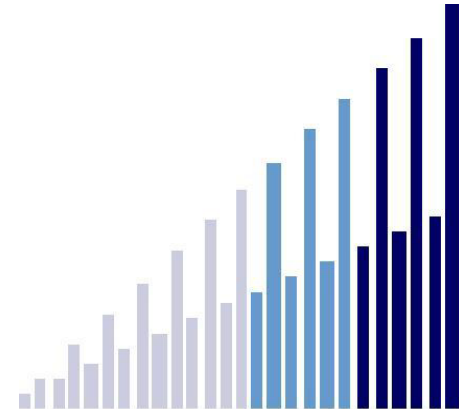


Great Demo!



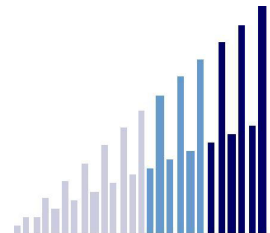
How To Create And Present Compelling Software Demonstrations

Peter E. Cohan, Principal
The Second Derivative
November 19, 2003



Objective

To introduce a framework for the creation and delivery of improved software demonstrations to enable increased probability of success in the development, sale, and deployment of software products.



Agenda

Introduction – Setting the Stage:

- What is a demonstration?
- Why do demos fail?
- What happens when demonstrations fail?

Understanding Your Customer:

- Your Customer – Qualification and Needs Analysis
- “Why did they buy?”

Preparing Your Demonstration:

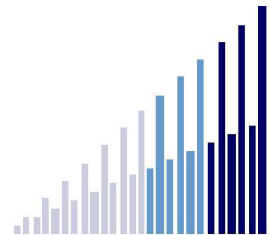
- The Great Demo – Key Components and Steps
- Sales preparation – Key Components and Responsibilities
- Technical Preparation – Key Components and Responsibilities

Extra Credit (as time allows):

- Creating “Generic” vs. Customer-Specific Demonstrations
- Trade-Show Demonstrations Methods and Strategies
- Remote Demonstrations

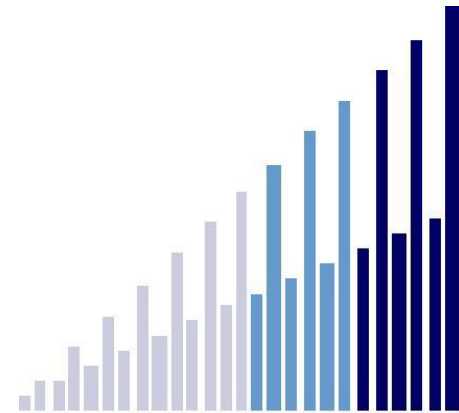
Summary

- Questions and Answers
- Final Summary



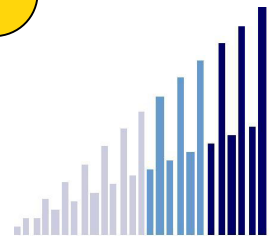
Setting The Stage

Creating and Delivering
Compelling Software
Demonstrations



A Great Demo

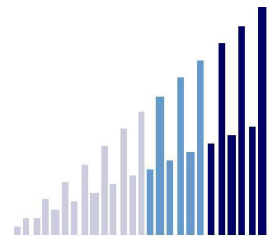
“Do the Last Thing First!”



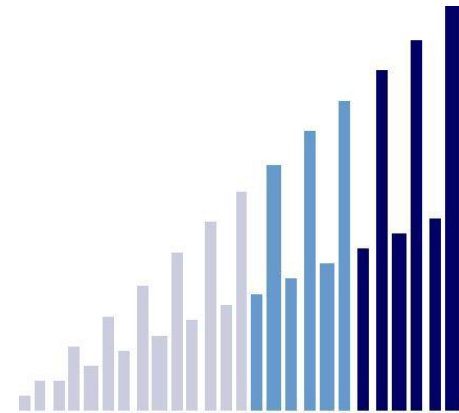
A Great Demo

(Introduction)

1. Provide the Illustration - Summarize
2. Do it - Summarize
3. Do it again - Summarize
4. Questions & Answers
5. Summarize



A Few Questions....



What Is A Demo?

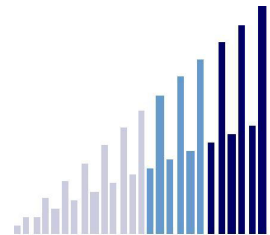
Why Do You Do Them?

“Demonstration” Defined:

“The presentation of the set of Specific Capabilities needed to solve a customer’s Problem or Critical Business Issue.”

- What kinds of Demonstrations might you do?
 1. Technical Proof of Capabilities
 2. Vision Generation

- Why do a Demonstration?
 1. Technical Proof of Capabilities
 2. Vision Generation



How Can Demos Go Wrong?

A feature failed – software bugs/crashes

Failure to identify Critical Business Issues

Demonstrator didn't know the product

Unknown or unqualified audience needs

Can't drive the message

No story

Confusing story

Too long

Too boring

Too many features

Didn't stop in time

Unclear story

Got lost in the story

No point to the story

No conclusion or poor conclusion

Broad range of audience needs

Disconnect between Sales and Technical

Capabilities didn't match needs

Lack of demo skills

Lack of clear objectives for the demo

Too little time

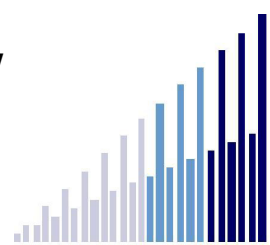
Too much time

Equipment failure

Equipment unavailable

Questions interrupted the flow

People interrupted the flow



What Bad Things Happen When Demos Fail?

Development

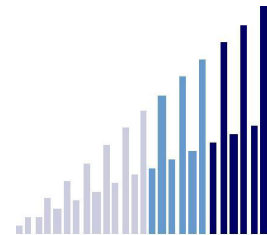
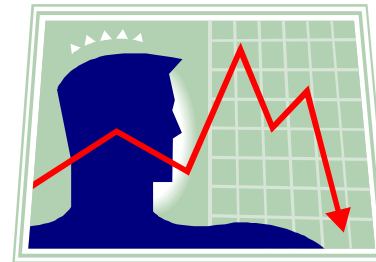
- Product capabilities are implemented poorly
- Wrong product built
- Wasted product development iterations
- Missed release dates
- Project is cancelled

Deployment:

- User adoption is slowed or stalled
- Feedback cycle to vendor is attenuated – missed opportunities
- Training costs increase
- Professional services (consulting) costs increase
- Adoption is limited – “shelfware”
- Benefits delayed (ROI)

Sales

- Cost of sale increases
- Lost opportunities
- Value of sale is reduced
- Sales cycle is extended
- Sale is lost
- Fewer products/services sold
- Company misses quarterly or annual goals
- Salesperson misses quota
- Commission is lost or reduced
- People leave



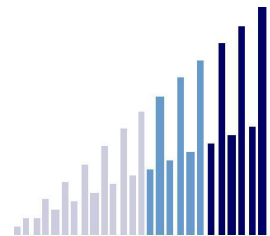
What Is The Cost Of A Demonstration?

Assumptions:

- ~\$1,000/day in salary + benefits per person involved (e.g. sales team)
- ~\$450/day additional while on the road

Questions to calculate:

- What are the direct costs for a demo?
- What are the costs in terms of lost opportunities?
 - $[\text{Annual Quota}/200 = \text{daily opportunity cost}]$



You Are The Point Of Focus...

Your Company

(All at your company who make, sell, and support):

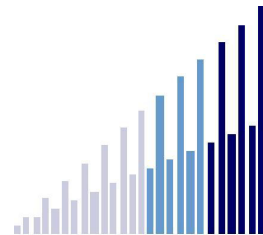
- Sales
- Marketing
- Support
- Development
- Accounting
- Management

YOU!

Your Customer

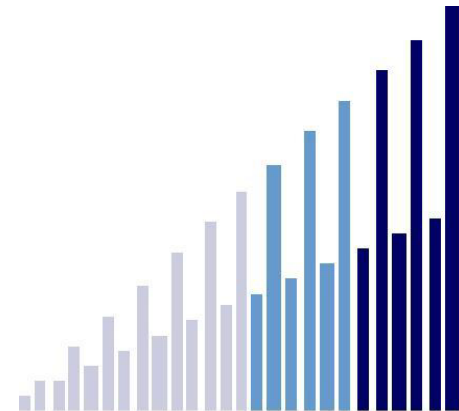
(All at your customer who will benefit):

- Regular Users
- Occasional Users
- Power Users
- Support
- Accounting
- Management



Understanding Your Customer

Creating and Delivering
Compelling Software
Demonstrations



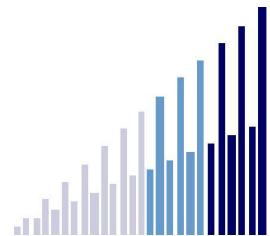
Why Do You Build And Sell Software?

Existing Problems or Business Issues:

- Existing Problem 1 → Solution
- Existing Problem 2 → Solution
- Existing Problem 3 → Solution

Anticipated Problems or Business Opportunities

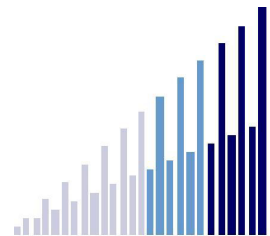
- Anticipated Problem → Solution
- New Opportunity → Realized



Why Did Your Customers Buy Your Software?

Think about this for your products...

- This is not “why do we think they should buy...”
 - Traditional perspective...
- Is this easy or hard to answer?
 - Why?
 - What information is needed?



Solutions

Solutions... address a Problem or enable an objective to be achieved

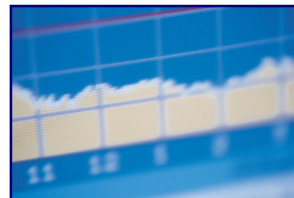
Solution A

- Capability #1
- Capability #2
- Capability #3
- Capability #4
- ...



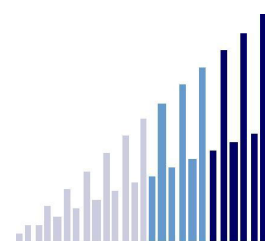
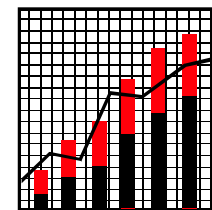
Solution B

- Capability #1
- Capability #3
- Capability #5
- Capability #7
- ...



Solution C

- Capability #2
- Capability #3
- Capability #1
- ...



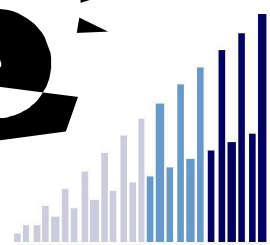
Specific Capabilities

You are riding a bicycle rather fast. You skid on some gravel and fall, scraping your legs and arms. You are bleeding moderately and you hurt, but your bike seems to be ok.

Someone sees you fall and comes to offer help. He offers you water – but you aren't thirsty, you're bleeding. He offers you a patch kit for your bike, but your tires are fine – and you are still bleeding. Now you are not only hurt, but also irritated! He offers food, music, asthma medicine, dancing girls, a new chain, handlebars, bicycle bags, a map, and a cell telephone.

All are very nice offers, but clearly what you need is

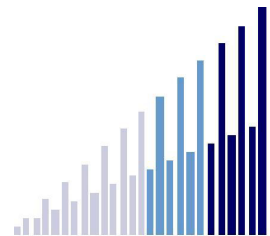
- 1) a few bandages and*
- 2) a couple of aspirin.*



Moral

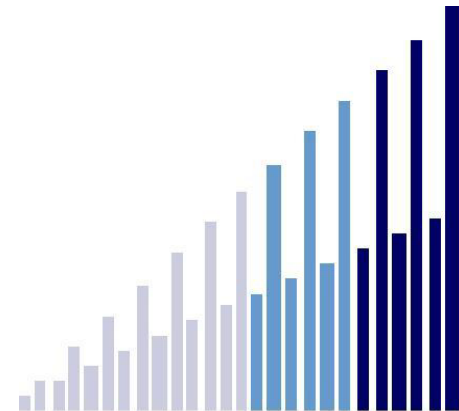
Features do not solve problems.

A set of Specific Capabilities
can provide a Solution, in context with the
customer's situation



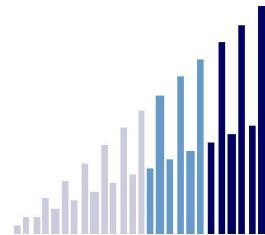
Preparing Your Demonstration

Creating and Delivering
Compelling Software
Demonstrations



Traditional Demos...

- Traditional demos start by telling a story, which, after 20, 30, 40 or more minutes finally get to the end – the big pay-off screen.
- Why might this annoy you?
- Why might this annoy a customer?

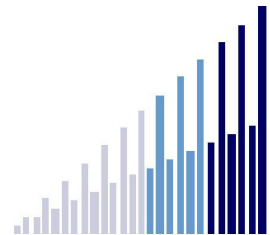


Presenting Solutions

There are two ways to present solutions:

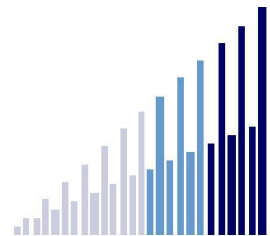
1. The first way is a very rapid description of what the Solution is.
2. The second is a more thorough exploration of how that Solution works.

Do the “What” first, then do the “How”.



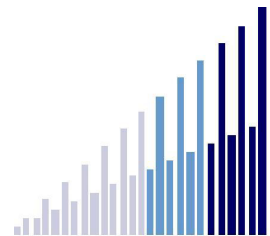
Virtual Exercise

1. Go shop for a new car. Initially, are you more interested in what the car costs, looks like and the features it includes, or how to operate the car?
2. Once you see a car you like (the what), then do you want to learn how the various controls work?



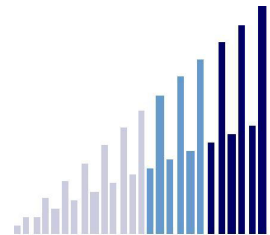
Great Demos

Great Demos present the what right away,
and then follow with the how.



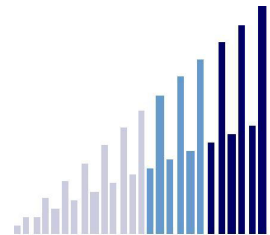
The Great Demo Strategy

1. Provide the Illustration - Summarize
2. Do it - Summarize
3. Do it again - Summarize
4. Questions & Answers
5. Summarize



But What About The Other Neat Stuff Our Software Does?

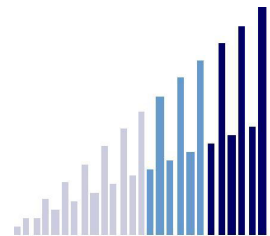
- Great Demos focus on showing the audience exactly what they need – and leaving out everything else that might distract.
- Why?



Why Not Show Other Neat Stuff?

You add risks:

- Risk of running into bugs or crashing.
- Risk of boring the audience.
- Risk of presenting capabilities that are not desired.
- Risk of running out of time before the audience has a chance to see what they need.
- Risk of confusing them with too many features and functions.
- Risk of making your product look too complicated.
- Risk of making your product look too expensive
 - (“Why I am paying for all of these features I won’t use?”).

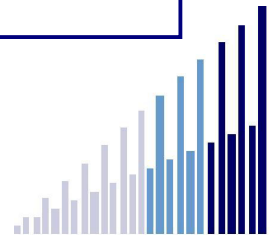


Morals

Great Demos present the what right away,
and then follow with the how.

Make sure both the what and the how focus on the
Specific Capabilities your customer needs.

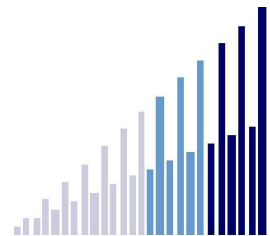
No more, no less..



Who's Responsibility Is It – Sales Or Technical?

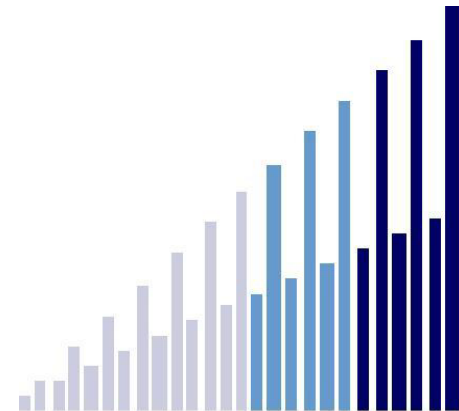
Important!

Sales and Technical roles are both involved.
It is critical to understand one another's roles
and
to agree on the material and means of communication.



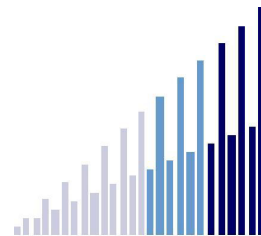
Sales Preparation

Creating and Delivering
Compelling Software
Demonstrations



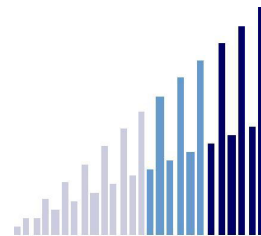
Some Definitions...

1. “Sales” = Sales, Marketing, Consulting Services, etc.
 - “Sales” people are responsible for gathering information from the Customer and bringing it into the company.
2. “Technical” = Field and Application Engineers, Application and Product Specialists, Product Managers..., etc.
 - Technical people (“PM”) are responsible for creating and presenting the technical proof of capabilities or generating and presenting the technical vision of what is possible to the customer.



The Role Of Sales

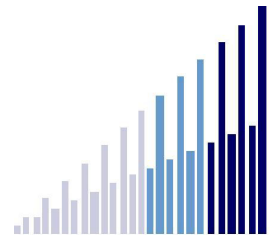
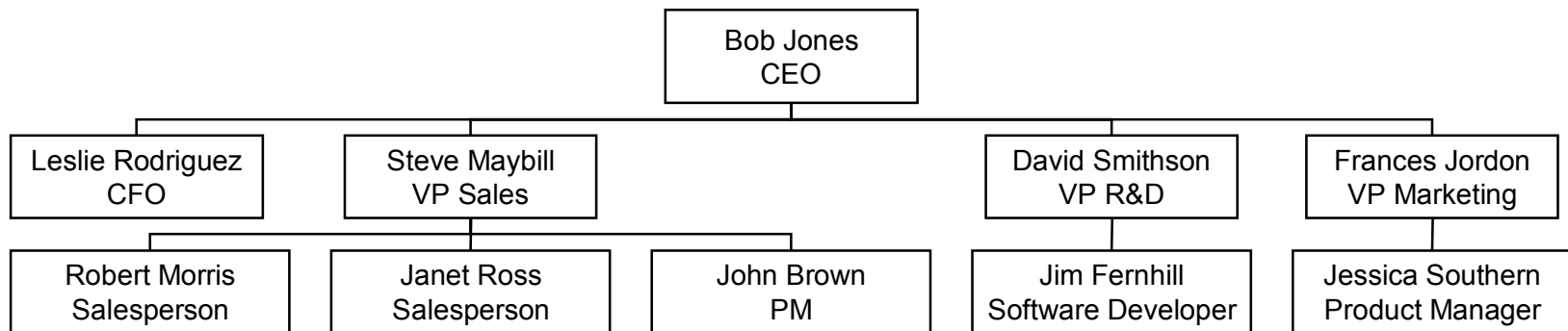
1. Identify each member of the expected audience, their titles, and the relationships between the members of the audience.
2. For each member of the audience, identify that person's Problems or Objectives, Reasons, and Specific Capabilities needed to solve each Problem.
3. Determine the Objective for the demonstration meeting.
4. Set-up and define the meeting agenda – start and end times, introduction, demo, summary, etc.
5. Communicate all of the above information to the PM (Technical resource) and other members of the Selling Team.
6. Reach agreement with the PM on which Specific Capabilities will be shown in the demonstration.



1. Identify Each Member Of The Audience

Example Sales Organization:

- Organization Chart



2. Identify Each Person's Problems, Reasons, And Specific Capabilities

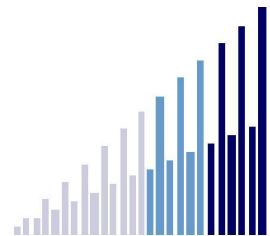
Three suggestions to help gain this information:

1. Open vs. Closed-probes (questions)
 - Closed Probe: "Can I help you?"
 - Open Probe: "What kind of _____ do you do?"
2. Have the customer map out their workflow
 - Extremely powerful to understanding relationships, issues, objectives, problems, etc.
3. Explore and understand the "Delta"
 - "What is the situation today?"
 - "What would like it to be (with a Solution in place)?"
 - The difference is the "Delta"
 - This information is extremely important for value determination



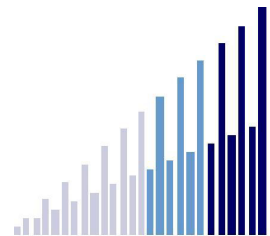
3. Determine The Objective Of The Demonstration

1. Technical Proof
2. Vision Creation
- ~~3. Information~~



4. Define The Meeting Agenda And Roles

1. Meeting Location
2. Meeting Date
3. Meeting Start and End Times
4. Meeting Objective
5. Specific Roles and Timing
6. Customer Contact
7. Other Notes



Meeting Information Sheet

Meeting Location: ABC Software Corporation
333 3rd Avenue
Centerville, AZ 12345

Meeting Date: Wednesday December 3, 2003.

Meeting Start Time: 9:00 AM

Meeting Ends: 10:30 AM

Meeting Objective: Demonstrate Specific Capabilities agreed upon as Solution

Specific Roles/Timing:

9:00 AM Introduction – Steve Maybill

9:10 AM Review of Objectives, Reasons, and Specific Capabilities to Demonstrated - Salesperson

9:30 AM Demonstration - PM

10:00 AM Q&A - PM

10:10 AM Summary - PM

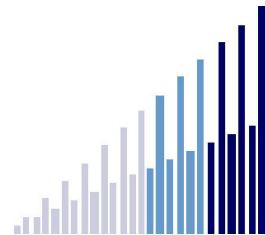
10:20 AM Next Steps and Wrap-Up – Salesperson

10:30 AM Meeting Concludes

Customer Contact:

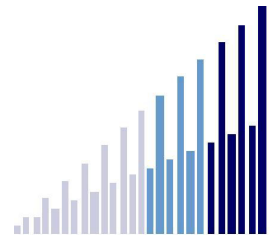
Steve Maybill, VP Sales
Telephone: (555) 555 1212
Email: Smaybill@ABCSoftCorp.com

Other Notes: Meet Steve Maybill in Lobby of Building 1 at 8:50 AM



5. Communicate Information To The Full Team

1. Customer's organization chart.
2. Meeting Objective.
3. Customer's key members and audience members' Problems, Reasons, and Specific Capabilities needed to solve each Problem.
4. Meeting Agenda and Roles (Meeting Information Sheet).

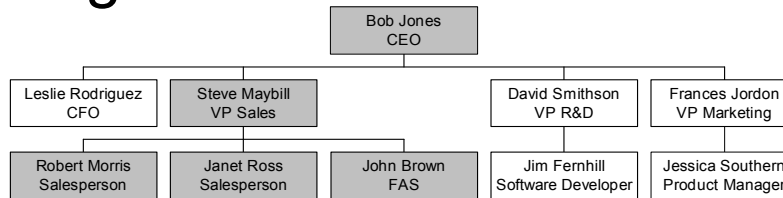


Demonstration Information Sheet

Customer: ABC Software, Inc.

Meeting Date: December 3, 2003 at 9:00 AM

Customer Organization Chart:

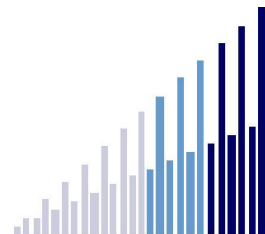


Meeting Objective: Technical Proof.

Customer Problems, Reasons, and Specific Capabilities:

CEO:

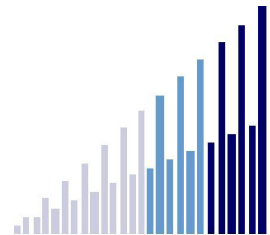
Problem: Unable to increase shareholder value sufficiently, as measured by the stock price, on a quarter-by-quarter basis.



7. Agree Upon Which Specific Capabilities Will Be Demonstrated

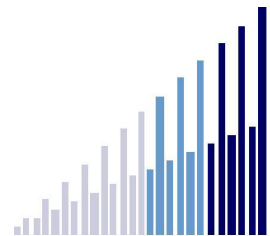
- Which Specific Capabilities will be shown?
- Which Specific Capabilities will not (or cannot) be shown?

No surprises, thank you very much!



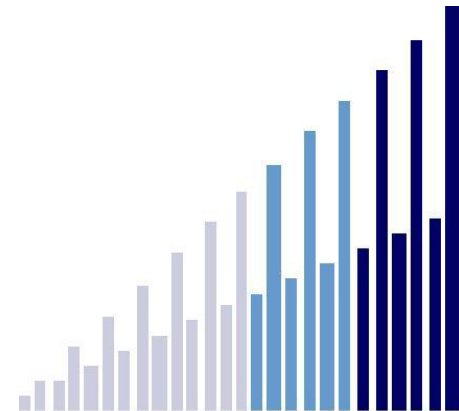
Sales Preparation - Summary

- ✓ Identify each member of the expected audience, their titles, and the relationships between the members of the audience.
- ✓ For each member of the audience, identify that person's Problems or Objectives, Reasons, and Specific Capabilities needed to solve each Problem.
- ✓ Determine the Objective for the demonstration meeting.
- ✓ Set-up and define the meeting agenda – start and end times, introduction, demo, summary, etc.
- ✓ Communicate all of the above information to the PM and other members of the Selling Team.
- ✓ Reach agreement with the PM on which Specific Capabilities will be shown in the demonstration.

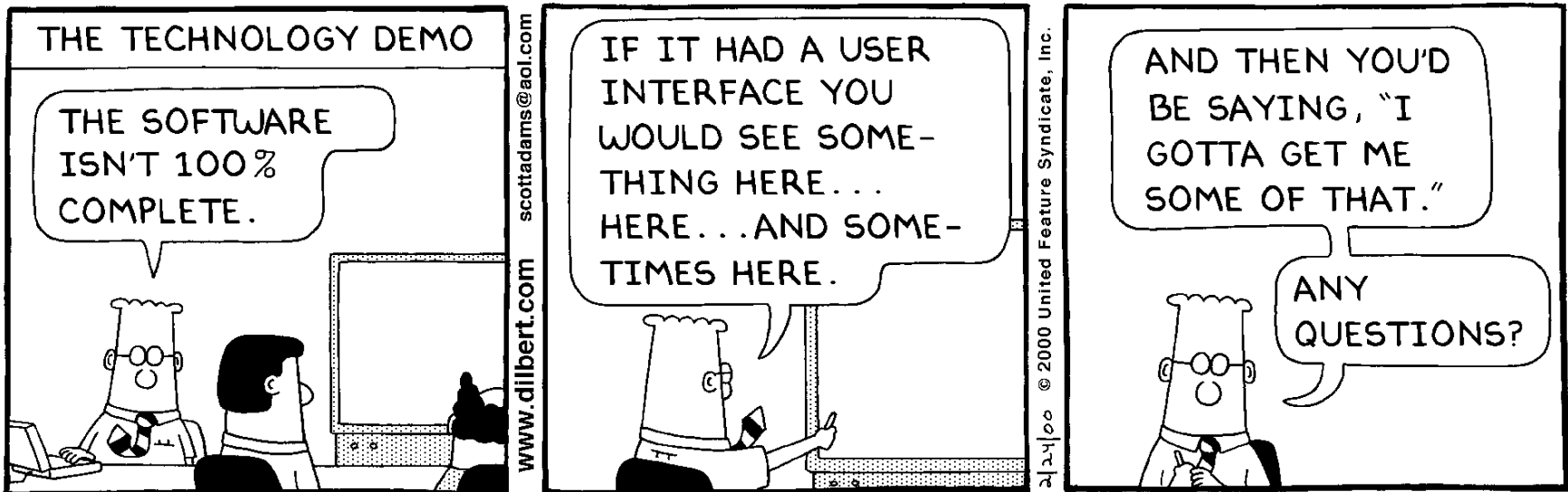


Technical Preparation

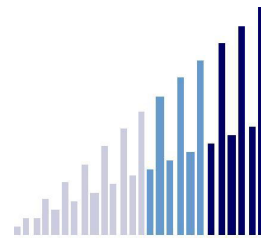
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Demonstrations



Demos...

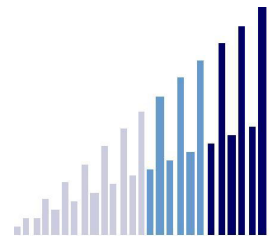


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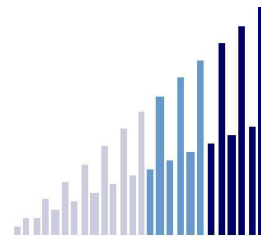
The Role Of The Technical Player ("Product Manager" - PM)

A Solution is only a Solution if the customer agrees.
In other words, a collection of Specific Capabilities
is only a Solution if the customer sees
how they solve the customer's Problems.



Role Of The PM

1. Execute any necessary Research.
2. Coordinate Infrastructure with customer.
3. Create your Outline.
4. Create your Summary and Introduction.
5. Create your Illustration.
6. Develop the first pass (the “Do It”).
7. Develop the second pass (the “Do It Again”).



Virtual Exercise

1. List as many different customers and customer contexts as you can in 2 minutes for users of Microsoft PowerPoint.
2. List as many customers and customer contexts as you can in 2 minutes for simplest tool.
3. List as many customers and customer contexts as you can in 2 minutes for another of your products.

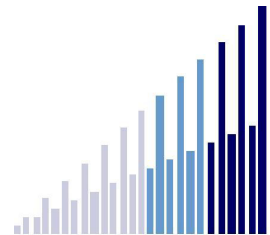
Context is critical.



1. Execute Research

There are two types of research you can do:

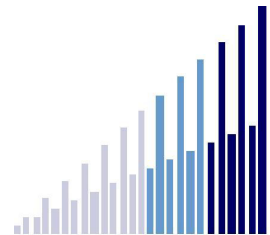
1. Direct research.
2. Indirect research.



Direct Research

Examples of sources:

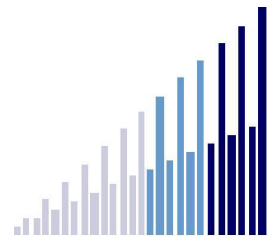
- The customer's workflow or workflow description.
 - Go see it!
- Example reports or documents.
- Specific or example problems.
- Other examples?



Indirect Research

Examples of sources:

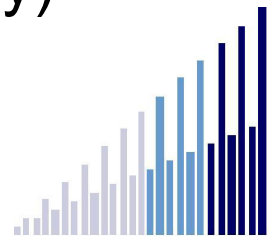
- Customer's web site.
- Papers, reports, and other publications.
- Patents.
- Customer's competition
- Your competition.
- Other sources?



2. Coordinate Infrastructure With The Customer

Infrastructure Checklist:

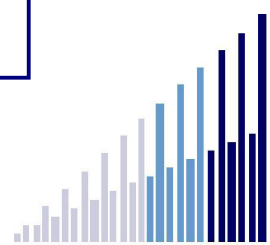
1. Hardware
 - Yours or theirs?
2. Network
3. Projection
 - Resolution?
4. Power
 - Adapters?
5. Lighting
6. Screens
7. Audio
8. Whiteboards and flipcharts
9. Handouts and props
10. Software (yours)
 - Programs, databases, documents, templates, presentations, etc.
11. Software (ancillary)
- ...



3. Create Your Outline

- An Outline provides the structure for the general components of your demo.
- It defines the presence and order for the building blocks, or sections, of your demo, and includes general information for each section.

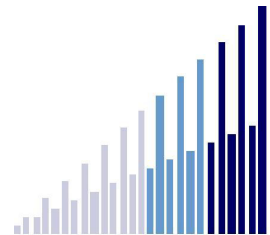
An Outline defines the “What”, not the “How”.



Example Outline Preparation

Example Scenario:

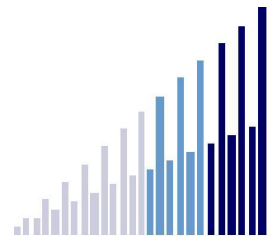
- Sales qualification determines the need for two **Specific Capabilities**:
 1. The ability to search for information and
 2. The ability to report it in a manner that is acceptable and useful to the customer.
- The deliverable is a concise Report



Example Outline Preparation

Your demonstration Outline then consists of:

1. Introduction.
2. Present the Illustration (the completed report).
3. Rapidly create the query, perform the search, and present the report again. Follow with a brief summary.
4. Walk more deliberately through creating the query, performing the search, and creating and presenting the report, again. Summarize briefly.
5. Questions and Answers.
6. Final Summary.

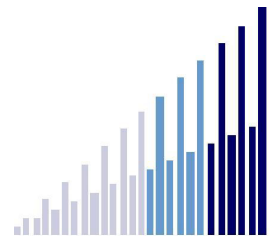


4. Create Your Summary and Introduction

Create your Summary before the Introduction

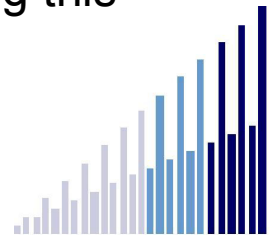
Why?

- You need to know where you are going before you set out on a trip.
- Similarly, you need to know what you want to accomplish in your demonstration before you create your summary:
 - Technical Proof
 - Vision Generation



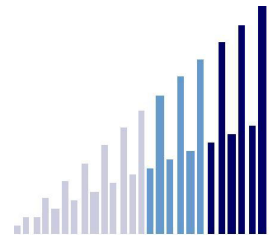
Example Summary

- “Thanks for inviting us. Our objective today was to ... We shared one solution with you. Let me review this.
- I showed you the ability to [Specific Capability].
 - Initially, I showed you the [Illustration].
 - Then I showed you rapidly how I prepared that [Illustration].
 - I then ran through that process again, in more detail.
 - I believe that we showed that we do provide the ability to [Specific Capability].
- We then addressed the questions raised during the demo.
[Then, for each Question,]
 - Your question was [restate the question, briefly].
 - We said that [restate answer, briefly].
- I believe that we met our objective this afternoon and that we do provide the abilities you need to address your problems. Thanks again for coming this afternoon.”



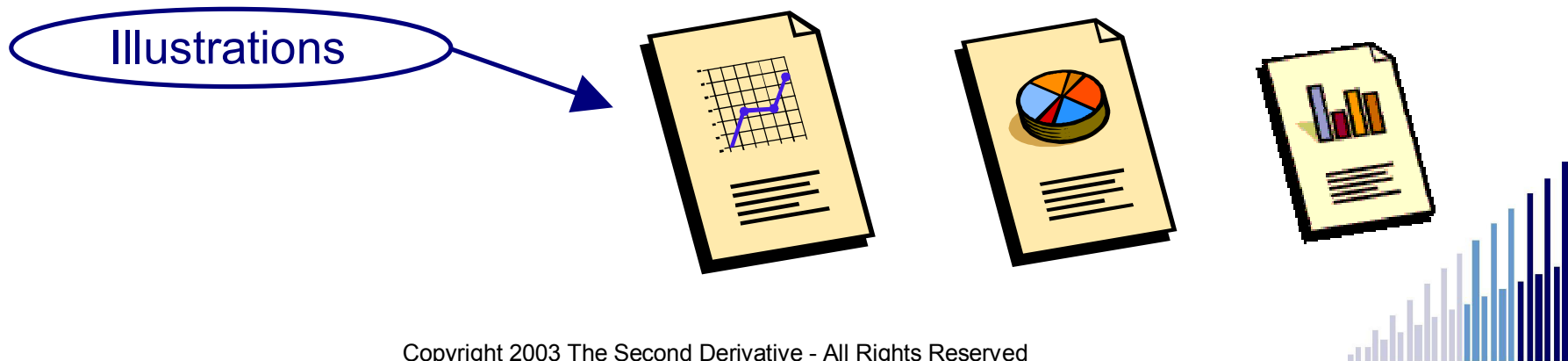
Now, Create Your Introduction From Your Summary

- “Thanks for inviting us. Our objective today is to ... We will share one solution with you. I’ll describe this to you now.
- I’ll share with you the ability to [Specific Capability].
 - Initially, I will show you an illustration.
 - Then I’ll show you, very rapidly, how to prepare that [Illustration].
 - Then I’ll run through that process again, in more detail.
- We will then address any questions you raise during the demo.
- Finally, I’ll provide a summary of our time together and then turn the meeting back over to”



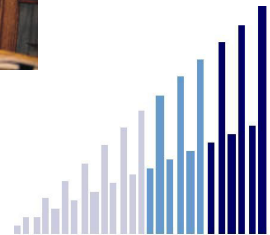
5. Create Your Illustration

- An Illustration is a concise, visual method of communicating the reality of a Solution.
- Often, an Illustration is a desired report, which may be generated from the results of a series of individual steps.



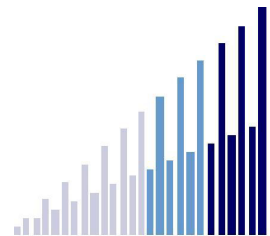
Illustrations

- *The best materials from which to create Illustrations are often found on the top of your customer's desks.*
- *Why? Because this is the most important work they need to complete. It will be on the top of their desks, often in the space they reserve for the current project – right in the middle.*
- *When doing research, if possible, ask to visit your customer's office to talk or discuss details. If you are allowed, take a look at what is on their desk. You may well see the very report you want in progress!*



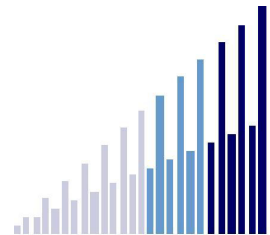
Virtual Exercise

1. Review the last three demonstrations you gave or attended.
2. What Illustrations would have knocked the audiences' socks off?
3. Where are those socks today?



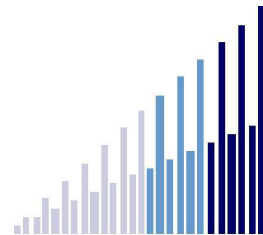
6. Develop The First Pass – The “Do It”

- What is the most concise, most rational pathway to take from the beginning of a demonstration to get to the Illustration?
- What is the fewest number of mouse clicks required to go from launching your software to generating that screen that is the Illustration?
- That's the “Do It”.



Just “Do It”

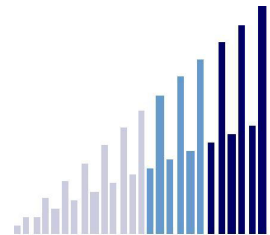
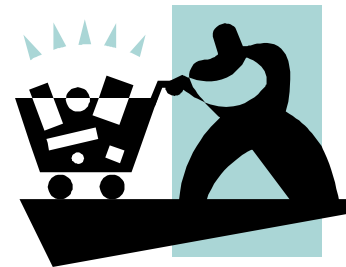
- The best “Do It” pathway shows the audience how easy it is to use your software. It shows:
 - Your software can indeed achieve the Illustration you showed – technical proof.
 - Your software is fast, easy and logical to use – emotional gratification.
- How long should your “Do It” pathway be?
 - Ask yourself the question another way: How short could it be?



Virtual Exercise

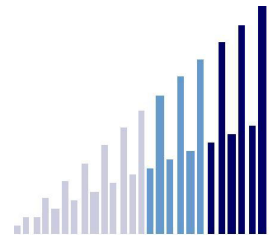
It is shortly before dinner time. You need a few items from the market for dinner:

1. You go to the market and come home.
2. Did you take the shortest and fastest path?
3. Would there have been any advantage for you to take longer?



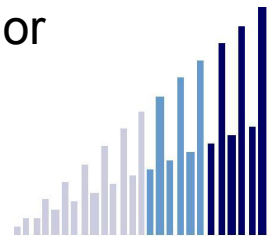
Guiding Principle

Always end each segment with the best, most exciting screen possible. If it is the actual Illustration, then that's even better. This will be the last screen, the last image your audience will see – it will be the image they take home with them.



7. Develop The Second Pass – The “Do It Again”

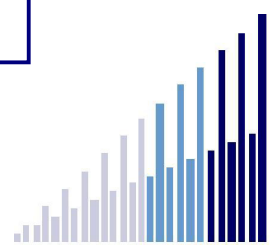
- Your second pass through the software follows the “Do It” pathway.
 - Now you can explore options, develop more details, and explain what you are doing more fully. Often, questions generated in the “Do It” can be answered in the “Do It Again” section.
- The “Do It Again” pathway must still focus entirely on the Specific Capabilities needed by the customer for the Solution.
 - Don’t get distracted, don’t show off capabilities that aren’t relevant.
- “Doing It Again” provides the opportunity for you to provide support for Specific Capabilities.
 - You can show the breadth of Specific Capabilities. You can demonstrate how to address more complex examples
 - E.g., use multiple Illustrations
 - You can explain the flexibility that your Specific Capabilities offer or provide, as long as it is relevant to the Solution.



“Do It Again”

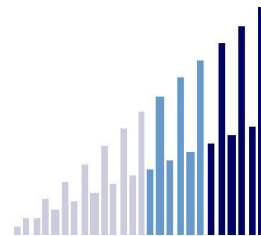
- Again, end the “Do It Again” segment with your strongest, most compelling Illustration.
 - Leave that screen up, as possible, while you do your brief summary and answer questions.
 - The longer the audience sees that terrific screen, the better they will remember it.

The “Do It” is the fastest route.
The “Do It Again” is the scenic route.



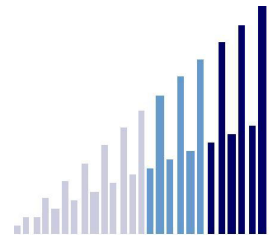
How Long Should The Demo Take?

- A complete Great Demo time-line is concise:
 - Introduction 1-2 minutes
 - Illustration 1-2 minutes
 - Do It 1-2 minutes
 - Do It Again 10-15 minutes
 - Q & A 5-10 minutes
 - Summary 2-4 minutes
- Plan 20 and 35 minutes for the entire performance – that's a Great Demo!



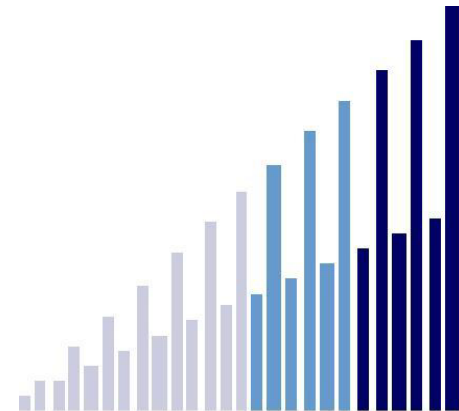
Technical Preparation - Summary

- ✓ Execute any necessary Research.
- ✓ Coordinate Infrastructure with customer.
- ✓ Create your Outline.
- ✓ Create your Summary and Introduction.
- ✓ Create your Illustration.
- ✓ Develop the first pass (the “Do It”).
- ✓ Develop the second pass (the “Do It Again”).



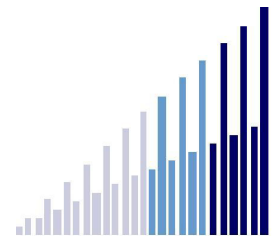
Summary

Creating and Delivering
Compelling Software
Demonstrations



What Did We Accomplish Today?

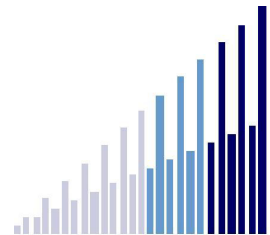
- ✓ Setting The Stage
- ✓ Understanding Your Customer
- ✓ Preparing Your Demonstration
- ✓ Sales Preparation
- ✓ Technical Preparation
- ✓ Generic Demos
- ✓ Trade-Show Methods and Strategies
- ✓ Remote Demonstrations
- ✓ Summary



A Great Demo

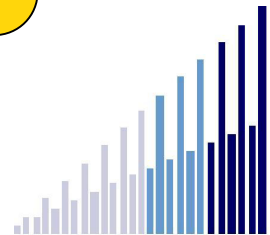
(Introduction)

1. Provide the Illustration - Summarize
2. Do it - Summarize
3. Do it again - Summarize
4. Questions & Answers
5. Summarize



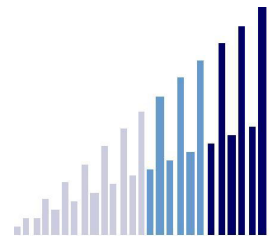
A Great Demo

“Do the Last Thing First!”



A Great Follow-up

- What if...
 - You'd like a copy of the presentation?
 - You have questions later on?
 - You would like to get more details?
 - You would like to share these ideas with others?
 - You would like to organize a workshop or seminar for your colleagues?



The Second Derivative

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helps software organizations improve their sales and marketing results by helping folks with demonstration and presentation skills, value analyses, pricing, and related thorny problems.

Contact Information

Peter E. Cohan, Principal

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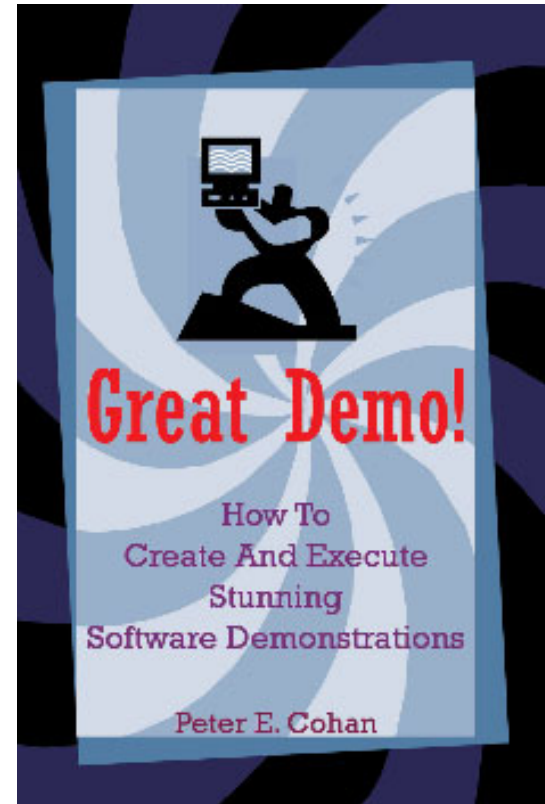
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“Great Demo!” is available on www.Amazon.com, www.BarnesandNoble.com, and directly from the author

