

ENGAGING FOR SUCCESS

CIOs and their teams have never had so much choice. Explore any solution category and you'll typically discover 10's of credible offerings, with vendors playing a constant game of leapfrog.

Against this backdrop, smart and experienced CIOs look further than immediate solution attributes when making decisions. They want to know what they can expect from suppliers beyond simply delivering a good product.

But what does this translate to in practice? We asked 100 CIOs from around the world to tell us what they like and dislike about the way suppliers engage with them.

THE STUFF THAT DRIVES CUSTOMERS CRAZY

Senior decision-makers are notoriously hard to recruit into surveys. When we approached CIOs to take part in the study reported here, however, we were struck by the level of enthusiasm with which we were greeted. Sure, participants were intrigued by the idea of sending a collective message to the vendor community on engagement needs and wants, but it was also clear that they wanted to get some things off their chest. And when given the space to do this, a range of frustrations emerged, along with confirmation of the kind of things that can happen when they feel disappointed or let down.

COMMON FRUSTRATIONS

FALSE PROMISES

Selling the dream then failing to live up to the expectations created

76%

BIG FRUSTRATION

PERCEIVED EVASION

Lack of pricing and billing transparency/ predictability for on-demand services

67%

BIG FRUSTRATION

Hiding additional charges in the 'fine print' in a misleading manner

58%

BIG FRUSTRATION

COMMERCIAL AGGRESSION

Pressuring you to upgrade, migrate or accept new ways to contract or pay

62%

BIG FRUSTRATION

Onerous contract terms, e.g. re usage restrictions, inflexibility, penalties, etc

49%

BIG FRUSTRATION

ARBITRARY POLICIES AND CONSTRAINTS

Forcing you to buy a whole suite, including components you don't need

70%

BIG FRUSTRATION

Forcing a subscription model on you when you'd rather just pay outright

64%

BIG FRUSTRATION

Forcing you to pay outright when you'd prefer an Opex approach

63%

BIG FRUSTRATION

Forcing fixed long-term subscriptions when you'd rather 'pay as you go'

62%

BIG FRUSTRATION

Allowing your commitment to go up but not down during the contract period

50%

BIG FRUSTRATION

Percentages relate to the number of respondents. Indicating significant frustration in each area

WHEN TOLERANCE WEARS THIN ACTION PRECIPITATED BY POOR ENGAGEMENT EXPERIENCES

Abandonment of a potential purchase from a new supplier

82%

HAVE TAKEN THIS ACTION IN THE LAST 5 YEARS

Recommendation to a peer to avoid a supplier or solution

74%

HAVE TAKEN THIS ACTION IN THE LAST 5 YEARS

Switch from current to an alternative supplier or solution

68%

HAVE TAKEN THIS ACTION IN THE LAST 5 YEARS

Existing supplier commitment frozen or managed downwards

61%

HAVE TAKEN THIS ACTION IN THE LAST 5 YEARS

Legal action to end a contract without penalty or loss

25%

HAVE TAKEN THIS ACTION IN THE LAST 5 YEARS

KEY TAKEAWAY

It's all too easy to dismiss push back from customers on the kinds of things highlighted above as just reflecting business reality. Experienced sales people backed up by authoritative documentation and support from finance and legal teams can force or cajole their way past many objections. And how much does it really matter if the customer ultimately accepts the situation? Well the answer when you consider the actions often precipitated by CIO frustration is that you might never know!

THE ACCOUNT MANAGEMENT ADVANTAGE

Many of the issues we have been discussing stem from a lack of customer insight and empathy. Great account management can be the antidote to this, both at an individual customer level and in aggregate if product managers and marketing teams are properly plugged into the field organisation. When it comes to the specific account management practices valued by CIOs, the desire for a genuine partnership approach is evident, as are the benefits to the supplier if they engage in this spirit.

ENGAGEMENT BEST PRACTICES

TOP 5 MOST VALUED

ALSO APPRECIATED



WHEN CUSTOMERS FEEL GOOD ACTION ARISING FROM GOOD ENGAGEMENT EXPERIENCES

Resistance to approach from a competitive supplier

93%

HAVE TAKEN THIS ACTION IN THE LAST 5 YEARS

Increased commitment and/or spend with the supplier

88%

HAVE TAKEN THIS ACTION IN THE LAST 5 YEARS

Recommendation of the supplier or its solution to a peer

87%

HAVE TAKEN THIS ACTION IN THE LAST 5 YEARS

Consolidation of activity around the supplier's portfolio

80%

HAVE TAKEN THIS ACTION IN THE LAST 5 YEARS

Early engagement of the supplier in the procurement process

73%

HAVE TAKEN THIS ACTION IN THE LAST 5 YEARS

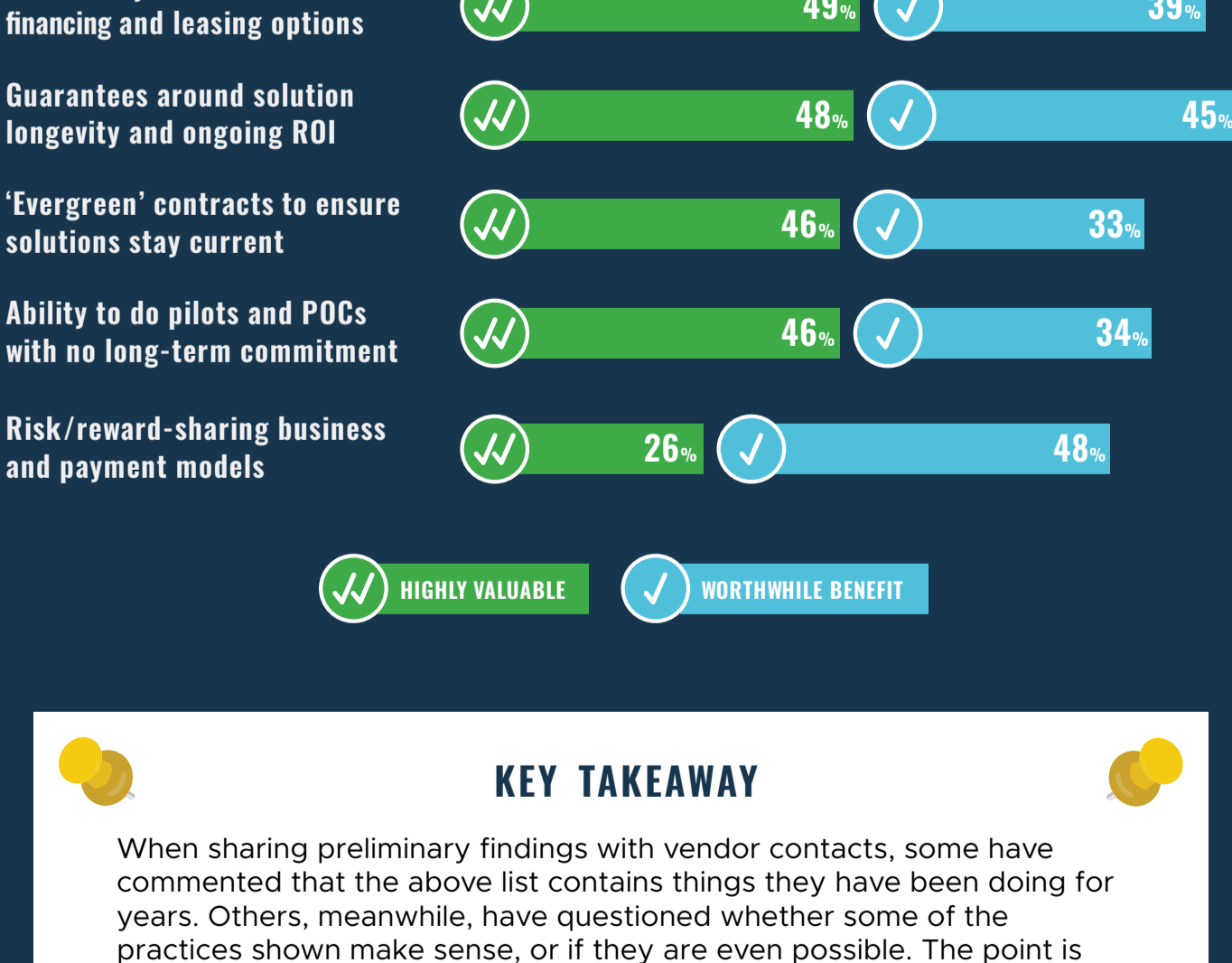
KEY TAKEAWAY

This data reinforces the principle that success is not just about offering the best product, but is hugely influenced by how you engage with customers and prospects and how this, in turn, makes them feel. But you need to go beyond the touchy-feely sentiment level and focus on the kind of best practices CIOs clearly value. Yes, it often requires additional resources, and customers may not even be expecting you to invest the time and effort. But if you do, the sales leverage and longer term rewards are there. By the same token, competitors offering a better experience can potentially displace you even if your product is superior.

COMMERCIAL INNOVATION

None of the account management best practices discussed previously are particularly new; it's more that they are applied inconsistently across the industry. When it comes to commercial practices, however, we're seeing a lot more innovation and/or cross-fertilisation of ideas. It's impossible to be exhaustive in this area, but here are some of the options that CIOs acknowledge to be valuable or worthwhile.

APPRECIATION OF MODERN COMMERCIAL PRACTICES



KEY TAKEAWAY

When sharing preliminary findings with vendor contacts, some have commented that the above list contains things they have been doing for years. Others, meanwhile, have questioned whether some of the practices shown make sense, or if they are even possible. The point is that ideas often initially take root in and around a particular solution type and/or market segment to address a specific need before gaining traction more broadly. The lesson is therefore to make sure you look beyond your immediate circle of activity when seeking competitive advantage or keeping an eye out for competitive threats.

ABOUT US

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