

# Executive Summary

## Field Guide / Vendor First Contact with Chief Information Officers (CIOs)



Comments were gathered from a survey of senior IT executives who are solicited by vendors. A number of CIOs were the subject of follow-up interviews to obtain their expanded views on how to alleviate problems associated with unsolicited inquiries – specifically cold calls and e-mail marketing.

**Introduction** In late 2009, the CIO Executive Council and Turner DeVaughn Network collaborated on a survey of 277 senior IT executives who are solicited by vendors. Organizations represented included American Express, Williams-Sonoma, MetLife, DuPont, Siemens, Deloitte, U.S. Department of Homeland Security, Bank of America, The Wharton School, Sun Microsystems, Comair Airlines, The Hartford, Novartis, Seagate, City of Minneapolis and University of Texas.

According to the CIO Executive Council/TDN survey, just one out of five senior IT executives is willing to spend any time talking to vendors on an unsolicited basis. A detrimental cycle is then created: marketers push even harder when response and conversion rates are lower than normal, and frustrated salespeople become more aggressive, both of which actions cause more annoyance on the part of their targets.

**Seven problems.** The survey revealed what many CIOs and their teams are already doing to avoid unsolicited calls and e-mails, and some new tactics that others can adopt. It also shed light on the mistakes vendors are making in their outreach, and recommends what they can do to avoid being “filtered out.”

**Seven recommended solutions.**

Joint research initiative



**CIO Executive Council**

Leaders Shaping the Future of Business



**Turner DeVaughn Network**

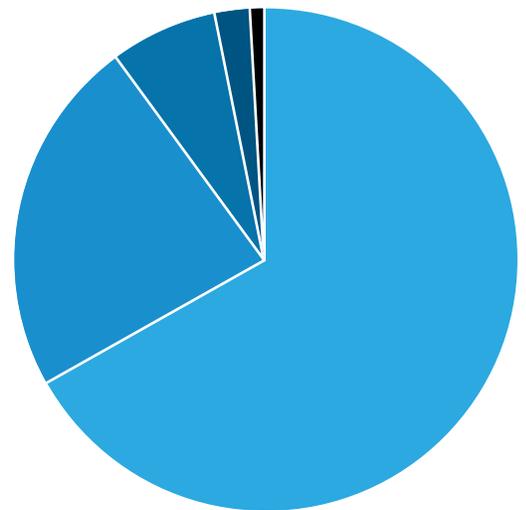
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### Problem 1 / Call lists are too long and lack quality.

Figure 1 / How many unsolicited telephone calls do you receive from IT vendors each week?

■ More than 100	1.1%
■ 60 to 100	2.2%
■ 40 to 59	6.5%
■ 20 to 39	22.8%
■ 1 to 19	64.5%



Call lists and e-mail rosters contain too few qualified names. An accompanying survey by Jigsaw/TDN found that sales representatives who call on CIOs have lengthy call lists. Fifty-six percent have lists of more than 200 names. Only 11 percent have lists of fewer than 50 names.

**Recommendation to vendors:** Use shorter, higher-quality lists.

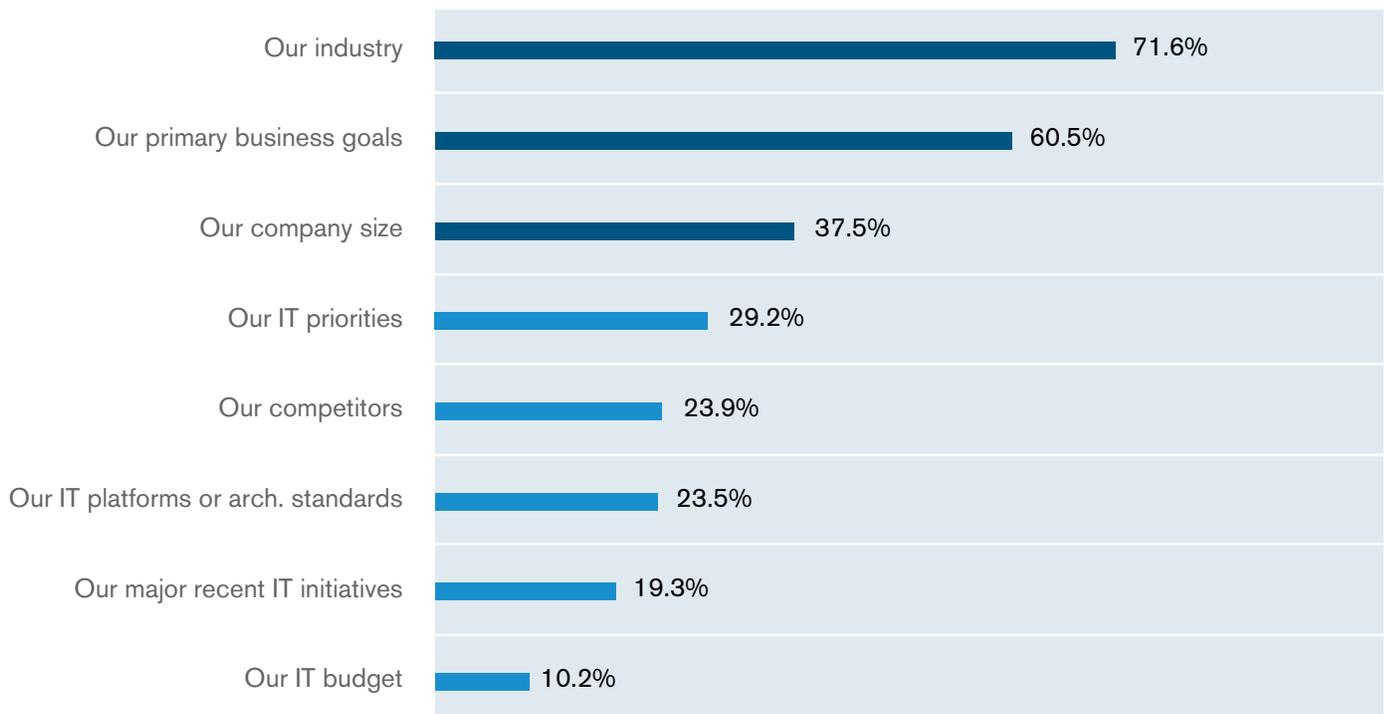
The way to narrow the list of qualified leads is to add criteria that connects the solution to be sold to a problem had by a real customer. For example, learning which companies use systems that are compatible with a vendor's offering is often overlooked. Once that initial filter is applied, it is up to the individual sales representative to learn as much as possible about each buyer's specific needs before picking up the phone. While this may take time, CIOs expect vendors to do their homework.

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### Problem 2 / Too few vendors do research before making a sales inquiries.

Figure 2 / What are the three most important things a vendor should know about your business before approaching you?



Salespeople who make unsolicited inquiries to a CIO are viewed with suspicion from the outset. Unknown sellers, no matter how well known their company may be, must understand that they are perceived as a risk, and when they say something in the conversation that reveals ignorance about the prospect, the opportunity is lost.

**Recommendation to vendors:** Use all resources, on-line and off-line, to do basic research before calling.

There is an abundance of information online about every industry: news reports, blogs, newsletters, professional organizations, tradeshows and conferences, just to name a few resources. It is more difficult to know primary business goals, yet it is critical. Dan Nottke, CIO at Kirkland & Ellis LLP, said “We don’t do business based upon [a vendor] having what they consider to be a new idea. We do business based upon a clearly articulated strategy.”

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### Problem 3 / Lack of a quantifiable case to make a value statement.

Figure 3 / Value Propositions: What Buyers Want and What Sellers Do



*Benchmarking of 241 web sites found that only 11% published a value proposition. In contrast, research by Turner DeVaughn also found that 71% want sellers to communicate this justification for price. Source: [NET Value: How to profit while the digital culture changes your value proposition](#), by Stephen Turner and Stan DeVaughn.*

One of the biggest gaps between buyers and sellers is their respective definition of “value proposition.” CIOs tend to see it as a framework enabling them to quantify their potential return-on-investment, while vendors think it’s a pitch or positioning statement. In many cases, engineering-driven vendors focus on product features and technical details in a belief that this is where the value lives. Vendors with an “inside-out” perspective of their market are inclined to believe that they offer beneficial solutions even without much factual support for this belief. Vendors are wise to listen to what their buyers really want. The CIO survey found that 60 percent wanted to know how a vendor’s product could help them accomplish specific business or IT goals. Careful listening can help create an “outside-in” point-of-view.

**Recommendation to vendors: Quantify the value you offer.**

It may be common to base pricing on the number of seats or users but this has little to do with how a product is being used or the value that is being delivered.

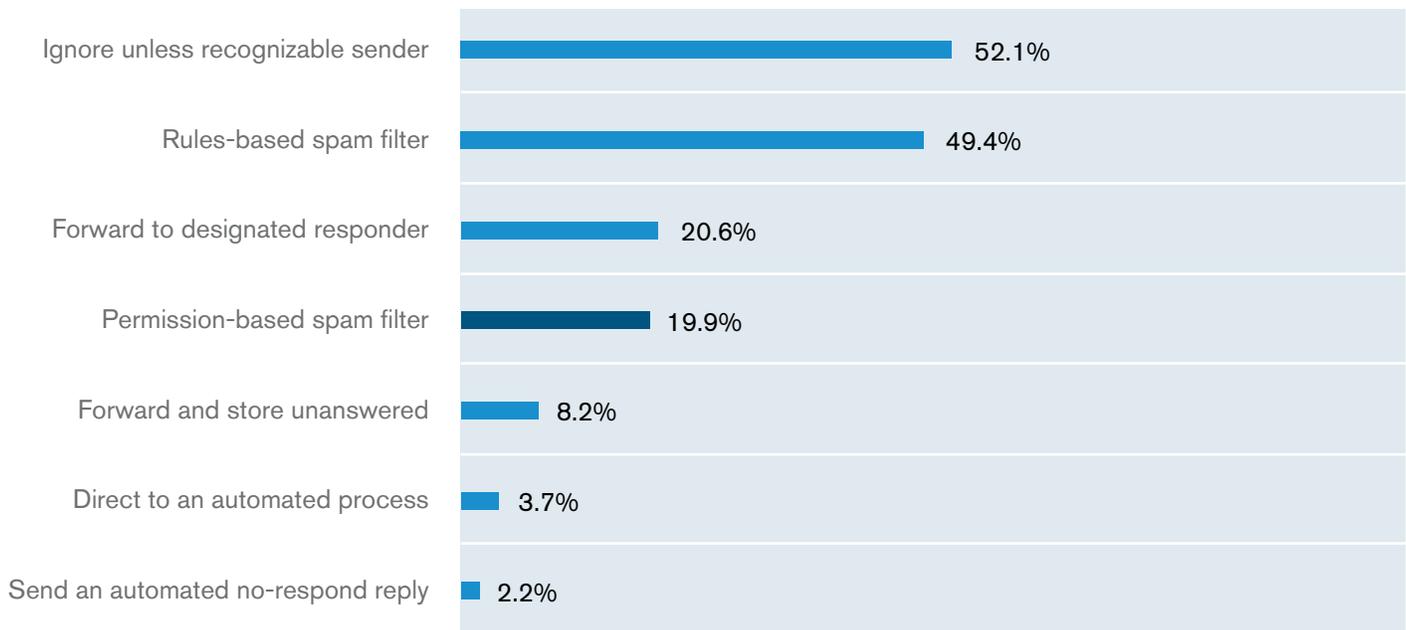
The best business models are based the value a buyer will experience. For example, software-as-a-service (SaaS) was a clear break with the status quo because it of charges for each transaction, event or unit of value delivered. In this case, the technology was developed with the business model in mind.

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### Problem 4 / Legitimate queries get lost in spam.

Figure 4 / How does your company primarily handle unsolicited e-mail inquiries?



According to the CIO Executive Council/TDN survey, 46 percent of CIOs say that spam is one of the most annoying things vendors do. But there are likely good vendor queries that are disappearing in the unsolicited flood because of the type of spam filters in use.

**Recommendation to CIOs: Use permission-based spam filters.**

A permission-based spam filter can assist in lowering false positives. These solutions, also known as Challenge/Response, send a response message to every sender that is not in their address book, and filter anything that does not get a response most true spam is sent from a server that does not receive messages. The CIO Executive Council/TDN survey found that 28 percent of those who filter spam do so with permission-based filters.

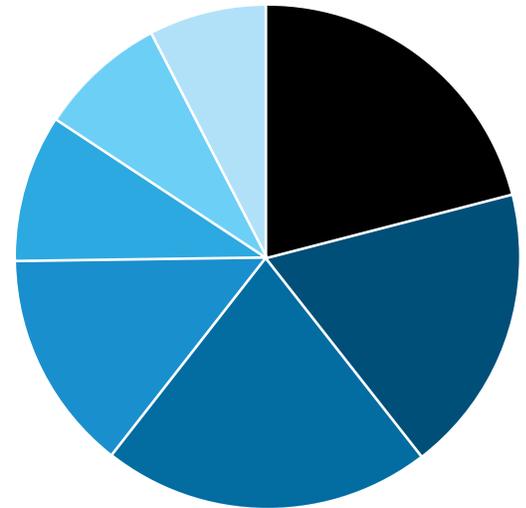
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### Problem 5 / Failure to give executive assistants their due.

Figure 5 / As an executive assistant, what types of technology products and/or services do you initiate purchasing?

Equipment leasing	10.6%
Videoconferencing	11.4%
Wireless equipment	14.2%
Telephone equipment services	22.4%
Computer software/hardware	27.8%
Peripherals, scanners, printers, etc.	28.2%
Personal computers/computer supplies	29.1%



Source: International Association of Administrative Professionals (IAAP) February 2009 Benchmarking Survey

According to the survey, 26 percent of CIOs expect their assistants to screen vendor calls. What CIOs and their assistants want vendors to note is that they are far more than gatekeepers.

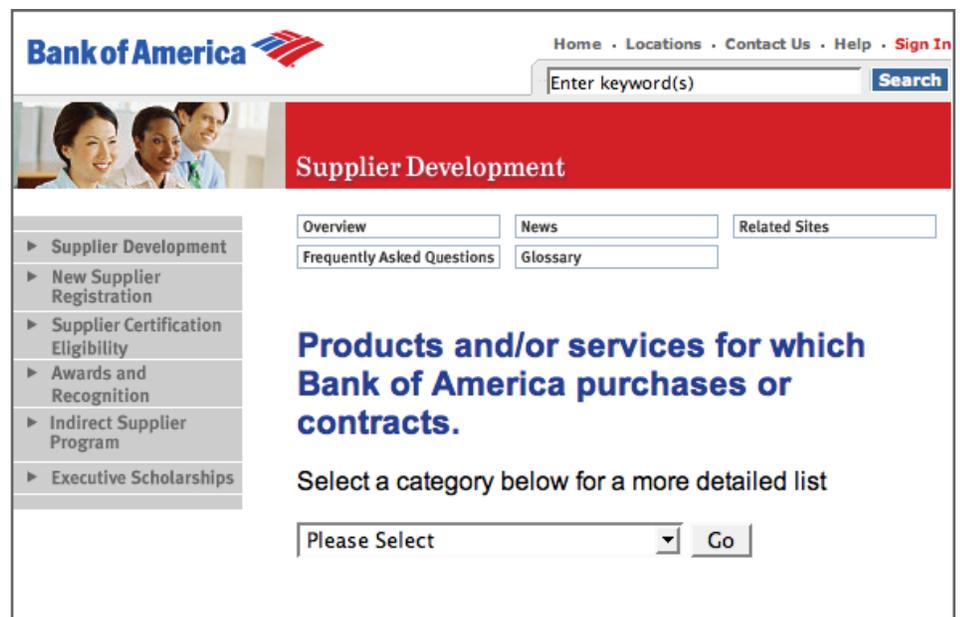
**Recommendation to vendors:** Sell to, form relationships with, and learn from executive assistants.

Administrative assistants likely have more time to talk and often know a great deal about the company, as well as where and why decisions get made. In these conversations, a telemarketer should dispense with a script and focus on listening and learning whether the company really should be on their call list.

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## Problem 6 / Company Web sites that fail to educate (qualify) would-be suppliers.

Figure 6 / Bank of America Supplier Portal



[http://www.bankofamerica.com/supplierdiversity/index.cfm?template=sddi\\_prod\\_ser.cfm](http://www.bankofamerica.com/supplierdiversity/index.cfm?template=sddi_prod_ser.cfm)

Many large organizations such as Bank of America (above), IBM, GE, HP, AT&T, Intel and Wal-Mart have supplier portals run by a vendor management department or procurement managers. In addition to being a good way to avoid waste, fraud and abuse, they channel a huge volume of sales inquiries into one place. The practical reality for most companies, however, is a lack resources to maintain one.

**Recommendation to CIOs:** Provide a portal or supplier section on your site.

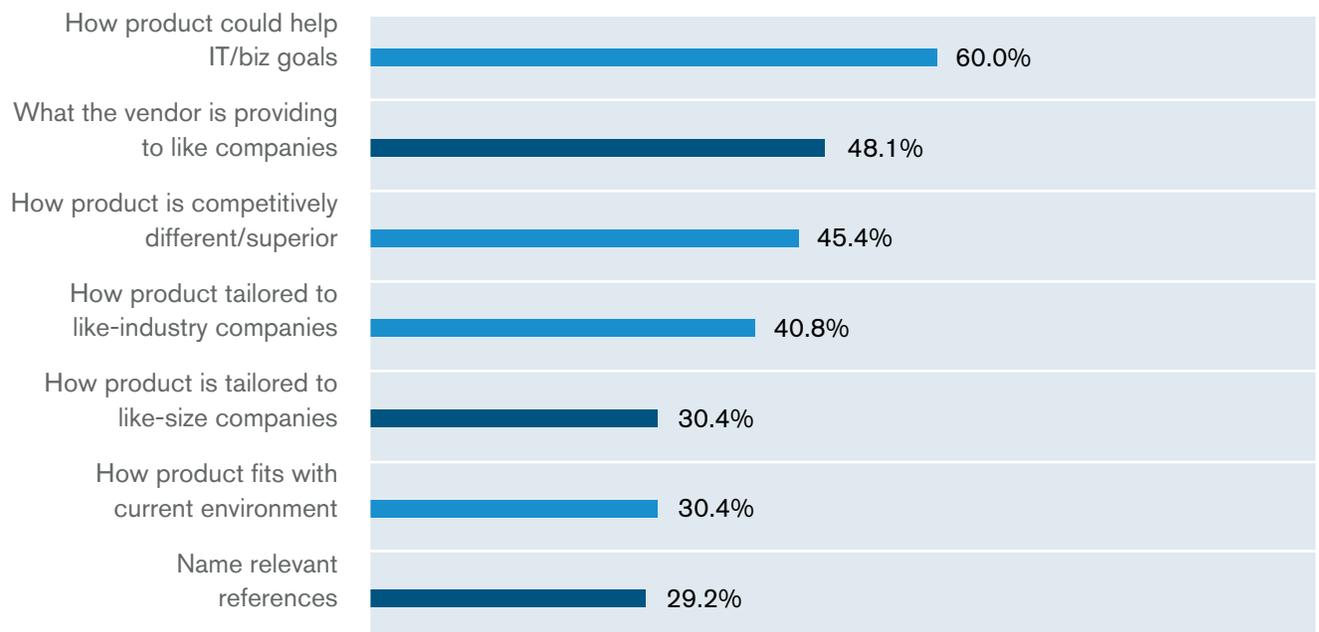
Many companies just don't have the time to build and operate a portal. TDN is working with CIO Executive Council members to refine and offer mid-market CIOs a free mini-portal solution designed to emphasize value, while also redirecting and educating cold callers and spammers. This Vendor Screening Service is designed for the initial point-of-contact that is often frustrating for both buyer and seller, not for approved vendors who have done business with an organization previously. It is not a substitute for the procurement department.

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### Problem 7 / Weak (or no) case studies.

Figure 7 / What are the three most important ways vendors can differentiate themselves when they contact you?



One of the most powerful points of leverage that a CIO has with a vendor is the potential of an endorsement or reference. This can take many forms. It's common for companies to permit their vendors to publish their name as a customer. Big-name companies on a client list go a long way to assure nervous decision-makers that they are not an early adopter.

**Recommendation to CIOs:** Be willing to share your story with other CIOs.

Case studies must to be driven by what buyers want. Too often, marketers and engineers focus on extraneous topics irrelevant to customers. With a customer perspective in mind, CIOs can help their vendor partners craft the most compelling case studies.

The CIO Executive Council and Turner DeVaughn Network wish to acknowledge and thank everyone who participated in producing this document, including members of the CIO Executive Council, vendors, and executive or administrative assistants and officers of International Association of Administrative Professionals at the chapter and division level.



**The CIO Executive Council** is a global peer advisory group of IT business leaders, dedicated to leadership development, improving value from IT and influencing the evolution of the profession. It was founded by CIO magazine's publisher in 2004.  
<http://council.cio.com>



**Turner DeVaughn Network** is a nationwide consortium of experts in 13 locations ready to ensure that the seller's value proposition continually meets buyers' ever-changing needs. TDN developed the Vendor Screening Service, a tool to make value propositions more relevant and quantified by translating sales pitches into the language of IT buyers.  
<http://www.turnerdevaughn.com>

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