Ensighten Summary

This case study revolves around Ensighten, a software company that offers tag management solutions for web analytics and tracking consumer behavior on websites. The case follows Josh Manion, the CEO of Ensighten, as he navigates a critical negotiation with Global Media, Incorporated (GMI), a Fortune 50 company, to secure them as a client. The study provides insights into the challenges and considerations Manion faces while negotiating a contract with GMI.

Key points in the case study:

1. **Background**: Josh Manion, a seasoned entrepreneur, founded Ensighten after recognizing the need for a more efficient solution to track consumer behavior on websites. Traditional methods involved using page tags, which could become cumbersome for large enterprises with numerous websites and pages.
2. **Ensighten's Solution**: Ensighten developed a cloud-based tag management system that simplified the process of tracking and analyzing web data, saving companies significant time and effort. Their solution allowed businesses to track user activity across multiple websites and pages more effectively.
3. **Business Model**: Ensighten priced its services based on the number of websites or client domains and the volume of traffic on those domains. The company charged annual licensing fees and setup and installation charges.
4. **Contract Negotiations**: The case study highlights the challenges in negotiating contracts with large enterprises. GMI, a potential client, presented changes to Ensighten's standard licensing agreement. Manion, who was comfortable negotiating most aspects of the deal, sought legal counsel when faced with certain challenging issues in the contract.
5. **Legal Counsel**: Manion turned to attorney Jim Quinn, who specialized in intellectual property issues. Quinn provided insights into the legal aspects of the contract and worked with Ensighten to navigate the negotiations.
6. **Data Security**: One of the key issues to be resolved was data security. Ensighten emphasized that it did not intentionally retain customer data. Instead, it applied tags to website traffic, with all the data and analytics output going to the customer or their analytics vendors.
7. **Negotiation Strategies**: The case study provides insights into negotiation strategies, emphasizing the need for compromise and understanding the critical issues that need to be addressed in the contract.

The case study illustrates the challenges faced by a tech startup like Ensighten when negotiating contracts with large clients like GMI. It highlights the importance of legal counsel, understanding key contractual terms, and the need for flexibility and compromise in securing high-value clients.

Extra maal hai ye (dekhlena agr kaam ajai to)

At [EMBA PRO](#), we provide corporate level professional Marketing Mix and Marketing Strategy solutions. Ensighten case study is a Harvard Business School (HBR) case study written by Lena G. Goldberg, Michael J. Roberts. The Ensighten (referred as "Ensighten Software" from here on) case study provides evaluation & decision scenario in field of Innovation & Entrepreneurship. It also touches upon business topics such as - Marketing Mix, Product, Price, Place, Promotion, 4P, Entrepreneurship, Financial markets, Intellectual property, IT, Negotiations, Strategic planning.

Our immersive learning methodology from – case study discussions to simulations tools help MBA and EMBA professionals to - gain new insight, deepen their knowledge of the Innovation & Entrepreneurship field, VRIO Analysis, case solution, VRIN Solution, Resource based Strategic Management- Value, Rare, Imitation Risk, Organization Competence, and more.

VRIO Framework was first developed by Jay B Barney to evaluate the relative importance of resources to the firm. **VRIO stands for – Value of the resource, Rareness of the resource, Imitation Risk, and Organizational Competence.** VRIO is a resource focused strategic analysis tool. Leaders at Ensighten Software can use VRIO to build sustainable competitive advantage by better understanding the role of resources in Ensighten Software's overall business model.

VRIO analysis of Ensighten Software is a resource oriented analysis using the details provided in the Ensighten case study. Resource-based strategic analysis is based on the assumption that strategic resources can provide Ensighten Software an opportunity to build a sustainable competitive advantage over its rivals in the industry. This sustainable competitive advantage can help Ensighten Software to enjoy above average profits in the industry and thwart competitive pressures.

***It is a broad analysis and not all factors are relevant to the company specific. For greater details connect with us.

Resources	Value	Rare	Imitation	Organization	Competitive Advantage
Pricing Strategies	Yes	No	Pricing strategies are regularly imitated in the industry	Yes, firm has a pricing analytics engine	Temporary Competitive Advantage
Intellectual Property Rights, Copyrights, and Trademarks	Yes, they are extremely valuable especially to thwart competition	Yes, IPR and other rights are rare and competition can't copy	Risk of imitation is low but given the margins in the industry disruption chances are high	So far the firm has not utilized the full extent of its IPR & other properties	Providing Strong Competitive Advantage
Track Record of Leadership Team at companyname	Yes	Yes	Can't be imitated by competitors	Yes	Providing Strong Competitive Advantage

Marketing Expertise within the Ensighten Software	Yes, firms are competing based on differentiation in the industry	No, as most of the competitors also have decent marketing know how	Pricing strategies are often matched by competitors	Yes, firm is leveraging its inhouse expertise	Temporary Competitive Advantage
Sales Force and Channel Management	Yes	No	Can be imitated by competitors	Still there is lot of potential to utilize the excellent sales force	Can provide sustainable competitive advantage. Potential is certainly there.
Brand awareness	Yes	Yes, Ensighten Software has one of the leading brand in the industry	No	Ensighten Software has utilized its leading brand position in various segments	Sustainable Competitive Advantage

Supply Chain Network Flexibility	Yes	Yes	Near competitors also have flexible supply chain and share some of the suppliers	Fully utilized	Keeps the business running
Access to Critical Raw Material for Successful Execution	Yes	Yes, as other competitors have to come to terms with firm's dominant market position	Can be imitated by competitors	Yes	Providing Sustainable Competitive Advantage
Customer Community	Yes, as customers are co-creating products	Yes, the firm has able to build a special relationship with its customers	It is very difficult to imitate the culture and community dedication	Going by the data, there is still a lot of upside	Providing Strong Competitive Advantage

What is a Resource in VRIO? Classification of Resources for VRIO Analysis.

Resources of an organization can be categorized into two categories - Tangible resources and Intangible Resources. Tangible resources of Ensighten Software include - physical entities, such as land, buildings, plant, equipment, inventory, and money. Intangible resources of Ensighten Software are –skill and administrative level of managers, brand names and goodwill of the company, intellectual property rights, copyrights, trademarks, and special relationship with supply chain partners.

The four components of VRIO used in Ensighten analysis are –

Valuable – Is the resource valuable to Ensighten Software. According to Lena G. Goldberg, Michael J. Roberts of the case study following are the critical resources that are valuable to the firm - financial resources, human resources, marketing expertise, and operations management.

Rare – "Ensighten Software" needs to ask is whether the resources that are valuable to the Ensighten Software are rare or costly to attain. If they are not rare than both present competitors and new entrants will easily able to get access to them and enter the competitive landscape.

Costly to Imitate – At present most industries are facing increasing threats of disruption. According to the data provided in Ensighten – it seems that the core differentiation of the Ensighten Software is difficult to imitate. On a broader scale – imitation of products of Ensighten Software can happen in two ways – Duplication of the products of the company, and competitors coming up with substitute products that disrupt the present industry structure.

Organizational Competence & Capabilities to Make Most of the Resources – It measures how much the company has able to harness the valuable, rare and difficult to imitate resource in the market place. The exploitation level analysis for Ensighten Software products can be done from two perspectives. Is the firm able to fully exploit the potential of the resource, or it still has lots of upside.
Often the exploitation level is highly dependent upon execution team and execution strategy of the firm. So exploitation level is a good barometer to assess the quality of human resources in the organization. Capabilities tend to arise or expand over time as a firm takes actions that build on its strategic resources.

VRIO and VRIN of Ensighten

Another extension of VRIO analysis is VRIN where "N" stands non substitutable. A resource is non substitutable if the competitors can't find alternative ways to gain the advantages that a resource provides. In the VRIO analysis we can include the disruption risk under imitation risk.

Define the four characteristics of resources that lead to sustained competitive advantage as articulated by the resource-based theory of the firm.

The characteristics of resources that can lead to sustained competitive advantage as per the resource based theory of the firm are –

Value of the Resources

Rareness of the Resources

Imitation and Substitution Risks associated with the resources.

Organizational Competence to exploit the maximum out of those resources.

How VRIO is Reshaping Business Strategies

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