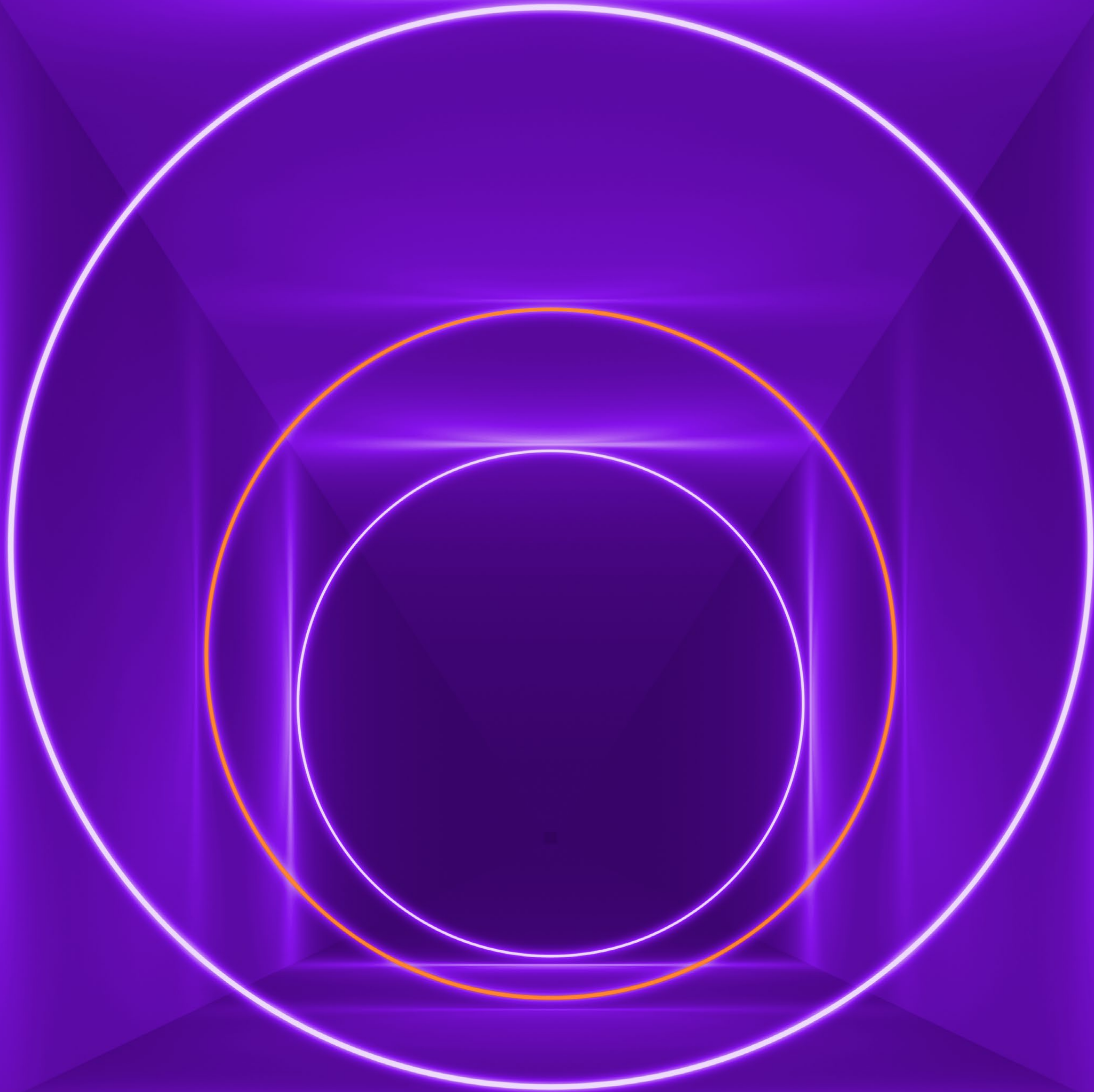


# Professional Services Branding & the Great (SaaS) Migration



# Introduction

Is your brand ready for the transition from services to software?

These days, almost every company is expected to be a digital company. The B2B space, including professional services, is no exception. For more than ten years now, professional services companies have experimented with packaging their proprietary data and technology as subscription software products. From law firms to tax specialists to managed security services providers (MSSPs), most medium- and large-sized professional services companies are offering some form of a software-as-a-service (SaaS) platform. Atul Jagnale, head of digital and enterprise business transformation at Tata Consultancy Services, calls the phenomenon “SaaSification”: a major shift in the way professional services are developed, packaged, and delivered.

For SaaSification to work, it needs to be supported by, and in turn support, the overall company brand. Professional services firms need to ask themselves: Can our brand promise survive the transition from services marketing to, essentially, software marketing (or some hybrid of the two)? Another key question to address is: Do our employees and clients feel included in and championed by the evolution?

**Professional services are built on high-touch, human interactions while SaaS promises on-demand, tech-driven convenience.**

Those are two vastly different brand promises. Whether your professional services firm has merely dipped its toe into the SaaS pool or has submerged itself fully, heed this: It’s time to take a close, hard look at the effect this transition could have on your brand. Success means embracing a services/software hybrid model and marketing it accordingly. You need to first define what it is you’re offering and then lay the groundwork for success with a brand portfolio strategy, clear communication, and transparent leadership.

# 01 How far you venture into SaaS matters



Keeping with the spirit of Web 2.0, most SaaS platforms also encourage collaboration within and across organizations with social features and active user communities.

These features can make SaaS feel personalized and responsive, much like professional services themselves. But it takes a concerted effort to truly marry the two. Salesforce, for example, has engaged its community of users through its hugely popular and profitable Dreamforce conference, where up to 200,000 of its most die-hard users gather to learn and share innovations and best practices. The service was born and lives as a SaaS platform, but these in-person interactions make superfans out of its customers. The hybrid of the two—software and personal interaction—is what creates brand magic.

SaaS customers are also freed from the costs of software maintenance, support, and development—and can increase or decrease their level of service with ease. SaaS companies receive a reliable and ongoing source of subscription income; additionally, their business is highly scalable. They can bring on new clients without significant new investment in personnel or hardware.

Social features and active user communities can make SaaS feel personalized and responsive, much like great professional services themselves.

These features are valuable enhancements to traditional professional services, which typically operate on an hourly-rate model fraught with scalability challenges.

SaaSification won't transform a professional services business if claims of offering a SaaS solution ring hollow. It can be tempting to claim SaaS scalability and convenience, but without a commitment to the technology backing that claim, you'll be sabotaging your marketing efforts ... or worse.

**Social features and engaged user communities can give SaaS a personalized, responsive feel—mirroring the best of professional services.**

Some legacy companies have learned this lesson the hard way by claiming their businesses were SaaS-centric in an attempt to compete with more agile startups or achieve a higher multiple from investors. Too often, however, these firms' use of the SaaS term was misleading at best. For technologists there is clarity about what a SaaS model looks like, but the term has been used more liberally by professional services firms hoping to win new clients or boost their multiples—creating confusion and distrust.

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## SaaS Customers

Free from the costs of software maintenance, support, and development

Able to increase or decrease their level of service with ease

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## SaaS Companies

Highly scalable businesses, able to bring on new clients without significant investment, as few personnel or hardware are needed to accommodate them

Receive a reliable and ongoing source of subscription income

# 02 Services marketing versus software marketing

Professional services firms considering SaaS must reckon with the fundamental differences between services marketing and software marketing.

Your marketing team may be a well-oiled machine when it comes to the more relationship-driven services sales cycle, but SaaS marketing doesn't always require the same strategies or follow the same timeline.

Relationships and long-term loyalty are hallmarks of the professional services marketing playbook. Usually, these companies focus on marketing the overall organization rather than any one offering. They emphasize the core messages of trustworthiness, expertise, and effectiveness in public-facing materials, and they drive sales through personalized communications. Long-term relationships create repeat business.

SaaS marketing is different. In lower-complexity SaaS sales cycles, many buyers expect to complete a purchase without ever speaking to a human. A few clicks and, presto, transaction complete.

Because of this, marketing lower-complexity SaaS requires different messaging and needs to accomplish its messaging goals quickly and without the persuasiveness of a sales rep. This often leads to enticing buyers with freemium

Retaining SaaS clients is less about the performance of individual experts or sales reps and more about thoughtful product innovation and helpful value-adds.


offers, human-like chatbots, and high-value content marketing. Of course, higher-complexity, higher-price enterprise-level SaaS offerings will involve some of the elements that services marketers are used to: presentations, proposals, and the like. However, regardless of an account's size and complexity, acquiring and retaining SaaS clients is less about the performance of individual experts or sales reps and more about thoughtful product innovation and helpful value-adds, such as practical guides and industry reports. In short, professional services marketing and SaaS marketing require a different combination of skills and deliverables.

Complicating this situation even further is the uneven pace of transition from people to platform. This transition comes most frequently in fits and starts, rather than all at once. Progress is incremental, so that companies must typically support their traditional services marketing and their new SaaS offer simultaneously. This presents a challenge: Do you try to develop a brand that can stretch across both markets, or do you separate the legacy offer from the SaaS offer? The correct decision depends on each firm's individual situation. When we see brands clumsily positioning new software, it's often because they haven't committed to one direction or another.

Consider this example. A large employment law firm realized they were sitting on a potential game-changer: By turning their proprietary data into use-case platforms, they could help clients predict legal trends ... and even case outcomes. The idea would marry the firm's traditional services with digital offerings, potentially reinvigorating the firm's brand. Rather than initially developing a roadmap for aligning the service and SaaS offerings, however, SaaS data platforms were added piecemeal, each with a distinct sub-branded name. This sent a signal that these solutions could stand alone (they couldn't). As these platforms proliferated, the law firm's brand portfolio spiraled out of control. It became quite crowded, with a multiplicity of SaaS products connected to, and yet bracketed off from, the parent brand and its traditional legal services. An observer's overall impression? This firm doesn't know what it's doing, at least in the digital sense.

As this example illustrates, it's tempting (and often necessary) to add data platforms here and there as technology and opportunity intersect. But showcasing each offering as it's incorporated with no clear vision on how it connects to the parent brand or to other offerings can lead to confusion.

# 03 Build a strong SaaS brand transition in four steps



A brand cannot survive without engendering confidence and trust.

No digital transition—no matter how innovative—can succeed if it dislodges these critical elements. The following steps can be used to add SaaS elements to your professional services brand without weakening the parent brand:

1. **Develop a brand portfolio strategy**
2. **Communicate clearly at every turn**
3. **Demonstrate sustained transition**
4. **Turn skeptical employees into brand cheerleaders**

By following these four steps, a professional services business can drive trust and confidence through its SaaS brand transition.

## 01 Develop a brand portfolio strategy

As noted, incoherence often arises when a company hasn't developed a strategy for growing its brand portfolio.

Understanding the impact on brand should be a first consideration whenever a business plans an expansion of services, products, or markets. In the case of professional services SaaSification, there are two effective portfolio strategies: siloing the SaaS offering from the traditional professional services offering, or treating the SaaS offering as a natural extension of or complement to traditional professional services.

An integrated offer of services and software is the recommended direction when the SaaS product is predicted to be a major driver of growth. But if a SaaS product isn't predicted to significantly evolve the business, launching a separate brand or strong sub-brand may be the right approach. In other words, if a licensed software product doesn't fit neatly into the firm's overall growth plan, it may make more sense to keep it at arm's length, with the parent brand serving as an endorser.

Many companies will choose a path that tries to cohesively fold SaaS products into their corporate brand. In this situation, positioning discrete software solutions separately can cause confusion, creating the type of cluttered portfolio discussed earlier. Instead, we typically suggest to clients that they frame their SaaS offerings as an integrated platform of multiple functions.

## 02 Communicate clearly at every turn

Several years ago, a well-known cybersecurity company touted its SaaS platform on its IPO roadshow. But when the IPO was priced, it didn't achieve the multiple typically associated with SaaS. The problem? Its claim to be a SaaS company was tenuous at best. A sizable majority of its business was still that of a traditional managed security service provider, a model that is much harder to scale up.

By relabeling its offer without fundamentally changing its business model, the company was confusing the market and disappointing its employees, who worried that their expertise was no longer valued. Investors' reluctance to embrace the company revealed a growing understanding in the marketplace that SaaS claims must be scrutinized.

Today, firms introducing a SaaS component must clearly communicate not only how their new software offer fulfills SaaS criteria (if it claims to do so), but also why and how a SaaS offering complements their existing business and helps their clients. Communication needs to show, not simply tell.



## 03

### Demonstrate sustained transition

For most professional services firms, SaaSification will be neither continuous nor quick ... and won't have a definitive endpoint.

Most firms will not pivot completely to a SaaS model, and the changes they do make will be incremental. Thus, it's vital to be transparent about what you've developed and what you plan to develop. Your vision must reflect reality in a world with more skeptical buyers, analysts, investors, and (perhaps most importantly) employees.

Of course, making this happen takes more than marketing; leadership must be willing and able to drive digital transformation across the business. If possible, a roadmap for the change should be shared with the marketing team, so communications to customers, employees, investors, and others can be scheduled and cohesive. Highlighting new features and improvements to the platform are key elements of proving the company's commitment to its SaaS offering. Sharing updates via email or social media is a subtle and inexpensive way to remind the world of your commitment and can be a value-add to clients who may not have noticed a change. As with any major transition, the earlier marketing is looped in the better.

## 04

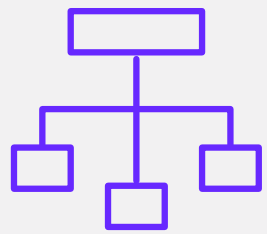
### Turn skeptical employees into brand cheerleaders

Don't forget to engage and educate employees. And remember that they may be your most skeptical audience. For them, a new business model may raise new worries: *Are jobs being eliminated? Will their day-to-day routines change? How do they explain the new model to their clients?* Without employees on board, convincing the market is difficult, if not impossible.

Implement universal brand training and really get into the weeds of what your company is now offering. This means not only educating employees on messaging, but also ensuring they truly understand the SaaS offering and how you're planning to evolve it.

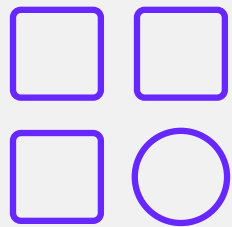
Be as transparent as possible, which will make employees feel a part of growth planning and thus more excited to promote leadership's vision. CEO visits, environmental branding, internal videos, intranet Q&As, workshops, and messaging playbooks are some of the initiatives that will spur understanding and enthusiasm.

# Why frame your SaaS offers as an integrated platform of multiple functions?



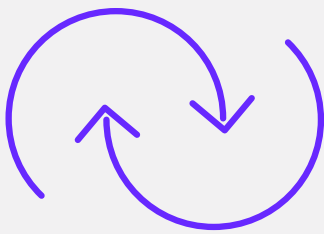
## It's true to category conventions

Quite simply, most pure-play SaaS companies operate as platforms. For professional services companies trying to convince the market that they know what they're doing, falling in line with category norms is often a good strategy.



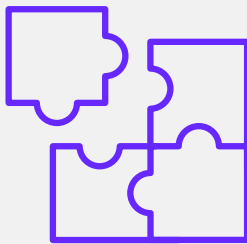
## It reduces the number of brand names in a portfolio

Typically, a SaaS platform will carry a brand name, while its individual features are descriptive labels. This reduces the number of products that need to be named, saving the company money in marketing and trademark fees and ensuring that equity is built in a single name rather than across many.



## It's more agile

By virtue of centralized hosting and maintenance, SaaS platforms are easily and frequently updated, tweaked, and improved. This may require slight changes to service descriptions or naming. A platform brand can flex for such shifts without jeopardizing brand equity or recognition.



## It pairs more easily with traditional services offerings

Platform brands already suggest seamless integrations, so marketing them as a complement to existing services doesn't seem like such a stretch. Some brands even go as far as to suggest services are part of a larger platform of offerings, although taking this route requires precise language to assure authenticity and clarity.

# 04 SaaSification: a marathon, not a sprint

To accommodate a new SaaS platform, your firm will need to adopt new portfolio strategies, adapt to new sales cycles, and develop new marketing competencies.

All of this—including refinement of the technical platform itself—requires time and transparency. A flashy, techy campaign alone won't cut it. Sustained improvement, sustained communication, and sustained support for employees will be your keys to success.



# About DeSantis Breindel

DeSantis Breindel is the leading B2B branding agency in NYC. We work with leaders, founders and investors taking that next big leap—merging or acquiring, spinning off or going public, entering a new category or redefining the one you're in. At these game-changing moments, we partner to build brands that drive enduring value—value born of deeper connections with your clients and your prospects, the people in your boardroom and your breakroom—so you can leap further than you ever thought possible.

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