

Good Technology Restructures for a New Sales Model

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Good Technology is turning over much of the GoodLink sales function to mobile service carriers. This should result in users gaining an additional choice for wireless e-mail service on many handheld devices.

NEWS ANALYSIS

Event

On 12 September 2005, Good Technology, a provider of wireless e-mail software, confirmed it had cut approximately 100 sales jobs out of 220 total as part of a shift to an indirect sales model. Good says it will continue to sell to large-enterprise customers through internal account executives.

Analysis

The reduction of Good's sales force comes as a logical move following Good's recent decision to sell its wireless e-mail software primarily through mobile operators. Previously, Good had been at odds with the operators because it sold its software separate from the mobile data services that are required to deliver wireless e-mail. As part of this prior arrangement, the operators were not able to control the customer relationship and could not mark up the cost of the data services through bundling arrangements.

By moving to the new sales model, Good follows the successful selling strategy of Research In Motion (RIM), which sells only through mobile carriers. Shifting the sales function from a relatively large inside sales staff to the carriers can enable hardware and software vendors to reduce the cost of acquiring new customers. Good will employ the carrier-based sales model to target and serve midsize enterprises, specifically by placing the sales function in the hands of Cingular Wireless and Sprint Nextel. But to rival RIM's success with this model, Good must dramatically expand its relationships with these and other leading mobile carriers. Carriers can benefit by offering Good's GoodLink e-mail service as a second option to RIM's BlackBerry service because of Good's support of both Microsoft and Palm operating systems (OSs) and, in the future, the Symbian OS.

Although it will take several months to assess Good's ability to execute on the new sales model, the change should enable Good to exploit the mobile operator channel more effectively than it has in the past. Good says it will not abandon customers that purchased under the old model, but new customers can expect to have the operator involved with any purchase.

User Recommendations: U.S. customers should demand that Good handle post-sales support, as some operators globally have poor records for enterprise support. Good users in Europe are unlikely to see any impact from the restructuring, because in Europe Good already sells through account executives and value-added resellers, and not its general sales force.

Analytical Sources: Monica Basso and Ken Dulaney, Gartner Research

Recommended Reading and Related Research

- "Good Gets Better at Wireless E-Mail by Acquiring JP Mobile" — The acquisition of JP Mobile will make Good a direct competitor to RIM. **By Monica Basso and Ken Dulaney**
- "Vendor Rating Update: RIM Faces Up to New Pressures" — RIM continues to perform well with its customers, but there are signs that its growth is beginning to slow. **By Ken Dulaney and others**

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