

Valley View Ventures

A New Opportunity for IT Industry Analysts: *A Smarter and Bigger Audience*

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Summary

Much has changed since Information Technology (IT) industry analysis emerged as a billion dollar-plus business fifteen years ago. IT is more pervasive than ever. Organizations have eliminated layers of management. And almost everyone is familiar with the technology.

The changing IT landscape brings growing demand for analysts who can re-think the classic analyst business model in the context of how the overall IT market has evolved. Today IT industry analysts gifted at conveying insight in the context of short vignettes, wrapped with business perspective, are breaking new ground in communicating with a broader and better informed audience.

The Fundamentals Still Apply...

The IT buying/selling cycle is still costly for both buyers and sellers. Both IT suppliers *and* buyers continue to prize tools that help their organizations more efficiently reach consensus. So as much as ever, the engine driving IT commerce depends on a reliable flow of credible industry analyses.

However as the market for IT matures, questions arise whether the “business as usual” model for industry analysis still provides the best value. The conventional model offers fewer opportunities for analysts wishing to provide fresh insights or establish new businesses. At the same time, there is growing demand for analysts who can re-think the classic analyst business model in the context of how the overall IT market has evolved. The result? Innovative independent analysts have found new ways to deliver valuable insight to their clients while creating flourishing businesses for themselves.

Difference: Smarter and Larger Audience

As IT blossomed into a key component of the global economy, the audience for IT industry analysis and the packaging of analyses has matured.

Two factors shaping the evolution of IT industry analysis include:

- Broad audience expansion
- Deeper familiarity with IT

Key IT planning questions have also shifted from “will it work?” or “how well does it work?” to “which choice will work best with our environment?” Most buyers now assume that the technology works...they and the market have moved on. But has the IT analyst community?

New Channels to Reach an Evolving Market

How is the market changing? Consider this example from another industry: In the retail sector, clever small store owners successfully expanded their store-front based businesses and significantly improved their competitive profile against much larger and better capitalized competitors. How? By re-thinking their product distribution models and combining inexpensive websites with low cost delivery services from UPS and Federal Express. As a result, they were able to serve a much larger market than their storefronts' immediate neighborhood.

Similarly, a small group of forward thinking independent industry analysts have discovered innovative ways to showcase and distribute their services to an ever expanding and more sophisticated market in a way that broadens and deepens their client relationships. How these analysts work with the media is a key factor in their efforts.

Historically, the relationship between IT industry analysts and the media has been problematic. Under intense deadline pressure and requiring simple, elegant, and free expert opinion, the media greatly values the insights analysts offer. However, the media is viewed by most of the traditional IT industry analyst community as an afterthought -- just a necessary evil for promoting their businesses.

Whether traditionalists like it or not, such “old school” thinking is changing fundamentally. Some may once have ridiculed scoring media visibility as the industry analyst equivalent of “ambulance chasing.” Forward-thinking analysts and their clients, however, realize that working with the media not only helps the press explain the impact of new technology and/or business events, but it also offers an efficient tool for reaching, *and maintaining* relationships with widely dispersed IT decision makers.

The Underlying Value of Media Visibility

Today's IT buyers feel that the reliability questions about technology are generally settled. Now many corporate planners looking to integrate the latest IT advances into their overall business strategies find short, thought-provoking commentary extremely useful. Such analyses fit better at critical points in today's consensus-building planning environment -- far more powerful than in-depth technical comparisons. This is especially true at both the front end of the planning process and again at the close, when a great deal of critical information must be quickly communicated to key decision makers and then back out across the organization.

In addition, by willingly helping the media, insightful independent analysts can successfully compete against the largest traditional analyst firms including Gartner, IDC, and Forrester. For these innovators, the economic rewards have been handsome, with the most creative,

like [Walt Mossberg](#), reportedly pocketing seven figure incomes. Plus, these analysts are building financial equity, in their *own* firms.

Packaging to Fit a New Distribution Channel

Media visibility is one part of a new analysis delivery model. Embracing the media to distribute their insights requires analysts to rethink how they package those insights. An increasingly influential group of successful IT analysts disaggregate deliverables so that the information will flow through various value-added distribution channels without disintegrating in the process. Conceptually, this is similar to how small retailers learned to display and package their deliverables so that they could be shipped and arrive safely in their satisfied customers' hands.

Packaging of IT analysis has gone through metamorphoses before. In the early eighties, Gartner revolutionized the IT market research business by introducing short research notes (450 words) to compete against competitors' multi-page research reports. Until that point, brief reports were considered too short to convey valuable information. Today IT industry analysts gifted at communicating insight in the context of short vignettes, wrapped with business perspective, are breaking new ground in how to communicate with a broader and better informed audience.

A New Market Reality

For a business built on delivering fresh insight, it's ironic that the buyers of IT industry analysis are so far out ahead of their suppliers. Market maturity has created natural shifts in the target audience for, and packaging of, IT industry analysis. Maturing market conditions may also continue to spark fundamental business model alterations that will require more than mere tweaking of the industry analysis model. But the potential for a positive outcome from this evolution is significant. Core beliefs need to be examined and reconsidered. Those who can change, will, while those can't risk fading away.

IT suppliers have always had the most to gain and lose by changes in IT industry analysis. Buyer awareness, combined with the flattening of organizations' management structures, translates into the need for a far different go-to-market approach. In addition, with most of the technology reliability issues settled, the key turning point in the sales cycle has moved away from the technical evaluation in the middle of the cycle, to the front and back of the sales cycle. During the earliest phases, and again at the moment of closure, buyers focus on the core business factors driving their decisions.

Executives who rise to the top of their organizations do so based on their ability to synthesize broad and complex issues into simple and elegant actions that their organizations can digest. These decision makers value the same skill from their suppliers.

Marketing strategies targeted to IT operations, even for IT infrastructure solutions will become dangerously uncompetitive. Increasingly, sales will be won and lost long before the IT department begins the "short list" technical evaluation. IT suppliers who recognize the value of efficiently communicating at the broadest levels stand to gain the most ground.

Rethinking Deliverables to Align with a New Market

Market evolution requires IT industry analysts and their clients to rethink the need for IT industry analysis services. In response, a new group of increasingly influential IT industry analysts have reconfigured the classic industry analysis model to meet the demand. Redesigned deliverables and new distribution models for findings lead the way.