

# Precise software: overview



Precise Software Solutions which has developed and sold few of the principal software products in the area of Availability and Performance management of the installed IT solutions. They have recognized and found out an opportunity and importantly as a company they are seriously committed to develop a product to capture that market space. However the current ambiguity they have is, they are not clear how fast they can enter the market, and most importantly what should be marketing and pricing strategy, and what all functionality to deliver in their alpha product.

1. Should Alon plan on introducing Insight at Open-world 2000? Why or Why not? Insight to the open world 2000, Alon should not introduce, because of the following reasons... Introducing incomplete product to the market which just provides monitoring functions would not be a value added solution. It will not live up to company's repute. Customers, who are looking for end-end solutions, might not be very attractive as a package.

Introducing a prototype kind of product, then it will give the competitor a chance to reproduce it and bring together a fully functional product along with precise software. Also, many ground work needs to be done by the company in terms of pricing and sales force. Henceforth it's better for the company to wait. In our view the company should wait till next year 2002. And in the mean-time the company should try to develop an end to end solution with good user interface. This will increase the value proposition for the customer.

What should Precise strategy be for insight? Should they launch a separate sale force for the new product or sell it through their existing sales force? How good is their current sales force? Best approach will be to sell it directly

to the customer, to get more insights. This is a product which is first of its kind; the company is better served and can also charge a premium for this product. By the way this product will provide an end to end solution for customers; therefore it is better to train the sales representatives separately.

As end to end solution will have much complex functionalities. A dedicated sales force should always be present to sell a niche product which allows the sales team to focus on marketing the new product and also to capture the space. Well trained sales team with a techno-functional/ sales capability will be an added advantage as they will be able to understand the pain points of the customers and get it back on to the development table appropriately. They will be able to showcase the benefit of this end to end solution as per the customer's need.

Meanwhile this product is a new kind of a product, direct marketing will always help as we catch the customers attention which will help as through VAR and through System integrator it will be difficult to sell. The current sales team of Precise is trained in and they sell their product via dual channel. Each sales representative is paid an annual salary of \$75, 000 and a commission is also paid based on the sale of the product. Currently the average commission is \$120, 000 for each sales person. The highest commission currently is \$300, 000.