

MSR Case Study



"MSR Communications is one of the best public relations agencies in the technology market. They rapidly ramp, develop a targeted, aggressive media strategy, and relentlessly execute. I value MSR's strategic advice, creativity with pitches and flexibility to change strategies as the business and market evolves. "

—Christine Crandell, former Vice President of Marketing, Ariba

SITUATION ANALYSIS:

Sunnyvale, California-based Ariba, [Nasdaq: ARBA], is the pioneer in 'spend management' – a discipline that combines technology, expertise, and innovative practices to provide a comprehensive financial overview of customers' entire spend across the enterprise. Ariba's spend management solution arms customers with the financial intelligence necessary to strategically reduce overall spending with suppliers for the goods and services they purchase and use.

When MSR started working with Ariba in mid-2005, the company had been through a 3-4 year period of little or no acknowledgment in any media category. If the company was mentioned at all, it was in the context of its fall from grace during the dot-com bust years ago. Additionally, despite its obvious and wide-ranging benefits to companies of all sizes, there was no recognition of spend management as a discipline. The editorial public who had stopped following the company still thought of it as a mere procurement software vendor. They were unaware that Ariba had significantly expanded its business into new markets, developed several complementary applications, acquired a wide range of commodity experts and built out the world's largest supplier network – *one of the world's largest business transaction networks of any kind with over 145,000 suppliers and resulting in savings of over \$70B annually*– and that it provided many unique services with these three elements. Moreover, despite its reputation as a dot-com casualty, Ariba was a very financially stable enterprise software company with a strong cash position and no debt even after a strategic acquisition spree.

MSR was tasked with creating an aggressive, results-oriented PR program that would rebuild credibility for Ariba in time for the company to celebrate its 10th Anniversary at a New York event with that featured ringing the closing bell at Nasdaq followed by meetings with top-tier reporters, analysts and key constituents such as investors, partners and customers.

In this overall effort, MSR was the lead PR agency and responsible for ensuring global collaboration and consistency of messaging with Ariba's international PR agencies in Asia, Europe and the United Kingdom.

STRATEGY & EXECUTION:

MSR crafted a PR strategy and supporting program for Ariba that was designed to address three overarching corporate objectives: 1) educate market about the state of Ariba *today*, its comprehensive offering of technology, services, and expert resources; 2) Re-establish Ariba's name in trade and business media in creative ways to dispel misconceptions that it

was a dinosaur whose time had passed; and 3) Create new avenues for lead-generation via new audiences that were relatively unfamiliar with Ariba.

First, it was clear that many things had changed in the media landscape since Ariba's last major PR push early in the millennium. In particular, the type of publications read by the average executive with decision-making power for software and services had changed considerably. Whereas IT-focused publications once primarily dictated which supply-chain applications were standard-bearers in the dot-com boom, the market had evolved to a point where the real stakeholders in supply chain software were line managers whose expertise was their particular vertical industry, not software. The IT department no longer determined what was best for a company's purchasing operations; it was the purchaser that made this call.

As a result, it was evident that our strategy needed to focus on issues that most impact business decision makers.

- **Focus on Vertical Industries and Relevant Current Events**

Until this time, Ariba hadn't ever forged relationships with vertical industry publications. But now, the company was sitting on a gold mine of potential buyers who had an evergreen problem that Ariba could solve. Thus, MSR's initial recommendation was to educate the very publications that speak directly to customers in the vertical industries that are served by Ariba's spend management practice. Leveraging the company's industry-specific and commodities experts as spokespeople, we were able to demonstrate how organizations in every vertical can benefit from a comprehensive overview of their corporate expenditures.

Taking the strategy a step further, during the past year and a half, MSR has continually identified business issues and current events that are relevant to vertical industries to create a thought leadership platform on which to elevate the spokespeople as general market experts who are able to authoritatively comment about a variety of topics that are not necessarily issues with which Ariba would be associated. MSR creatively leveraged issues such as the tainted spinach outbreak, food mis-handling and pet food scares to position Ariba to comment about how companies can work more closely with suppliers to prevent such occurrences especially in the grocery and retail markets. And we quickly responded to recalls by several manufacturers of Chinese-made toys as another watershed opportunity for Ariba to discuss the implications of product production in China, the manufacturing industry and what general consumers should be aware of when purchasing in the future.

- **Emphasis on Technology Issues Not Products**

The shift towards vertical press did not mean Ariba was to ignore the traditional tech trade media who were still instrumental in shaping the company's corporate profile. However, to re-establish Ariba in the enterprise technology sector, the company needed to adjust to new realities in how companies were covered. Over the decade, tech journalism had seen a drastic reduction in the number of outlets, and a corresponding reduction in staff in the remaining survivors. Consequently, fewer reporters were left covering three times the number of beats. In addition, editorial agendas were becoming increasingly open-ended with the rise of blogs and social media. Less space was being allocated to traditional product announcements, case studies and momentum-style announcements.

It was in this landscape that MSR worked with Ariba to attach itself to general technology issues rather than focus on individual product or technology announcements. For example, as reporters began to poke holes in the major players' Enterprise Resource Planning (ERP) solutions and executive departures, MSR creatively leveraged the exit of Shai Agassi from SAP to highlight the fact that, while excellent accounting tools, are unable to deliver the comprehensive financial intelligence necessary to strategically reduce an organization's spending and achieve bottom-line results. Rather, MSR positioned Ariba to make the point that what companies need in order to bring savings to the bottom-line is to bridge the gap

that exists between a company's procurement and finance functions. This effort resulted in a series of thought-provoking articles by Ephraim Schwartz in *Infoworld Magazine*, *CIO Magazine* and on the *IDG News Service* that asked the question "Is ERP Enough?" inciting industry discussion and a response from Mr. Agassi himself on his personal blog.

- **Business Expertise for Business Coverage**

A similar strategic, creative approach was needed to regain traction among the business media in order to overcome relatively flat earnings and a stagnant stock price. MSR proactively pitched the media, leveraging Ariba's wide-ranging commodity and supply-chain expertise to address various hot-button current events issues. For example, in the wake of the rash of product recalls from China and other low-cost sources of goods, MSR positioned Ariba as an expert that could comment on "what went wrong" and how companies can use the principles of spend management to protect their supply chains. By leveraging this angle, MSR secured a media placement for Ariba in an *Associated Press* article that ran in numerous publications nationwide and created opportunities for appearances on several influential national broadcast outlets such as *CNN* and *CNBC*.

Though Ariba's customers were nearly always unwilling to talk to the press, MSR leveraged several of the company's success stories to relay to the public through the media how Ariba's combination of technology, expertise, and proven processes can deliver significant savings to the bottom line. For example, most of the mainstream business publications had already written about foreign car manufacturer, Tata Motors', plans to release a \$2,500 car. What had not been discussed, however, was *how* the company could possibly build a viable car at such a low price. Utilizing this story angle, MSR demonstrated how Ariba's spend management solution enabled the company find and reduce its spend of over \$110 million just by better sourcing and managing costs in its employee cafeteria! With this story, MSR secured interviews and coverage in such top-tier publications as *Time Magazine*, *Businessweek*, *The Wall Street Journal*, and *The New York Times*.

RESULTS:

In the past year alone, MSR has secured nearly 1,000 pieces of coverage for Ariba in all relevant trade, business and vertical publications as well as key blogs thereby dramatically increasing the company's monthly and quarterly metrics for media placements and impressions in nearly all major national outlets while simultaneously raising the quality of its coverage. As a result of MSR's efforts, Ariba arrived at its Nasdaq 10th Anniversary celebration as a widely recognized premier practitioner of "spend management," and the discipline as a tremendously valuable strategic business tool.

"MSR's services are just as effective for start-ups as well as for larger companies. I highly recommend MSR Communications and look forward to working with them for years to come."

—Christine Crandell, former Vice President of Marketing, Ariba