THE SKILLS CONNECTION

2022 Survey Results:

What really makes the difference when you're working with the analysts?

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SOME VENDORS JUST SEEM to have a lucky touch when it comes to getting the best out of the analysts.

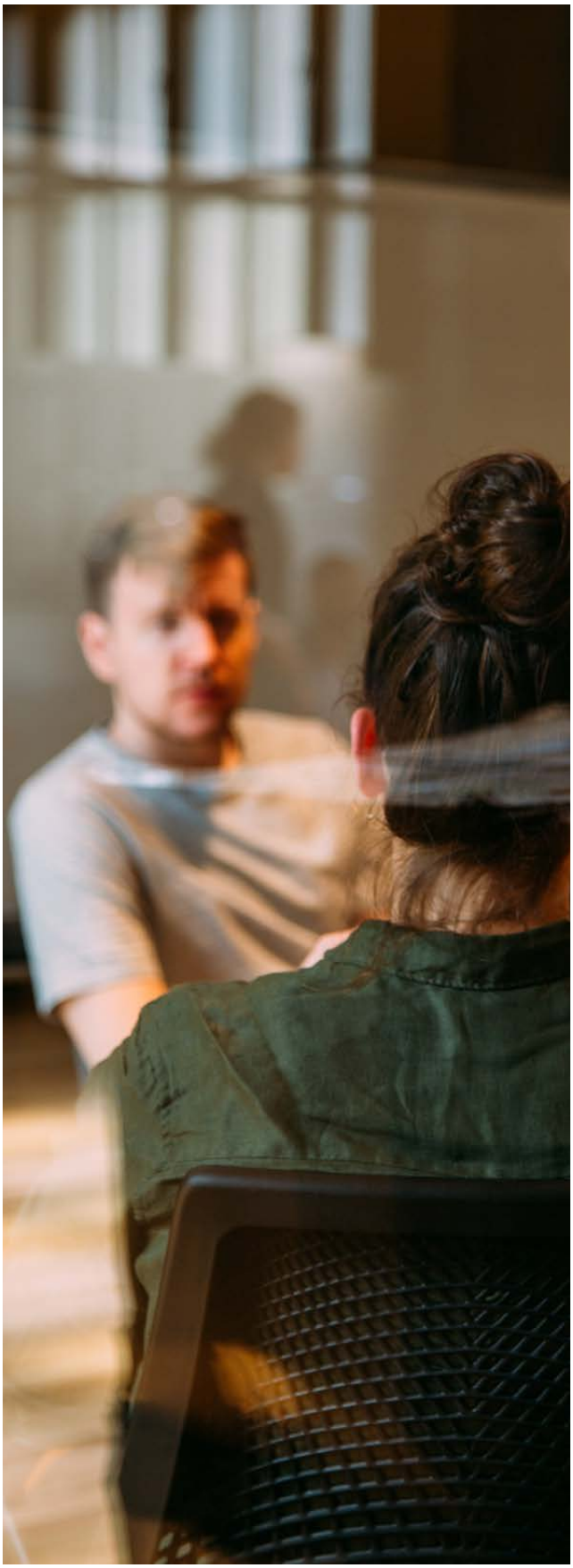
You see their dots bubbling up in the relevant Gartner Magic Quadrants and Forrester Waves, often shoulder-to-shoulder with global IT giants many times their size. They attract positive mentions in research reports and they're included in buyers' RFP/RFI line-ups their competitors can only dream of reaching.

So how do they do it? How do they manage to build relationships with the analyst community that can lead to such significant business impacts?

It's easy to hypothesize about what works and how it should be done, but not so simple to uncover the facts. And that's what The Skills Connection has set out to do in its latest two-yearly research study. Every two years since 2016, we have carried out this kind of careful, measured research into the realities of life in the tech industry. Our last survey, carried out in May 2020, as business reeled from the first deadly onslaught of the pandemic, was widely praised as a vivid snapshot of a world in crisis. Now, as life is returning to something like normal, we have been able to focus again on some of the timeless fundamentals.

As before, we have brought together the views and experiences of more than a hundred companies – this year we had 129 respondents – who worked with us to produce a uniquely detailed picture of how the vendor/analyst relationship really plays out.

These responses clearly show significant differences between the behaviour of the most successful companies and those who get less out of the analyst relationship. They've helped us pinpoint five specific best practices to improve performance. And they've also produced new insights into the strengths and weaknesses of Gartner and Forrester – and how you can take action to exploit them and make them work to your advantage



Make or break?

Let's start with an all-too-familiar sequence of events. In this case, it involved a smart, fast-growing company based in Estonia, though the firm could just as well have been in America or Britain. This up-and-coming digital start-up had just lined up its first really big deal, selling an innovative CRM system to a major corporate customer. The champagne was already chilling in the fridge, when the buyer decided it would be prudent to talk to a well-respected analyst before signing the purchase order.

'Kes?' said the analyst, who was proud of having picked up a few words of Estonian. 'Who? Who did you say you're buying from? Never heard of them. I've got a list of 500 vendors in the CRM space, but I've never come across that name. Sounds risky to me. I'd go with someone more established.'

In a matter of minutes, the Estonian firm's breakout deal was dead in the water. The potential purchaser hadn't been rushing in blind. There had been detailed technical and financial due diligence. But the buyer had wanted to get the purchase decision validated with a nod from the analyst. And the analyst had declined to nod.

This particular story is actually discussed in a recent article in the Journal of Management Studies by a specialist team of academics at Edinburgh University who have made a special study of analyst engagement. But the process of getting an analyst to validate the buying decision happens all the time – and it often means the cards are stacked against the newcomer, the upstart, the underdog.

In our survey, 43% of the companies had similar tales to tell. More than two in every five respondents could point to cases where a deal had been lost at a late stage because of a thumbs-down from an analyst.

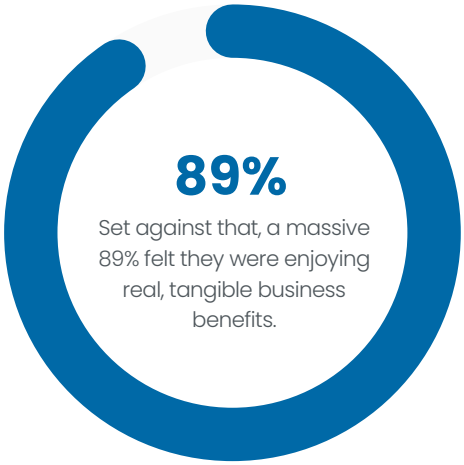
Deals lost because of analyst thumbs-down

Analyst helped with deal

On the other hand, a noticeably higher percentage (56%) could quote instances where they were sure an analyst had helped them win the deal. If the analyst knows the company, recognizes where it fits into the marketplace and understands its strategy, he or she can often provide the supportive reassurance that will embolden a buyer to make a commitment to a new or lesser-known supplier.

So it's definitely not all negative. But the analyst's influence is hardly ever neutral.

Only one in nine of our respondents reported seeing no positive effects from engaging with the analysts.



The biggest bonus was being included in more RFP/RFI invitations. Other benefits included improved access to prospects for the sales team, higher online lead volumes, in terms of email enquiries, and even more inbound calls.

These effects were seen across companies of all sizes, but they were most marked and significant for small and medium-sized businesses. For middle-range firms that do not enjoy name recognition and brand equity of their own, the recognized authority and independence of the analysts served to open a great many doors.

The smallest companies generally saw the least marked benefits, but even in this group there was some positive effect in every category, with only 18% reporting that they had never seen a positive impact and 82% saying they had benefited from analyst intervention.

It's not what you do, it's what happens next that counts

Returning to our original question, we can find several useful clues in the survey data that will help us identify the distinctive features of those vendors who manage to make the best of their engagement with the analysts.

But what did success look like for these companies?

We divided our 129 respondents into two groups. Vendors that reported improvements across all or most of our five key categories – RFP invitations, leads generated from email campaigns, leads from website, unsolicited enquiries and access to sales meetings with prospects – were classed as 'successful'.

The rest, roughly half the companies, had enjoyed less than three of these benefits. These were classed as 'less successful'.

This gave us a rough and ready split, enabling us to get to the nub of the issue and start analysing what sort of behaviour patterns made a vendor's analyst engagement activity productive and profitable.

There's a lot of detailed information about this, which you are welcome to delve into with the help of the PowerPoint data slides presented in our webinar on this topic in the Knowledge Bank section of our website.

But even the headline news was quite surprising to us. Superficially, there were a lot of similarities between the efforts of the successful and less successful groups. What was really striking, though, was the marked difference in the metrics the two groups chose to measure their progress.

The more successful vendors focused on tracking outcomes; the less successful paid more attention to tracking activities.

Activities are generally much easier to measure than outcomes, but the stats may be misleading. Flailing around in a welter of feverish but misdirected activity may make the activity numbers look good. But if those activities don't translate into outcomes, you won't be getting anywhere.

In fact, one of the most startling findings from the 2022 survey is that the less successful vendors actually notched up more analyst interactions than the successful companies.

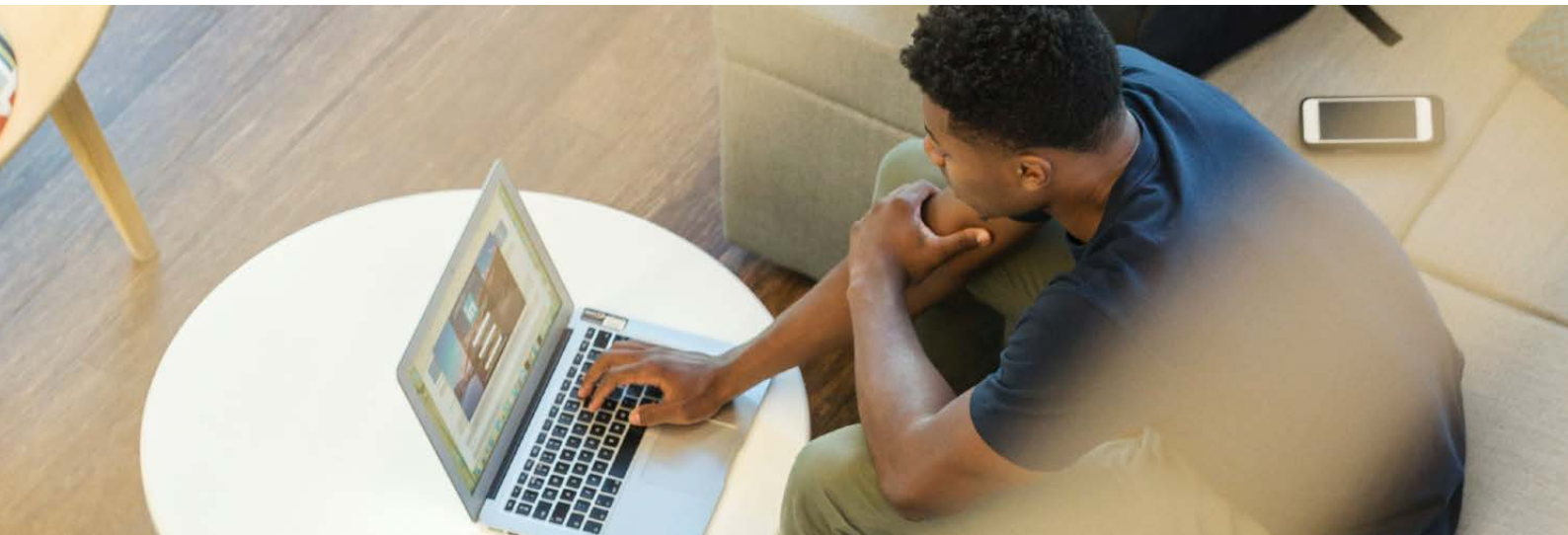
This was clearly worth investigating, so we talked to some current Gartner analysts about it. They were less surprised than we were, and one of them told us an odd little story.

'We had this client who insisted on booking my time for monthly inquiry sessions to discuss market trends,' she said. 'I was surprised, and I assumed we'd cover other topics, too. But no, all they wanted to talk about was market trends. In the end, after several months, I called a halt to it. They were wasting my time. The market just doesn't change that quickly.'

'So what was that all about?' we asked.

'I'd guess this vendor had set its people an activity target,' she said. 'I think they wanted to be able to tick the box and show their bosses the company was getting value from its analyst subscription.'

The lesson is clear. Activities that don't lead to outcomes don't sell your products today or raise your profile and create the pre-conditions for future sales growth. So measure the tangible outcomes – improved positions in analyst assessment reports, higher volumes of downloaded reprints of analyst-written content, increasing numbers of referred leads – and concentrate your efforts on targeted initiatives that can be shown to move the needle.



Quality beats quantity every time

The more successful companies, with their emphasis on outcomes, made a point of planning each briefing and inquiry carefully to achieve specific results. Instead of setting up a routine monthly ritual, they would contact the analyst when they had something fresh to impart or a real question to ask.

As a result, the analyst would be learning new information and being stimulated to think about live issues. After all, one largely unacknowledged part of the art of analyst engagement is developing the knack of keeping the interaction interesting for the individual involved. The more successful companies paid attention to this, and they got their reward.

The key to productive analyst engagement, as in so many aspects of life and business, seems to be understanding that it's quality, not quantity, that counts.

The less successful vendors were often hypnotised by process. The more successful were much more focused on content – on crafting and refining the right story, messages and evidence to help the analyst understand their technology, their differentiation and their vision.

One noticeable spin-off from this – clearly evidenced in the 2022 survey data – is that creating the right content for the analysts generates better messaging for use in other contexts. It feeds through directly into higher lead generation from email campaigns and websites.

Marketing and analyst engagement messages do need to be different. But the clarity and discipline needed to develop your story and positioning for the analysts will always help you when it comes to working out how to segment your market opportunities and what you should be saying to potential customers.

Who ya gonna call?

As promised earlier, we have been able to identify five key best practices that make for successful analyst engagement.

But first we should probably look at who the analysts that matter actually are. It's no use trying to maximize the impact of your analyst engagement work if you don't know who you should be talking to.

The new survey data reaffirms the overall dominance of Gartner and Forrester. Unsurprisingly, most of our respondents saw Gartner's analysts as being the most important to them, with Forrester in second place.

But only one vendor in nine believed that only one analyst firm mattered to them. Smaller research companies mattered, too – some of them specializing in finance or another vertical market, some with a particular emphasis on services, rather than products, like IDC ISG. The opinions of these specialist research firms can carry a lot of weight in their niche areas, and a large number of them were mentioned and praised by various respondents.

The survey also uncovered some interesting nuances when it came to detailed comparisons between Gartner and Forrester.

For example, Forrester analysts were seen as being good at understanding the vendor's story, fair and accurate in their assessments and, in particular, flexible and ready to change their views in the light of new evidence. Respondents appreciated this.

Gartner's flexibility rating was a lot lower. So if you are operating in an ill-defined space, or you've discovered the key analyst sees the world very differently from you, it might be a smart move to go easy on Gartner and focus on Forrester.

Five keys to profitable analyst engagement

The Skills Connection 2022 survey threw up a number of findings that we hadn't necessarily expected. With a sample size of 129 respondents, we can't say that it represents a truly global picture. But we talked to a good spread of large, medium and small companies and we got answers – sometimes quite specific and forthright answers – to some fairly probing questions. We are grateful to all those who took part for their willingness to reveal a lot of information that is not normally available for public discussion and that may be directly helpful to their peers across the tech industry.

The headline findings from the survey can be summed up fairly neatly and translated into five best practice reminders, starting with the one that is, perhaps, the most counterintuitive.

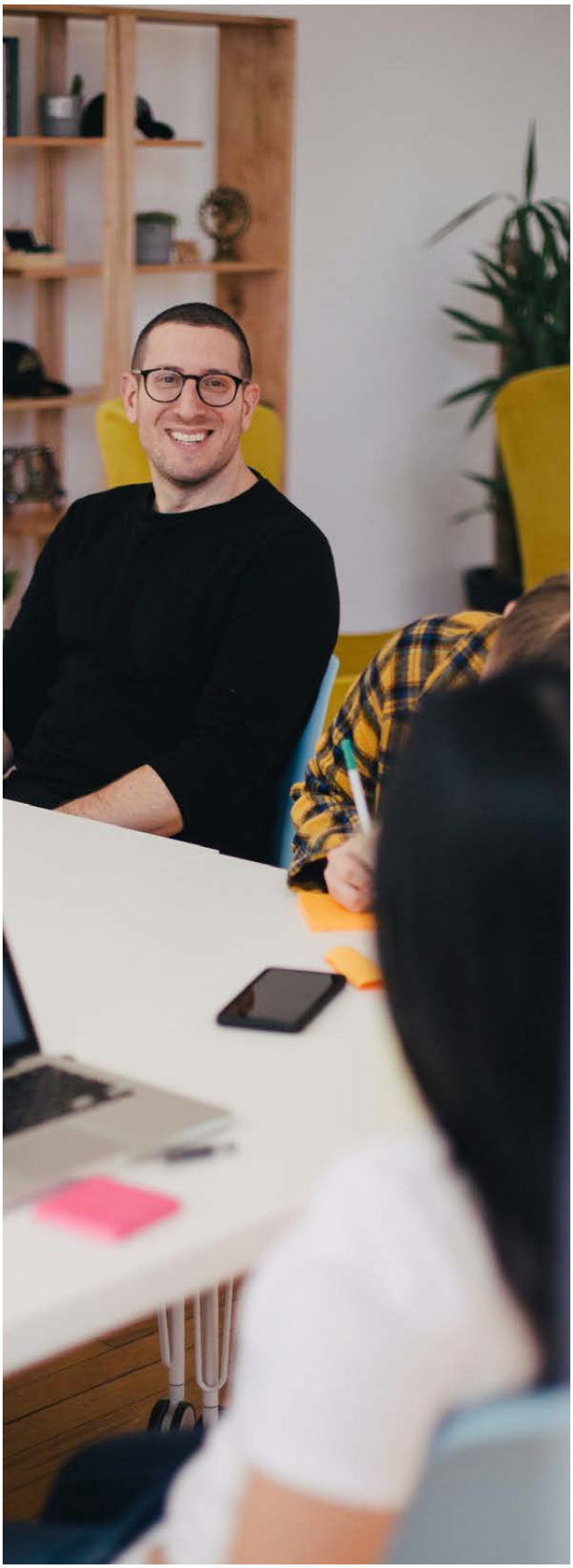
1. **Chasing the numbers doesn't get the best results:** It's not about racking up as many briefings or inquiry sessions as possible. Use the analysts intelligently, sparingly and in line with your broader strategy.

2. **Content beats process:** Putting the process in place is less than half the job. The real challenge is to make sure the analyst understands your story, believes what you say and can see credible evidence to back it up.

3. **When the analysts are positive, use that ammunition:** Don't sit back and wait for good things to happen. Make the most of quotes, reprints and recommendations and make sure your prospects get to see them.

4. **Measure outcomes, not activities:** You're interested in prospects' behaviour – clicks, downloads and leads – rather than your own activities in setting up inquiry sessions, briefings and meetings.

5. **Choose your battles – and your analysts:** Think about which analyst firms will help you influence the buyers you're targeting, and who can give you the best insights and advice about your key markets.



About the Skills Connection

The Skills Connection is a specialist analyst engagement firm whose consultants have all been senior Gartner analysts. We help firms ranging from fast-growing start-ups to high-flying market leaders capture the analysts' attention and achieve consistently positive comment and assessments.

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