

# OpenERP Sales Strategy



HOW TO SELL OPENERP !

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# Introduction

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After 4 years working with partners, we noticed some are performing much better than others. This training summarizes the key points to succeed in selling OpenERP.

# Top 6 mistakes starting selling OpenERP

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## New partners – Top mistakes

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1. Wasting too much time on non-valuable prospects due to a bad qualification (no budget).
2. Selling OpenERP Enterprise separately from the main project quote.
3. Too much focus on new customers rather than customer base – “ I failed because I misses all tenders”
4. Developing first, selling after
5. Low pricing: a better product should have a higher price.
6. Non-diversified team

# Publisher-Partner relationship

# Publisher-Partner relationship

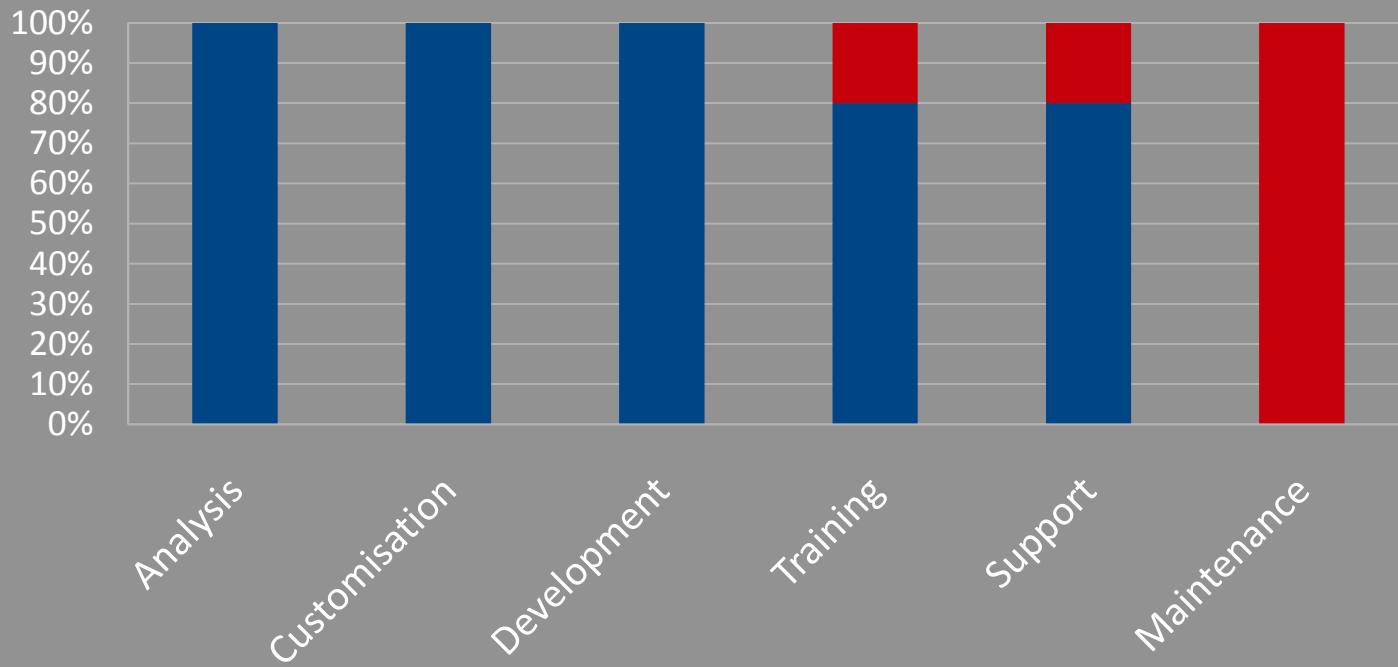
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Roles	Services
<b>OpenERP Publisher</b>	
Marketing	
Develop new versions	Upgrade to new versions
Maintain stable versions	Unlimited bug fix on stable versions
<b>OpenERP Partner</b>	
Sales	
Customer implementation	Custom development
After-sale service	Customer support

# Standard split of revenues

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■ Partner ■ OpenERP



The revenue and related services are split 85%-15% between Partner and OpenERP. Traditional ERP publishers take 35% of the project revenue!

# Sales cycle: First customer meeting

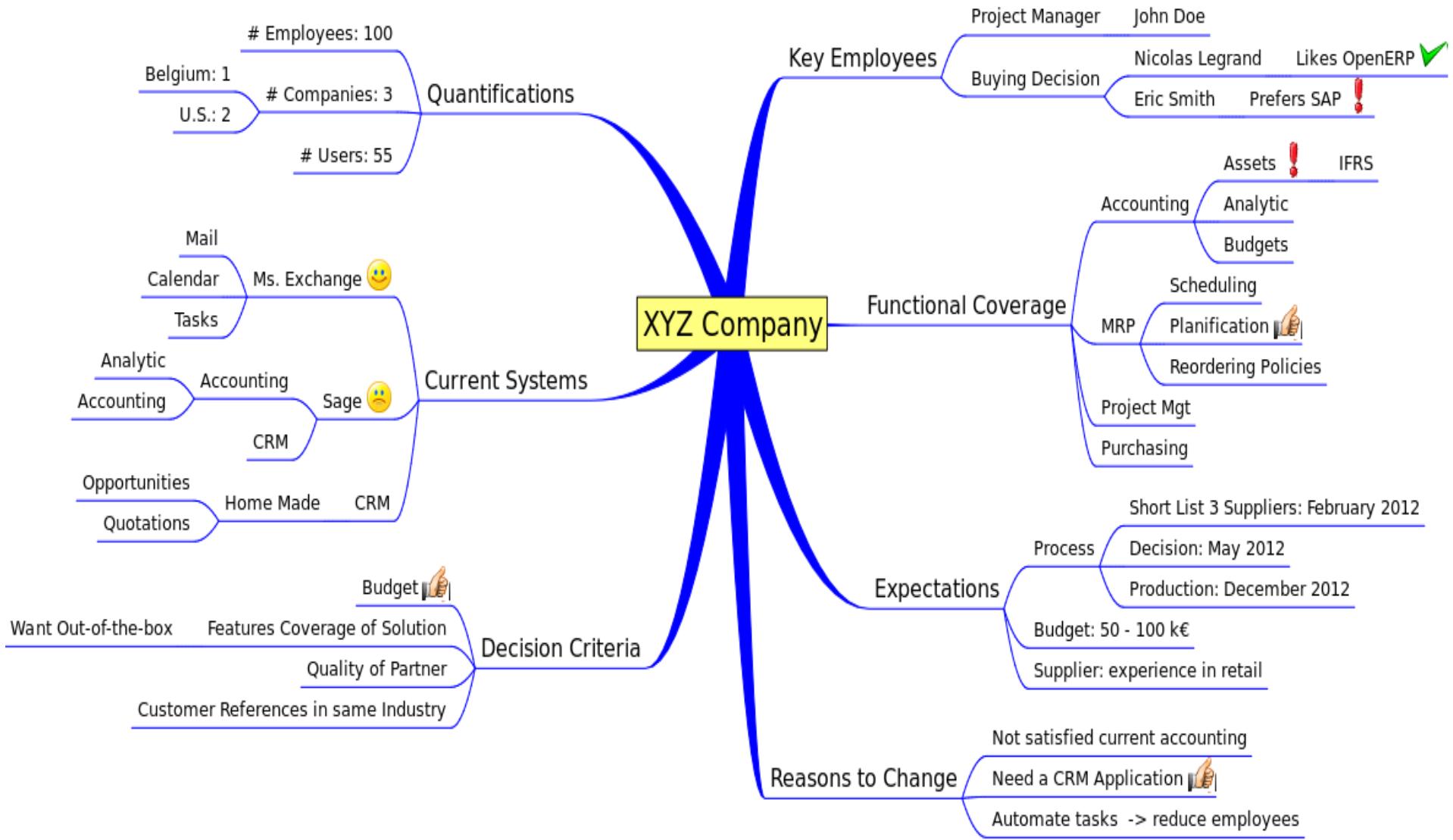
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To do during your first customer meeting:

- Customer and project qualification
- Project Planning to be drafted
- OpenERP demonstration
- Next steps and methodology

# Customer and project qualification

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# Product demonstration

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- A good DEMO gets your prospect excited.
- A good DEMO insures you to be shortlisted.
- A good DEMO sets the expectations right.
- A good DEMO is worth a thousand words.
- Competitors have better presentations, but no DEMO.

PRACTICE,  
AND TRAIN YOUR SALES STAFF!

# How to give a good demo?

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- Always give the same demo.
  - The more you practice, the more comfortable you will be.
  - Always use the same environment to reduce the risk of error.
- Use a generic scenario.
  - Avoid getting into details that will break the flow of presentation.
  - The goal is to impress rather than to meet requirements  
→ Show valuable features, not details the customer wants to see.
- Structure of a good demo:
  - Web interface: dashboards, list of features through menus, views
  - Business flow: Keep It Simple
  - Customization: View designer, workflow designer

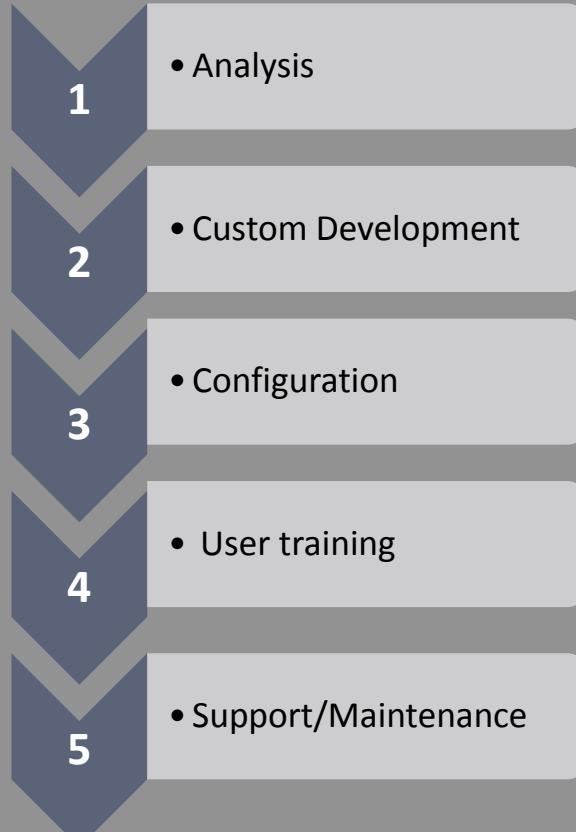
# Strategic positioning

# Winning strategies

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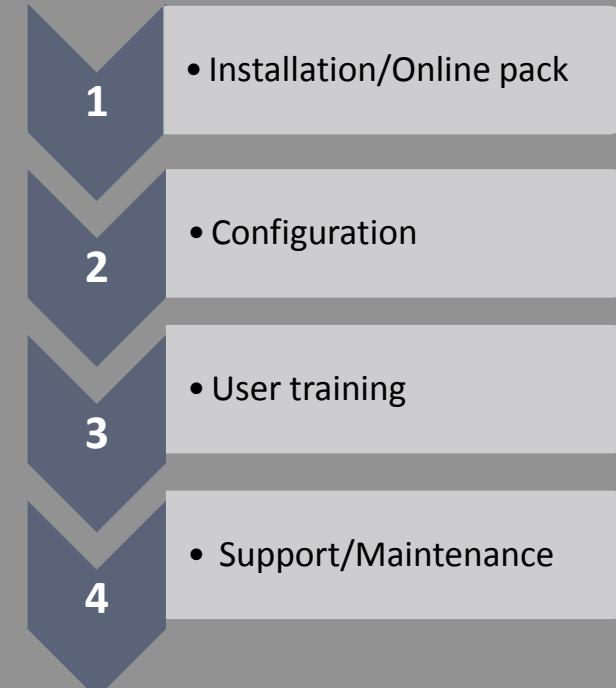
## Implementation project

Service offer (man\*days)



## Out-of-the-box

Packaged offer



# Selling out-of-the-box

# Rule : Package your offer

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## Documents:

- 1 quote (table)
- 1 offer description (slides)

## Minimal team:

- 1 sales person (hunter)
- 1 functional expert to deliver the service

## Advantages:

- Closing Sales cycle: 1 month
- Quick Revenue
- Easy project exit

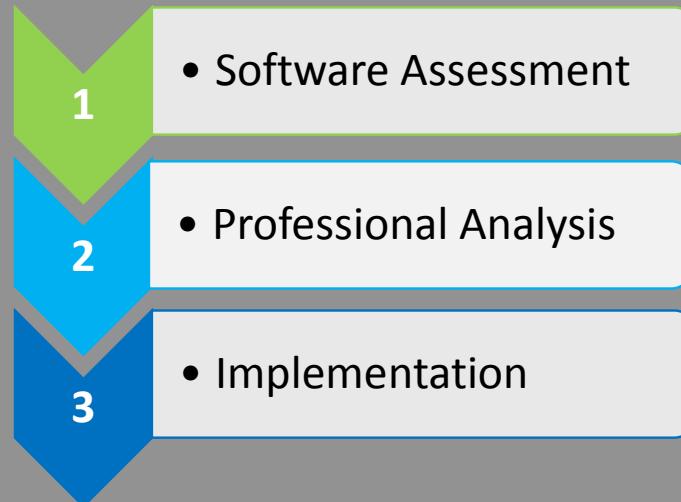
Implementation Phases	Config	Training	Total
CRM	1	400	500
Project Management	1	400	500
Sales & Purchase	0	400	500
Accounting	0	800	500
Warehouse Management	0	800	500
<b>Data Import</b>		<b>Rate</b>	
Number of CSV Files	4	400	1,600
<b>Optional Customizations</b>			
Modification of screens (view designer)	2	400	800
Customization of a workflow	1	850	850
Report Designer	0	850	0
<b>Deployment</b>			
<b>Deployment Option 1</b>			
OpenERP Online Pack of Users / Year	2	468	936
<b>Deployment Option 2</b>			
Server + Installation	0	2,000	0
OpenERP Enterprise: 1-10 users	0	1,950	0
<b>Total Project</b>			<b>5,986 €</b>
<b>After-Sales Services</b>			
Support Contract (hours)	20	120	2,400

# Selling projects

# No free pre-sale services

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## OpenERP suggested approach

 Free Billed

## Traditional sales approach

 Billed but deducted from the implementation quote

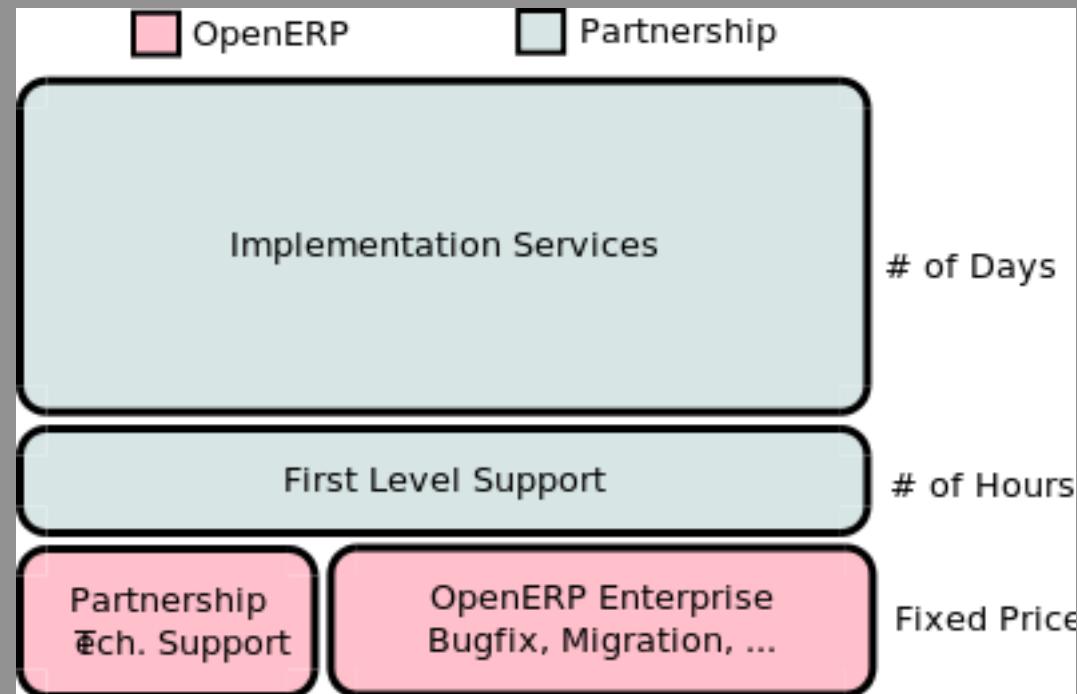
# Gap Analysis – Implementation project

- A gap analysis is an optional but highly recommended phase
- Match OpenERP with the client's needs
- Convince the client on the feasibility of the project
- Allow the customer to exit the project with limited investment – if the results do not reach expectations
- Save time on the technical phase
- Give an estimation of project time & costs at a 70% certainty in a limited time (2-6 days)
- [...\\...\\...\\GAP analysis-openerp.xls](#)

# Offer structure

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- Include OpenERP Enterprise in your quote to protect your customer's project.
- Have OpenERP solve unexpected product issues rather than wasting project time.
- If you don't do it, your customer will ask you to fix bugs for free and OpenERP will not do it.



# OpenERP Enterprise

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# What is OpenERP Enterprise?

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The solution/protection to all unexpected issues.

Bug fixes	Unlimited
Upgrades/Migrations	Unlimited
Functional & technical support	Limited hours
Security alerts & patches	Proactive
Private modules	Allowed
White labeling	Allowed

# OpenERP Enterprise – No Pain

“Avoid & Get rid of the pain ... Focus on value added services instead”

- The pain starts early in the implementation process
  - Don't waste time/money due to unexpected bugs during the implementation phase.
  - Selling OpenERP Enterprise @ GO LIVE is old fashioned and useless.
  - Include OpenERP Enterprise pricing in your original quotation.
  - Discuss your original quotation with your account manager. He will check if the pricing is relevant and support you selling it.

# OpenERP Enterprise – A Commodity

- You are not alone
  - OpenERP Enterprise is an insurance contract for you & your customer.
  - OpenERP Enterprise is a way to secure your customers in the long term.
    - ✖ Benefit from selling new features through upgrades
    - ✖ Don't let them running old OpenERP versions on which you will not want to offer services anymore
  - OpenERP Enterprise guarantees to have the publisher on your side.

# OpenERP Enterprise – Pricing

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- We have public prices for small projects. You should contact your Account manager for bigger ones.
  - We consider 15% of the TCO a minimum amount.
  - We don't do less than 10% (not profitable for us)
- How to count the number of users:
  - We take into account the number of users at the term of the contract (in 1 year), not at the beginning of the contract.
  - We might adapt pricing to light users.
- Don't forget your partner level discount (10-15-20%).
- Higher discounts are available with multi-years contracts

# Strategy for growth

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## Rule #1: Sell to your customer base

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- It costs **5-7 times** more to acquire a new customer than it does to sell to an existing customer!
- **Selling to existing customers** is less risky than starting new projects from scratch, for fixed price projects.
- You are in strong position to negotiate a good price when you sell to an existing customer.
- It's very difficult to grow by always looking for new customers. **Your install base is an asset.**

# Rule #1: Sell to your customer base

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- A typical 50k€ project must bring you 20k€ every year:
  - 8k€ of maintenance (OpenERP Enterprise) & support
  - 6k€ proposing new features of new versions
  - 6k€ of new developments (this depends a lot on the customer)
- A partner having 10 implementations of average 50k€ should get an annual revenue of 200k€ on his install base!
  - This is a great way to grow.
  - It works if you make your customers happy and continuously bring them new valuable features.
- If you don't upgrade your customers, they will stick to old versions and you will not be able to sell them additional services. **You will lose them after 2 years.**

# Rule #1: Sell to your customer base

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A **new version** should not be a constraint or cost to migrate, it's an **opportunity to propose new services** to your customer base.

The more you **get revenue from your customer base**, the more you will be able to grow and scale.

Be sure you know how to **benefit from a new version** and how to **package OpenERP Enterprise in your offers**. OpenERP SA releases new versions every 6 months. This allows partners to deliver more value to their customer base.

## Rule #2: Subcontract to avoid bottlenecks

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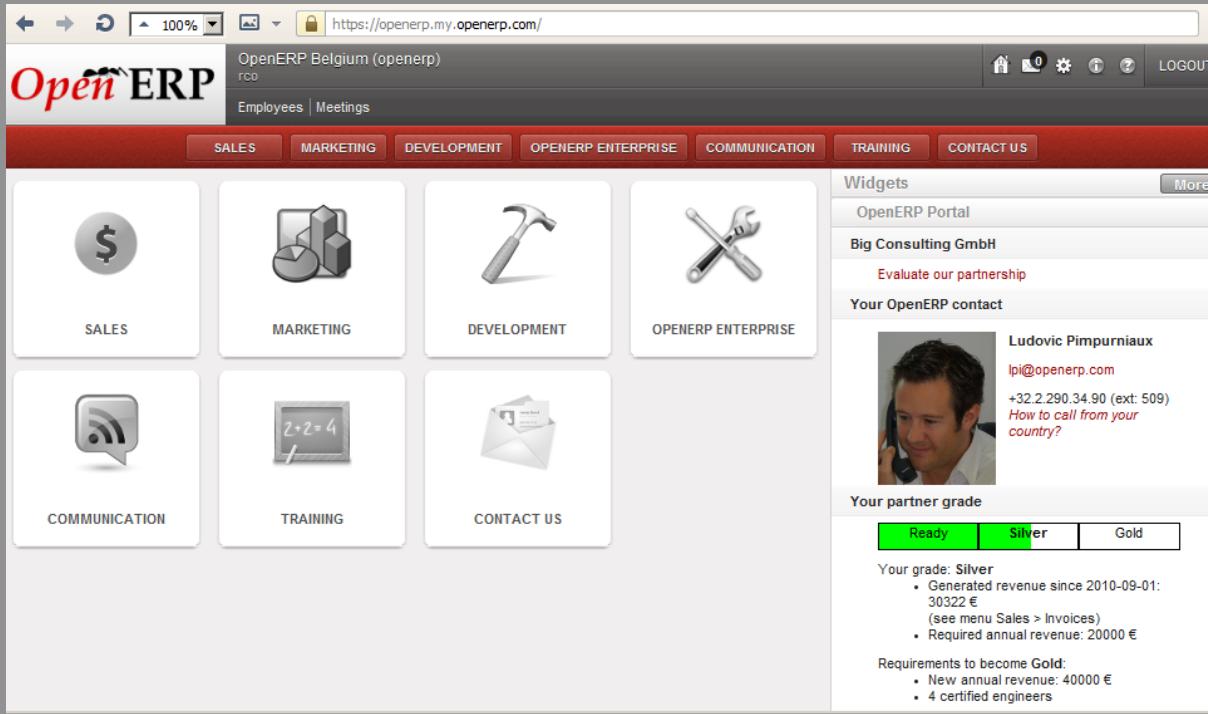
Don't be slowed down by a lack of resources. We can help you deliver successfully.

Problem	Solution
No project manager	OpenERP consulting
Need a functional expert	OpenERP consulting
Not enough developers	OpenERP Offshore developers
No time to train employees/customers	Official training/webinar
Wasting time on technical issues	OpenERP Enterprise
Need to migrate custom instance	Custom module migration
No salesperson	We cannot help you ☺

# Additional resources

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Get samples of brochures, presentation slides, comparison with competitors, contracts, RFP templates, implementation methodology,... in your **partner portal**.



The screenshot shows the OpenERP partner portal interface. At the top, there is a navigation bar with links for Sales, Marketing, Development, OpenERP Enterprise, Communication, Training, and Contact Us. On the right side, there is a sidebar titled 'Widgets' which displays a 'Big Consulting GmbH' entry with a 'Evaluate our partnership' link. Below this, there is a section for 'Your OpenERP contact' featuring a photo of a man and his contact information: Ludovic Pimpurniaux, lpi@openerp.com, +32.2.290.34.90 (ext: 509), and a link to 'How to call from your country?'. At the bottom of the sidebar, there is a section for 'Your partner grade' with three buttons: 'Ready' (green), 'Silver' (blue), and 'Gold' (orange). The 'Silver' button is highlighted. Below this, there is a summary of the current partner grade: 'Your grade: Silver' with a list of requirements: 'Generated revenue since 2010-09-01: 30322 € (see menu Sales > Invoices)' and 'Required annual revenue: 20000 €'. At the very bottom, there is a section for 'Requirements to become Gold:' with a list of requirements: 'New annual revenue: 40000 €' and '4 certified engineers'.

# Happy Selling!

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# THANK YOU