**Beat: Technology**

# What NOT to do with Industry Analyst Firms

### Tips on dealing with Industry Analysts

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**USPA NEWS -** In this article the author's experience can help companies navigate their relationship with key industry analysts. It isn't always easy, but there are some useful hints and tips to help you steer the relationship if you are a vendor being judged.
Engage positively - these analysts are not to be feared, but to be embraced - ignore them at your peril!

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The high-tech world relies on Analysts to ‘keep them honest’ when it comes to assessing a vendor’s standing in the marketplace. It’s no secret that the ‘Big Three’ are influential in terms of vendor choice, measuring companies’ abilities to provide solutions to customer’s technical and business problems.

Whether they are Leaders, Challengers, Visionaries, or Niche Players in Gartner’s Magic Quadrant; or perhaps Leaders, Major Players, Contenders, or simply Participants in IDC’s MarketScape; or even Leaders, Strong Performers, Contenders or Challengers in a ForresterWave, companies including high-tech strive for leadership, and purchasers look to the ‘top-right’ to see who the analyst has put in the leadership category.

Some clients of analysts even go so far as requiring vendors and suppliers to be visible in one of the diagrams mentioned above before they will entertain a response to a ‘Request for Information’ (RFI), or a ’Request for Proposal’ (RFP).

That’s not to say that niche and boutique players are not influential. On the contrary, many address particular marketplaces with greater depth if a little less breadth.

### How does it work?

Let’s look at tech vendors and their approach to analysts. Most will have whole Analyst Relations (AR) departments devoted to dealing with analyst organizations, big or small. These groups will often have full time personnel devoted to particular market segments. They are committed to providing a professional interface for their own internal Subject Matter Experts (SMEs). The idea is to talk to each other, the analyst and the vendor. Perhaps the vendor is updating the analysts on products and solutions, or asking for feedback from analysts on market potential, strategic direction or the like. The vendor might fund the relationship with the analyst firm in the case of some interactions, and arrangements vary, although most firms tout that they are not ‘pay-to-play. My experience is that, as a vendor, you are really paying for ‘access’. There is a fine line between paying for access and paying for influence, but I’ll tackle that in more detail in a later article.

**What can go wrong?**

Having said this, there can be quite a few things that can go wrong. Some companies will, from time-to-time, pull back from analysts for a particular segment of their business. There are varied reasons for this, but often, as I have experienced myself, there is embarrassment that the vendor messaging needs work and that the company "hasn't got its act together" to talk with analysts. It can also be as a result of 'Vendor Ego' getting in the way: the vendor doesn't like a recent review, and gets huffy with the analyst firm. It happens a lot with big companies! Finally, simply lack of budget can be a big reason, especially in my experience of smaller vendors and startups.

**Hints and Tips**

Now, the most important thing to get right messaging, and the AR Department needs to ensure the SMEs are top-notch with their communication skills. The AR department must also overcome that 'Vendor Ego' I mentioned, such that lines of communication with the analyst companies are not compromised. Lastly, making sure that there is one cross organization message, not different ones from siloed parts of the vendor.

So, what should vendors be doing? Here are some Hints and Tips….

**DO NOT PULL BACK**

If you 'go-dark', as it were, the Analyst firms will assume the worst, especially if the previous relationship was open and running. I have seen this several times. There are easy ways to address this. If going through a re-organization such that SMEs may be being re-deployed, maintain an open relationship. Focus conversations on the three things analysts are interested in:

a) Customer references, use cases and case studies (assuming you have them). Include Customer Business Outcomes, timelines and competitive differentiation.
b) Your strategy for proposed future developments including road maps and financials (if available) along with unique differentiators such as, patents, partnerships, etc.
c) Invitation to the analyst firm to provide feedback and consultancy back to you. This will require funding for the most part and provide either validation of strategy, or areas that need attention. Analyst firms become vested and more likely to engage when their services are 'fee' rather than 'free'.

**DO NOT RESPOND TO EVERY SURVEY**

Despite the advice above, it is ok be selective in responding to an analyst firm's invitation to partake in a survey where you will be compared with perceived peers. Here are a couple of things to consider:

a) Carefully weigh the value versus the risk. Remember many analyst clients are your customers. As mentioned above, you may be excluded from potential RFPs if you are not anywhere on a Quadrant, Wave, Scape or Radar. On the other hand, there will be reticence by your senior management to be in the 'lower left' of the survey. Make a decision you're comfortable with.
b) If you decide not to partake (and there will always be dubious research requests from dubious firms that make that the right decision), plan to review with a positive response the following year. You'll be moving from a nobody to at least a somebody that next year.

**DON'T IGNORE YOUR ANALYSTS:**

a) Integrate your marketing and AR. If you're unsure when, research when the analyst firm will be executing some relevant research, either new or refreshment of old research. Book some time with the firm, pay the daily fee or similar, work with the analyst sharing your best execs, SMES, plans, strategies and references in relation to that research. Including a customer or two in the discussion is exponentially helpful if the customer is properly selected and briefed beforehand.

b) Listen to the analyst. Take the analyst's advice. Demonstrate you've done this with follow-ups and plan for future consultancy business for the analyst, letting them know your intent, planning the timing to just before the relevant piece of research commences. These firms are generally not 'pay-to-play'; however, I've followed my own advice above successfully in the past, obtaining Leadership in the most far top-right for my tech-company by paying for access to educate and validate, not to influence.

**Not all Analyst firms are the same**

When considering the points made, recognize that analyst firms have differentiated value propositions:

• Gartner is clearly the 400-pound gorilla. They have strong influence in the tech world, and their 'Hype-Cycle' helps predict the future. Their proprietary methodology means their view of a vendors Completeness of Vision and Ability to Execute are generally impartially accurate.
• Forrester is a little less influential but many of their clients (end customers and vendors) value their SWOT analysis and Industry analysis.
• IDC is strong on market numbers, and many of their clients see them as the go-to firm for market shares and future market grow assessments.
• Other smaller firms, including niche and boutique players, can offer specific targeted research to clients and shouldn't be ignored when budgeting. They include 451 Research, Ovum, Frost and Sullivan, GlobalData, GigaOm, ABI Research, MachNation and Causeway Connections for the Internet of Things (IoT) for example.

**In Summary**

In summary, the worse thing you can do is ignore the analyst community. That lack of communications can take years to recover from, with vendor companies 'moving on' executives that have not performed well with analysts or analyst firms. I was very fortunate in my last company which had a small bench of SMEs, speakers and RFI responders, but made up for it with high quality people with strong messaged. That counts for a lot! Good luck to you in your interactions with industry analyst firms.

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