

# GETTING THE MOST FROM IT SUPPLIERS

Given the constant game of leapfrog played by IT suppliers, today's 'best' solution (however you judge that) is unlikely to remain in front for that long. It's therefore important when making IT investment decisions to look beyond immediate product or service attributes and consider the overall experience on offer from a supplier.

But what does this translate to in practice? We asked 100 CIOs from around the world to tell us about their frustrations, needs and wants.

## THE STUFF THAT CAN DRIVE YOU CRAZY

If you've ever felt that IT suppliers too often over-sell and under-deliver, or prioritise their own interests ahead of yours, then you are not alone. When we put some of the complaints we hear about anecdotally to the CIOs taking part in our study, the stats that emerged confirmed the level of frustration that exists. It also became clear that even the most tolerant of IT leaders frequently have their patience stretched, and this can have significant consequences for the suppliers concerned.

## 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

Buying teams understandably focus on the product or service when initially considering a solution, on the basis that supplier and contract due diligence will be carried out later by finance and legal colleagues. However, the level of frustration reported, and the fact that so many IT leaders have taken action against suppliers as a result, suggests that supplier concerns need to be addressed much earlier in the process, rather than waiting until you have already committed to a solution.

## WHAT TO LOOK FOR - OR ASK FOR

Many of the issues we have been discussing stem from suppliers who lack customer insight and empathy or are too focused on new business sales to consider longer term relationship development. So how can you identify the suppliers likely to deliver a good ongoing experience? They will normally be the ones who engage in a spirit of genuine partnership, and a good test of this is how much they invest in their account management processes. Here are some examples of the kinds of things to look out for.

## ENGAGEMENT BEST PRACTICES

Which practices are valued the most by IT leaders when delivered as an integral part of suppliers' account management processes?

### TOP 5 MOST VALUED

### ALSO APPRECIATED



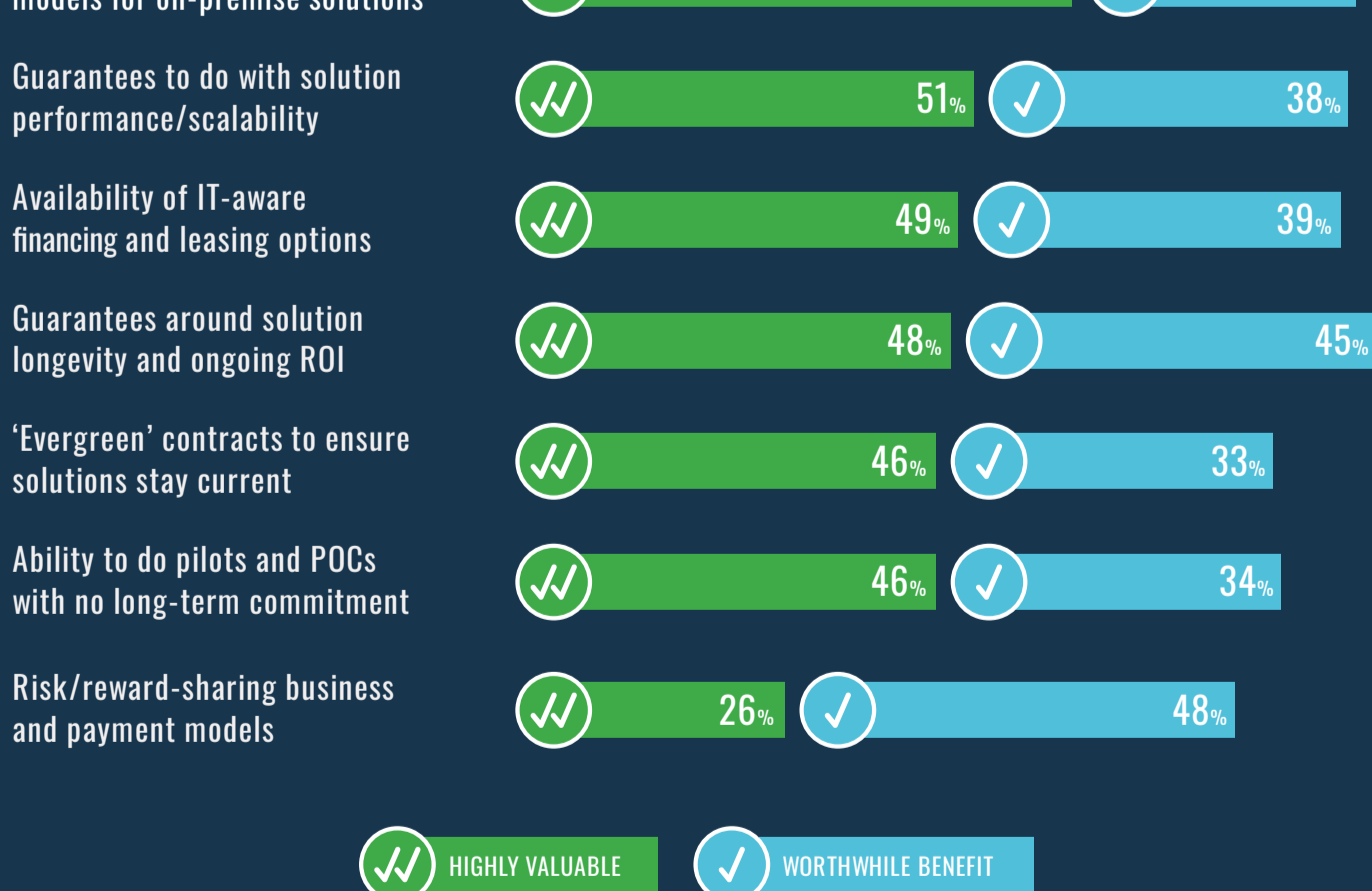
## KEY TAKEAWAY

While the above list is not exhaustive, it's indicative of the range of benefits frequently offered by suppliers. If something of interest to you is not put forward proactively by a supplier, it could be that they are simply not geared up to delivering that particular benefit. However, it could also be that the supplier is resource-constrained so has to limit the number of customers to which they allocate a technical account manager or the time required to run workshops, develop joint plans, etc. Decisions are then made on a discretionary basis, usually prioritising key accounts. With this in mind, it's always worth asking, and even pushing more assertively to get what you want. This advice applies when reviewing existing suppliers as well as evaluating new ones.

## 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 cover all ideas in this area, but here are some of the options that our CIO respondents said they found valuable or worthwhile.

## APPRECIATION OF MODERN COMMERCIAL PRACTICES



## KEY TAKEAWAY

When sharing preliminary findings with vendor contacts, some said that the above list contains things that they have been doing for years. Others, meanwhile, questioned whether some of the practices shown make sense, or are even possible. What this highlights 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. Again, the opportunity here is to identify both forward-thinking suppliers and opportunities to improve your buying and budgeting.

## ABOUT US

This infographic is provided with compliments by Freeform Dynamics and Radma Research, two companies that have worked in close partnership for many years to deliver innovative research with high-impact output to help IT vendors with their planning, marketing and customer engagement needs.

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