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Marketing Memos

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Breaking Security

Sometimes the only way to win a market is to break it.

Markets tend to stagnate. Solutions become entrenched due to offerings being well understood and being good enough. To enter such markets with the same class of product is an elegant and expensive form of corporate suicide. When faced with such situations you need to invent products and services that not only add value but shatter the current market precepts.

Think of Genghis Khan as a new and different product and the Xia Dynasty as the established market.

Call it creative destruction or disruptive technology. The marketing principle at play is that offering the same product as everyone else means you offer nothing at all and that you will eventually compete on price. That is the definition of a commodity and that is a lousy way to make a living.

A case in point of shattering a stagnant market is the start-up Security Mentor. Long ago (when I was young and Taft was in the White House) I was a designated security officer for a classified computing facility. Part of my job entailed educating a small squad of computer users on secure use of systems and data. Quarterly I would conduct all-hands briefings which mainly consisted of reminding them not to do stupid things with classified data and alerting them on new dangers (for example, 3.5" floppy discs became available during my tenure, and the ability to smuggle data out of a building in one's shirt pocket became a real issue).

Today enterprises are doing much the same thing. They hire security consulting companies that make periodic visits to

conduct mandatory seminars. Employees typically learn dozens of security tips, remember one or two, then proceed to forget the rest and in the process expose their companies to financial ruin.

Clearly there is room for improvement, but the current vendors — the security training firms — do not want to break the mold. Face-to-face training is what they know, where their experience lies, and frankly it is the only way they know how to make a buck.

Enter Security Mentor, a company prepared to disrupt the status quo. In examining the security training market, they saw some fundamental weaknesses:

- **Recurring expense (repeat training sessions)**
- **Lack of sustainable value (employees forget what they are taught)**
- **Lack of consistency (instructors change)**
- **Lack of validation (did the employee learn or did they sleep through the class)**
- **Lack of reinforcement (no repetitive exposure to education)**
- **Disruption of employee work routine to attend classes**

The market status quo is crummy.

Security Mentor did what I call a Circuit City Shuffle. Long ago (when I was young and you could buy a new Hudson automobile for \$500) Circuit City discovered and may have perfected the market disruption process. Then known as the Wards Company, they surveyed to discover what consumers hated about buying televisions and radios. They got an earful — limited selection, lousy repair services, mom-and-pop retailers with high prices and on, and on, and ...

The situation was so bad I'm surprised Milton Berle didn't starve to death from lack of viewers. So Circuit City engineered each of the negative aspects out of their operations, added a few new values, enchanted consumers, built a strong brand and became the darling of the New York Stock Exchange for a long time. They then repeated that processes with the used car market and invented CarMax.

Security Mentor has done something similar. Their product delivers automated security training in small chunks suited to the time-crunched work lives of the typical employee. These security snippets are delivered with a frequency that keeps security at the forefront of each employee's alleged mind, unlike quarterly trainings that allow the urgency of security awareness to dissipate between torture training sessions. Recurring topics and tactics in security also reinforce and make permanent the security lessons, much the same way as repetitive advertising on television keeps inane product jingles in your brain 20 years later (Hold the pickle, hold the lettuce, special orders don't upset us). And being web/Flash based, there is the ability to capture records on which employees have failed to view their requisite security training content and take corrective action.

Like Circuit City and CarMax before them, **Security Mentor has analyzed a market, itemized the weaknesses therein, built a product that eliminates all those weaknesses and adds some new value as well. This is a structured approach to breaking into a market and one that greatly enhances their probability for success. From a marketing strategy standpoint, their product design process is superb.**