

## Scale fast, rather than fail fast

A key challenge is how to combine freedom to innovate with the rigor required to industrialize

### Avoid the 'profit pitfall' in solution business

Numerous companies are seeking growth through solution sales and increasing customer share by innovating solutions to customer's challenges in a larger scope than before. The best sales teams can adapt to this change and generate growth. If not managed properly, the result will be a portfolio of customer-specific add-hoc pilot solutions, where both repetition and eventually profitability dramatically decrease.

### Select strategic market arenas for solution business growth and profits

Start development from defining a solid solution business strategy by mapping, analyzing and prioritizing the most potential market arenas for solution business. Build a granular multi-dimensional competitive arena diagnosis as a basis for strategic decisions regarding go-to-market model, scale-up activities and capability development.

### Scale business by combining customer focus with digitalized industrial logic

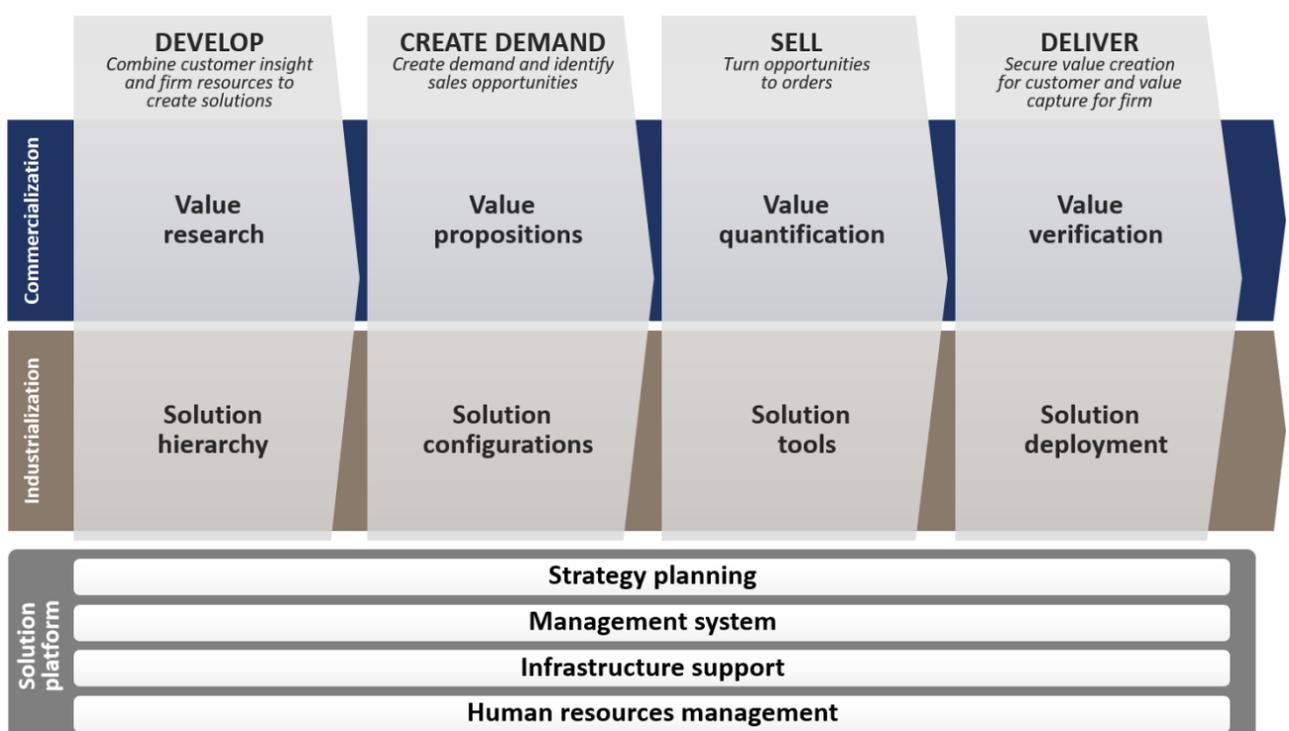
The key challenge in solution industrialization is how to combine the required freedom to innovate maximum value to customer with the "industrial logic" of standardization, economies of scale, and repetition. A key design principle is that standardization needs to be defined on a basic "building block" level. These blocks should be defined as "basic sales items" or BSIs, which can include hardware, software, services or combinations of these. Flexible solutions to customer situations are configured out of standardized and digitalized BSIs.

### Industrialize across processes

Solution industrialization should take place in all key processes, and therefore not only in solution creation and delivery, but also solution sales should be industrialized. Best-practice companies have a modular hierarchical solution structure where recommended solution configurations and the required solution integration are defined. Their solution sales experts and solution architects are supported with solution configurators, which speed up the sales process, improve up- & cross-selling and improve the professionalism towards customers. As a result, industrialization of sales improves speed, quality, cost efficiency and predictability of delivery operations as well. Other successful industrialization practices improving delivery performance include the standardization of delivery tasks, tools, resource and competence requirements as well as customer's responsibilities in successful execution.

### Build solution business platform for sustainable competitiveness

Best performing companies have invested in solution platform enabling sustainable competitive advantage. A solution platform is more difficult to copy for competition than individual solutions, and it speeds up core business processes by reducing cycle times. Management model, IT systems and culture are key elements of a successful platform. Culture transformation needs to be accelerated by implementing customer focus guiding principles prioritizing customer facing activities across functions. Management system and metrics need to be aligned to drive the transformation.



Verona Consulting's Solution Business approach; cross-functional alignment of solutions business

## Profitable solution business growth – main areas to address

- ✓ **Prioritize strategic market arenas:**  
How to identify, select and enter growth & profit pockets for solution business.
- ✓ **Commercialize for growth:**  
How to research, communicate, quantify and verify value to customer's business.
- ✓ **Industrialize for profits:**  
How to scale up, modularize and itemize solutions for quality and profitability.
- ✓ **Build platform capabilities:**  
How to effectively manage outside-in solution business and develop platform capabilities for sustainable competitiveness.

## Recommended reading:



"First book with a comprehensive approach to the transformation towards solution business" - Springer

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