

# Avangate Case Study: BitDefender Success Stories

## The Client

**Company:** BitDefender

**Industry:** Security software

**Employees:** Over 500

**Locations:** HQ: Romania, Offices in US California and Florida, Spain, Germany, UK

**Distribution network:** Thousands of value-added distribution and reseller partners in more than 100 countries worldwide

**Description:** BitDefender, the creator of one of the industry's fastest and most effective lines of internationally certified security software, provides security solutions to satisfy the protection requirements of today's computing environment, delivering effective threat management for tens of millions of home and corporate users across the globe.

**Website:** [www.bitdefender.com](http://www.bitdefender.com)



## Background

As a company operating in the highly competitive IT security market, BitDefender considers it essential to have a global outlook of revenue sources in order to accurately formulate strategies, allocate resources and forecast future sales, including recurring revenue from subscription renewals. At the same time, the distribution channel is viewed as instrumental in helping consolidate market share and facilitating growth.

## The Context

This case study shows how BitDefender leveraged the ARMS solution from Avangate to achieve visibility over all revenue types and manage the distribution network efficiently, with the aim to increase business efficiency, customer satisfaction and the ability to compete on the global market.

## The Challenge

The software company was confronted with the following issues:

### Issue no. 1: Inadequate Software License Inventory

Besides affecting the management of the business per se, this issue had additional implications: auditors and potential investors requested a clear picture of recognized revenue and improved sales forecast accuracy.

BitDefender's software license inventory system proved not suitable for their scale of operations. A sold license, its price and the partner that facilitated the sale were not connected. This was leading to lack of control over sold licenses, lost revenue, inability to correctly forecast future sales, little understanding of revenue by customer type B2B vs. B2C and no centralized reporting.

### Issue no. 2: Poor Enforcement of Commercial Policies

BitDefender was confronted with hurdles in enforcing the company's commercial policies (Terms & Conditions/ Credit Notes/ Discounts & Discount Policies/ Promotions) and with the inability to quickly implement marketing actions spanning multiple regions. Consequences were product cannibalization and unhappy partners - it was not possible for instance to implement promotional campaigns to all partners, at the same time. Equally, there was no shared recorded history of partner relationships.

**“ ARMS basically facilitated our growth. It provided a global overview of channel sales and freed up significant internal resources allowing us to properly nurture partner relationships. ”**

**Our distribution network doubled after the first year of ARMS deployment. ”**

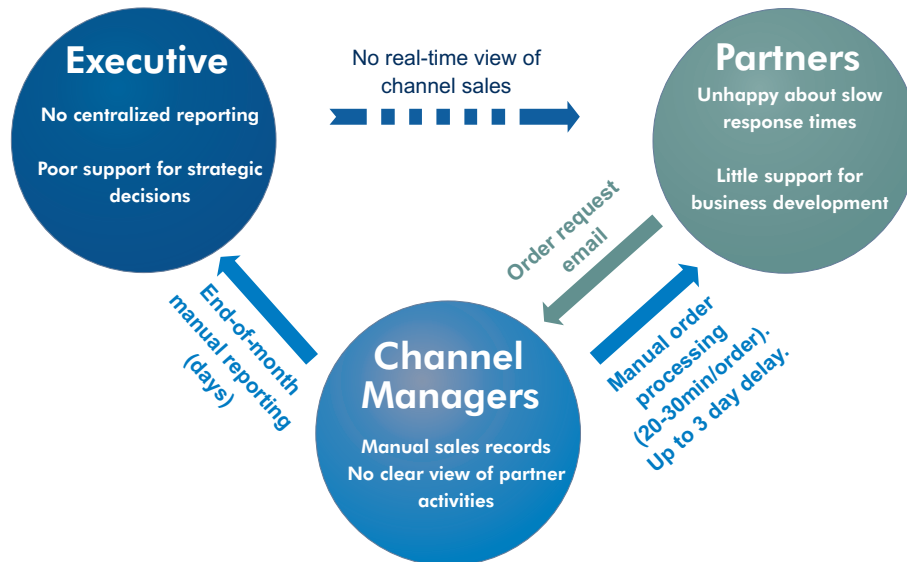


**Lucian Cristea**  
Global Sales Director  
BitDefender

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## Issue no. 3: Time Consuming Routine Operations

Day-to-day partner management operations were done mostly manually, with orders sent and received via email and reporting relying on spreadsheets. This meant slow response time to partners' requests and a significant workload for channel managers, primarily due to routine tasks.



## Time to Take Action

All of these problem areas lead to setbacks, internally as well as for the partners. Channel conflict was also a potential threat due to the lack of transparency over partner sales and limited policy enforcement capability. Moreover, sales and marketing objectives could not be correctly measured.

For BitDefender it became clear they needed a solution to address the low level of control over sold licenses and improve the way they managed the channel. Besides the practicalities and the impact on the bottom line, an improvement had to be made also to match BitDefender's image of **top technology provider and preferred vendor**.

## Objectives

The software security company identified a set of objectives to be achieved within a short to medium time frame:

- Improve global sales management and business control through centralized, real-time reporting
- Improve revenue forecasting and add transparency to receivables
- Boost partner relationships through automated order processing, real-time product delivery and consistent commercial policy enforcement
- Reduce internal resources spent on order taking or manual reporting; use freed up resources to concentrate on business development: nurture relationships with strategic partners, communicate business direction and goals, drive joint marketing programs
- Enhance overall business efficiency, eliminate lost sales, improve revenue

## The Context in Brief

- Global company with distribution network in 100+ countries confronted with setbacks regarding management of sold licenses, manual order processing and time consuming reporting
- Inability to accurately forecast recurrent revenue
- Difficult and costly to implement and scale marketing actions or enforce commercial procedures strategies

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## Criteria for Vendor Selection

In order to achieve these objectives, the ARMS partner management solution provided by Avangate was selected in September 2007. BitDefender's criteria for vendor selection were:

- Software license inventory management & tracking system combined with order and invoice management
- Scalable product, in terms of modules and languages
- 24/7 automated software ordering & delivery capabilities
- On-demand, real time, centralized reporting
- Straightforward management of partner relationships, credit limits, discounts, complex price lists
- Web-based application with different user access rights
- Multiple payment options for partners, including online payments via an eCommerce platform
- Integration with ERP and CRM systems
- Flexibility in accommodating specific business requirements
- Outsourced solution to speed up implementation and reduce operating costs

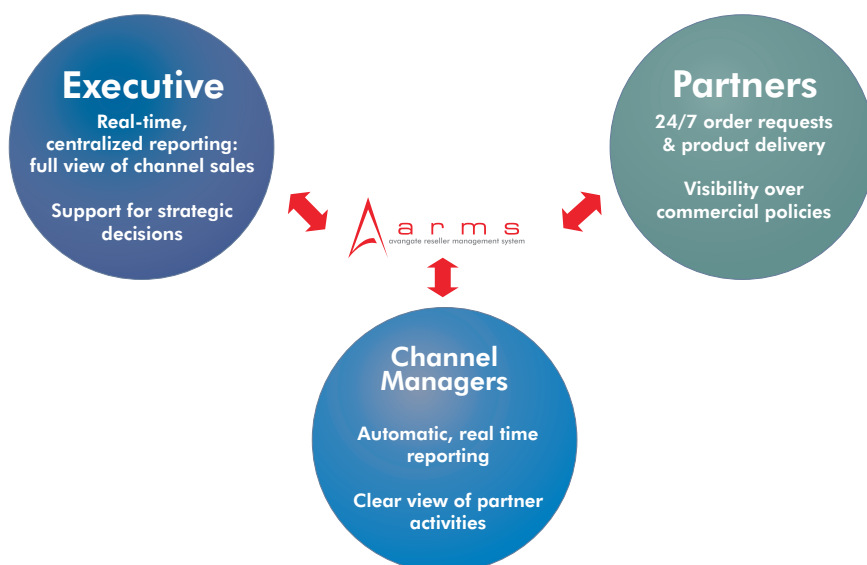
## Implementation

ARMS was initially tested on a limited group of partners for a period of 3 months. Once the pilot project was successfully completed, ARMS was gradually rolled out to the rest of the network. Some countries such as Spain were brought in after implementing the corresponding local language in the application.

## Other Key Considerations

Due to its large distribution network, BitDefender required a significant number of price lists based on various criteria: partner location, currency, license schema options, final market and more. ARMS already provided this flexibility.

Moreover, BitDefender needed to quickly update and manage these price catalogs and large sets of discount rules which was not possible at that time. Avangate development team accommodated these requirements with new features. Initially tailored-made for BitDefender, these proved useful for other vendors as well.



### Before ARMS:

- Time spent with routine tasks: 70%
- Business development: 30%

### With ARMS:

- Time spent with routine tasks: 20%
- Business development: 80%

**“ Avangate has proven very agile in understanding our specific business needs and requirements. They are providing the right platform and services to assist us as we develop and implement our strategy. ”**

**Lucian Cristea**  
Global Sales Director  
BitDefender

## Most appreciated in ARMS:

- ✓ Visibility over sold licenses and centralized, on-the-fly reporting
- ✓ High-level business support
- ✓ Scalable solution
- ✓ Automatic order approval and key allocation to orders
- ✓ Multiple pricing schemes
- ✓ Multiple payment methods

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## Results

Role-based benefits of ARMS deployment in the BitDefender network

### Company Executives

- ✔ Have **instant, global-wide visibility over sold licenses** = the number one pain that had to be resolved
- ✔ Make **forecasts with increased accuracy** and formulate strategies to **deploy and sustain a dedicated, global sales channel**
- ✔ Are able to swiftly implement commercial policies on a global scale  
Provide **accurate information to auditors and potential investors**

### Channel Managers

- ✔ Get **sales reports on the fly**, are able to **assess partner performance** and make **quick, informed decisions**
- ✔ **Reduce the time spent with routine administration tasks**, such as order approval and key delivery. From 30 orders/ day, a channel manager can now process up to 200 orders per day, with most order confirmations being "automatic"
- ✔ **Improved partner on-boarding**: hundreds of new partners can be added in as little as one business day without additional internal resources

### Accounting

- ✔ Previously relying on spreadsheets and manual processing of thousands of invoices, the ARMS solution now allows **flexible, automatic invoicing**

### Partners

- ✔ Positive partner feedback: distributors get license activation keys within minutes, instead of hours or days and they have multiple payment options available. With partners located in more than 100 countries worldwide, this was an important enhancement, improving overall customer satisfaction
- ✔ Partners are informed on the company's goals and direction and are able to discuss problem areas and plan joint marketing actions. Promotion campaigns are rolled out globally, without order processing delays for high-demand periods

### End Customers

- ✔ Improved customer satisfaction keys can be delivered instantly, whether the order is for 10 or 10,000 license activation keys

## Wrapping Up

BitDefender leveraged the ARMS solution from Avangate to achieve real time visibility over all revenue types and manage the distribution network efficiently, while increasing partner satisfaction.

Significant internal resources were freed up from routine tasks, allowing channel managers and executives to focus more on business development.

Bottom line, BitDefender doubled their distribution network after the first year of ARMS deployment without an increase in internal resources.

BitDefender has been using ARMS since 2007.

Case study: October 2010

**“ The ARMS solution from Avangate allows me to have all indicators at my fingertips. I can create reports and have a very good image of the business: accounts, invoices, situations and payments, everything instantly at my disposal. ”**



**Eva Burtoiu,**  
Senior Channel Manager,  
EMEA & APAC Business  
Unit, BitDefender

## How Avangate Can Help You

Avangate provides eCommerce and partner management solutions for the software vertical, enabling software companies to sell their products and services worldwide in a way that is efficient, secure and locally relevant.

If you would like to find out how we can help your company sell software successfully online as well as via the channel, do not hesitate to contact us at [info@avangate.com](mailto:info@avangate.com)

or call +31 20 890 8080

More information can be found on the corporate website at:  
[www.avangate.com](http://www.avangate.com)

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