



Expert Panel

**Software Monetization Trends &
Best Practices with IDC and
Flexera Software**

Panel Members



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IDC Prediction

#1

Software Subscription Revenue Will Continue Its Rapid Growth Trajectory to Reach \$130 Billion in 2016, a 21% Increase over 2015

Worldwide Software Subscription Forecast



- suppliers need to focus on subscription policy and implementation, as well as determine whether their subscription businesses can scale to meet increased demands in volume and sophistication

Selected Segment Growth Rate

- ▼ License CAGR -1.7%
- ▲ Maintenance CAGR 3.9%
- ▲ Subscription CAGR 19.6%

Total Market CAGR 6.8%

Source: IDC Software Licensing, Maintenance, and Subscription Forecast, 9/2015



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IDC Prediction

#5

Close to 50% of Organizations Will Have the Processes and Tools in Place to **Meter Usage** of Their Major **On-Premises Software** by 2018

IDC Prediction

#3

By 2018, 50% of All Industries Will Be Disrupted by a Competitor from Outside the Context of Their Industry That Embraces 3rd Platform Business Models

Software is a Cross-Industry Driver of Business Model Innovation

Q: What role do software applications play in your company's core product or service offering?

	Software applications are a core component of the products or services that we bring to market	Software applications help meter or manage the use of our product or service and are key in our ability to monetize our core offering	Software applications support our core business process and improve our ability to provide quality products and services to the marketplace	All of the above	None of the above
TOTAL	18%	29%	24%	27%	1%
Business service/ other service	18%	30%	19%	32%	0%
Construction	18%	35%	19%	29%	0%
Govt & Education	20%	28%	33%	20%	2%
All Healthcare	13%	38%	25%	25%	0%
Banking/Insurance	24%	24%	27%	22%	2%
Manufacturing	24%	18%	34%	22%	2%
Retail/wholesale	18%	19%	22%	40%	0%
Telecomm	14%	35%	19%	32%	0%
Other, please specify	24%	38%	21%	19%	0%

Source: IDC Mobile Enterprise Applications Survey, 1/2016, n=411 U.S. Respondents



IDC Prediction

#8

**Outcomes-Based Software Pricing Models
Will Be an Option for 20% of Applications
by 2017**

Outcomes Based Pricing



Access

- Defined by access



Experience

- Defined by interaction



Outcome

- Created through interaction



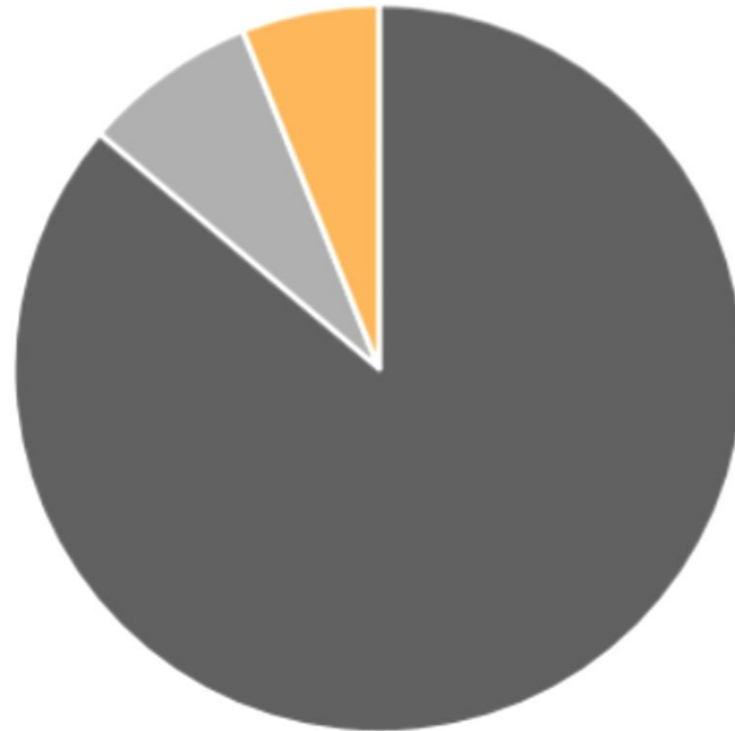
IDC Prediction

#10

By 2018, **60% of Manufacturers of Connected Devices** (Automobiles, Thermostats, Medical Devices, etc.) Will Generate **Recurring Revenue** via a Software-Based Offering or Service

The Strategic Value of Software is Increasing

Q: Will software play an increasing role in your company's core product or service offering in the next 12-18 months?



■ Yes ■ No ■ Don't Know





Q & A

Keep in touch...

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