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Discussion Board Wrap-up-Centra Software

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Situation: Centra is a pioneer in the market for software for eLearning and is beginning to look like a success story. Sales have doubled each year, but the market seems to be entering a new phase on the path to maturity and Centra is debating its *go-to-market strategy*. It is adding telesales to improve sales force productivity, but there is a disagreement between sales and corporate strategy on whether to deploy telesales to big or small customers.

A second dilemma is whether Centra's competition is the big enterprise software giants or a little player called Webex. A third related question is whether Centra's customer is the Global 2000 enterprise or whether it includes much smaller firms. Should it, like Webex, "fish where the fish are biting" or should it concentrate on the enterprise customer?

A shake-out is coming. How can Centra ensure that it either survives or is acquired by one of the survivors?

Issues:

1. Channel conflict between direct sales and telesales.
2. Customer selection-sell to the large enterprise or to small and large, sell to the corporate human resources staff or to the divisional executives who use the product?
3. Account capture or account development, hunting or farming.
4. Should Centra take a horizontal or a vertical industry sector focus?
5. Is it best to stay independent and be one element in a customer's "best of breed" solution, or will customers want an integrated solution from a single vendor?

Analysis:

Who is the target market? Are some customer's higher priority than others? Should sales operate in an integrated fashion? WebEx's sales model seems to be much less profitable than Centra's (relying heavily on promotion to accomplish the telesales productivity). Navickas, the CEO, seems to be leaving the question of go-to-market tactics to his VP's to fight out. Should he? The debate about tactical choice is surfacing disagreements within the leadership of the company about important issues like choice of customer, positioning of the offering and growth expectations. *Either the CEO is encouraging a debate to give the VP's a sense of participation, or this ship is rudderless.*

The problem is that Centra doesn't have the resources to sell to everyone, everywhere, for every reason. Where is the sharpest pain and how can they relieve it?

Centra's go-to-market decision will be easier to make if it can select a single customer problem to solve and identify who owns that problem.

Where is the market headed? Centra must choose between being an enterprise point solution or a personal productivity tool. It is really hard to justify using the company's limited resources to do both.

Conclusion:

On the surface, it appears as though this case is about channel conflict and how to solve it. The channel conflict, in my mind, is a symptom of a much greater problem: no clear strategy for going to market. There seems to be no plan, the CEO has failed to provide the leadership and the company has implemented a hedging move to follow Webex's strategy and sales methodology. There is nothing wrong with copying the success of someone else, but the tactics should support the strategy, which in this case was different.

The company has two choices for its go-to-market strategy: Segregate channels to get broad market coverage (penetration) or integrate channels to build cumulative impact (dissemination).

Territory management works when the challenge is penetration. Account management works when the challenge is dissemination. Is Centra's challenge penetration or dissemination? That depends on whether the product diffuses rapidly (put resources behind penetration tactics) or slowly (put the resources to work on dissemination).

Right now, the evidence seems to be that eMeetings is spreading like wildfire, and eLearning is treacle.

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