



NetContinuum Finds Marketplace Sweet Spot & Sales Strategy to Drive Revenue Growth



Complementary Market Validation and Lead Development Projects Put Company on Path to Success in Rapidly-Growing Market Segment

Executive Summary

Client NetContinuum Inc.

Industry Enterprise Security

Segment Application Firewalls

Company Profile

NetContinuum is the leading provider of ASIC-based web security appliances that consolidate all critical DMZ functionality into a single system to enable cost-effective deployment of secure web applications.

Founded in 1999, NetContinuum's product development efforts have resulted in the industry's first comprehensive, multi-function application security gateway delivered as a single, integrated, easy-to-deploy appliance with the kind of built-in performance and reliability needed to satisfy strict data center requirements.

Problem

Determine resonance of market positioning & messaging with key prospects. Increase conviction and confidence in the business and marketing strategy. Execute a sales strategy based on findings to drive rapid revenue growth and market segment capture.

Solution

Implement complementary SalesRamp Market Validation & Lead Development Projects.

Results

- Confirmed marketing strategy, messaging, timing and prospect pain points. Laid groundwork for subsequent financing round
- Exceeded Qualified Lead Development Targets by 30%
- Achieved Sales Targets

The Opportunity

According to market researcher Yankee Group, application security is slated to become a \$2 billion market over the next five years ("Spending on Application Security Accelerates Security BPO," September 2004).

To address this opportunity, NetContinuum developed the NC-1000 Application Security Gateway, a powerful line of ASIC-based application firewall appliances that deliver the highest level of protection available for mission-critical web applications.

The NC-1000 is an enterprise class application firewall that secures web applications from entire classes of attacks, protecting against severe consequences such as data theft, financial fraud, or loss of customer confidence.

The Problem

Prospective customers, not being aware of, or not having purchased a product like the NC-1000, could not verify that potentially-harmful attacks were occurring in their critical business applications. As a result, awareness of this extremely serious problem was lacking in the marketplace. Furthermore, buying authority and decision making was often split between enterprise Security and IT management, making it difficult to efficiently reach and sell to them.

The problem had two facets:

How to position the RIGHT product value proposition and messaging to the RIGHT prospects, and once determined, how to drive sales revenue based on these findings.

Another issue was how to overcome resistance to buying a product of this type from a start-up. With very large public companies casting a shadow in

the marketplace, it was critical to understand how to eliminate this perceived risk for prospective buyers.

The Solution: A One-Two Punch

NetContinuum and SalesRamp executives conferred on the problems and decided on a two-pronged approach.

First, SalesRamp would conduct a Market Validation Study to determine key prospects for the product, critical factors they considered in making a purchase of this type, and how they perceived enterprise security firewall products as a solution to their application security problems.

This primary research study, reaching approximately 50 mid and C-level prospects, would be key to determining the viability and direction of the marketing and sales strategy.

In tandem, SalesRamp would build a Qualified Lead Development team to use insights captured from the Market Validation Study in real time to generate qualified opportunities for the sales force.

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"SalesRamp brought a 1-2 punch to demonstrate market viability and get us the qualified leads needed to ramp our sales. They uncovered win-win opportunities that we didn't know for sure were there. Without these critical insights we might not have succeeded in our market strategy."

Gene Banman, CEO

About SalesRamp

SalesRamp provides Sales services to optimize the Front-End of your Sales Process and to produce predictable revenue. We also provide Marketing Services to help optimize your Target Markets, Messaging, Positioning and Go-to-Market Strategies. We work with early to mid-stage companies in market segments that include enterprise software, networking, infrastructure, data storage, telephony & security. SalesRamp was founded in 2001 and is headquartered at 2672 BayShore Parkway, Suite 605, Mountain View California, 94043. 650.404.1699. www.salesramp.com

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"SalesRamp made a huge impact on our business and answered the BIG questions: Do we have a market? Who will buy our products and when? In tandem, they generated a predictable number of qualified leads to ramp our sales. Now we can go to our board of directors and to our customers with the conviction that we are pursuing the right marketplace strategy."

- Gene Banman, CEO

Start Up Phase

Prior to starting work, SalesRamp and NetContinuum executives and Program Managers met to discuss key aspects of the business including current marketing strategy, marketing and sales programs, products, services, customers, competitors, and industry trends and standards.

SalesRamp then created the Market Validation Study survey strategy, call guides and interview lists required to set appointments and begin the survey with Fortune 1000 mid and C-Level executives.

Key Market Validation Study questions included:

- Who are the key prospects for our products? Are they aware of the application security problem? What are their pain points? What is the compelling product position and message to them?
- Who is accountable for the application security problem in target companies? Who makes the buying decision? Is it IT? Security? Both?
- Are budgets in place to procure the products? When is the money budgeted?
- Will prospects buy these products from a start-up? Are there some prospects ready to buy now that we could convert to customers?

The Qualified Lead Development project, focused on generating revenue, had its own set of questions and objectives:

- How can we use what we currently know and what we learn from the Market Validation Study to quickly develop a pipeline of qualified opportunities for our sales force?
- How can we use the qualified leads to drive the sales pipeline to achieve predictable revenue growth?

Operational Phase

With this critical information in hand, SalesRamp began the Market Validation Study, conducting in-depth interviews with the C-Level Execs and IT-Security Management decision makers in the prospect base.

In parallel, the Lead Development Program Manager revised and augmented the calling strategy, updated outbound calling lists, created call guides and scripts, recruited and trained Lead Development Representatives, an established weekly project reviews.

Working from the revenue targets, sales cycle, and close ratio data, preliminary monthly goals were set for each Lead Development Representative, including the number of "Truly Qualified Leads" or "TQLs" required to meet or exceed the sales forecast.

Proactive management of this team continued throughout months 1-3 of the Lead Development project. During month 2, a formal "TQL" performance goal was set for each Representative and for the Team as a whole.

During the final month of the project, SalesRamp worked hand-in-hand with NetContinuum executives to continuously improve the Lead Development process

with call monitoring, coaching, updated scripts, product positioning and messaging, all gleaned from real-time prospect contact and from insights captured via the Market Validation Study.

Management was also briefed weekly on the Lead Development project to assess performance, discuss findings and evaluate recommendations to improve the process.

Results

After completing the Market Validation Study, NetContinuum's executives and their Board of Directors were briefed on the project. Findings and recommendations were immediately implemented in the marketing and sales strategies and in the Lead Development practice.

As a result, at the time of this writing, the Lead Development Team was exceeding its TQL quota by 30%.

The combined effect of the Market Validation Study and Lead Development project helped NetContinuum achieve their sales objectives, establish a new industry standard performance testing process, and provided the basis for securing the next round of company financing.

Was it worth it? As CEO Gene Banman notes:

"We obtained tremendous value from both project investments. The market validation was strategic, pointed us to the buyers, and showed us a direction for the future. In parallel, the qualified lead generation project delivered the promised number of qualified leads to meet our sales targets."

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