

Forced to Do More with Less

Understanding What Matters Most During This Economic Climate

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The current recession is a lot like the weather – everyone talks about it, but it is really challenging to try to do something about it. Many companies have turned toward creative avenues to keep their product lines selling and their connection with the current customers strong. Others are searching for the ideal solution for their industry and product offering. Among these companies is a common sense of urgency and the inevitable need to do *something* fast.

Before you make decisions for your organization, it is important to understand how other companies are responding to the current economic crisis and how their customers are responding in terms of their product demands. Are their customers requesting products that deliver solid value for money without necessarily adding a plethora of bells and whistles? Do they require tools that improve productivity with greater ease of use to save resources and cost? Understanding what other companies are doing during this difficult time will help you handle the challenges of your own environment.

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To gain insight into this area, BakBone sent a survey to 30,000 high-tech product managers from different companies. The survey was sponsored by Brian Lawley, CEO of the 280 Group, (www.280group.com), a product marketing/management consulting firm with an extensive following. After the June, 2009 cutoff date, 330 people had completed the survey, most of whom are product managers, product marketing managers or strategic planners. The results provided a window into a large economic base, with total revenue of the participating companies hitting \$200 billion. The companies ranged from small to large and were from all over the world, with three fourths from North America.

Responding Company Size

<\$5M	18%
\$5M-25M	17%
\$26M-100M	17%
\$101M-500M	17%
\$501M-\$1B	7%
>\$1B	24%

Who Responded

US/Canada	73%
Rest of World	27%

Responding Roles

Product Management	62%
Product Marketing	10%
Product Development	7%
Strategic Planning	6%
Other	11%
Not employed	4%

Survey Results

Nearly two thirds of the organizations surveyed said their budget, staffing and sales have been negatively affected by the economy. When viewed by line of business, the results showed hardware manufacturers and reseller/integrators were impacted harder than software/SaaS (Software as a Service) companies. This was further validated by the fact that Software/SaaS companies did not reduce their product lines as much as hardware manufacturers and reseller/integrators. This is probably due to software maintenance revenue streams and the lack of a requirement for inventory investments in the software sector.

The survey did not reveal a direct correlation between the type of product development process and the impact of the recession, however there were other interesting insights. Agile, whether formal or loose, outscored the waterfall methodology by more than two-to-one and was the most popular methodology in Software/SaaS businesses. However, there was a close relationship between the size of the business and its likelihood of using waterfall – the larger the business, the greater the use of waterfall.

Two thirds of the companies surveyed confirmed that customers are asking for cost-effective products without extraneous features. Resellers and integrators, tend to be very close to customers and can be a leading indicator, so it was interesting that these groups led other categories in terms of having customers looking for cost-effective products.

How the downturn has affected key areas of business

	Total	Under \$5M	\$5M-\$25M	\$26M-\$100M	\$101M-\$1B	>\$3B
	Mean	Mean	Mean	Mean	Mean	Mean
Budget	6.8	6.0	6.7	6.8	7.2	7.0
Staffing	6.5	6.4	6.3	6.3	7.1	6.5
Sales	6.3	6.0	6.4	5.8	6.7	6.3
Average	6.5	6.1	6.5	6.3	7.0	6.6

Scale of 1-10, 10=major impact

Has the downturn caused a reduction in product line?

	Under \$5M	\$5M-\$25M	\$26M-\$100M	\$101M-\$1B	>\$3B
Yes	53	48	48	72	60
No	47	52	52	28	40

According to the survey, the economic climate has had a huge impact on employees as well as product lines. More than half of the replies indicated their staff is being asked to do more with less. Additionally the number of products managed before and after the financial meltdown increased, so people are having to work harder and manage more. Cutbacks and reduced resources have led to employees making do with what they have and trying to accomplish just as much as before, despite the reduced help.

By company size – customers asking for cost effective products without extras

Total	Under \$5M	\$5M-\$25M	\$26M-\$100M	\$101M-\$1B	>\$3B
6.4	6.9	6.1	5.9	6.4	6.7

Scale of 1-10, 1= Disagree Strongly, 10=Agree Strongly

By company type – customers asking for cost effective products without extras

Total	Software / SAAS	Hardware Manufacturing	Resellers & Integrators
6.4	6.4	6.4	6.7

Scale of 1-10, 1= Disagree Strongly, 10=Agree Strongly

61
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Survey Results: The Problem Areas

Doing more with fewer resources works to a certain point, but beyond that, respondents said it began cutting into the quality of work, resulting in a negative impact on the business. Vital product lifecycle activities, such as producing product roadmaps, analyzing pricing, go-to-market plans and competitive studies were the most heavily hit functions. These are all essential to a company's continued growth and would never be touched normally, so any adjustments or cuts to these impact productivity. Also, while cutting staff is the simple way to enhance the bottom line, it has to be followed by a round of intense product line and process analysis to ensure that the quality of work from the remaining staff does not deteriorate. The survey suggested that that was not always being done, which impacts business.

Another problematic area for the surveyed companies is the personal impact of this economic downtime. The stress of the downturn had a few employees reporting that upper management does not understand their situation and that they cannot influence decision making. On the other side, managers themselves are under intense pressure to meet the conflicting requirements to cut costs while sustaining or improving revenue. These organizational stresses must be understood and then carefully handled and communicated to avoid a downward spiral.

Survey Results: What can be Done

It is important to realize opportunities and understand what you can improve during this time. Some employees surveyed felt that this is the time to make themselves invaluable to their company and use innovation and creativity to stay ahead of the curve. It is an ideal time to do things the market has not seen before, because customers are open to new ideas and any opportunity to climb out of this economic slump. It is crucial to filter out the noise of the turbulent times and keep exploring all the possibilities that have yet to be reached.

Attitude was a large area of opportunity that showed up in the survey. It is important to monitor emotional reactions and realize you have a choice to see the glass as half full or half empty. If you see it as half empty, you can't hide that, it will be evident to the rest of your organization; conversely, if you lead with a positive attitude, that will also be evident and helpful to the organization.

Survey respondents noted the importance of carrying this positive attitude through with simple tasks, such as making time for more meetings, documenting and following up on decisions and action items and always communicating. If problems and challenges do arise, it is critical to avoid finger pointing and to instead focus on a collaborative solution. It is also important to employees to give credit where credit is due. People will rise to the occasion if you show respect for their extra effort. These actions build a culture that minimizes counter-productivity and encourages teamwork and success.

Survey participants expressed the need for tools that are straightforward, reliable and easy to use. Providing tools that are simple, yet effective increases staff productivity and helps when other resources are cut. In the current climate, this is not just a convenience, but is vital to an organization's health and survival. It is very important for vendors to help companies get through the current hard times by delivering products that are easy to use, comprehensive and scalable.

Survey Conclusions

So, what did we learn from these people who had product decision responsibilities in 330 companies with aggregate sales of \$200 billion? It is important to remember that the current economic conditions are challenging, but it's also not total gloom. About one third of the companies surveyed were not affected in a major way. For those that were affected more substantially, doing more with less staff works to a certain point, but beyond that you start cutting into the quality of work with a resulting negative impact on the business. This makes it imperative to take a detailed look at your product lineup and processes to avoid problems, view the situation positively and incorporate tools that improve staff productivity.

The Time is Now for BakBone Software

In this current economic environment where staff must do more with less, it is time to look for solutions and strategies that deliver complexity-reducing data protection with easy-to-use, feature-rich capabilities that scale to fit your environment. Thousands of users worldwide rely on BakBone's products during this time to deliver these capabilities. BakBone's portfolio of backup, real-time data protection solutions for Linux, UNIX, Windows and Mac that simplify the management of multi-platform environments. To see BakBone's unique combination of ease of use and extensive capabilities, please visit www.bakbone.com

**PROVIDING
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whitepaper

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