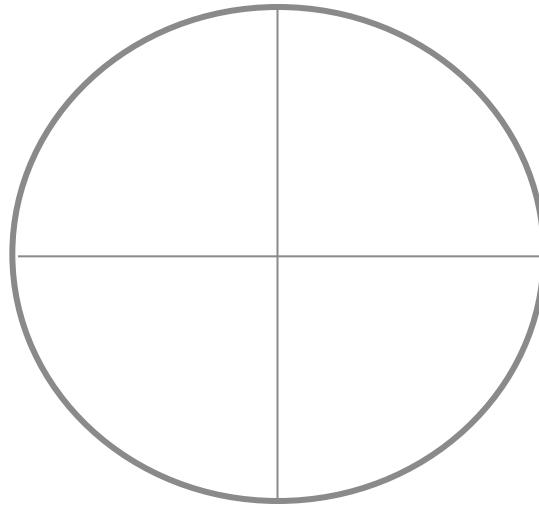


Project Rifle



Improving targeting with meaningful quantitative analysis

Note: this is a subset of a longer presentation. Thank you to Bill Campbell & Tellme Networks for their fundamental contributions.

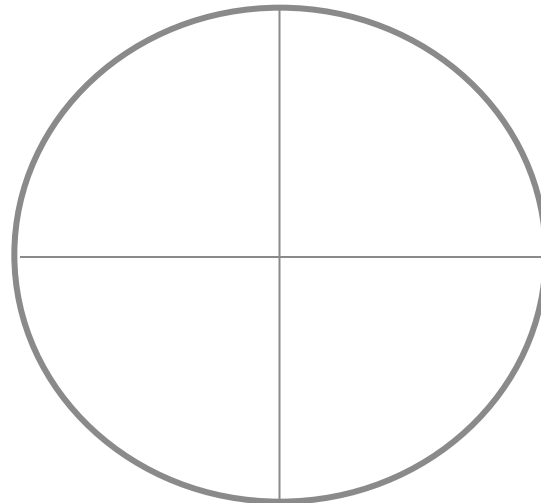
Inspiration

- “If you don’ t have any facts, we’ ll just use my opinion.”
Jim Barksdale

- “If we make the wrong decision, it’ s your fault.”
Bill Campbell

What is Rifle?

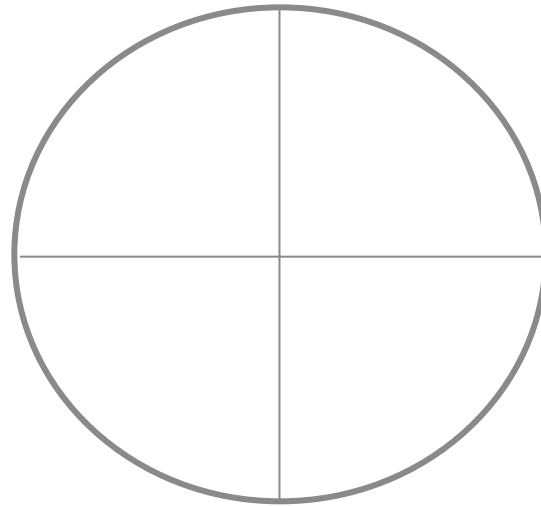
- Quantified decision making framework
 - Provides a rigorous means of prioritizing among similar options
 - Done well, leads to improved decisions that are broadly supported
- Appropriate for major decisions
 - In general involves 100+ hours of work & expensive resources per use



Rifle Improves Do-Or-Die Market Decisions

- “Market Rifle” – what market segments should we be in?
 - Intuition: focus on top 2,000 accounts; expand to complementary markets
 - Rifle analysis: narrow focus to 30 of top 200; stay in core market for 2+ years
- “Account Rifle” – which accounts should we target?
 - Intuition: great financial services targets: [Company 1], [Company 2]
 - Rifle analysis: none of the above are appropriate: better are [Com. 3], [Com. 4]
- “Channel Rifle” – what channel strategy, what partners?
 - Intuition: leverage large existing sales forces of channel partners to expand sales
 - Rifle analysis: direct sales assisted by partners much more likely to succeed

Rifle In Action:



Market Strategy

Rifle In Practice: Market Strategy Analysis

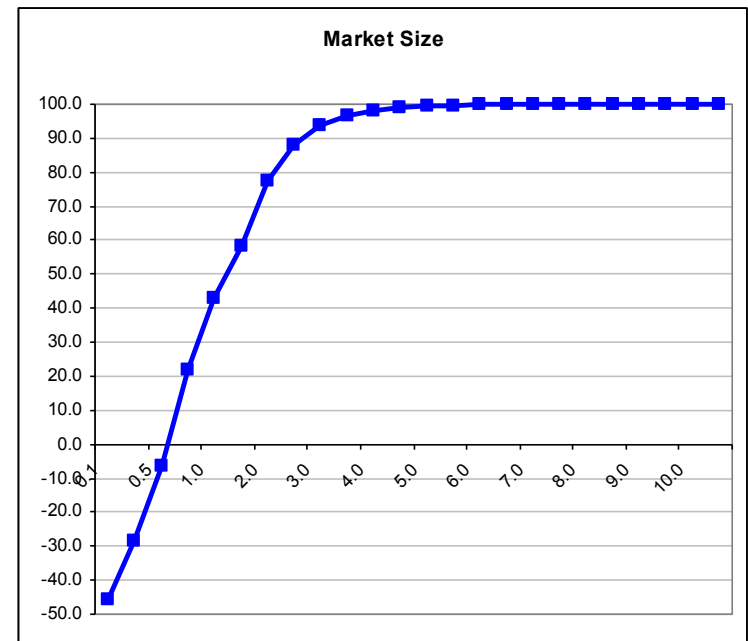
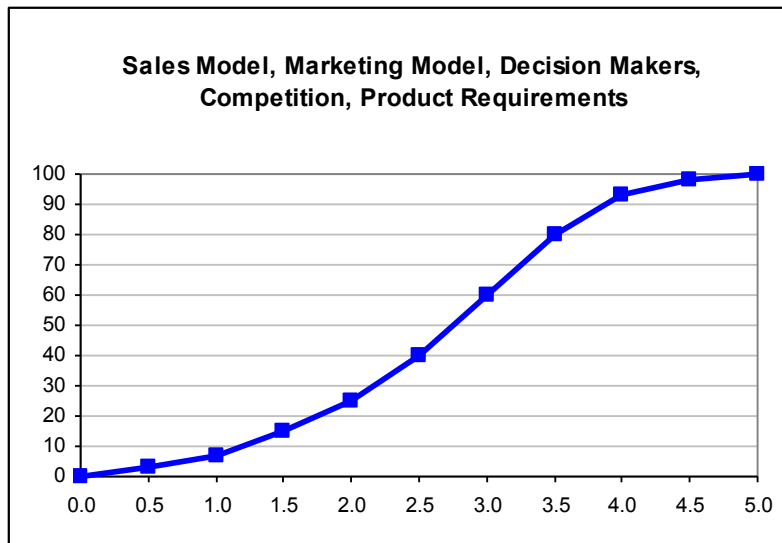
- Establish clear alternatives
- Establish targeting & prioritization framework
- Get buy-in on the framework; know how it will be applied
- Execute the analysis ... and don't screw it up!

Targeting the Right Market Segments: **Market Rifle Methodology Summary**

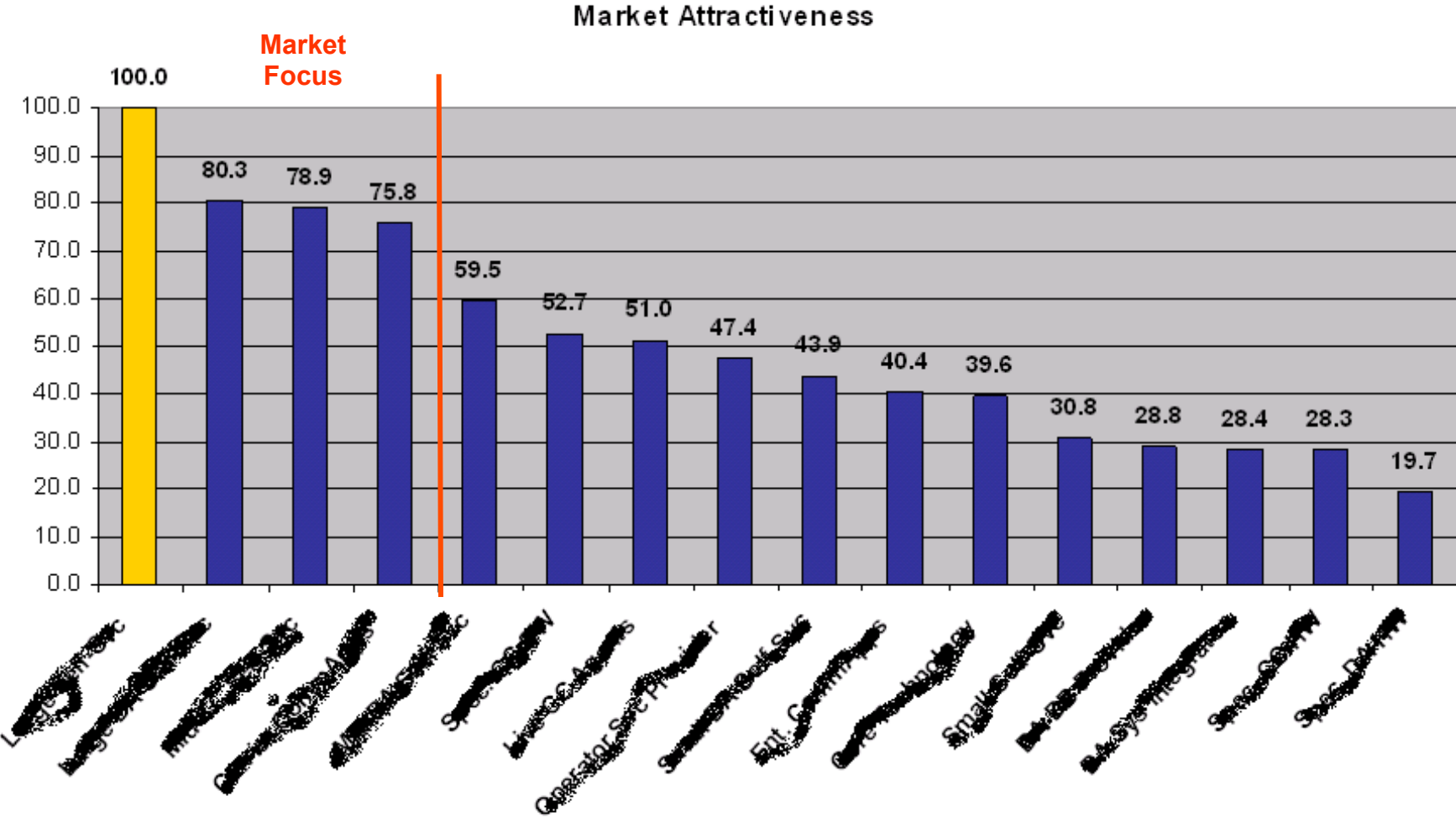
- Goal #1: market leadership
- Goal #2: expand in a disciplined, highly leveraged way
- Goal #3: identify & exploit network effects

Quantitative Market Comparison: “Rifle-izing” Key Characteristics

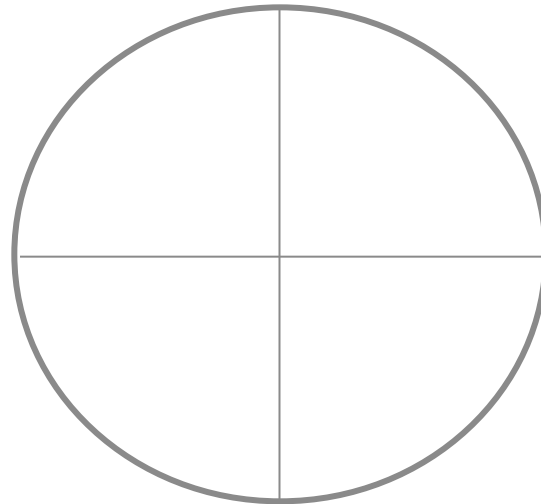
- Evaluate and score each market on these 6 characteristics
- Use simple 0-5 scale with typical “s-curve” value function for all characteristics (except “market size”, which is in \$Bn)



Expansion Strategy: Market Rifle Given Current Data



Rifle In Action:



Financial Services Segmentation & Targeting

Financial Services Market Analysis: Huge Opportunity ... Where to Focus?



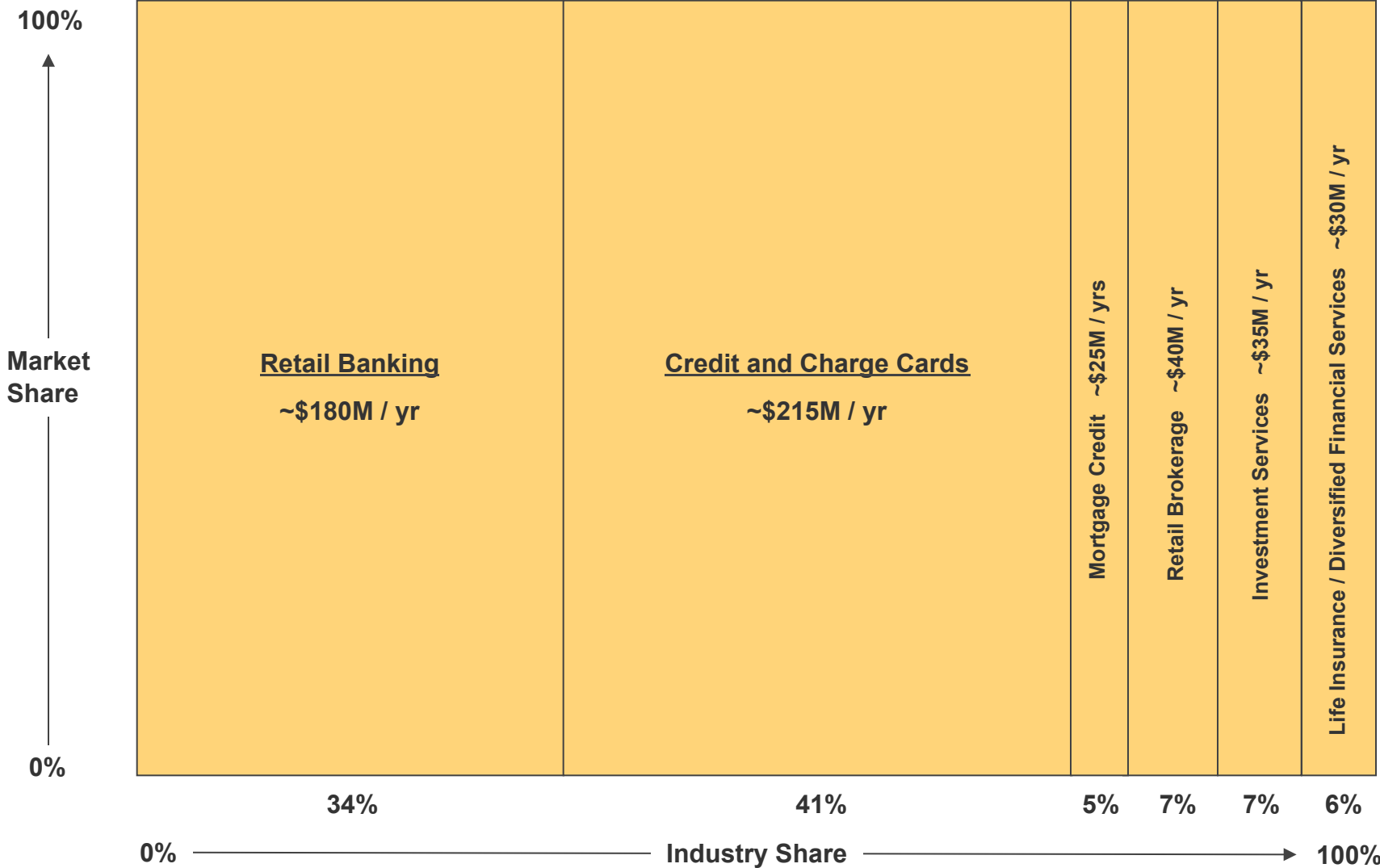
Rifle In Practice: Financial Services Market Analysis

- Establish clear alternatives
 - Which verticals (brokerage or credit cards?)...which accounts?
- Establish targeting & prioritization framework
 - 13 carefully selected [criteria](#) based on win-loss analysis, customer interviews...
 - Thoughtful [weighting](#) is as important as the criteria
- Get buy-in on the framework; know how it will be applied
 - Get buy-in on the framework *before* doing the analysis
 - Application: A strategy presentation? Or ongoing [process](#)?
- Execute the analysis ... and don't screw it up!
 - Incorrect or misleading information is [worse than nothing](#)
 - Getting good data requires creativity

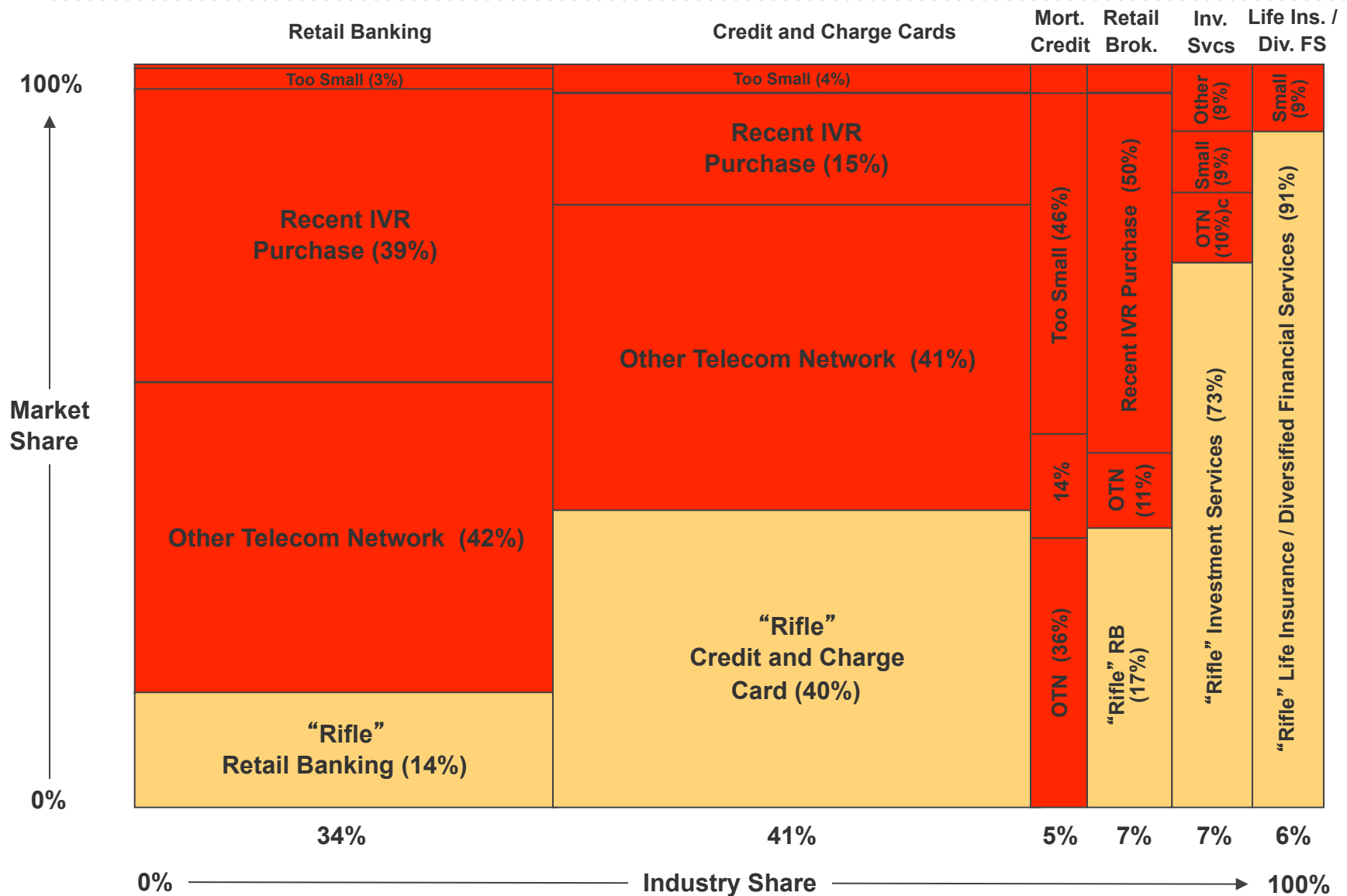
Financial Services Market Analysis: Huge Opportunity ... Where to Focus?



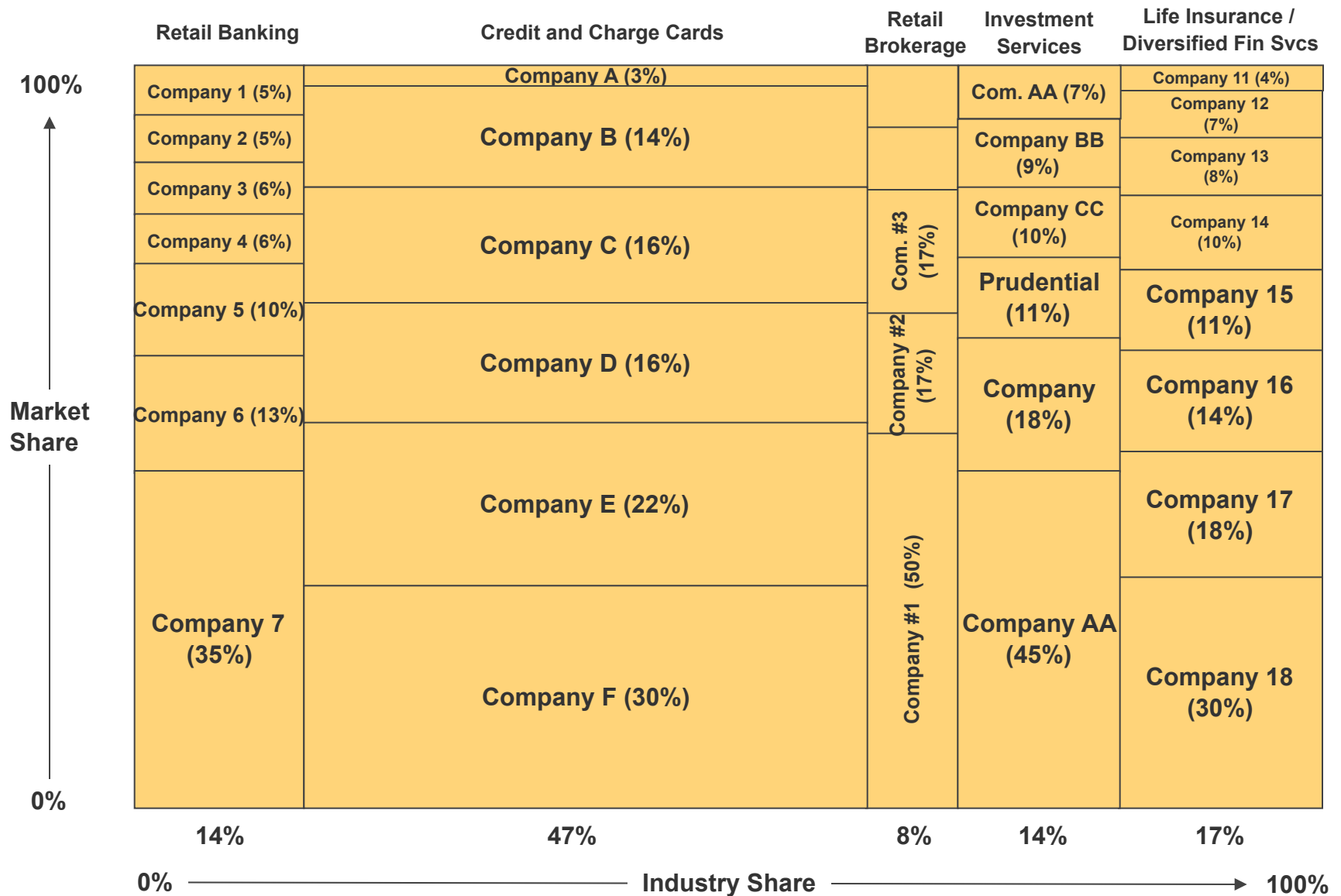
Total Market Potential by Vertical: Retail & Credit Cards Surprisingly Large



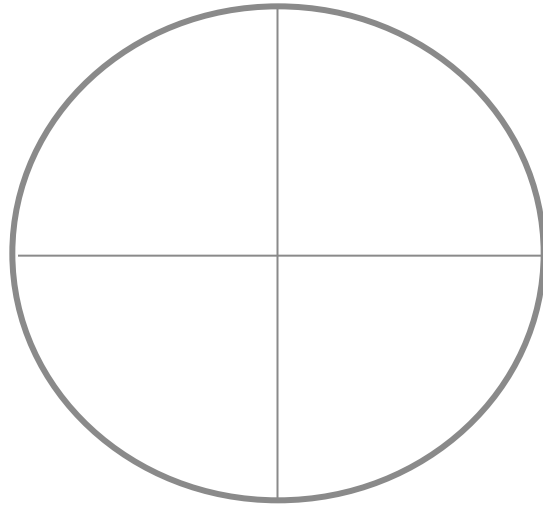
Financial Services After Rifle Criteria: Target Universe Sharpens Considerably



Post-Rifle: Account Priority Becomes Clear



Backup Slides



Rifle In Practice: Get Meaningful Data

- **Incorrect or misleading information is worse than nothing**
 - Don't trade precision for correctness
 - Analyst numbers can be useful, but often are wildly off
 - Consider weighting data by confidence in source
 - Don't be seduced by large sample sizes
 - 20 random & representative inputs beats 2,000 biased ones

- **Getting good data requires creativity & persistence**
 - Extrapolate from high confidence, easy to find data
 - Example: revenue opportunity by company
 - Be creative in where to get the data
 - Customers, potential customers, employees, former employees, advisors – network, network (remember, sometimes just 20 high quality responses are meaningful)
 - Make it as easy as possible to gather clean data
 - Beware leading questions, decouple weightings from data gathering