is the industry standard.

## VI Implementation, Evaluation, and Control

### Marketing Research

The company needs to keep abreast of two distinct segments in the marketplace: its clients' needs and Oracle's direction. E-motion software needs to understand its clients and their ongoing needs. This includes meeting current needs and forecasting future needs as the Oracle Application Suite continues to evolve. E-motion software must also maintain up-to-date and accurate intelligence on both current Oracle offerings and planned initiatives. By doing this, it will be able to introduce products that complement new Oracle functions and will be less likely to offer products that compete for functions included at no charge in an Oracle license.

### Organizational Structure and Plan

As a start-up company, e-motion software currently has only one member on its staff, Scott Keohane. As e-motion software matures into a stable, profitable organization, the need for employees will grow. The first foreseeable employee need is in the area of sales. The plan is to hire a salesperson in early 2006 to allow Mr. Keohane to continue his consulting on a regular basis, while at the same time ensuring a steady supply of funds for continued development efforts. To obtain the financial flexibility needed to manage its cash flow successfully, the company has made contractors a significant component of its workforce. Contractors are used in the following areas: application development, database administration, and marketing. Current contractors have been associated with e-motion software almost since the company's inception and are largely credited with its early successes.

To provide a management resource from which Keohane can receive regular advice and guidance, e-motion software has assembled a nonvoting, nonbinding advisory council to assist in decision making, overall strategy, and execution. The advisory council is composed of four outside members who have made a commitment to provide their expertise and experience, free of charge, to e-motion software. Advisory members interact quarterly via teleconference.

PRODUCT PRICING SHEET				
	License Price	Software Update & Support	Licensing Metric	Minimum
<b>Application Infrastructure</b>				
Password Reset	\$15,000	\$2,700/year	Enterprise	N/A
Responsibility Management	\$6	18%/year	User	2,000
<b>User Application</b>				
iPraise	\$10	18%/year	User	2,000
<b>Corporate Information</b>				
Global Directory	\$2	18%/year	User	2,000

Financial Projections

The financial objective is to be financially solvent within the first two years of operation.

- Objective Metric:
- Sales of \$250,000 by the end of 2005
  - Sales of \$2 million by the end of 2007
  - Gross margin higher than 80 percent
  - Positive cash flow yearly

The five-year financial projection plan (in U.S. dollars) for e-motion software is:

Keohane’s current consultancies, a dedicated salesperson could more readily identify potential e-motion software clients. Of major concern is that the current financial strategy of supporting the new business by personal funds from consulting may prove to be too onerous for Keohane.

Ultimately, the goal is to “make it big.” The hope is that, over the next five years, the small products that e-motion software has developed will generate cash sufficient to build a larger module that one of the larger ERP companies (e.g., Oracle) will want to acquire.<sup>10</sup>

FIVE YEARS FINANACIAL PROJECTION PLAN					
	2006	2007	2008	2009	2010
Revenues:					
iPraise	\$50,000	\$100,000	\$600,000	\$2,225,000	\$5,500,000
Responsibility Mgt	60,000	80,000	160,000	420,000	700,000
Password Reset	225,000	180,000	180,000	150,000	75,000
Global Directory	45,000	75,000	180,000	300,000	465,000
Cost of Goods Sold	0	0	0	0	0
General & Administrative	\$350,000	\$765,000	\$1,600,000	\$2,165,000	\$2,600,000

Implementation Timetable

- 2005
- The company plans to have three major Oracle clients by the end of 2005.
- 2006
- The company plans to have secured at least one client in each region of the United States by the end of 2006. This would mean at least one customer in the Northeast, the Mid-Atlantic, the Southeast, the Midwest, the Northwest, and the West Coast.
  - Keohane plans to hire one full-time salesperson.

Summary

E-motion software continually monitors activities with current and potential clients. As a consultant in the industry, Keohane is always on the lookout for potential clients. He has set quarterly and yearly sales targets, and actual sales will be compared to these quarterly plans. Additionally, Keohane will continue his efforts to enlist at least one client in each of the major geographic regions of the United States. However, it may take a qualified salesperson to devote the time necessary to acquire new customers. Additionally, by not being restricted to