



Is there any Differentiation in the Corporate Performance Management Market? A Perceptual Map Gives You the Answer By Lawson Abinanti, Messages that Matter

Pretend for a moment that you're a *chief financial officer* (CFO) looking for a new budgeting, planning, and financial reporting system. You know next to nothing about the best solutions available to you, and decide to check out the September 2006 issue of *CFO* magazine.

Lucky you; four of the five top vendors in the enterprise *corporate performance management* (CPM) and *business performance management* (BPM) market have full-page ads in the issue. There's one problem though. You can't tell them apart. They all seem to be occupying the same space.

CPM and BPM, by the way, are the industry buzzwords for software that automates budgeting, planning, financial reporting, and other related applications such as dashboards, balanced scorecards, *key performance indicators* (KPIs), etc.

The CPM market is a good example of a common problem in the enterprise *business-to-business* (B2B) software and services market-lack of differentiation. In this column, I'll explain how I determined the positioning strategy of top CPM vendors by evaluating ads for **Business Objects**, **SAS**, **OutlookSoft**, and **Cognos** in a recent issue of *CFO*, plus one for **Hyperion**, a non-advertiser in the issue.

First, What Is Positioning?

Positioning is the mental space in the mind of the target audience—a space that vendors can "own" with an idea that has compelling meaning to the target buyer; in this case, the CFO. In this mental space, the product's most important benefit and the CFO's most important need meet, and find they are made for one another. An effective positioning strategy helps the CFO associate a needed benefit with a product or company. That makes the CFO want to buy, and no vendor's going to argue with that!

A positioning statement frequently appears in the first or last paragraph (or both) of an advertisement. Sometimes you'll find it in the headline or subheads. A good one should be a clear, concise benefit, concept, or idea underpinning the executional theme of the advertisement.

In the September issue of *CFO*, Business Objects, Cognos, and OutlookSoft all claim they will help you improve performance—in one way or another. SAS makes the only unique claim, which is that its software lets you make decisions "with confidence." But like Cognos, SAS also has a supporting claim: "our solution helps you avoid surprises that shake investor confidence."

Differentiation Is Not Describing what Your Product Does-Even if It's Unique

Some marketers think they are differentiating by explaining what their product does in a clever or unique way. For example, Cognos and OutlookSoft claim to deliver predictable performance, while Business Objects takes your performance to an "entirely new scale." OutlookSoft provides some help to the buyer CFO by equating predictability to competitive advantage.

So while there are slight differences in the claims made by the four companies in *CFO*, they are relatively minor. When you have a good understanding of what positioning is, how you do it, and how the message strategies of these major players have evolved, you can begin to parse out their intended positioning strategies.

The Common Claim: It's the "Where's Waldo" of Marketing

When everybody is making pretty much the same claim, it's hard for the target audience—the CFO—to find what he or she needs. Hyperion wasn't in the issue of *CFO* that I surveyed, but it's a major player with a big advertising budget, so the CFO is bound to find one of its ads (from the "Leaders Wanted/CIO Challenge" series) in *Business Week*, *ComputerWorld*, and other major computer publications. In the first ad in the series, Hyperion doesn't differentiate its offering much, except that the message—"improve business performance through innovation"—is directed at the *chief information officer* (CIO) or *management information system* (MIS) director who most likely wants to standardize on a CPM platform that also includes *business intelligence* (BI).

Standardization on your platform is the big play today in the CPM and BI marketplace. All of the major players (excluding OutlookSoft, which only offers CPM) want to own the CFO's company as a customer, providing solutions

from BI to general reporting, to *online analytical processing* (OLAP), to financial reporting, to budgeting, to KPIs, and much, much more.

No One Is Likely To Dominate CPM Unless...

Who's going to win more customer loyalty (including that of our somewhat confused CFO) and perhaps become the market BI and CPM gorilla? Cognos and Business Objects probably have more CPM and BI customers today. According to IDC, both have twice as much revenue as Hyperion, which the analyst firm says is the market leader in BPM (BPM is the term IDC uses; other firms use CPM). SAS also has a very large, loyal customer base of large companies.

It looks to me that no one is likely to take a significant lead, unless one of these companies decides to take a chance, and positions itself uniquely, in a way that clearly sets it apart from the competition.

The chances of this happening aren't high, given these companies' track records. For several years, the dominant positions have been "better (more confident) decisions," and "improved performance." Not much has changed except that "predictability" is in vogue, and Cognos is moving away from its claim of helping users make better decisions.

At the end of this column, you'll find a perceptual map that depicts how I believe each vendor is positioned. For now, here's a brief analysis of each CPM vendor and the advertisement I evaluated, and an explanation of how its positioning was determined, including in some cases, the evolution of the company's marketing message.

CPM Vendor Assessments

Business Objects

Business Objects finally joined the CPM war by acquiring SRC's spreadsheet-based budgeting and planning application. To the vendor's credit, the acquisition didn't change the long-term corporate position of "helping customers improve performance."

- **Positioning statement:** "Business Objects planning helps you act smarter to optimize business performance."
- **Key concept:** better business performance
- **Tagline:** None

Here's how I determined the key concepts from the ad copy:

Better business performance: Almost all Business Objects ads start with this phrase: "business performance on an entirely new scale." Any doubt about the positioning of Business Objects for its CPM solution is eliminated with the headline in the CFO ad: "Meet the CEO of planning nirvana. In his company, superior planning optimizes business performance." The ad concludes with a promise that you can act "smarter, faster."

SAS

SAS is the quiet giant in the CPM market, having evolved its product offering from statistical analysis only, to BI, to include budgeting, planning, and financial reporting. It has used a very strong tagline-"the power to know"-for many years.

The CFO ad for "SAS software for financial intelligence" has a bold, dominant headline, "the power to know," with a smaller line continuing the sentence: "how to avoid surprises that shake investor confidence." The ad tells you a lot about what the solution does surrounding the most important piece of copy: finance is becoming a trusted advisor in driving corporate goals and objectives. "SAS helps you meet the challenge confidently..."

- **Positioning statement:** "SAS gives you the power to know so you can meet challenges confidently."
- **Key concept:** confident decisions
- **Tagline:** "the power to know"

Here's how I determined the key concept from the ad copy:

Confident decisions: Confidence is expressed with the phrase "SAS helps you meet the challenge confidently...." The tagline-"the power to know"-is a reference to the knowledge required to make decisions with confidence.

OutlookSoft

OutlookSoft was founded in 1999 and is the newest company of the five evaluated. However, OutlookSoft has offered enterprise CPM from the start, and before some competitors had a complete CPM offering. The founders left Hyperion because they wanted to develop a next-generation CPM solution unencumbered by some of Hyperion's aging technology. Now OutlookSoft is trying to play catch up with Hyperion and others with an aggressive advertising campaign in *CFO*, *BusinessWeek*, and other publications.

- **Positioning statement:** OutlookSoft makes you a predictable enterprise that gives you a competitive advantage.
- **Key concepts:** predictable performance and competitive advantage
- **Tagline:** "powering the predictable enterprise"

Here's how I determined the key concepts from the ad copy:

Predictable performance: The headline in *CFO* is "Predictable Inc. would increase production if it were you." The campaign features several different headlines, including this one in *BusinessWeek's* July 24, 2006 issue: "Predictable Inc. is cashing in on your utter lack of insight."

Competitive advantage: A short copy block in each ad is the same: "OutlookSoft ... can enable foresight, optimize efficiency, and give you a substantial edge over your competitors. It can make you Predictable Inc..." There's an argument for OutlookSoft differentiating itself with the "competitive advantage" claim. However, it's not emphasized enough, and "predictability" overwhelms the secondary claim of "competitive advantage."

Cognos

The Cognos ad in *CFO* indicates a possible evolution of the company's positioning strategy from "better decisions" and "improved performance" to "predictable performance." That's apparent from this sentence in the ad: "Now you can gain the visibility and control you need to eliminate financial and operational surprises."

However, this change appears to be for only one of Cognos' CPM ads. I've evaluated several Cognos BI and CPM ads in other publications, and they use some form of the following sentence: "Manpower is just one of the industry-leading companies that improves its performance with Cognos." In the *CFO* ad, the copy reads: "86 of the top 100 FORTUNE 500 companies rely on Cognos, because it's the proven way to avert predictable surprises." The *CFO* ad continues to use a tagline that's been around for awhile, and it's a good one: "the next level of performance."

- **Positioning statement:** Cognos helps you improve performance by providing the visibility and control you need to operate with greater predictability.
- **Key concept:** predictable performance
- **Tagline:** "the next level of performance"

Here's how I determined the key concept from the ad copy:

Predictable performance: This concept is a combination of the tagline ("the next level of performance") and this piece of copy: "... because it's the proven way to avert predictable surprises."

Hyperion

Gartner placed Hyperion in the leaders' quadrant of its *Magic Quadrant for CPM Suites*, published in November 2005. This means, according to Gartner, that Hyperion has a complete vision for CPM and the ability to execute its vision. To this end, Hyperion's recent advertising campaign-the "Leaders Wanted/CIO Challenge series"- in *BusinessWeek*, *ComputerWorld*, and other *information technology* (IT) publications, takes a thought leadership approach in its copy, and offers a free article from *Harvard Business Review* on how IT leaders drive innovation.

While writing this column, Hyperion started placing a new ad, "Challenge #2." The ad copy for both #1 and #2 includes this sentence: "Visionary CIOs are leading the way with Hyperion performance management solutions."

It's interesting that Hyperion is talking to IT rather than accounting and finance. The reason appears to be twofold: Hyperion is the leading CPM vendor in the Fortune 100, and so already owns the CFOs in the Fortune 100 market. Also, its biggest potential for growth is to sell to IT, which as mentioned above, controls decisions about standardization on one platform (BI with CPM).

- **Positioning statement for Challenge #1 ad:** "Hyperion lets you invent new ways to improve performance through innovation"
- **Key concept:** improve business performance
- **Tagline:** "the future in sight"

Here's how I determined the key concept from the ad copy:

Improve business performance: This concept is executed in the next-to-last sentence of the ad copy: "You give everyone the tools they need to continuously analyze and manage business performance-and invent new ways to improve it."

The first two ads in this series are extremely well done, except that they change message.

- Positioning statement for Challenge #2 ad: Hyperion gives you the accurate, insightful information you need to take confident action.
- Key concept: take accurate, insightful, confident action
- Tagline: "the future in sight"

Here's how I determined the key concept from the ad copy:

Accurate: The subhead is "turn a thousand versions of your numbers into one."

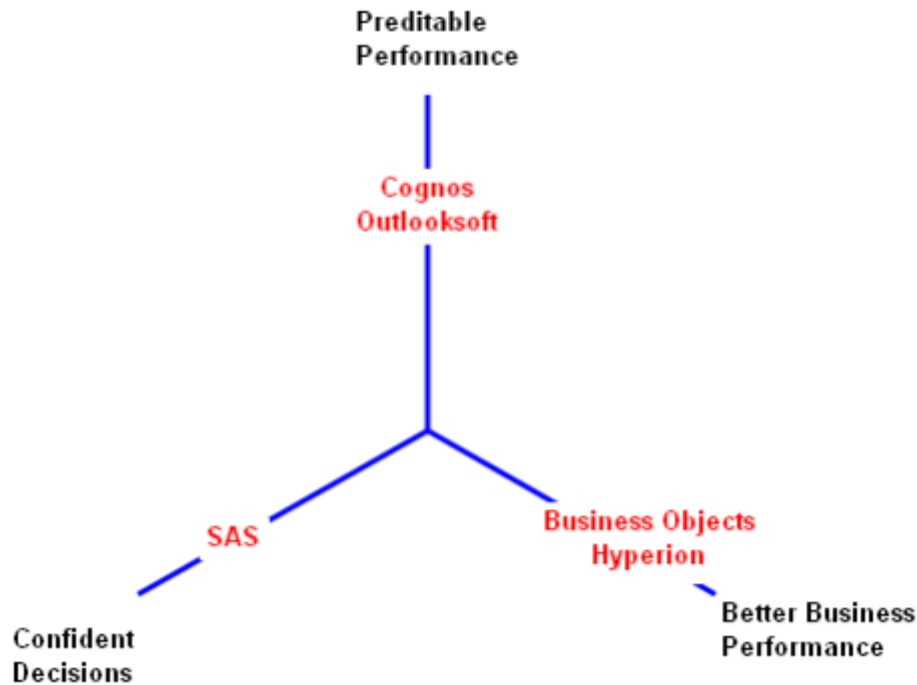
Insightful: The last line of the copy is "and insights that inspire action." The tagline also connotes insight: "The future in sight."

Confident action: The ad ends with the text "so you can deliver numbers that inspire confidence. And insights that

inspire action." Also, this part of the copy connotes confident action: "It's hard to see the insight in the numbers when they come from a thousand different spreadsheets and dozens of BI tools. That's why the world's leading CIOs and CFOs turn to Hyperion."

Back to "Me Too" Marketing in the CPM Market

It's much easier to understand the competitive landscape in the CPM market with a perceptual map. As you can see, "me too" marketing is prevalent:

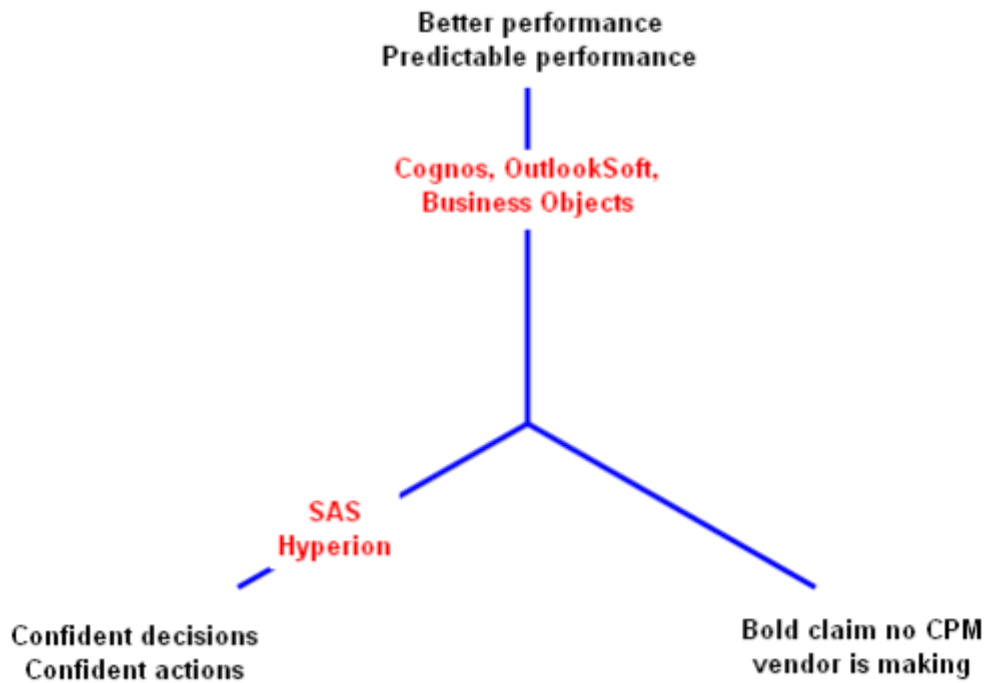


In Summary, SAS Gets the Award for Consistency

Note that there really isn't a clear difference between "predictable performance" and "better business performance." Both mean improved performance. The perceptual map demonstrates the importance of sticking with a positioning strategy for a long, long time. When I evaluated the CPM market a year ago, Hyperion, Cognos, and SAS had similar positioning statements. They helped you make better decisions, or faster decisions or more confident decisions, all of which mean about the same thing. Now SAS is the only vendor in the CPM market making the claim.

But hold the presses! While this column was being written, Hyperion released a new ad, "Challenge #2: Turn a thousand versions of your numbers into one." This ad uses a creative twist to support Hyperion's previous position (before the current series of ads) - "faster decisions"-without actually saying it: "Hyperion gives you accurate, insightful information you need to take confident action." Hyperion is now making a claim that's similar to SAS.

Here's how the perceptual map looks with Hyperion's new message execution.



Should SAS be worried or discouraged? I don't have a crystal ball, but my guess is that the next ad in the Hyperion series (Challenge #3?) will have a slightly different message, and once again, SAS will be the only CPM vendor with a different claim for CPM buyers. But will SAS' claim that it helps you make confident decisions get the attention of the CFO who has now finished reading *CFO*? It's a reassuring claim for the CFO, who is likely to be fairly conservative. However, the CFO's likely response will be to ask, "so what?" The answer is that "confident decisions" result in the CFO's company increasing volume and market share, and making more money. Any one of these business metrics is central to the kind of bold claim that will differentiate in the CPM market, and get the CFO's undivided attention.

About the Author

Lawson Abinanti is co-founder of *Messages that Matter*, a consulting firm that helps Business-to-business (B2B) software companies create compelling message strategies that build awareness and demand. *Messages that Matter* (www.messagesthatmatter.com) gives clients the knowledge and tools they need to develop powerful message strategies that differentiate products and services from those of the competition. Lawson has held strategic marketing positions with several B2B software companies including Navision, Applix, TM1 Software and Timeline. He is a journalist by trade, and has more than 15 years of executive management experience in the software industry. Lawson can be reached via [email](mailto:) or 425-688-0104