



2020 Survey Results:

# Hard facts from the front line



## What works and what doesn't, when it comes to making the most of your interaction with Gartner, Forrester and the mass of smaller, specialised research firms?

Are the payoffs worth the pain? In 2016, we launched a major research study, bringing together the views of 100+ vendors. We repeated this work in 2018. Now we've done it again – in the changed circumstances of 2020's Covid-19 pandemic – and it has highlighted several new aspects of the delicate relationship between tech companies and the analysts whose write-ups and dot positions have such a huge and immediate impact on their prospects.

**YOU DON'T NEED US** to tell you that 2020 has been a time of momentous change. By the time we launched this year's survey, in May, companies had already been forced to adapt to a world in which business travel had skidded to a halt, live events had been cancelled and face-to-face contact between buyers, vendors and analysts had become a rarity. People peered ahead into a future clouded with doubt and uncertainties.

Yet, as one of the key topical questions in our study revealed, the narrowing of the range of options for promotional and prospecting activities was already leading to a sharp reassessment of the role the analysts would play in the months and years to come.

Almost all of our survey respondents already had a healthy respect for the analysts' influence – 88 out of 104 were active clients of at least one research firm.

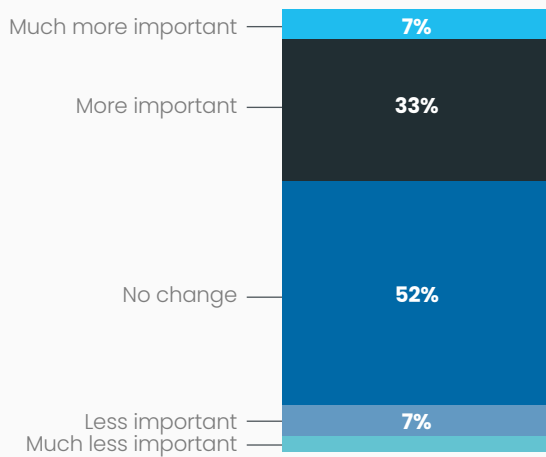
As you'd expect, Gartner was the dominant force, but the 2020 survey showed that many vendors had relationships with more than one research company. Eighty one per cent of our respondents were Gartner clients, 57 per cent had contractual relationships with Forrester and 49 per cent were IDC clients.

# Analyst influence set to grow in the post-Covid world

The two new factors that are changing the situation are the impact of Covid-19 – dramatic, inescapable and completely unforeseen – and the steadily increasing influence of peer reviews, the first-hand user comments available via Gartner’s Peer Insights programme and a growing range of independent third-party review sites like TrustRadius and G2 Crowd.

No one can predict how the shocks and disruption of 2020 will play out over the next year or two, but one immediate impact of the coronavirus crisis has been to accentuate the influence of the research firms.

When we asked how respondents thought it would affect the relevance of analyst assessments to their business prospects, many people were not sure how things would work out. About half of our respondents felt it was not affecting the importance of the analysts’ influence. Among the other half – those who felt the situation was changing – four out of five believed today’s circumstances were making the analyst channel “more important” or “much more important”. In particular, companies that engaged with the research firms on a year-round basis were almost unanimous about this.



**Figure 1:** In 2020, travel restrictions and the risk of infection have massively reduced physical prospecting activities. How do you think this will impact the relevance of the analyst channel and analyst assessments for your business?

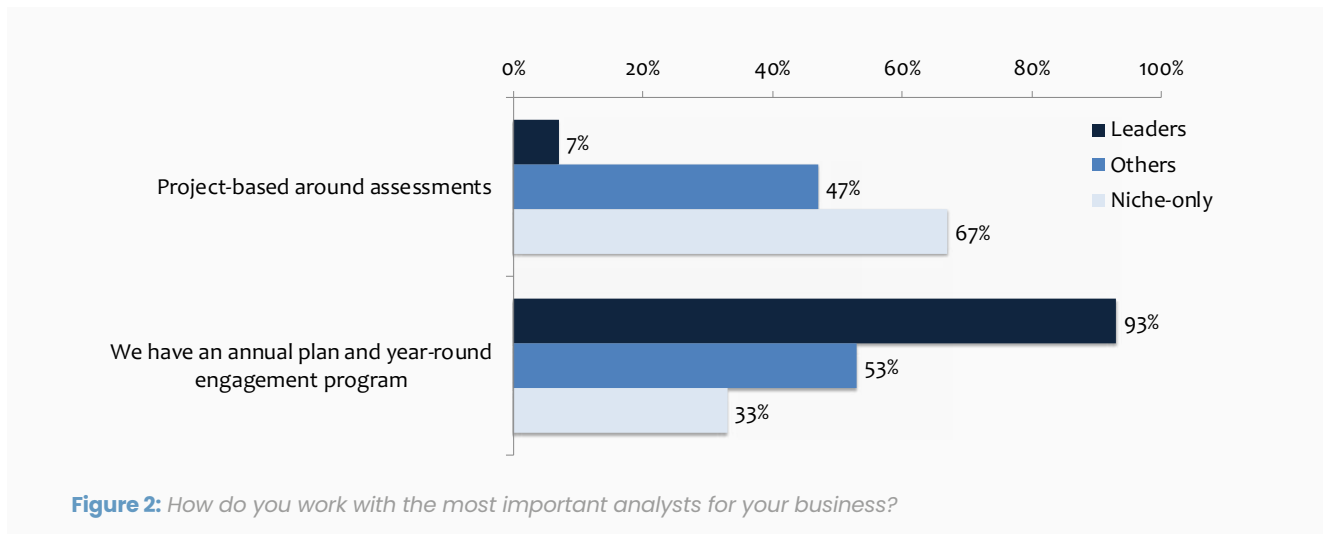
These responses are already being backed up by new evidence from the market.

Demand for inquiries has rocketed – inquiry requests are up by 25% to 50%, compared with 2019 – and we are hearing many vendors complain that the analysts won’t give them more than a single 30-minute briefing slot to demonstrate their capabilities and explain their strategy.

# Leaders profit from year-round engagement

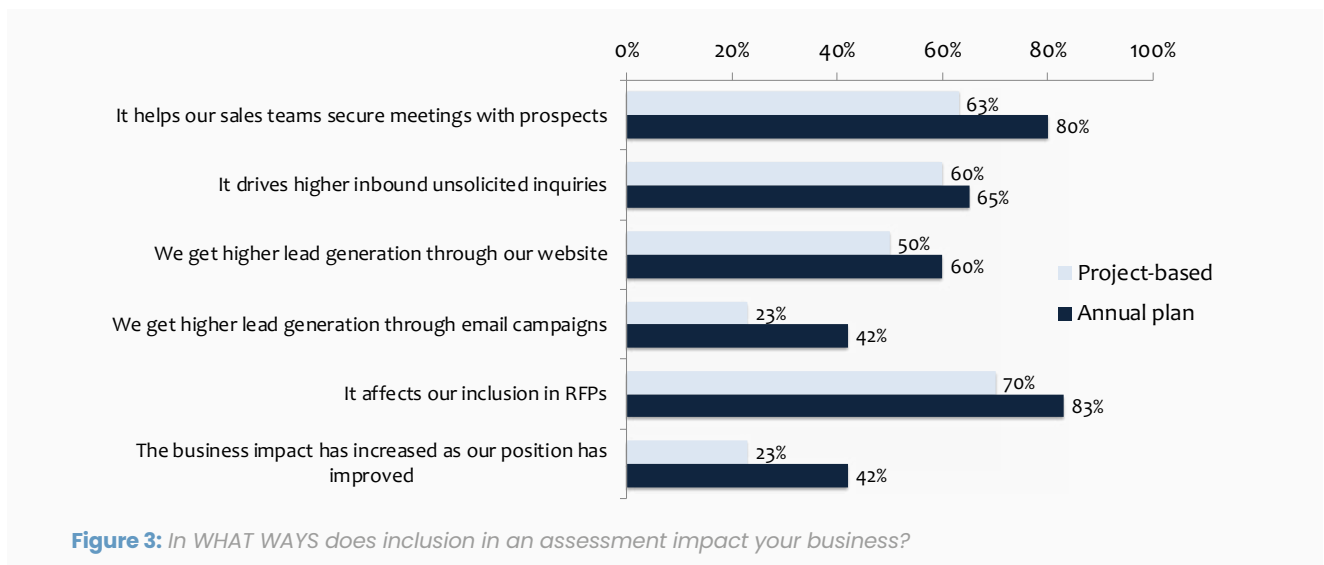
One key survey question we introduced for the first time in the 2020 study was aimed at discovering how vendors approached the issue of analyst engagement – as a one-off project at assessment time or as a sustained year-round programme – and how this matched up with the results they were able to achieve in the relevant Gartner Magic Quadrant or Forrester Wave.

The responses to this new question revealed very sharp differences. For example, having an annual plan was strongly and unmistakably correlated with MQ success. Almost all the Leaders (93 per cent) worked to an annual plan, while two-thirds of those Gartner identified as Niche Players only engaged with the analysts for a brief period, as part of the formal assessment process.



Since achieving recognition as a Leader can bring dramatic and longlasting business benefits – immediate customer leads, inclusion on shortlists, RFI invitations, partnership deals and a raised profile among investors, to name just a few – the stakes are high.

The companies that developed a coherent analyst engagement strategy and paid attention to building these key relationships all year round were consistently rewarded with the kind of returns few other investments of any kind can offer.



If developing and implementing an annual plan brings such tangible results, it is clearly worth the relatively modest commitment of time and money that such an approach requires.

But is this a case of cause and effect, or could the correlation between MQ success and year-round analyst engagement

## It's not just the big players that benefit

**Analysis of this up-to-date survey data makes it clear that this is not just about company size.**

Our survey group was split 50/50 between companies with annual revenues of over \$250 million and vendors with sales of less than \$250 million. It also included a broad spread of firms in all four Magic Quadrant categories – Leaders, Visionaries, Challengers and Niche Players. But the fact that the overwhelming majority of Leaders choose to work with the analysts on a year-round basis is certainly not a coincidence. It is technically possible to be a Leader while dealing with MQs as one-off projects. But it seldom works out that way, and the reasons are not hard to find.

From the vendor's perspective, it is important to spend time with the analysts on many occasions during the course of the year. It is in your interests to be sure they fully understand your products and services, your view of the market and the key differentiators that make you stand out from the competition. And if you feel a particular analyst is not getting the message, frequent contact gives you the opportunity to correct false impressions and chip away at any misunderstandings that may have arisen.

But it's not all one-way traffic. Year-round engagement also helps the analysts in their efforts to reach an informed understanding of your capabilities.

The annual assessment is a bit like an exam – a pretty taxing one, which may ask you for up to 1000 answers and data points. So you need to make sure you're prepared and ready to give a great performance. But it helps enormously if the analyst already has an accurate and positive view of you.

There'll be no shortage of facts and figures to support their judgements, but analysts who are staking their careers on the ability to give well-founded practical advice want to know who you are and how you think, as well as the technical specifications of your products.

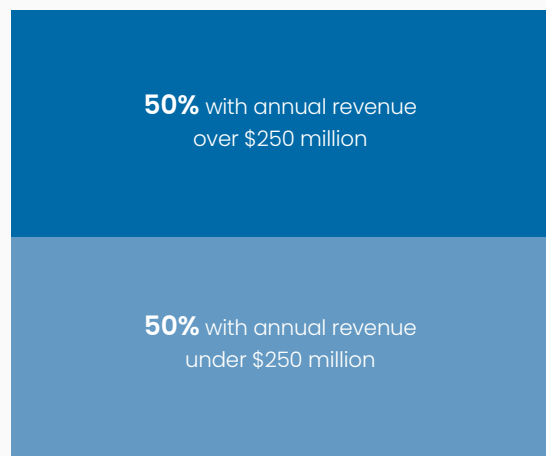
They are jealous guardians of their reputation and the last thing they want to do is offer recommendations that will prove to be inappropriate for their clients. Trust is a key

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No company embarks on a year-round analyst engagement plan without a clear idea of what it wants to achieve. When our survey asked vendors with an annual plan what they were aiming for, the answers were surprisingly consistent. As a group, they placed a higher value than other companies on being listed as a Leader, on being seen as being ahead of their competitors and on improving their position year by year. They recognised the way a good MQ or Wave performance opened doors to meetings with new prospects, inclusion in RFPs and improved lead generation, but were also acutely aware of the negative impact a poor assessment could have on their business.

### Companies were split evenly

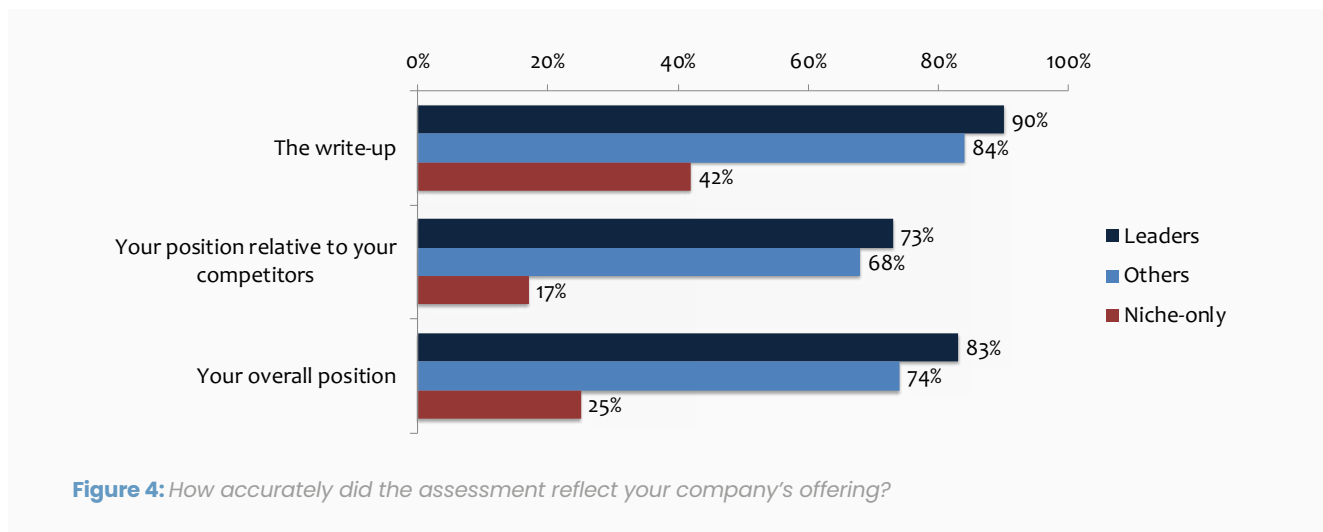


# Are you getting the recognition you deserve?

Another key survey question explored companies' own views on the accuracy of their analyst assessments and even the justice of the dot positions they were awarded.

Publication of any Magic Quadrant always seems to trigger plenty of mumbling and grumbling, especially about the details of the write-up and the inclusion of unwelcome cautions. Yet, on the whole, our Leaders, Challengers and Visionaries – and especially those who worked to a year-round plan – were fairly realistic and tended to believe they'd got what they deserved.

Companies that were classified as Niche Players were far less happy with their lot, sometimes with good reason. World-class vendors in highly specialised areas of finance or healthcare, for example, may feel permanently excluded from winning the recognition they are entitled to simply because their area of expertise does not align with Gartner's definition of a particular market segment.

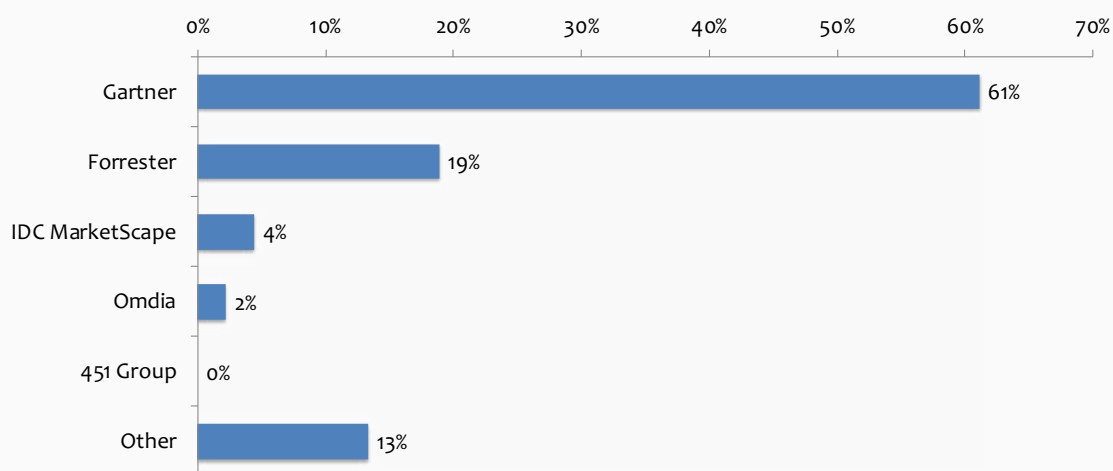


But Niche Players, in general, felt aggrieved that their write-ups and dot positions did not reflect their strengths. Some specialised health or finance sector vendors feel the best they can hope for may be a dot position close to the centre point of the Magic Quadrant grid, even though their ability to execute (the notional basis for the MQ's y axis) ought to justify a top-left position, up among the Challengers.

This issue of the alignment between the research company's definition of a market segment and vendors' own views of the marketplace produced one of the survey's most startling results.

Anecdotally, we always get the impression that companies are dissatisfied with Gartner's market definitions for its 150 Magic Quadrants. In fact, almost all the firms we deal with, day in and day out, complain about this.

But when we asked the direct question "Which analyst firm most closely aligns with how you see the market?", Gartner stood out as being head and shoulders above its competitors. Over 60 per cent of our respondents believed Gartner had got it about right, compared with only 19 per cent who preferred Forrester's market definitions.



**Figure 5:** Which analyst firm most closely aligns with how you see the market?

IDC and Omdia scored only 4 per cent and 2 per cent, respectively, and the cluster of other small research companies (including 451 Group, Research in Action, GigaOm, Analysys Mason and ESG) barely registered overall. But that doesn't mean the smaller research companies are insignificant. In the more esoteric and specialised corners of areas like financial services, manufacturing automation, AI and healthcare, they are often the expert voices that really count. When we specifically looked at the vendors classed as Niche Players, we found that 42% of them felt one or other of the specialist firms was most closely aligned with their view of the market.

If you operate in a highly specialised field, these may well be the people you need to concentrate on when planning your long-term analyst engagement strategy.

Gartner's reach means it is probably just too big to ignore, but the key influencers for you may actually be financial services specialists (Celent, Aite or Cutter, or Chartis, if your focus is on risk and compliance), manufacturing experts like ARC Advisory or LNS Research or even really narrowly targeted research companies like Dresner, which is specifically concerned with business intelligence. After all, specialist vendors sell to customers with specialist needs. If you believe Gartner's definition of your market space is just too broad and generic to be useful, there's a very good chance that your potential customers will feel the same way, too.

## The 8-week rule: Put more in, get more out

**One key finding from our last survey, back in 2018, was the hard fact that even smaller firms achieved much better results if they invested more time in preparing for the MQ process.**

Two years ago, we found that companies with sales of less than \$50 million could actually double their chances of breaking through into the Leaders quadrant if they began

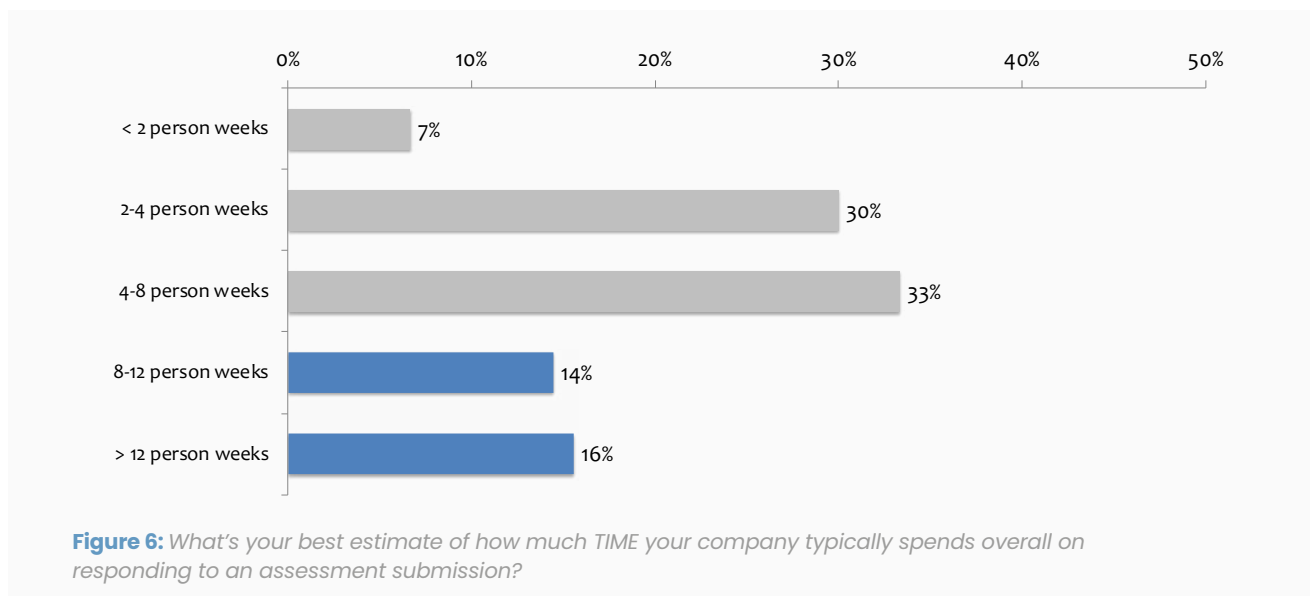
their preparations early and invested more than eight person-weeks in the process. Putting in at least eight weeks' work seemed to be a decisive indicator, the best predictor of a good assessment result.



Things are very different, of course, in 2020, and there have been so many new pressures and distractions that many companies have not been able to stick to their original plans. This was always likely to show through in the form of a reduced investment in this year's assessment process.

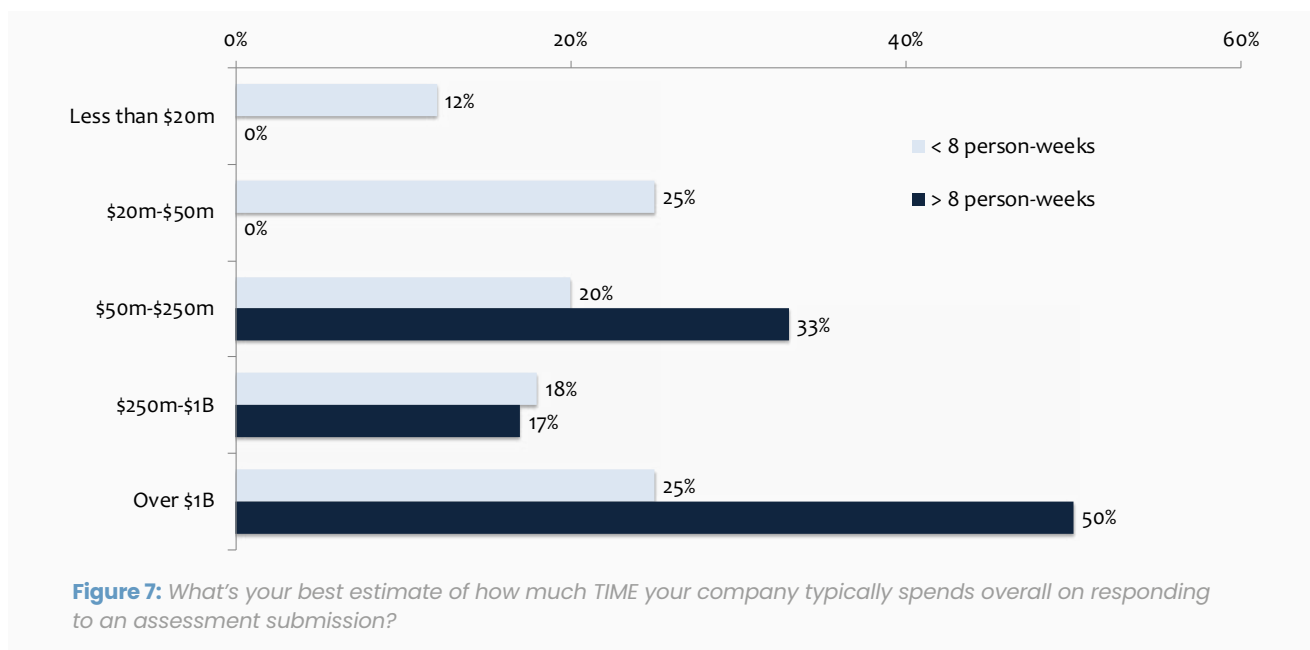
In the new 2020 survey, we asked vendors how much time, measured in person-weeks, they had spent preparing for

their most recent assessments. The responses showed that one-third of them spent four to eight weeks gathering their facts and evidence and organising their analyst briefings. But 37 per cent risked underselling their capabilities by spending less than four weeks on the project – and 7 per cent put in less than two weeks' work, which, in our opinion, virtually guaranteed a poor result.



Most of the 30 per cent that committed themselves wholeheartedly and invested eight weeks or more did this in the context of a year-round analyst engagement plan. They started earlier, put in more work and were rewarded with

better dot positions and write-ups, and with assessments that they felt accurately reflected their strengths and their positions relative to their competitors.





When it came to winning a place in the Leaders quadrant, vendors that had invested a minimum of eight weeks' effort were nearly twice as likely to succeed as their less committed rivals.

But it was noticeable this year that these companies that gave the process a significant amount of time and attention were not all big players.

It's certainly true that the billion-dollar-plus mega-vendors use their lavish resources to invest in annual plans, spend the most time on the assessment process, reap the rewards in terms of winning positions in the Leaders quadrant and gain the greatest business benefits from being there. But 25 per cent of Niche vendors gave the assessment more than eight person-weeks, and there were quite a few rapid-growth companies in the \$50 million to \$250 million band that had chosen to invest substantial time and resources in a bid to improve their positions and build their brands.

In general, the survey revealed that making these investments had actually paid off for them, with a strong overall correlation between dot positions in the Leaders, Visionaries and even Niche categories and the amount of effort the vendors had put in.

The only exceptions occurred in the Challengers quadrant, where spending more time on the assessment appeared to confer no particular advantage. This might seem surprising, but it reflects our own real-world experience. We have often seen situations where Challenger clients have a solid market position and are executing well but need to invest more effort to develop and communicate their vision and roadmap before analysts will feel confident enough to rate them as Leaders. The Magic Quadrant's x axis is based on judgements about a company's "completeness of vision" – a highly subjective quality – and vendors that neglect to pay attention to building confidence in this area will always find it hard to move their dot to the right.

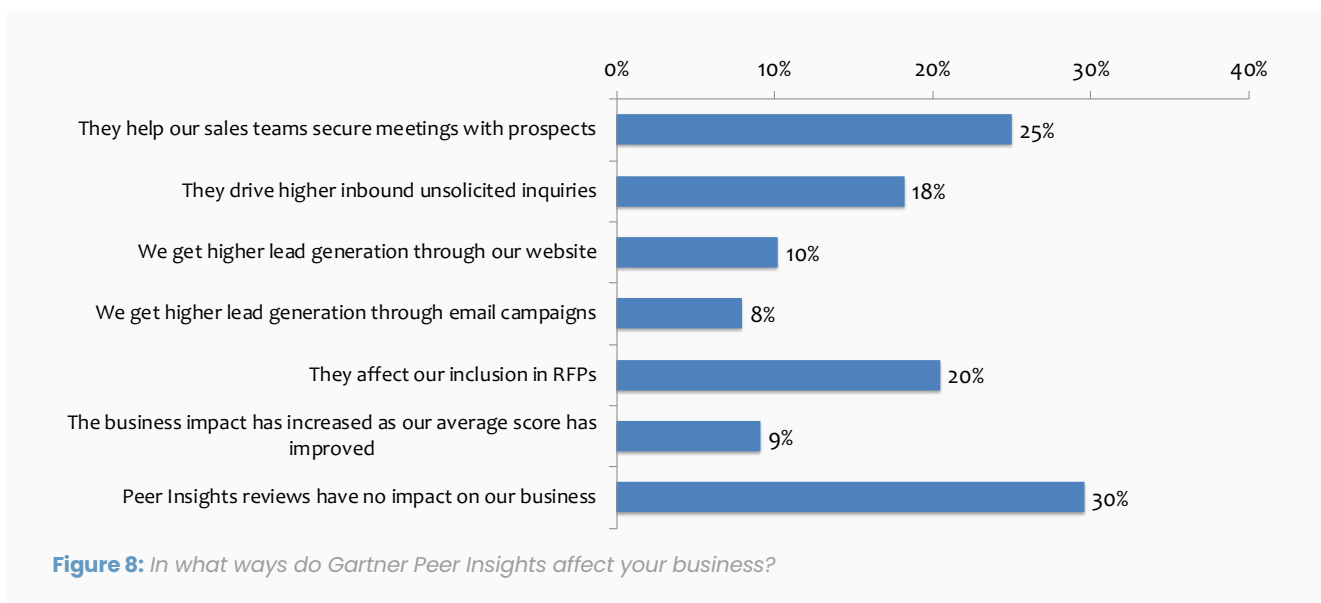
## Peer Insights are replacing formal references

The growing influence of peer reviews has been obvious to most vendors for the last couple of years. But many of those we surveyed were not aware of Gartner's March 2020 announcement that this type of user comment was being promoted to take a key role in the Magic Quadrant process.

The Gartner statement explained that the traditional request for formal customer references, which had been an important element in analysts' MQ research for decades, was being "suspended" and replaced with a new reliance on user reviews collected via the Peer Insights process and other "informal sources".

At any other time, a major policy shift like this would have attracted a great deal of heated discussion. In the turmoil of the early days of the Covid-19 crisis, people had other things on their mind and it went largely unnoticed.

So we asked our hundred-plus vendors two new questions. We wanted to know what business impact were they seeing from Peer Insights and what they were doing to persuade satisfied customers to contribute Peer Insight reviews.



Seven out of ten already saw Peer Insights as having some tangible impact on their business prospects, especially in terms of securing more meetings with prospects and being invited to participate in buyers' RFP processes. Yet only half of these companies actively encouraged their users to share their experiences, either by running regular campaigns to solicit Peer Insights reviews or by building this in as part of their ongoing account management activities.

Vendors who don't follow up in this way are certainly missing a trick and wasting a golden opportunity to spread the word about their products and services. But those who do grasp the potential are seeing very substantial payoffs.

For example, one of our clients runs a post-implementation customer satisfaction survey after every sale. This is good practice anyway, as it provides detailed, up-to-date information, straight from the front line, that can feed into the company's product development plans.

But it also generates an impressive range of credible and down-to-earth Peer Insights comments. Every customer that scores a 9 or a 10 in the post-implementation survey is immediately asked to write a PI review. As a result of this modest initiative, the vendor now has 800 reviews on the Gartner site, with a very high average rating. And though no one is likely to read through 800 reviews, potential customers will often recognise the problems and use cases that are relevant to their situation and be able to derive specific and highly relevant information that's closely matched to their problems and requirements.

## Pointers to the future

**At a time of abrupt and far-reaching changes within the industry, the value of a survey like this, repeated every two years, lies in its ability to pinpoint the developments that are likely to be truly significant. It is a snapshot of the way things are right now, and it provides several practical hints about what ambitious vendors should be doing next.**

If the analyst channel is set to become even more influential, now is the time to start planning how to make the most of this shift, including, potentially, making the commitment to engage with the analysts on a year-round basis.

If Peer Insights and other customer review sources are going to play an increasingly important role in pointing buyers towards the right solutions, now is the time to integrate them into your account management and marketing practices.

The Skills Connection survey shows – not surprisingly – that it is generally the bigger and more established Leaders that have already taken these lessons on board and are reaping the benefits. But what it also demonstrates is that there is plenty of scope for smaller vendors to improve their performance, without incurring major costs, and make the system work for them to generate more sales leads, more RFP opportunities and more confident and well-informed analyst recommendations.



## About The Skills Connection

We are a team of former senior research analysts, with over 70 years of experience at Gartner alone. As such, we bring a unique set of market skills and experience to the process of analyst engagement. We are able to draw on deep industry knowledge of advisory research processes and people.

We know how to engage analysts, and we know what drives their analysis and evaluations. And, as experienced analysts, we are able to rapidly apply our understanding of the process to each and every aspect of analyst engagement creating truly tangible business results for our clients.

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## Contact us

USA, Canada, Latin America  
+1 203 912 7205

Europe, Asia Pacific, Middle East:  
+44 (0)1494 464397

[www.theskillsconnection.com](http://www.theskillsconnection.com)

**Email:** [inquiry@theskillsconnection.com](mailto:inquiry@theskillsconnection.com)

