

IDENTIFYING NEW MARKET POTENTIAL SETS DIRECTION FOR HIGHER VALUATION

THE BACKGROUND

Founded in 1996, Infoglide Software is the leading provider of enterprise solutions for classification, analysis, and investigation of data stored in multiple, disparate, remote databases. The company's technology gives organizations and companies the necessary knowledge to drive decisions, affect processes, and take action by transforming data in real time into useful and useable information. As part of its evolution, Infoglide Software has developed a new product family, BladeWorks™, which can locate non-obvious relationships in diverse databases in near-real time without requiring data extraction and warehousing. The product has applications for fraud detection, risk assessment, security and data quality/data mining. The company already had considerable first-hand knowledge of the insurance industry and government markets but wanted to identify the commercial (non-government) market potential for its new product family.

THE SITUATION

BroadCloud Communications, Inc., founded by Ed Acosta, president and CEO, is an Austin-based company that has developed a service that allows mobile professionals access to the full, graphics-rich, data-intensive Internet anytime—virtually anywhere, on the mobile device of choice.

“ Our management team was looking for the right path to enhance the value of the company. ”

THE NEED

Following a successful turnaround and return to profitability, Infoglide was at a crossroad. Should it continue on its current path with a focus on fraud and security solutions for insurance and government? This path was a familiar and comfortable one, but presented real limits to the valuation CEO Mike Shultz was envisioning for his company. Or, should the company seek new markets and new products that could provide more growth potential?

“The first step to being more than a small niche software vendor, was to figure out if there was opportunity outside our traditional markets,” said Shultz.

THE PROCESS

Moving forward with the project, VEM applied its MarketSmart Service™, a highly analytical methodology, to evaluate the potential business opportunity for BladeWorks within eight industries. The analysis viewed each market through three lenses: fraud detection/identity theft, threat assessment, and data quality/data mining/data warehousing.

Several factors were selected as indicators of business potential within the respective industries. These indicators included, for example, IT spending, customer relationship management trends, supply chain management trends, e-logistics, and homeland security compliance.

"VEM's extensive software marketing experience gives them a valuable perspective," said Shultz. "They're able to 'read between the lines' better than most when it comes to analyzing market trends. The trends in and of themselves only tell a part of the story. The hard part is projecting what that means to our specific business."

VEM located and analyzed large volumes of available data and secondary research in combination with primary research the firm had conducted previously for Infoglide. A few third-party industry analyst reports were also purchased.

Following an exhaustive analysis, the business potential became clear for Infoglide's BladeWorks technology within three of the eight industries evaluated.

The company had three fundamental questions:

Should they expand outside the U.S., but stay within the same industries?

Should they expand by building new applications for their current markets in the U.S.?

Should they expand by identifying new markets for existing applications?

"The Board wanted me to tell them if we were building a \$25 million company or a \$100 million company, said Shultz. "They wanted a recommendation as to where the company should invest."

“VEM's work opened our eyes to a market potential for BladeWorks that far exceeded our original thinking.”

THE DECISION

The Infoglide management team was very engaged in a number of customer projects and didn't have the bandwidth to take on this additional but high-impact market analysis effort.

Outsourcing the project was justified, however it was important to Infoglide that the project place minimal demands on their internal team. Due to this criteria it was paramount that Infoglide hire a company it knew could operate independently and reliably.

Assigning the critical project to VEM was an easy decision for Shultz because VisionEdge Marketing (VEM) enjoyed a long-term relationship with the company and was very familiar with the technology, its application, and markets.

THE RESULTS

The research, analysis and recommendations took just eight weeks to complete. In keeping with Shultz's desire to minimize the time demands on him and his staff, only four meetings of less than one hour each were required during the eight-week project.

So often software companies who focus diligently on perfecting a single application for several years become myopic and have difficulty thinking of other uses for their technology. With this project VEM enabled Infoglide to look 'outside the box' and consider the amazing potential of what their technology could do beyond its traditional application.

"VEM's work opened our eyes to a market potential for BladeWorks that far exceeded our original thinking," said Shultz. "Beyond providing fresh insight they helped validate some ideas we had been considering."

Armed with a wealth of data and a keen insight into the market potential for BladeWorks, Shultz was able to present a bold, new vision for Infoglide to his Board and obtain their support for the journey ahead.

"I was familiar with VEM's methodologies and work ethic. Infoglide had utilized VEM's services on past projects and I knew I could entrust this mission critical project to them," said Shultz.

“ The first step to being more than a small niche software vendor was to figure out if there was strong opportunity outside our traditional markets. ”

ABOUT VISIONEDGE MARKETING

About VisionEdge Marketing
Headquartered in Austin, Texas, VisionEdge Marketing, Inc., is the leader in metrics-based marketing with an emphasis on moving and keeping clients on the highly desirable short list. The company provides complete strategic marketing services, especially in the areas of branding, positioning, market research and strategy, and product and company rollouts. SmartStart Suite™, a strategically-tactical service bundle, designed to build and maximize valuation, is used by clients to develop positioning, influence purchasing behavior, and drive demand. For more information, visit www.visionedgemarketing.com

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