

## VIEWPOINT

# Finding Growth and Profitability in Enterprise Markets



By Alan Gottlieb

**T**here is a new reality settling into the sales offices of satellite providers these days. The phone just isn't ringing much anymore, and sales staffs and their bosses are sweating out slowing sales and the pain of shrinking margins and commissions. Awash in excess capacity and choking on an expansive network of fiber, senior satellite executives are seeking strategies to improve their position in what has become a commodity market.

What they are experiencing is not new. We have seen it in Oil and Gas and in Mining and in other industries. However, unlike the long term slowdowns that affected these industries, satellite operators and resellers have a unique opportunity to improve their business in the short term. Increased demand for bandwidth and value added solutions in enterprise vertical markets offer savvy providers the opportunity to build business models around a profitable, new, value added framework.

Just what are these vertical markets and how can the satellite provider gain entry and build a profitable market position? During the last year, Gottlieb and Company, under a major contract with Verestar Inc., has addressed just these questions. To find the answers, we developed a unique approach combining on-site market research interviews with a pre-sales introduction of our client and their services.

We then traveled to Southeast Asia, South America and Europe interviewing dozens of IT and communications executives in Oil and Gas, Mining, Pulp and Paper, Hospitality, International Construction and other industries. In doing so, we gained an understanding of customer need,

developed industry specific product/services packages, and built relationships that have lead to significant business opportunities. For those satellite operators seeking the same sort of landmark success, we offer some of the lessons learned.

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### *Add Value*

Selling commodity bandwidth to enterprise markets is no longer a viable strategy. Winning business means selling value added solutions to defined vertical markets. In essence, satellite providers need to accept the fact that, like it or not, customers want and buy complete solutions to their problems. Those firms able to provide such solutions will establish themselves as true value added providers and "own the customer."

### *Target Vertical Market Niches*

Each vertical market is different. While we found that enterprise markets share certain common requirements such as turn-key contracts, we discovered that understanding and satisfying industry specific needs generated the greatest interest in satellite solutions. For example, we discovered that Oil Industry customers have a unique need for very short term contracts and that firms in the International Construction Industry placed a great deal of emphasis on rapid deployment of communications services. By gaining an understanding of such requirements, it is possible to structure product/service packages that solve real problems and win real business. To find out what customers really need, you have to meet them face to face and assess their needs. Here's how.