



Life is Uncertain: Proof First, Product Later

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Management Summary

When the cost of risk is high, customers become preoccupied with it. To buy with confidence, customers want the proof – the partners and happy customers. So a young company called Compellent (compellent.com) has flipped the traditional process of launching the product first, then building the channel, then winning customers. **They have developed their product – a networked storage array with significant software capabilities – but they are not announcing it yet.** And yes, this is the story, for what they are doing instead is significant.

Instead, they are announcing their Elevate Partner Program and the existence of the Compellent Customer Council. This Council comprises over 60 partners and end users, whose experience and feedback help Compellent fine-tune the product before launch. Will this make the product more credible when it is announced? Of course!

How did Compellent come to go down this route?

- The ability of start-ups to bring new technology more briskly to market is by now well documented – but so is the *inability* of start-ups to gain respect, due to the lack of corroboration of product value from channel partners and end users. Compellent addresses this issue up front.
- The founders of Compellent, many from XIOftech, are seasoned, known quantities, whose names alone gain their product entrance to beta sites. With the tumult of the technology market over the past decades, it is relatively easy to trace the path of engineers from company to company, and to judge the realism of their ideas, even if not all companies have fared well.
- The channel for data storage is well developed. These companies know their target markets and their customers, and are on the lookout for new products with a clear value proposition. Compellent's well-developed, channel-only strategy gives that channel a reason to participate and a clear shot at delivering that value to their customers.
- There are many network storage products out there, with a lot of similar features. Addressing - first - the need for a channel and early customers will allow Compellent to launch a product that has been evaluated, tested, and successfully deployed. This will allow them to concentrate - not on the arcane feature differences - but on what they have done for their customers.

Of course, we cannot tell you about product – yet. But their go-to-market strategy *alone* makes Compellent less-easily dismissed. More....Compelling.

Is this the way more and more start-ups will bring their product to market? It should be. It certainly addresses the channel's need for clarity and the customers' reluctance to buy from newcomers. **Consider what you would find compelling. Then make your demands.**



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