


How to Get into CNN HQ?



Starting from Kotka, Finland.
A Marketing, Sales, R&D story.

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HQs: CNN and Reuters

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Mr. Lazar, CNN's Biz Dev Director, Mr Kirjavainen, SST Director, Mr Kirjavainen, SST (c) Mikael Roos 1998

Mr Kirjavainen SST, Mr. Jon Baile Reuters Wireless General Manager, Mr. Savolainen Reuters Wireless, Biz Dev manager (c) Mikael Roos 1998



Suomen kotimarkkinat ovat 0.7% maailmanmarkkinoista.


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Mikael Roos


- IT assistant in HUT, 1968-1972
- "Basics in ADP" book , Otava 1973-1978
- Director of ADP dep, in Joensuu University 1972-1974
- Chief of Operations, Tekola, HUT, 1974-1981
- Digital Eq. Corp Oy, Sales, Marketing Unit Mgr, 1981-1983
- Nokia's daughter company, Marketing director 1983-1984
- Scandinavian Softline Technology Oy, founder and CEO in 1984-1999
- Malibu Telecom Oy, founder and CEO, 1999-

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Scandinavian Softline Technology Oy

- I founded SST in 1984, with 0,0075 M FIM cash...
 - Scandinavian means international, good quality, green nature
 - Softline means soft and line=communications
 - Technology means subcontracting




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SST Export Efforts

- 1986-1989: Teletex, telex, fax sw
- 1988: Canon Finland
- 1990: Digital Europe, Canon Europe
- 1991: Canon Japan
- 1992: Canon USA
- 1995: GSM Value Added Mobile Service Platform: MobileNet (our own brand at last)

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Canon Fax for Windows USA stories

- 4000 Canon offices in USA
- If you have a bug in your software, then you'll get 4000 calls, if you are lucky. Sales reps do not sell problems
- Michael Rats, Applauses, night trips, hanurilentoliput
- 44 bugs in our sw: some stories
- Mrs Mary Clark story


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Photos 1993-1995




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Two Kinds of Profits

- Profit by Sales
 - You sell what you have on your selves. Existing products. Your profit depends on Volume.
- Profit by Marketing
 - You design your products to match your target marketing segment. Your customers are rushing in to buy it.


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Basic Steps in High Tech Marketing

- Know Your Customers' needs
- Know Your Competition
- Know Your Products
- Then: Position Yourself
 - What are you selling points, your competitive advantages, Who are your best customers?
- Then: Plan for Your Actions, Marketing (Pull) actions, Sales Actions (Push), Control etc.


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R&D issues

- Architecture: First generation in 1986, second 1988 and third 1989. After that: sw worked like Kalashnikov for 10 years.
- Kano theory
- Good service: customers called directly to R&D people
- Culture: Problems are good news
- Culture: Cooperation is to react to others' decisions
- Culture: IBM surgeon tactic

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Sales

- Junttikin myy jos tuote on hyvä.
- Even a redneck can sell if the product is good.
- Young guys were good
- 12 price lists in 1998 ...
- "In Nurnberg no one in street was using mobile phones: is there any SMS business?" (a board member in 1997)
- "Do you believe in your heart that a Hongkong gsm operator will buy from a small company in Finland "(1998)

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Sales and Internet



- Mr Wilson read our www pages.
- Then he sent 30 emails asking very specific questions
- Then emailed if he can have demo system
- Then he emailed: ok, we buy this...
- Then Mr. Mäkinen flew till Hongkong, 2 hours:
- we got the order

22.3.2001 Mr Hyrynen, Mr Lo, Mr Chan, Mr Wong (c) Mikael Roos
Mikael Roos (c)

Funding SST

- 1985- mainly by income revenue
- SITRA and TEKES
- 1993 SFK as a Venture Capitalist
 - Sweden: catastrophe
 - Canon Europe: success
 - Canon USA: a total loss ... after 6 years
- 1995 almost bankrupt
- 1995- by income revenue

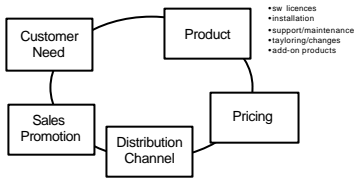
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Positioning

- **Who are we:** SST MobileNet
- **What:** Messaging and Information Services Platforms in Wireless Internet Environment
- **For Whom:** GSM Operators
- **What Need:** Connect Mobile Phones to Applications and create more airtime and revenue
- **Against whom:** Nokia, Nortel, Sendit, GIN, Isocor, TCS, 2Communicate, Phone.com
- **What's different:** Adapting to GSM operators needs, Easy to use for subscribers
- **So, What:** GSM Operator can quickly differentiate

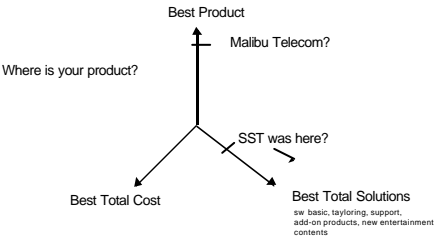
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Product Concept / Roos



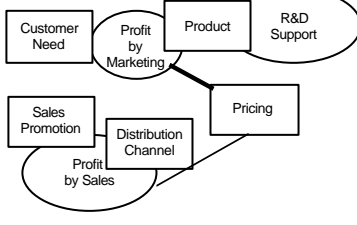
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Strategic Competitive Edge



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Company Functions



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Differentiation

Battle inside the customers brains:

If Nokia sells VAMS products,
SST can't sell VAMS products.

If Nokia sells apples,
SST sells bananas.

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Superiority at the Point of Contact

Product's S- life curve

The Point of Contact

Superiority:
-product
-brand, marketing skills
-sales force, distribution channel
-funding

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Quality vs Pricing

Price ->	+++	++	+
Quality			
+++	MB Stockman	Enter	
++		Fiat Maxi	Enter
+	Hit&Run		Lada Säästötalo

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Nature of Competition Modified Porter Competition

Customers:
GSM operators

Value Added Chain:
Sonera Zed, Nortel's
Portable Portal,
Oracle's Portal-to-Go

Current Competition:
Sendit, GoSMS, mPrest,
Freever

Value Chain:
Content owners

Subcontractors:
?

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SST Experience on GSM operators


- Rich operators (nr 1 in their area)
 - They wanted one time license purchase
- Poor ones: entering the market. Uphill
 - They wanted to differentiate, willing to revenue sharing
- RFQ: everything. In the end they wanted references, reliability and good service.

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Some sales cases

- Mobilkom / Internet testing
- Sunday / Internet based info
- Swisscom / Prod mgrs meet each others
- Reuters / basic technology ready
- Globtel / tayloring
- HPY / speed, pricing, and tayloring


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Talking about product cases

- First 60 S-programs
- Then 10 packages called P-products
 - like Push, Pull, Email, Profiled Push
- Then 7/24 support
- Then moving in value chain
 - SS7 or/and to make connections to contents

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What You Need?

Basics


- **Markets**
 - There has to be a market need. If there is a market, then there is competition. SST's markets were GSM operators Value Added (Messaging and Information Services) Platforms
- **Products**
 - In 1994-1996 we had 60 so called S-Products, in 1997 we packaged them into 10 P-Products related to expected customers' needs.
- **Management**
 - Total commitment (truly believers). No dead weight. Marketing, Sales, R&D, Finance, Support, etc.

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Competing on the Edge

- Where You Want to Go
 - Semicoherent/dizzy strategic direction
 - Unpredictable
 - Uncontrolled
 - Inefficient
 - Proactive
 - Continuous
 - Diverse




What is the result?

Continuous Flow of Competitive Advantages


- Survive
- Change
- Reinvent

- How Do You Get There
 - Edge of Chaos
 - Structure, Chaos
 - Edge of Time
 - Past, Future


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Edge of Chaos



Chaos



Edge of Chaos




Structure


SST
Malibu

Mr. Leif Rylander / Slottsbacken VC:
If you see chaos, it is a sign of winning.

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Coca Cola Nordic



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At the end



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