THE SKILLS CONNECTION

No pay, no play – Is that really how it is with analysts like Gartner and Forrester?

"We tripled our spend with Analyst Firm X – and we still feel screwed." Sound familiar?

That's the voice of one tech firm CMO we know. You'll have heard something similar many times before.

If I had a dollar for every person I've spoken to who believes that research is a pay-for-play game, I would be... well, not rich. But I would have a few hundred bucks to throw around.

It's amazing how many people believe a $3bn corporation like Gartner, or big research firms like Forrester and IDC, with sales worth hundreds of millions a year, could achieve all this success through the simple extortion of pay for play.

Maybe that says more about us than about our industry. Maybe it's all to do with our love of conspiracy theories.

Elvis is alive and well and living at the Heartbreak Hotel in Benidorm (though you might not recognize him at the age of 83). It was really Vladimir Putin hiding behind a tree on the grassy knoll in Dallas. And Gartner charges by the millimeter for Magic Quadrant positioning...

I remember having a vivid dream about that last one while I was working at Gartner in the early noughties. I reckoned the company could stop all other sales and just sell dot positions to make its fortune, perhaps with a sexy Critical Capability 5.0 score thrown in for free. When I woke up, though, it didn't seem such a brilliant idea.

One head, two hats

OK, let's be honest. Not all research firms are always squeaky clean.

In my own past in product marketing, I did come across some small research firms that sent me product write-ups to edit, rather than review. But that's not a business model anyone can live on for long. Sooner or later, the truth comes out. The firms that tried that stuff in the past are now, mostly, in the dumpster of yesteryear's research rejects.

The key point is that analysts perpetually wear two hats. One is the hat the analyst wears as your assessor. It brings with it the demolition expert's jaundiced, glass-half-empty view of every supplier – the view of the natural skeptic.

The other is a hat reserved for customers. This is the hat that belongs to your trusted, informed, optimistic adviser. It brings with it the constructive, positive, glass-half-full view of what you need to do next. It's the hat of the evangelist, the surveyor and builder.

When you pay the research firms money, you are buying the adviser, the constructive persona. You are buying access to someone who can tell you what it is you're not doing and should be, someone who can tell you what buyers are thinking and asking for. This is someone who may even be able to tell you what is likely to happen next in your market.

What you're not paying for is the Doubting Thomas, the skeptic. He or she can't be bought. He's not someone who will be influenced by wads of cash thrust in front of him, even if some of his sales colleagues might be happy to bank a bundle. He'll want to see some pretty solid evidence before he'll stick his neck out and recommend you to a customer or suggest that your product's a great fit for his clients' needs.

More engagement means more understanding

So, it's just black and white, right?

Well, uh, good point. No, it is not quite that straightforward.

This simple delineation leaves out the fact that this one person with two hats is simply human. Yesterday a humble product manager or enterprise architect, today a guru, the reincarnation of the oracle at Delphi, an Analyst. And, like other humans, analysts often find their brains aren't actually compartmentalized quite that easily.

In particular, while the skeptic will insist on evidence and fairness in relation to each assessment, he or she can't help remembering all those things you've discussed throughout the year, in all your inquiries, meetings and SAS days. Because you're a client, the analyst will know you better and understand you better. And that makes it much more likely that this scrupulous, proudly impartial assessor will get it right and give you a positive rating.

Yes, money did come into it. But that doesn't mean it was a transaction of influence for cash. It's more subtle than that.

It's this benefit of better knowledge through effective engagement that people often mistake for bias, and frequently for bias in favor of bigger companies. The reality is that all those big companies have analyst contracts and they know how to use them well so that the analysts, who are in contact with them on a regular basis, understand their capabilities, plans and go-to-market strategies.

Here's the acid test

So, does that mean you should rush to sign up to become a customer of the research firm?

Well, the answer is this. If you think that signing up will mean you have a contract that ensures the analysts will write about you and say nice things about you, no. There is no such contract.

On the other hand, if you think the analyst firm has a good knowledge of your market, your prospective customers and your competition, then there's certainly potential value there.

But you need to assess that value as the principal reason for the contract, not anything else. So, ask:

- Can the analysts help you improve your product or service?
- Can they help you engage with the market more effectively?
- Can they help you improve your communications?
- Do they know things you don't know?

This is the acid test.

If they pass that test, then – and only then – you should consider the effect that positive engagement could have in leading them to understand you better and hence be able to represent what you are capable of, in terms of recommending you and validating your offering.

Whether you pay or not, you've got a job to do

But it's a big mistake to think this is the only way to get the analysts to understand you effectively. At the end of the day, whether you choose to be a client or not, you will still need a strong plan of engagement. You need to know what you've got that needs communicating, and when and how to do it.

Sure, being a client gives you more tools and more opportunities to show what you can do. But there are plenty of tools you can use if you are not a client and don't feel that there is value to be had from buying client status. Here at The Skills Connection I, and the team, work with dozens of different tech companies and many of these become Magic Quadrant or Wave Leaders while spending zero dollars with the research firms.

That's all well and good, you may be thinking, but I have a day job, too. Can't I just shortcut all this by flashing the cash?

The answer, of course, is no. Haven't you been paying attention? Have you been reading this article in your sleep?

To conclude

No pay, no play is not the reality. You can choose to pay or not, and still get results if your analyst engagement is effective.

This means if you don't have the time or capacity to manage your engagement with the analysts properly, it won't matter a damn whether you have a client contract or not. You're still going to need someone who can make these things happen for you.

So, employ people with the right skills, or outsource to get access to them. It's up to you how you go about it. But don't just sit there looking at all those checks you wrote for the research firm and asking why you still don't seem to get any referrals, coverage or validation.

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About The Skills Connection

We are a team of former senior research analysts, with an average of 16 years 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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