



## Market and Competitive Analysis: Creating Strategic Action Steps that Drive Results

### SUMMARY

A well-respected, private equity-owned software provider engaged Meradia to help it develop a strategic product and marketing plan aimed at driving future growth and success.

### CHALLENGES

- Deliver an impartial assessment of the firm's current functionality, building a thorough market and competitive analysis and crafting strategic action steps
- Identify the firm's competitive advantages and disadvantages
- Create standard report packages
- Streamline reporting business processes

### SOLUTION

Expand scale and scope of the firm's product offering  
Drive sales volume by increasing sales and marketing spend  
Drive continuous product development of new software and top-line growth

### BACKGROUND

Forward-looking companies will inevitably come to a strategic planning crossroads that will determine the firm's future direction. A well-respected, private equity-owned software provider engaged Meradia to help it develop a strategic product and marketing plan aimed at driving future growth and success. Meradia's investment management expertise, deep industry contacts and focused determination led to a successful project that helped shape the company's vision and direction.

Working collaboratively with the company's executive leadership team, Meradia used a fact-based, data-driven methodology to perform a rigorous market and competitive analysis that was the basis for the recommended strategic action steps. This objective and empirical approach was the foundation for robust data gathering, analysis, and recommendations. The software company tasked Meradia with delivering an impartial assessment of its current functionality, building a thorough market and competitive analysis, and crafting strategic action steps.

### ANALYSIS

Information is the most valuable resource of any organization, particularly software companies whose core products and services provide information analysis that other firms trust.

To develop long-term strategic action steps for the company, Meradia recognized the importance of gathering and synthesizing extensive data, including client and industry feedback. Identifying the firm's competitive advantages and disadvantages was an important component of the functional assessment. Meradia gathered this critical information by designing a comprehensive process in which the software company's current and target markets were identified and completed interviews with market participants across the various market segments, along with conducting research with secondary sources. Meradia also uncovered data points and gained clarity regarding a perceived conflict of interest that impeded continued market penetration.

Meradia began its research by pinpointing three target market segments. With the potential markets defined, Meradia focused on analyzing four key benchmarks to develop a target market profile. Meradia researched the (1) true size of each market, (2) perceptions of each market segment and unmet needs, (3) competitive landscape and (4) critical success factors for winning in each market. By using its investment management expertise and ability to canvass an impressive set of industry contacts, Meradia crafted a detailed analysis. Armed with this analysis, Meradia developed a thorough understanding of each target market and their respective importance to the software company.

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## ANALYSIS (continued)

Key observations that Meradia uncovered during its research and analysis of the three verticals:

- Affirmed software company's view that the market had a positive perception of the firm's relevant business expertise and functionality and flexibility of software.
- Affirmed their view that there was a lack of sales and marketing spend to promote key sales points that would articulate the company's value proposition.
- Countered their view that implementation and custom report production was more efficient than competitor solutions.
- Countered their view that their software price was too high; limiting adoption, and that brand awareness was very low; reducing demand.

Once Meradia completed its assessment and evaluation of the three potential markets, it formed the following conclusions:

- The company's software product is well-positioned as a competitive, attractive option for market participants within the current segment.
- Substantial opportunity exists within another segment as market participants have functional needs similar to those in the firm's current segment.
- Given unclear market needs, the third researched segment was less attractive.

## RESULTS

Meradia's significant domain knowledge and expertise, combined with deep functional experience and well-placed industry contacts, resulted in a successful engagement. Meradia's team efficiently completed an assessment of the company's functionality, market position, and competitive analysis to form conclusions that were based on empirical data. Meradia delivered the following actionable, strategic recommendations:

- Drive sales volume by increasing sales and marketing spend by hiring additional sales staff to build market share in the second market segment, while also refocusing on current segment.
- Accrue free cash by continuing the low-cost marketing and sales of ancillary, base-level software program.
- Use market feedback and anticipation of future needs to drive continued product development of software.
- Maximize the near-term value from a spin-out aimed at addressing and resolving perceived conflict issues by demonstrating the independence of the newly formed company.

The software company implemented Meradia's recommendations, which continue to drive top-line growth resulting from the expanded scale and scope of their product offering.



**Daniel C. Stout, Managing Director,** is an industry veteran with over 20 years of investment services and consulting experience. Dan has led business strategy, middle-office, reporting and system implementation initiatives for our clients; ranging from multibillion-dollar investment organizations to emerging-growth companies. He has successfully led dozens of strategic engagements utilizing proven methodology, thoughtful leadership and an ability to drive consensus with diverse and large stakeholder groups. Dan has worked with a wide array of investment organizations, including Wealth Managers and Trust Companies, Global Asset Managers, Institutional Consultants, Asset Owners, and Asset Servicers. His in-depth knowledge of the technology options, data models, operational processes and the output qualities of a world-class investment operation help Dan stand apart from his peers. Dan is a recognized expert having authored multiple papers and spoken at industry events.

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