



## Noël's product management corner – MEMBER SUCCESS STORY

# Composite Software - Knowing What You Don't Know

**C**omposite Software is a company that has proven successful by following one rule of thumb - always know what you don't know and fill in the gaps with people who do.

### Learning and Networking

When you meet Michael Abbott, Founder of Composite Software, you realize right away that he is a guy that places a high value on learning and giving credit to people for their individual skill set and the contribution they bring to a team. In that spirit, Abbott joined the SDForum years ago to learn about new technologies. He started his relationship with the organization volunteering for the XML and Web Services SIGS. He found the SDForum to be a strong networking arena for both technologists and business people, and a great place to talk about a new business idea, get feedback and input. Not only can engineers learn about patterns and trends in technology and industry and get a glimpse into what is new on the horizon, but they can also meet and talk about their ideas with VCs, discuss business terms, and engage with sales and marketing experts. Abbott used his experience at the SDForum to help generate a network that has served him well as he started and grew his company.

### Building an Advisory Board

Abbott learned that to have a successful business you not only need good technology, but you also need to know how to sell and market a product. He credits this learning and his subsequent ability to see the big picture with helping his team close their Series A financing in 2002. They realized what they knew and what they needed to know. They built an advisory board early on to fill in the major holes in their knowledge.

Composite was a team of engineers who found people to help with the sales and marketing.

The advisory board proved to be a smart move as its members filled in gaps in the business plan, added credibility, and introduced the team to VCs. Because the Composite team was open and honest about what they didn't know, the VCs offered advice and suggestions rather than nailing them on what they had neglected to consider. Essentially they removed much of the startup risk with this honesty.

### Talking to Customers - Early and Often

The people who know best about their needs are the customers. Abbott and team started talking to customers early so they could get the product requirements right the first time. They took a vision and an idea and within 4 weeks were meeting with potential customers to talk about pain points. When they built their first prototype they again went to the customers who willingly gave feedback and also agreed to talk to the VCs about their needs and how the product would serve them. But the quest for feedback and knowledge didn't stop there. To this day the team is still talking to customers to help fine tune the value proposition, and asking questions so they can understand the formula for success.

### Partnerships and Competition

Who else can you learn from? Partners and yes, even the competition, according to Abbott. Composite partners with companies like Web Methods to add credibility and fill in gaps in services. And they use the competition to their advantage. "Competition is good," says Abbott, "It proves there is a market. Let the companies with deep pockets educate the market. Ride on their coat tails and then do it better." So how did this lesson in filling the gaps

prove out for Composite? The company is currently well financed, they have been shipping a product for over a year, have a number of customers, and most importantly are generating revenue. Abbott continues to spread the message by helping other startups. Why? What comes around goes around. As Abbott says, "Starting a company is so tough. You have to manage the risk by learning from others; that is what we did."

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