

Topic:
MCAD

Winning Tactics for Leading Vendors in Competitive MCAD Markets

A short guide for marketers and decision makers

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iCAD is produced by Business Advantage, a B2B research, business development and marketing consulting practice operating in the global IT, Digital and Telecommunications sectors.

A vendor's relationship with their resellers and customers, as well as software functionality, is the key to winning or losing business in the highly competitive MCAD market. Lack of continuous innovation and marketing funds further reduces competitiveness.

Current markets have matured and constantly demand sophisticated product functionality, placing significant pressure on vendors. More customers are expecting that new 3D technology will be not just a single solution for specific tasks, but more of a one-stop system. Furthermore, users become very sensitive in terms of software price-to-performance ratio.

There are other challenges. In order to be successful it is crucial for vendors to vigilantly monitor competitors activity, preventing any from gaining momentum whilst guarding against being threatened - as in the recently publicised case brought by Autodesk against SolidWorks.



Business Advantage draws on the expert opinion of industry watchers, analysis of extant data and the results of customer interviews over recent months to provide a brief guide to MCAD vendor best practice for competitive advantage.

Some key issues for vendors in product improvement

- Analyse software performance in terms of productivity, usability, simplicity, speed and ROI. Use customer feedback and assign one team to improve each particular task
- Explore functions (e.g. standard parts library, automatic dimensioning) commonly required and repeatedly used by customers in various industry sectors, countries or projects - how these are used, what the advantages and disadvantages are, why they are applicable or important. Continually improve the most needed and most valued functions
- Innovations and updates should be considerable in terms of price-to-performance ratio. Analyse competitor products. Leverage options and opportunities
- Record errors for key product functions reported by customers, resellers and software error reporting systems. Resolve frequently occurring errors and bugs as soon as possible

Some key issues with resellers relations

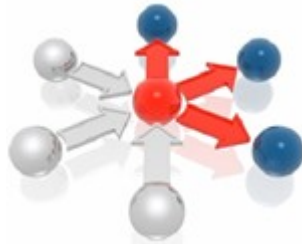
Record and respond to all resellers' feedback regarding customer requirements. Regularly update resellers with any specific requirements that may influence their purchase decision, and assist them with adapting their sales approach where appropriate.



Customers' purchase-making decisions may vary:

- by user type (for example whether the prospective software purchaser is from within manufacturing or the supply channel, or from the SME market, or looking to switch from 2D to 3D to increase productivity and stay competitive)
- by industry sector
- geographically - for instance technical feature description could be very important in Asia (China, Korea) and insignificant in the USA and Germany; conversely previous customer experience may be imperative in these countries and not in Asia.

Nevertheless - at the time of purchase customers in most cases will consider product functionality, software price, technical support, training and very often software compatibility, e.g. integration with AutoCAD.



Resellers are key to a vendor's future success; they play an important role in raising awareness of and recommending MCAD technology to potential users. The channel should be provided with ongoing support and made to feel part of the vendors' own sales team. Support could include:

- Ensure resellers' product knowledge is extensive and up to date; provide comparable awareness of main competitive products - users frequently compare various MCAD products with each other, most commonly Autodesk Inventor, SolidWorks, Pro/Engineer and Solid Edge, but usually only the minority are aware of the full functionality of all the products being considered. Your reseller can help to give you the competitive edge by being in a position to compare relative product functionality to the customer's requirements
- Provide regular training for resellers with unique selling points in order to compete with often aggressive competitor reseller networks

- Support sales efforts of resellers with knowledge of the customers' decisive factors in purchase and expected benefits important for particular markets, e.g. user requirements could be critical in Germany or brand and price in the USA
- Provide quality leads and marketing support
- Offer reliable, fast, quality technical support for resellers via hotline and online
- Offer specialist support for 'spot solutions' and specific industry segments particularly for smaller resellers
- Prevent conflict within the reseller channel



In the future it is very likely that larger vendors will thrive and fewer smaller ones survive as separate entities as users incline to adopt major brands to enable global operation, and to ensure continuity of product usage in future years.

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