Promoting Legal Software Usage in Challenging Geographies

Top software provider teams up with Revenera to support local distributors

CUSTOMER

Developer of world-class Building Information Modeling (BIM) software

MARKET

Over 200,000 commercial licenses, in more than100 countries worldwide

CHALLENGE

Convert software pirates into paying customers in differing markets, with highly diverse cultures and distribution relationships

PROGRAM OWNER

Head of Strategic Relations

SOLUTION

Use Compliance Intelligence across multiple products and platforms to identify license infringements and transform them into revenue; supported by Revenue Services for enforcement and revenue collection

RESULTS

- Clear factual view of true software usage market by market
- Significant, dynamically growing new revenue—in the multi million euros range
- Ex-pirates represented more than 31% of revenue in Russia in 2015
- Happy distributors and paying customers

Revenera Customer

Our customer pioneered the Building Information Model (BIM) revolution in the 1980s, and still leads the industry in helping architects achieve inspiring design, improve efficiency, and win more business. Reflecting deep knowledge of the architectural process, its 3D BIM tool set can handle everything from town planning to intricate details, and functional studies to highly complex designs.

The company serves clients worldwide, from offices throughout Europe, North and South America, and Asia, and through international distribution relationships in 14 geographic regions.

Working with Revenera, our customer is rolling out an increasingly effective global revenue recovery program: one that has already transformed a growing stream of infringement data into millions of euros in new revenue.

The Customer's Challenge

As its flagship software became more popular, our customer faced a growing piracy problem, both in its core European markets and beyond. It used standard software protection tools, said the Head of Strategic Relations. "But, as with most other software, cracks appeared shortly after the official release. Toughening the protection would have made the work of crackers harder, but couldn't completely eliminate the core problem."

In discussing piracy with executives throughout the company, the question was: how could these infringements actually be transformed into revenue?

The company's decision-makers had watched other software providers launch whistleblower web pages, but weren't comfortable asking individuals to inform on each other, especially in tight-knit communities where personal relationships were crucial. The firm respected customer privacy both as a matter of culture and the law. Given these constraints, even if it suspected piracy, it had been difficult to prove.

When Revenera approached the company's leadership to suggest a trial of Usage Intelligence, its Head of Strategic Relations recognized a valuable opportunity. "In a way, the pirates are your friends," he said. "They like your products: that is why they choose them." If Usage Intelligence could help the company build a well-managed revenue recovery program without compromising customer relationships, he believed, this could drive substantial revenue.

The Solution

Revenera quickly deployed Compliance Intelligence within the company's flagship product, and began generating leads about infringements within agreed upon trial markets, the United States, France, and Switzerland.

The Head of Strategic Relations began working with regional subsidiaries and independent distributors to widen the program's reach, and to share and follow up on the leads Compliance Intelligence was generating. Combining his understanding of their markets with Revenera's best practice guidance and experienced based statistics on the ratio of piracy revenue to legal sales, "we demonstrated what we could do, offered to support our partners with leads, and educated them on the best ways to successfully approach pirates in their regions."
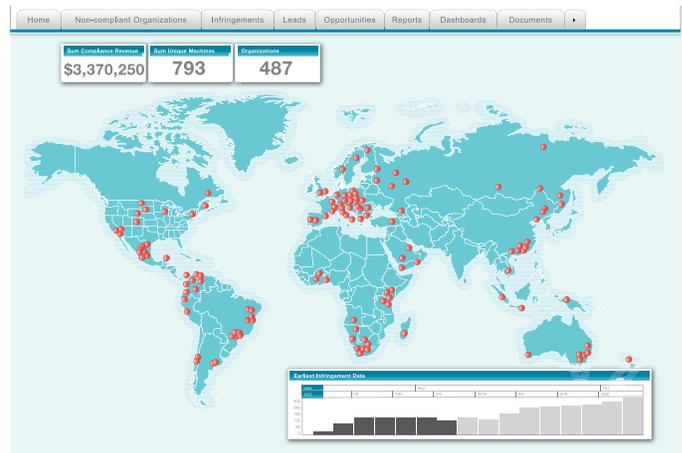
Different strategies have proven to work best in different regions. For example, in Western Europe, "making contact is usually enough." In South America or Eastern Europe, the company needs
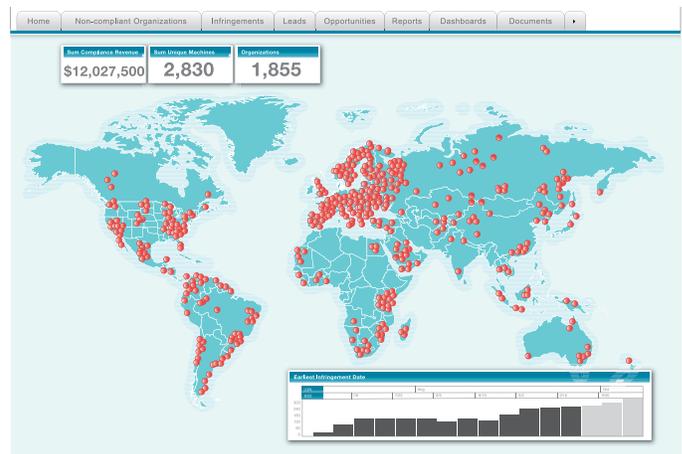
Compliance Program Success

The images show the growth in revenue opportunity over time.

1 Week, $30K Opportunity

7 Weeks, $3.3 million Opportunity

17 Weeks, $12 million Opportunity

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to involve subject expert lawyers to send formal warning letters and direct the infringers to the local partner. These partners offer a chance to legalize the software in a friendly manner without serious future legal consequences.

Distributor participation is voluntary, but "when we started in 2013, many of our exclusive distributors were very open to participating. They saw that if we lose a sale to piracy, they've lost money, too."

The company continues to roll out its revenue recovery program in new regions and countries. Its preferred strategy has been to collaborate with a trusted reseller within a region, demonstrate success, and then branch out more widely throughout that region. Building on success in Europe, it is expanding its program into Italy, where it recently reestablished direct sales and anticipates sizable opportunities.

A long-time pioneer in providing solutions for Apple's Macintosh platform, the company has also extended its deployment of Compliance Intelligence to the OS X version of its flagship product, where it coexists with its licensing platform in an effective layered strategy.

In most regions, the company and its distributors had developed the skills and resources needed to act on Compliance Intelligence data. In the U.S., however, it chose to work with Revenue Services, which manages all contact with infringers, and works with local attorneys when needed. Says its Head of Strategic Relations, "For us, Revenue Services' very good subject matter knowledge and local connections helped expedite the rollout of the program in such a large country as the United States."

The Results

By fall 2015, the company's program had generated revenue in the range of multi-million euros, representing thousands of converted licenses. More growth is anticipated in 2016, as it deploys the program in additional hotbeds of piracy.

The company has monetized substantial opportunities in surprising locations, such as Switzerland and Austria. It continues to uncover large opportunities in its core markets, including a prominent, fast-growing local firm recently found to be pirating sixteen seats.

In 2015, the company realized 31% of its sales in Russia to expirates. As the political situation stabilizes, it also expects to pursue revenue recovery opportunities in Ukraine, Kazakhstan, and elsewhere in the region.

Thus far, very few cases have required the company to take legal action. However, a few high profile enforcement actions based on Revenera's data are communicating the message that it is serious about pursuing flagrant piracy. "We were part of a Russian police raid broadcast on the Moscow evening news. The pirates were shown on TV, and they've already purchased five licenses. Otherwise, they would have gone to jail."

With a smile, the company's Head of Strategic Relations observes that things aren't quite perfect everywhere. "We show practically zero piracy in Scandinavia and Japan. My sales executives there are jealous of all the leads everyone else is getting. But, they're unlucky: in the in the regions they're serving, the people are just too honest."

> *"In a way, the pirates are your friends. They like your products: that is why they choose them. With Compliance Intelligence, we can finally transform them into paying customers."*
>
> **HEAD OF STRATEGIC RELATIONS**

NEXT STEPS

Turn Software Piracy into Revenue

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