

5

REASONS
TO THINK
MULTI-VERTICAL



**“Yesterday’s
home runs
don’t win
today’s
games.”**

- Babe Ruth, legendary baseball player

BEFORE WE BEGIN: WHAT IS MULTI-VERTICAL?

Multi-vertical is essentially the same as vertical, but with fewer limitations and reduced risk.

Multi-vertical means focus on more than one vertical with – and this is the key: One and the same offering.

It's about going deep on a few, related industries with similar characteristics.

Let's be clear: Being multi-vertical is a strategic direction for your business, and just like other strategic decisions it requires commitment, effort and hard work.

In return, the rewards are big and will make a lasting impact on your business results as more and more customers continue to look for new ways of using to standard solutions.

In this book we will share 5 reasons why a multi-vertical strategy could be right for you. Also, we will share some tips and give you some insight into what we hear when we talk to customers looking for new business software.



REASON 1: BE DIFFERENT.

There are thousands of ERP partners in the world. Most of them are busy doing what they have always done, and in doing so they are busy being the same as almost everybody else.

Multi-vertical partners are different.

These partners see the light in having a specialized offer to specific verticals.

Having the multi-vertical approach will help you create a stronger brand and it will position you as an expert within a few target verticals.

Your deep competence on your target verticals will make you so much more than an ERP partner – it will make you the trusted advisor for your customers.

Customer point of view: You already know the customers issues and challenges and can use experiences from similar projects you have done in the past. Your customers will put a high value on this.



Be clever about the verticals you select for your strategy. Choose no more than 3-4 that are somehow related and where you can reuse your competence and solutions to the largest possible extend. Only then will you benefit fully from a multi-vertical business strategy.

REASON 2:

WIN MORE BUSINESS. FASTER.

Some ERP partners struggle with the idea of targeting only a part of the market. Fear of missing out on opportunities and the danger of becoming dependent on the ups and downs of one vertical keep some partners from taking the leap.

In reality, multi-vertical partners win more deals, and they win faster.

The secret behind this is carefully selecting a few, related industries as your target verticals. This will allow you to package an offering which will largely be the same across several verticals, and your potential market size will be 2x, 3x or 4x that of only one vertical.

With bigger market potential and more deals in play, the chance of winning grows.



Customer point of view: Most customers don't want time consuming and complex ERP selection processes. They engage in that way to reduce their risk as ERP selection is out of their core competence. Partners who can demonstrate a vertical focus, an offering to support it and a relevant customer track record are much more likely to create the necessary trust among potential buyers quicker and win more new customers.

REASON 3:

SPECIALIZE YOUR SERVICES.

ERP remains highly services driven, and ERP consultancy is a modern commodity, putting rates under increasing pressure.

Specializing your services takes the pressure off your rates.

Multi-vertical partners with focus on a few similar verticals become experts and can quickly translate customer demands into working solutions. That allows them to complete more projects in a shorter time frame and not having to spend time understand the specifics of a new industry every time.

As a result, multi-vertical partners deliver better projects quicker, allowing them to charge a premium for their services.

Customer point of view: Many customers feel their ERP partner is learning their industry on the job and that they are paying the partner to learn something they should know already. The learning curve for the partner adds no real value for the customer but adds time and cost to their project. Partners who focus on specific verticals already know the industry, so their services are focused on adding real value to the customer. The partner knows exactly what to do and when, and the customer get increased value through a better experience.

REASON 4: LIMIT YOUR RISK.

Selecting a few verticals to focus on is also de-selecting a whole lot of others. Some partners argue the risk of being vertical is too big.

It's a bigger risk being horizontal than it is being multi-vertical.

The future of ERP is specialization. All verticals need specialists with tailored ERP offerings, and the quicker ERP partners can establish themselves in a vertical, the better the chances of winning and in time owning the vertical.

The growth opportunity in becoming a multi-vertical ERP partner far outweighs the risk. The multi-vertical approach will make you very relevant in specific verticals and will help you build long term, profitable customer relationships

Customer point of view: Your prospects expect you to know their industry when they first meet you. A multi-vertical partner can combine experience from a few similar verticals and provide risk free projects to their customers.



TIP!

Create a strong go-to-market plan to ensure you get maximum outcome of your decision to be multi-vertical. Start with selecting a few similar verticals, then dig deeper and define a subset of micro-verticals. Then package your communication and deliver method to your selected target groups.

REASON 5: GROW SUSTAINABLY.

For many years, ERP partners have made a good living customizing ERP products to meet the customer specific requirements. Today, more and more customers want standard solutions with no or a very limited number of customizations.

Building a business on customizing ERP products has never been long term sustainable.

Multi-vertical partners grow their business in a more sustainable and more profitable way.

Based on a repeatable business model and a constant effort to minimize the number of customizations, multi-vertical partners grow their business based on customer adds rather than complex projects with a large number of customizations.



Customer point of view: Customers are more informed than ever. They know how important it is to stick to standard and avoid customizations. ERP partners with a multi-vertical strategy and a product to support their strategy deliver greater value projects quicker without having to revert to customizations.

The safest place to begin your journey
and win the multi-vertical game is the
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you the confidence you need.**

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