PRODUCT RATIONALIZATION AND PRODUCT VISION

Case Study

PROJECT OVERVIEW

CLIENT

Digital Ticketing Software Firm

REVENUE

$30M ARR

SUMMARY

The client had acquired a competitor 12 months prior but struggled to rationalize the two product sets and establish a product vision and roadmap. Product Insight developed a compelling product vision and a 12-month roadmap to unify the platforms and achieve business objectives.

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"Product Insight transformed our Product and Engineering teams' ways of working and gave our stakeholders exponentially increased visibility and confidence in our ability to execute on our ambitious business objectives."

–CEO

CHALLENGE

Getting an objective, clear-cut answer on which platform was best suited to support the company's existing and future customers was proving difficult. The acquired platform was touted as having a significantly better architecture capable of supporting the combined company's customer base and future growth. It was also billed as having a more modern tech stack, facilitating easier feature development and developer recruitment. However, the client's original platform accounted for 80% of their customer base and revenue. Despite both being digital ticketing platforms, the two solutions operated very differently on a day-to-day basis. No one could provide the CEO with a clear, decisive answer about whether transitioning the large customer base from the original platform to the newer one was the right move.

Additionally, the intense focus on migration left the company without a clear product vision or roadmap, stalling innovation and leaving the team without overarching goals or direction.

SOLUTION

Product Insight began by thoroughly understanding the company's operations, customers, and business goals. The key steps included:

Stakeholder Interviews
- Interviewed key executives, board members, and large clients to understand market needs and business objectives.
- Identified guiding principles/decision criteria: achieve strong EBITDA/profitability, enable and facilitate sales execution/revenue growth, and consolidate the majority of revenue on a single platform.

Technical and Functional Analysis
- Engaged with the technical team to assess both platforms. Despite initial perceptions, neither platform was far superior to the other. Both were monolithic with significant technical debt.
- The acquired platform had a flexible database model, while the original product had a more complete feature set and a better payment solution.

Platform Technical Comparison

ORIGINAL PLATFORM

The Original Platform has greater feature completeness.

The Original Platform already has the infrastructure to support Stripe for Payment Processing (contractually agreed to move clients onto Stripe).

The Original Platform needs to upgrade its PHP/Symfony framework (security risk)

The Original Platform tests show it can handle 3X current volume but has many potential choke points. Full scale testing should be done in 2024.
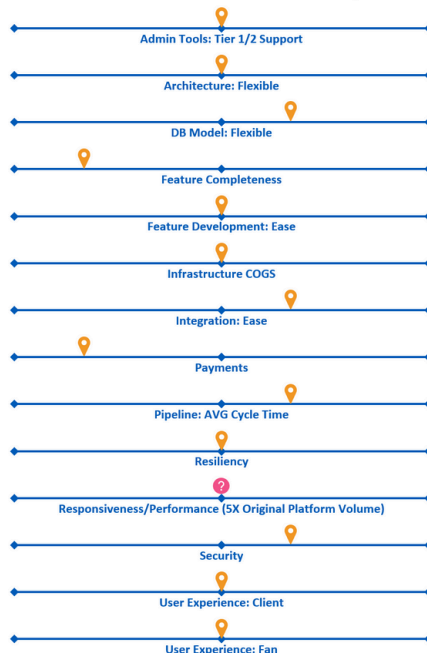
AQUIRED PLATFORM

The Acquired Platform has a simpler DB model that would speed up development and create fewer risks for failure of the system.

The Acquired Platform's development pipeline and process are further along than the Original.

The Acquired Platform has small advantages in integration ease and security.

The Acquired Platform tests show it can handle 3X current volume but hasn't been tested to handle multiples of the Original Platform's volume.

Comparison categories:
- Admin Tools: Tier 1/2 Support
- Architecture: Flexible
- DB Model: Flexible
- Feature Completeness
- Feature Development: Ease
- Infrastructure COGS
- Integration: Ease
- Payments
- Pipeline: AVG Cycle Time
- Resiliency
- Responsiveness/Performance (5X Original Platform Volume)
- Security
- User Experience: Client
- User Experience: Fan

Both platforms have pros and cons, but neither is a substantially stronger/better technical platform.

Comparison listed in alphabetical order

BUSINESS GOALS ALIGNMENT

Product Insight focused on aligning the platform decision with business goals rather than just technical superiority. The decision criteria emphasized minimizing distractions and enabling sales and EBITDA growth.

Platform Recommendations

Product Insight strongly advises ticketing firm choose the Original Platform as its single, go-forward solution

Single Platform
- 83% of Company revenue is already on the Original Platform
- Any migration effort is a distraction for the business
- CO must minimize distractions against achieving Sales Execution and EBITDA Growth

Minimize Risks
- The original Platform has 18 associations... The Acquired Platform has 0
- the Original Platform has 6k+ active accounts... the Acquired Platform has 1k+
- Do not put most of your customers and revenue at risk

Sales Confidence
- From 11/1/2022 to 12/13/2023, the Original Platform represented:
  - 80% of new logo acquisition
  - 70% of Revenue of Closed Won accounts
- CO's sales team wants to sell the Original Platform but is distracted figuring out which platform to sell on a deal-by-deal basis

Focus
- Focus your team on growth, not migration
- Sales & R&D: Focus on selling and building a single market-leading platform
- Increase EBITDA: Focus investments on revenue generating or COGS reduction efforts, not transformations that provide minimal value to customers
- Optimize CX: Focus CX on expanding GMV, not migrating 6k+ Original Platform accounts

OPTIONS AND RECOMMENDATIONS

- Analyzed the options for migrating the acquired customers to the original platform, considering the pros and cons of each.
- Recommended strategically luring key accounts by July 2026, rather than a full migration or leaving the acquired platform alone.

Options for Migrating Acquired Customers to the Original Platform

Regardless of the option selected, stop selling the Acquired Solution and stop any further R&D investments beyond break-fix (i.e., maintenance mode)

Rip the band-aid off, sunset Acquired Solution by July 2025

- ✓ Save on COGS
- ✓ Greater focus as a company starting in 2025
- ✓ 100% of customers on a single platform

- ✗ Substantial investment and opportunity costs for Product, Engineering, and CX in 2024 to migrate customers and to wind down the platform
- ✗ Assume you may lose up to ~20% of Acquired revenue ($Xm). Optional: Develop feature parity items in Original Platform required to minimize churn. (Or don't.)

Strategically lure key accounts by July 2026

- ✓ Decreased opportunity costs, allowing you to focus on developing differentiated capabilities instead of migration efforts
- ✓ Less migration urgency, relieving execution pressure from CX and Engineering teams
- ✓ Protect revenue by not upsetting key Acquired customers
- ✓ Greater focus as a company starting in 2024
- ✓ 85% of customers on a single platform

- △ Some investment and opportunity costs spread throughout the next 3 years but focused on migrating top customers
- △ Some distraction by keeping Acquired Solution alive, requiring discipline ("saying no")
- △ COGS savings not fully recognized until mid-2026 when Acquired Solution is shut down
- ✗ Assume loss of up to 10% Acquired Revenue ($0.5M)

Leave Acquired Solution alone, with no active migration efforts

- ✓ No opportunity costs, allowing you to focus on developing differentiated capabilities instead of migration efforts
- ✓ No migration distractions, relieving execution pressure from CX and Engineering teams
- ✓ Greater focus as a company starting in 2024
- ✓ 85% of customers on a single platform

- △ Some distraction by keeping Acquired Solution alive, requiring discipline ("saying no")
- ✗ No COGS savings, some R&D support required for Sev1 issues, cost optimization, & CX support
- ✗ The expected Acquired revenue loss is unknown
- ✗ Investment contractually required to move Acquired customers to Stripe

Recommendation: Strategically lure key accounts by July 2026.
This option provides you the greatest flexibility, accomplishing a key business objective (85% of customers on a single platform) while decreasing the risk to revenue from Acquired customers and increasing the opportunity to focus on developing differentiated capabilities over migration efforts.

ESTABLISHING A PRODUCT VISION

With the go-forward platform identified, Product Insight turned to focus on establishing a product vision for the ticketing company. Through workshops and one-on-one sessions with board members and executives, Product Insight:

- Developed a strong product vision centered around community connection, portraying their platform as the hub of connecting hometowns across the United States.
- Created a compelling narrative that highlighted the strategic pillars for growth:
  - Focusing on core event ticketing and payment business.
  - Increasing Gross Merchandise Value (GMV) through fundraising and concessions.
  - Boosting awareness, attendance, and events.
  - Enhancing GMV through sponsors and merchandise sales.
  - Expanding event types.

DEVELOPING A ROADMAP

With the product vision and strategic business objectives approved, Product Insight worked with the Product Management and R&D organization to develop a 12-month roadmap. The roadmap included strategic business themes (value streams) to facilitate the achievement of the product vision.
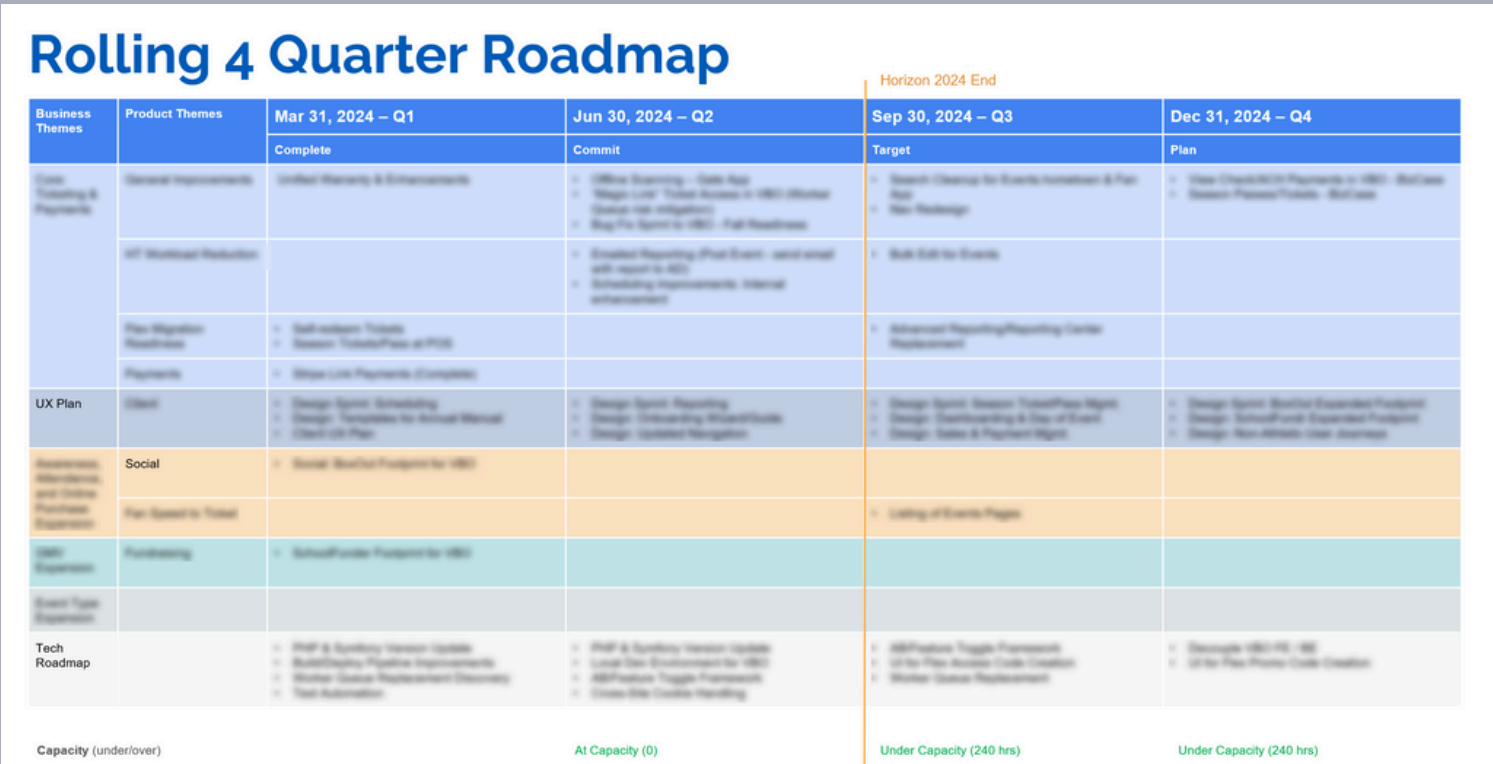
IMPACT

The implementation of the new product vision and roadmap yielded significant benefits:

Customer Retention
Significantly reduced the risk of churning top customers by focusing on migrating the 14 strategic accounts that made up 50% of the acquired product's revenue.

Alignment and Execution
Established a clear focus on execution, aligning the entire company with the business goals. The team now had a clear vision and guidance, driving towards shared objectives.