



Getting recognition as a Cool Vendor



Only a tiny percentage of each year's hopeful technology start-ups will ever get the chance to grow.

For a small IT company, being named as a Cool Vendor by Gartner can be the golden ticket – the greatest boost you can get. Yet there are no submission forms to fill in or formal processes to follow. You just have to know the secrets of how to go about it.

Big oaks from little acorns grow. Everyone knows that. But everyone also knows that very few of the thousands of acorns produced each year by a mature oak tree ever really get started. Most acorns get hoovered up by the local wildlife, including squirrels, mice, rabbits, birds, deer, chipmunks, possums, even bears. The chances of any individual acorn surviving to become an oak tree are minute.

So what's this got to do with small vendors in the IT business?

The fact is, only a tiny percentage of each year's hopeful technology start-ups will ever get the chance to grow. Even fewer will go on to become important, successful, profitable companies or sought-after takeover targets.

But the ones that do – like Dropbox, Nest, Evernote, Yammer, Cloudera and Instagram – often have one key factor in common. All these companies, and many more that have either grown independently or been courted and acquired by tech giants like Facebook, Apple, IBM, Microsoft, Google and Salesforce, have been given a powerful shove in the right direction by being featured by Gartner as Cool Vendors.

The Cool Vendor program started in 2004 and it has been Gartner's most successful innovation since the Magic Quadrant. In the last 15 years, nearly 3000 vendors have been highlighted as Cool Vendors and an astonishing 90%+ have gone on to thrive – far, far more than the normal success rate among VC-funded start-ups.

A life-changing opportunity for smaller vendors

Since 2009, when the momentum really started to build, Gartner claims that 15% of those identified as Cool Vendors have been acquired by larger organizations.

Cool Vendor reports are now being published twice yearly (in May and September), opening up even more opportunities for recognition. But if you think the fact that this accolade is now being awarded to nearly 400 companies a year devalues the currency, bear in mind that the scope of the program has widened to include 75 different technology sectors.

There are still, on average, only five Cool Vendors named in each sector.

Small companies that have received the accolade of being designated as Cool Vendors are unanimous about the benefits. It can have a life-changing impact, worth millions – sometimes hundreds of millions – of dollars.

It can accelerate sales growth and give you real credibility with enterprise customers, who understandably see dealing with small vendors as risky. Under normal circumstances, if Gartner didn't know much about you, the analyst would certainly flag up the risks of working with an untried company. Cool Vendor turns

that on its head. Suddenly, you have the weight of Gartner behind you, endorsing you as an established innovator with something special to offer.

Equally importantly, Cool Vendor status can put you on the radar as far as potential investors are concerned. If you are trying to attract your next round of funding, Gartner's recognition that you are 'cool' is exactly the kind of indicator of potential that will catch the eye of private equity investors and venture capitalists.

When the chance comes, take it

Dropbox is now valued at about \$12 billion.

Dropbox, 'cool' in 2011, is already an IT legend. It is now valued at about \$12 billion. But there are many less spectacular cases where companies have found Cool Vendor status to be the launchpad for success in their own terms.

One example we've come across at The Skills Connection is a small, highly innovative company that Gartner picked out as a Cool Vendor in the security infrastructure protection area in May 2016. When they heard the good news, the owners made up their minds to wring every advantage they could out of their success, despite their limited resources and tiny marketing budget.

They featured the Cool Vendor branding front and centre on the website and in their sales material. They paid Gartner for reprint rights to the research and used it as collateral in their campaigns. And it worked.

The boost to their profile generated more than 1,500 new leads, which brought in \$2 million in extra sales. That may not be much by Dropbox standards, but it made a world of difference to this company's business and set it firmly on the path to future growth.

You, too, could be eligible to be considered for the Cool Vendor program if you are a small IT vendor with revenues of less than \$100 million and you've never appeared in a Gartner Magic Quadrant.

Cool Vendors solve customers' problems

Being small doesn't necessarily mean you're 'cool', though, certainly not in Gartner's terms. And the analysts aren't remotely interested in knowing whether you have a funky office with pinball machines and a mindfulness corner. 'Cool' is about content, not style. It's about what you can deliver.

What the analysts are looking for is whether your offering is providing a solution for a previously unsolved problem or solving an old or difficult problem in a new and better way.

One example of this is another enterprising company The Skills Connection has

been working with that has recently been named as 'cool'. This small vendor is doing something quite unique, in a part of the security market that no one else seems to be targeting. It has effectively created a new segment, with the result that Gartner has been only too happy to point clients towards the new solution in its Cool Vendor write-up.

Innovative, impactful, intriguing

Gartner's checklist is known in the industry as 'The Three I's'.

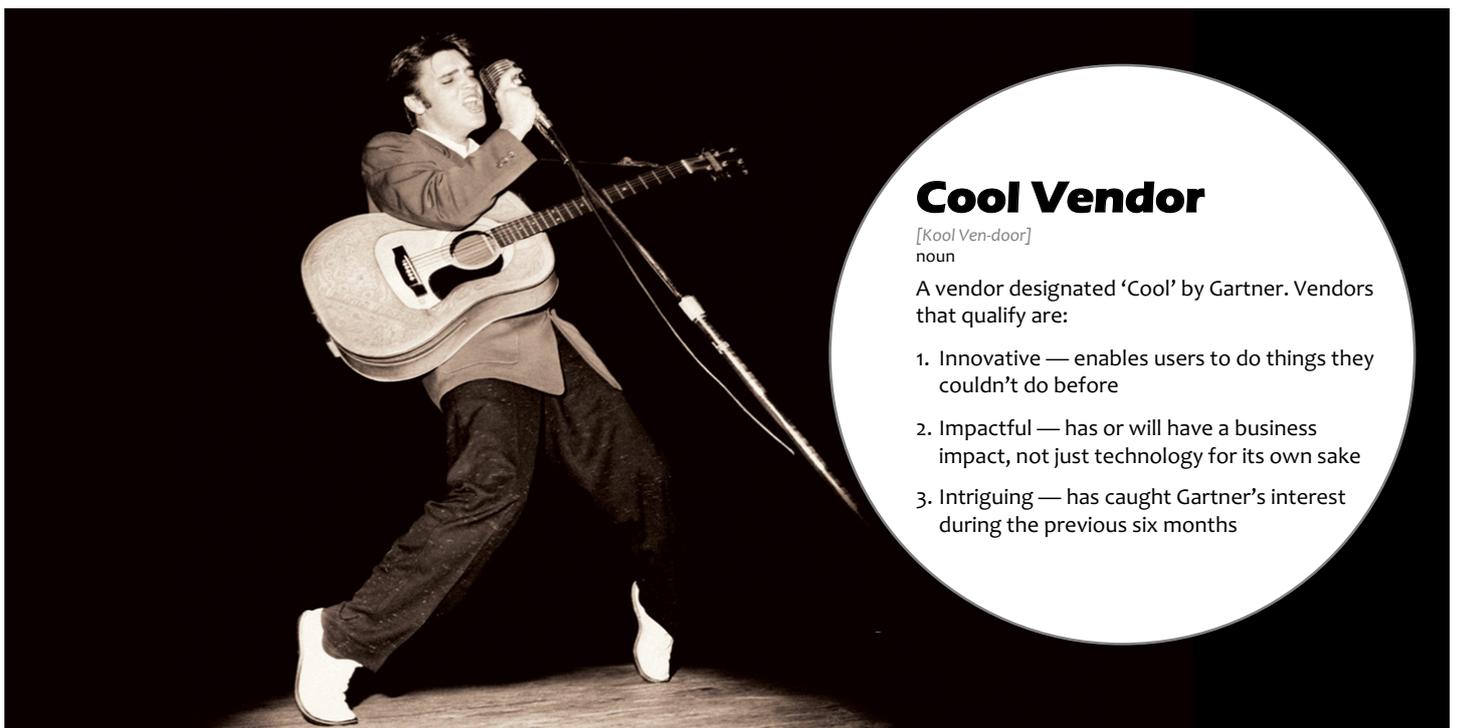
Being a Cool Vendor is about both standing out and fitting in. You must stand out from the crowd, by offering significant improvements in terms of cost or efficiency, creating value in a new way or providing something special that will reach new buyers or market segments. At the same time, you must fit in with the actual business and operational needs of end users. There are no prizes for dazzling strokes of genius or extraordinary technical ingenuity that can't be put to practical use.

Gartner offers its own checklist – it's known in the industry as 'The Three I's' – that defines what its analysts are looking for.

Are you **innovative**? Are you actually changing what users can do or how they can do it? (Think Instagram.)

Are you **impactful**? Does your product or service solve a nagging business problem, boost productivity or promote the sharing of ideas? (Think Dropbox.)

Are you **intriguing**? Are you able to help people radically re-imagine the possibilities of their businesses? (Think Cloudera and its cloud-based platform for AI and machine learning.)



The analysts are on the lookout

Early-stage IT companies live in a world of uncertainty, often caused by their smaller size and the lack of attention and light shone on them. They need the bright light of interest and publicity, or they will wither away. We have seen many examples of the way Gartner's Cool Vendor ratings shine that light on our clients. We have watched how their profiles have benefited and how they have been brought to the attention of the right kind of audiences.

It's worth remembering, too, that Gartner has its own reasons for putting its efforts behind the Cool Vendor program. It's not a charity, and it needs to deliver advice and information and pointers to the future that will keep its customers coming back for more.

Gartner wants its user clients to derive real competitive advantages from the use of leading-edge technologies. It wants its IT vendor clients to have a clear view of what's happening and who's up and coming among the small vendors, especially where there are new technologies involved that they should fear or possibly acquire.

So the analysts are watching, scanning the horizon, looking for the next big thing, each hoping that they will be the one to unearth something innovative, impactful and intriguing. But how do you make sure you're talking to the right analyst? And how can you be sure you make the most of your opportunity to engage that analyst's interest?

Publicity money can't buy

More than 50% of all IT buying decisions are impacted by Gartner's analysis.

It's worth emphasizing here that Gartner really does play a huge role in end-user buying decisions. It has a client base of 11,000 companies in 90 countries, and these buyers are heavily influenced by how Gartner's analysts rate vendors – in their Magic Quadrant assessments, their Cool Vendor reports and also in their face-to-face interactions with clients.

In today's world, more than 50% of all IT buying decisions are impacted by Gartner's analysis. One careful study, by Blanc & Otus, even put that figure at nearly 80%. The busiest analysts will take some 700 enquiries a year, from clients looking for recommendations about what to buy, what's new in the market and which technologies are worth investigating. They will also be involved in helping clients shortlist candidates for major projects.

All these Gartner clients are your customers and prospects, too. But the endorsement implied by Cool Vendor status doesn't only bring new business from Gartner's direct contacts. Thanks to the vast and efficient Gartner PR machine, which is keen to highlight the Cool Vendor reports in its contacts with the global media, it spreads out around the world to influence decisions far beyond Gartner's client base.

Yet the danger of missing out on this unique opportunity just because you have been talking to the wrong analyst is very real. And identifying and making contact with the right individual is not nearly as easy as it seems.

What Gartner thinks about us matters

- More than 50% of IT decisions are impacted by what Gartner says
- Analysts have 500-700+ client conversations each year. Many are about 'what to buy.'
- Analysts help clients make short-lists
- Being a Cool Vendor is a significant driver of new business



You must get the coverage area right

There are many, many analysts out there – Gartner currently employs more than 1200 – and it's not always obvious who you should be talking to. At the last count, there were 675 different research agendas, and the analyst with the power to change your business for ever may be hiding under an obscure research agenda you weren't even aware of. This may not be your fault, either; some of the coverage areas are so poorly defined and described that even the key vendors in those fields don't recognize them.

And here's a crucial make-or-break point. You can only be recognized as a Cool Vendor in one area.

It's vitally important to decide whether you are focused on a particular technology or on a specific industry (in which case, you really do need to be briefing an analyst who covers that industry). You must analyze the essence of your value proposition and carefully compare it with the range of analyst coverage areas to make absolutely sure you are targeting the right analyst.

Analysts are busy people. They give lots of conference presentations at conferences and write many, many research notes, as well as handling hundreds of enquiries a year. If you're going to tempt them to take time away from all of those commitments, you need to come up with a briefing request that piques their curiosity and stirs their interest.

It's not impossible. They're keen to find new ideas they can get excited about. For most analysts, the hunt for Cool Vendors is one of the most stimulating parts of the job. But you do need to be able to put a convincing story together that emphasizes your novel approach and your potential to open new doors or solve old problems.

Focus on fact, but don't lose sight of the magic

So the challenge is to find the right analyst and come up with a briefing that is compelling and addresses the questions this analyst is interested in.

This is where smaller vendors can benefit enormously from working with The Skills Connection. We are all former Gartner analysts. Between us, we have hundreds of years' experience and we know Gartner's systems and culture inside out. Staff turnover at Gartner is relatively low, so many – perhaps most – of the people you need to target are former colleagues of ours. We can help you find the right person, tell the right story and back it up with the right kind of evidence.

It is essential to focus on the facts, because merely winning over one individual is not going to be enough. However convinced the analyst is, he or she is going to have to present a persuasive argument for your company in front of Gartner's senior research team, which has a structured process for vetting and approving Cool Vendor nominations. The analyst will need all the ammunition you can provide, so it is vital to marshal the evidence that will support your case.

But you mustn't forget the magic. You need to convey your coolness, too, without ever saying 'We're cool.' Trying to insist that you're really, really cool is, of course, about as uncool as you can get – and asking straight out to be nominated as a Cool Vendor is not a good strategy either.

Even once you've pinpointed your key messages and developed your unstoppably compelling fact-based briefing, you still need to know how to deliver it effectively. The time allowed for the briefing – it could be half an hour, 45 minutes or an hour – is entirely at the analyst's discretion, so you will need to be clear, concise and very much to the point. Again, our experience is directly relevant. We have sat through many potentially strong presentations that have been ruined by bad planning, poor delivery or simply by the presenter's desperate efforts to pack too much in.

It's about potential, not revenue

Being highlighted as a Cool Vendor raises your profile and validates your ideas.

Cool Vendor status is well worth aiming for. The readership of Gartner's Cool Vendor reports is very high, second only to the Magic Quadrants, and the audience is large and influential. It includes CIOs, enterprise architects, CTOs, innovators, and in particular, the investment community, which is always looking for the next opportunity. Investment accelerator funds, tech incubators and seed funds regularly scan Gartner's Cool Vendor reports in search of ideas and companies with the potential for explosive growth.

The advantages are obvious. Being highlighted as a Cool Vendor raises your profile, validates your ideas, generates new leads and takes friction and delays out of the sales process. It builds confidence among the people in your team and makes prospects take you seriously. Once you're on their radar, analysts are likely

to recommend your products and services to their clients and talk about them in presentations and conferences.

You don't have to be big. We have one start-up client with sales of less than \$1 million who has just been made a Cool Vendor. You don't necessarily need to be able to provide customer references. You don't even have to have any customers – though Gartner would probably want to see some evidence of interest and active negotiations with potential buyers. All you need is to be cool and innovative, and to know how to put that across so that others can share the promise of your bright future.

Need more help?

Find out more about how The Skills Connection can help you to engage more effectively with the analyst community. To discuss your requirements further contact us now.

Further reading

Other relevant webinars, plus whitepapers and a wealth of expert resources and insights can be accessed free of charge at our Knowledge Bank.

About The Skills Connection

Our team comprises solely of former senior Gartner analysts, so we totally understand the role of the analyst and what they need. We help our clients to align their messaging with the needs of the analyst – to ensure the best outcome for both parties.

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