

# OpenERP Sales Strategy

1

HOW TO SELL OPENERP !

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# Introduction

2

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

3

## New partners – Top mistakes

4

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

5

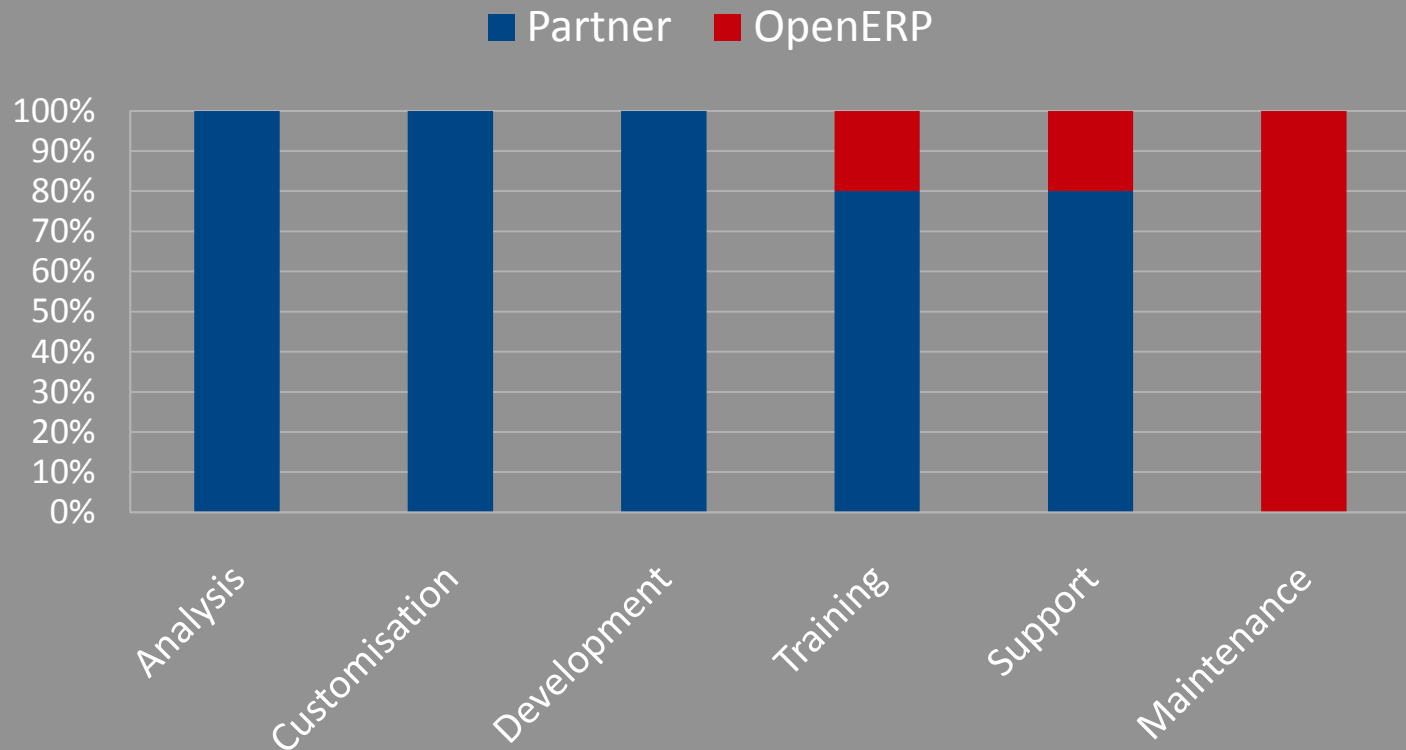
# Publisher-Partner relationship

6

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

7



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

8

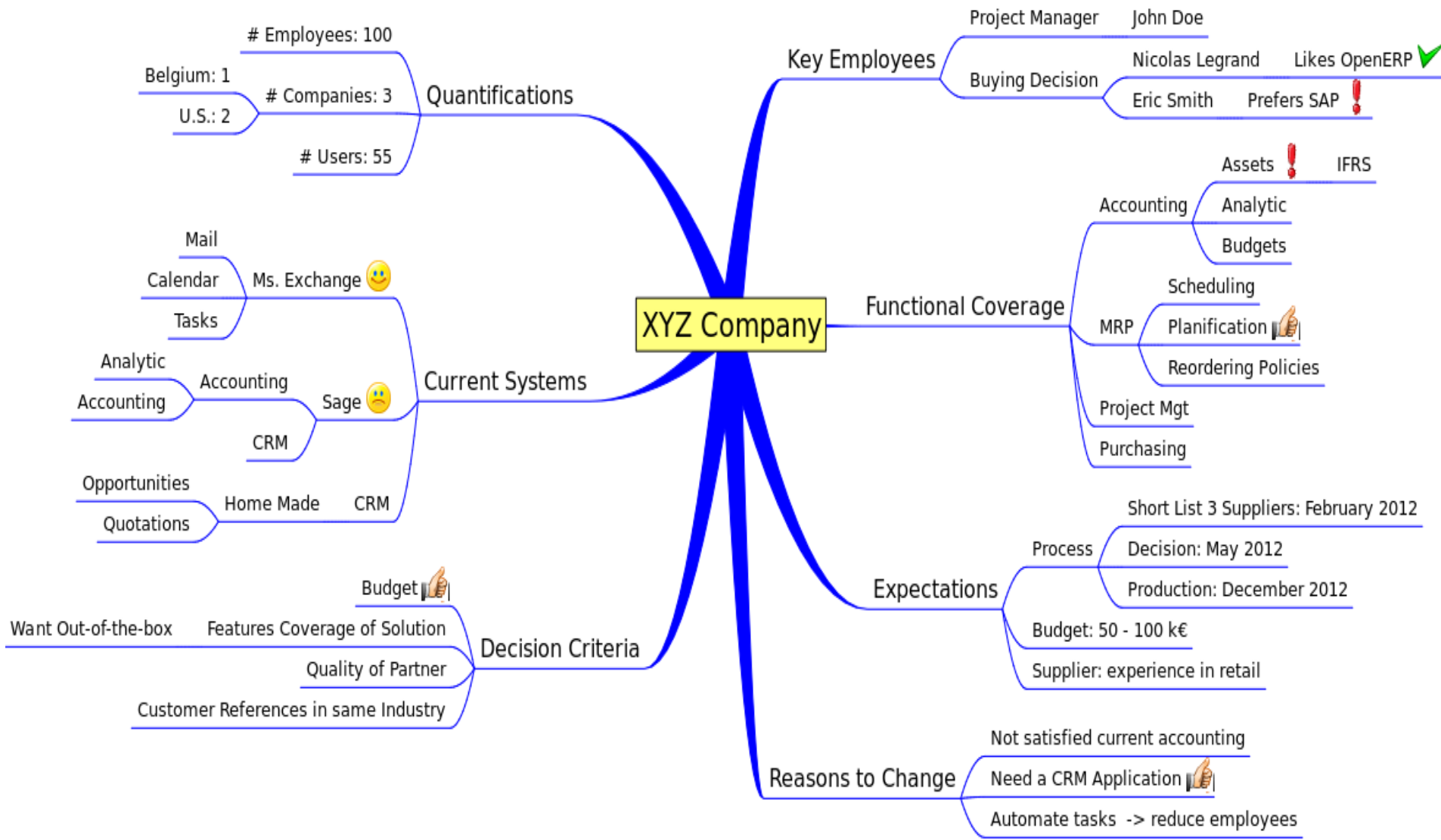
To do during your first customer meeting:

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



# Customer and project qualification

9



## Product demonstration

10

- 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?

11

- 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

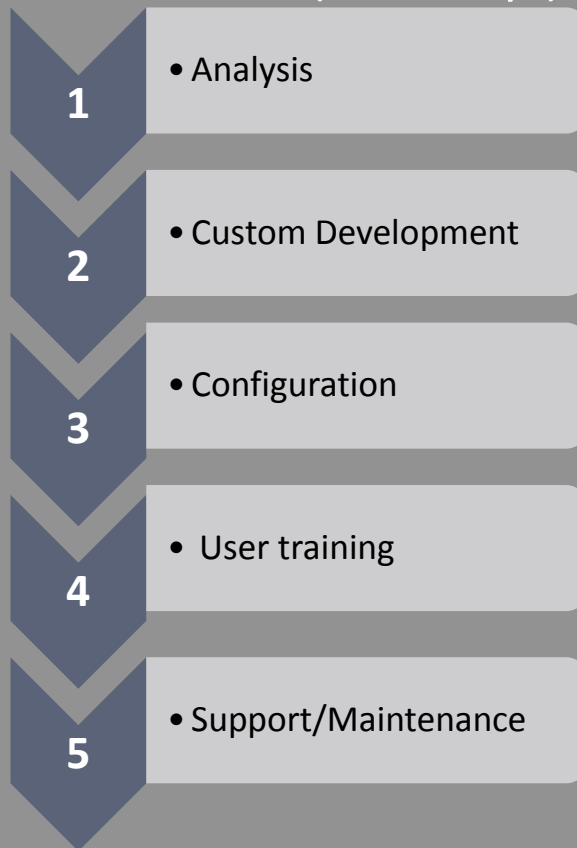
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# Winning strategies

13

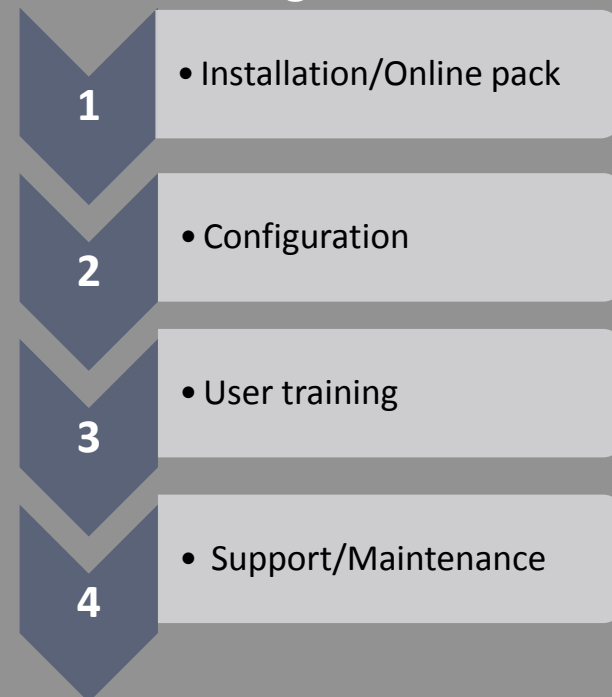
## Implementation project

Service offer (man\*days)



## Out-of-the-box

Packaged offer



# Selling out-of-the-box

14

# Rule : Package your offer

15

## 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	900
Project Management	1	400	500	900
Sales & Purchase	0	400	500	0
Accounting	0	800	500	0
Warehouse Management	0	800	500	0
Data Import		Rate		
Number of CSV Files	4	400		1,600
Optional Customizations				
Modification of screens (view designer)	2	400		800
Customization of a workflow	1	850		850
Report Designer	0	850		0
Deployment				
Deployment Option 1				
OpenERP Online Pack of Users / Year	2	468		936
Deployment Option 2				
Server + Installation	0	2,000		0
OpenERP Enterprise: 1-10 users	0	1,950		0
Total Project				5,986 €
After-Sales Services				
Support Contract (hours)	20	120		2,400

# Selling projects

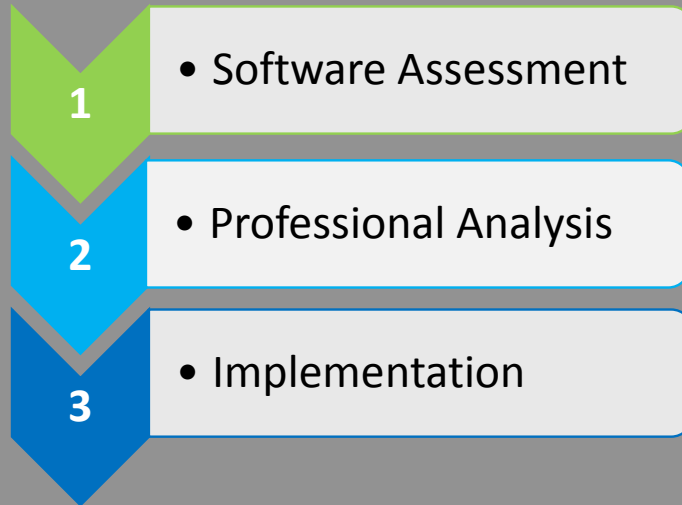
16



# No free pre-sale services

17

## OpenERP suggested approach



Free



Billed

## Traditional sales approach

Billed but deducted from the  
implementation quote

# Gap Analysis – Implementation project

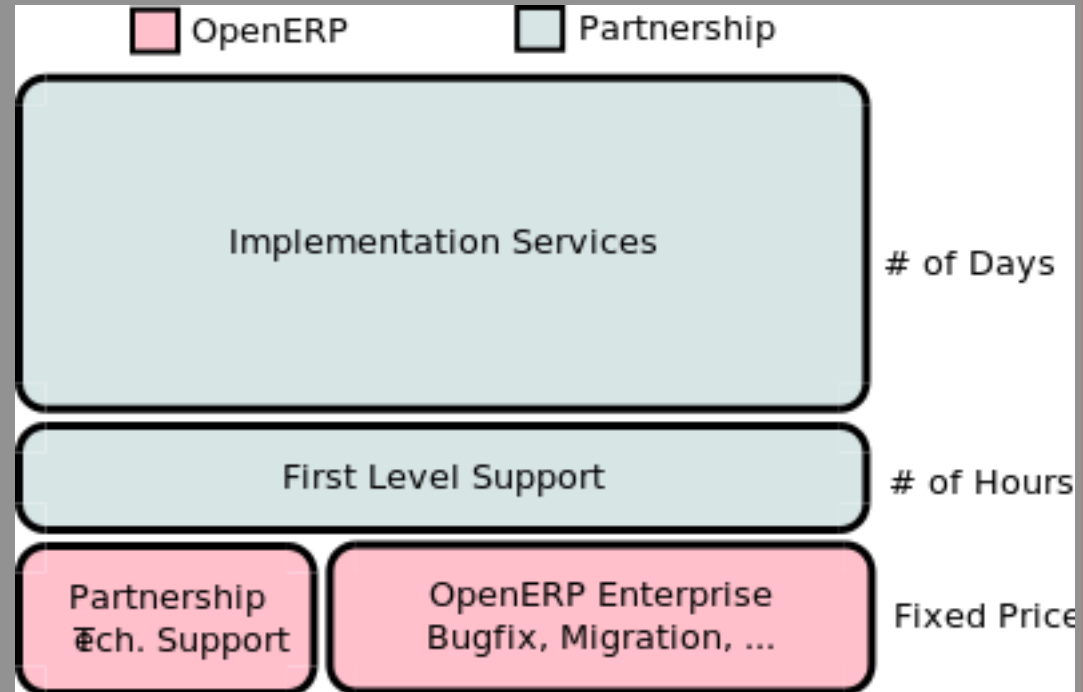
18

- 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](..\..\..\GAP_analysis-openerp.xls)

# Offer structure

19

- 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

20

# What is OpenERP Enterprise?

21

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

“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

23

- 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.

- 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

25

## Rule #1: Sell to your customer base

26

- 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

27

- 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

28

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

29

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

30

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

The screenshot displays the OpenERP Partner Portal interface. The browser address bar shows the URL <https://openerp.my.openerp.com/>. The page header includes the OpenERP logo, the text "OpenERP Belgium (openerp) rco", and a "LOGOUT" button. Below the header is a navigation bar with tabs for SALES, MARKETING, DEVELOPMENT, OPENERP ENTERPRISE, COMMUNICATION, TRAINING, and CONTACT US. The main content area features a grid of icons representing these categories: SALES (dollar sign), MARKETING (bar chart), DEVELOPMENT (hammer), OPENERP ENTERPRISE (wrench and screwdriver), COMMUNICATION (Wi-Fi symbol), TRAINING (blackboard with  $2+2=4$ ), and CONTACT US (envelope). On the right side, there is a "Widgets" section. The first widget is "OpenERP Portal" for "Big Consulting GmbH", which includes a link to "Evaluate our partnership" and "Your OpenERP contact" information for Ludovic Pimpurniaux (lpi@openerp.com, +32.2.290.34.90). Below this is a "Your partner grade" section showing a progress bar with "Ready", "Silver", and "Gold" stages. The current grade is "Silver". The text "Your grade: Silver" is followed by a list of achievements: "Generated revenue since 2010-09-01: 30322 € (see menu Sales > Invoices)" and "Required annual revenue: 20000 €". Finally, the "Requirements to become Gold:" section lists "New annual revenue: 40000 €" and "4 certified engineers".

Happy Selling!

31

THANK YOU