

## Adobe Systems

**The Challenge:** Increase sustainability, customer satisfaction and market valuation through predictable revenue stream from digital solution delivery.

**The Result:** Adobe's Cloud Solutions have exceeded expectations delivering significantly higher customer experience, partner growth, employee engagement along with a 2300% increase in company market value.

### Adobe's Need

For over 20 years, Adobe developed a strong market share, customer base, distribution network and profitability through a software licensing /maintenance business model. Their flagship Creative Suites offering delivered a strong, albeit cyclical revenue stream for Adobe until the global economic recession in 2008. Then, with customers facing layoffs and budget cuts, purchases of costly creative software products and upgrades were not feasible.

At the same time, the increasing rate of change of customer requirements, through new releases of mobile devices and tablets demonstrated that a 18 month development cycle of new software feature was no longer viable.

### Next Step Digital Opportunity Assessment

Adobe's revenue and business unit leaders turned to Next Step to identify and validate the markets' current and future needs. The answer was a cloud delivery solution offered through a 'pay as you go' business model which would also Adobe to deliver new capabilities and agile releases dynamically. For customers, the new service solution would allow users to design anywhere, easily share files across devices, and collaborate globally.

Adobe and Next Step's leadership teams agreed that successful transformation from a product sales model to a servitization model required careful planning, communication and commitment. It also meant transformation was required in virtually every aspect of the business--sales, channels, services, operations, product development and finance.

Next Step was then further engaged to define and implement the commercial and channel strategy to move from Creative Suites perpetual licensed products to a subscription or "as-a-service" offering.

#### Adobe Challenges:

- Create a more predictable revenue stream
- Meet customer needs for dynamic, leading-edge, multi-device functionality
- Migrate customers and channel partners to new model
- Maximize sales productivity and recurring revenue

"There isn't another team like Next Step's. The breadth and depth of skills in GTM and enablement has delivered great value over many years." *Tony Patricelli, Senior Marketing Manager, Adobe*

Selection of Next Step as the partner of choice was due to the firms' demonstrated ability to deliver results and holistic approach integrating the team members and skills required.

## **Next Step's Services for Adobe**

As with any business transformation process, Next Step's team started by gathering and fully understanding the needs of each customer segment, along with the channel partners (which drove over 80% of Adobe's revenue). Through surveys, Focal Interviews and Customer Journey Mapping Workshops, Next Step gained agreement on the market segment(s) in which a cloud-delivered release would have the greatest positive impact in adoption and revenue.

### **Stakeholder Engagement and Channel Digital Readiness:**

As the Adobe team leveraged the results from Customer Journey activities to build the minimum viable offering to appeal to the SOHO market sector, Next Step led the Stakeholder Engagement Process through which input and buy-in from the most critical channel partners was gained.

Next Step team members also worked hands-on understanding and addressing needs of Adobe's key partners including CDW, Insight, Zones, TechData, PWC and other SIs and professional service providers.

Additional areas in which Next Step had leadership role included:

- Definition of pricing/packaging and deliver process for implementation of the new business model in the channel.
- Creation of compelling messages for each of the customer market segments including the value proposition to the channel partner (leadership and sales).
- Definition and implementation of Global Channel Strategy and Approach to increase channel sales, loyalty and market penetration.
- Development of "in-house" teams comprised of Adobe channel personnel and partner leaders for key partners.
- Designing, implementing and tracking results of Sales and Partner Enablement Program(s).

### **Organizational Readiness and Communications:**

While preparing the channel and Adobe field teams for rollout of the new offering and model, Next Step's team members also defined and implemented a number of processes to maximize the success of the Creative Cloud launch. Through collaboration with Adobe's executive, product, sales, channel and operations teams to implement several new programs and processes, Next Step:

- Defined and facilitated a cross-organizational digital task force to maximize communication processes and go-to-market preparation and effectiveness.
- Developed messages and approaches to reach underserved market segments in initial pilots of as-a-service model.
- Developed sales incentives, compensation and reward systems to maximize field and partner enablement to move to the new model.
- Refined internal business processes to support cloud delivery (with channel customer ownership, yet feature and service deployment by Adobe).
- Enhanced communication processes to inspire commitment to success throughout the global organization.
- Worked hands-on and collaboratively with Adobe to implement the tools, skills, resources needed for success – coaching to all leaders and teams for sustainable success.

### Sustainable Success Factors:

Several notable achievements occurred during the Next Step-led transformation of Creative Suites to Cloud and have continued to be used by Adobe with Next Step advisement as requested for implementation of Marketing Cloud and Document Cloud. These include:

- Refinement of a customer-centric approach of tracking results (including customer behavior) and responding with agility to maximize customer and partner satisfaction.
- Enablement of Adobe and partner sales teams through transformation of 'product sellers' to trusted advisors to accounts.
- Implementation of business processes, rules of engagement and workforce agreement on role of channel in a digital business model.
- Cross-company organizational shift from product development-led software company to customer and market focused service organization.

### Results to Adobe:

From its launch, customer adoption of Creative Cloud exceeded all expectations. In (including Creative Cloud for Teams and Creative Cloud Enterprise) has exceeded all expectations for growth.

- Adoption: Initial goal of 1 million users achieved within 7 months with over 2 million users within one year
- Retention: Within three years, Adobe noted a 95% renewal rate by Creative Cloud customers globally
- New customer acquisition and market penetration rates today are 500% above previous levels
- Key partners revenue and market valuation are at all time highs
- Customer satisfaction with Adobe has increased over 300%
- Employee engagement has increased significantly with 40% lower turnover
- Adobe market valuation increased by over 2300% in 10 years from \$28 / share '11 to \$682 in '21

"Adobe would not be where it is today without Next Step's partnership with us."

~ Lisa Graham, VP Sales, Adobe

### About Next Step

Next Step, a global consultancy, has delivered revenue and digital business growth since 1998. Their 40 team members' hands-on commercial, digitalization and leadership expertise achieves real business results for Adobe, Autodesk, Avinor, Cisco, Google, LiveNation, ShoreTel and Wilson Sonsini. For more information, visit Next Step at [www.nextstepgrowth.com](http://www.nextstepgrowth.com) or call 1 650 361 1902 or (47) 902 30 982.