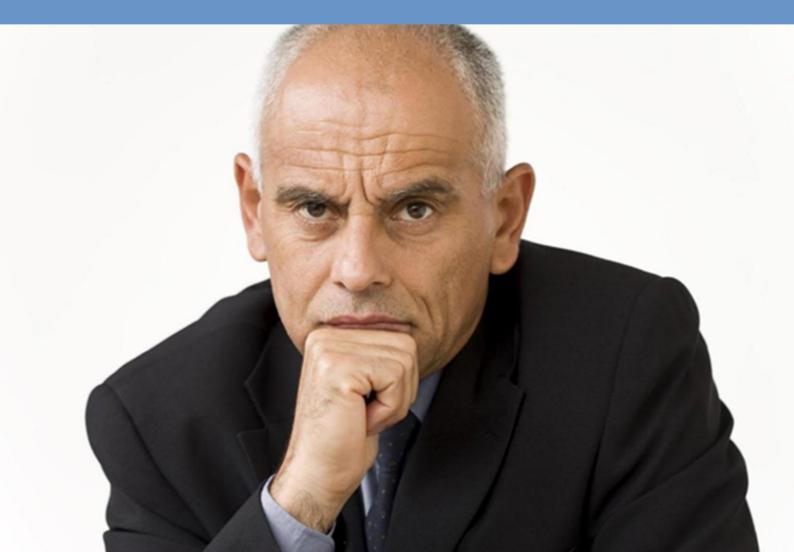# How To Sell To a CIO

"Selling to a CIO is a challenge of relevance and IT providers can differentiate themselves by being relevant to the CIO.   That is, don't sell a product, instead, show them that you understand their issues and that you are uniquely placed to be able to support them to solve these issues. Learn to think like a CIO."

Owen McCall

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A Note From Owen McCall

Dear Readers,

Welcome to my eBook. If you have read any of my work you will likely know that I am obsessed with the idea of creating value from the use of technology. In fact just about everything I do professionally is linked to the idea that technology can make a difference, and working out how to make that difference, to realise the inherent potential of technology.

Initially I did this as a consultant with Deloitte. While at Deloitte, selling to CIOs and senior IT professionals was a key part of my role.   So when I became a CIO I knew, or at least thought I knew, that there was a lot of capability and IP locked up with firms like Deloitte that was just waiting to be applied. I was keen to leverage the expertise and I expected my vendors to be eager to take this opportunity, after all it's a highly competitive market out there and any opportunity to differentiate and demonstrate expertise would be highly valued. Consequently, as a CIO I have sat through a lot of sales meetings as all sorts of technology companies tried to win our business. The vast majority of these meetings were a waste of time. A waste of my time as they failed to make their presentation relevant to my needs and a waste of their time because it seldom lead to a sale and did nothing to augment the relationship. This was very frustrating as I knew there were products and services out there that could add value to our business. No doubt it was equally frustrating to the sales team.

I pondered this "failure to connect". I began to realise that at it's core the problem was that most sales teams have no idea how to be relevant to a CIO. How could they? Very few if any sales professionals have been in a CIO type of role and sales training typically focuses on sales techniques and product knowledge, not CIO issues. My experience suggests, however, that selling to a CIO is not a challenge of product knowledge and sales technique (although they can help) rather it is a challenge of relevance. IT providers can differentiate themselves by being relevant to the CIO rather than simply selling a product or service.   That is, don't try and convince a CIO that you have a great product, instead, show them that you understand their issues and that you are uniquely placed to be able to solve these issues. Of course to do this you need to know what the CIOs issues are. You could ask but there is limited value for the CIO is explaining to you what their issues are. Besides, most CIOs aren't that keen to air their dirty laundry in public. Instead you need to be able to think like a CIO so that you can identify what their issues are likely to be, present these issues to the CIO along with how you can support them to resolve these issues.

This eBook contains some thoughts on my frustrations through this journey and also some ideas on how you may resolve this for the benefit of you and your clients.

Don't Sell Technology – Satisfy Needs

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Selling IT solutions might at first appear a terribly complex undertaking, but achieving success doesn't necessarily depend on the technical specifications. Instead, sometimes all that's required is a firm grasp of what the business really needs…

I often get asked how I go about selling technology. Sometimes, the question comes from technology company sales teams, other times from leaders of organisational IT teams. It doesn't really matter who is asking, because the answer is always the same: it depends on the needs of the customer.

I have learned this lesson several times, most memorably on presenting a business case for the implementation of a virtual desktop solution. Taking a user and business focus, we deliberately set out to highlight the potential benefits to users and the business as a whole. Consequently, the business case highlighted two key benefits.

The first was productivity improvements for team members resulting from increased flexibility around where and when they worked. A pilot provided insights into the impact this had on the team members' hours of work and output. The changes were impressive and supported the case that increased flexibility would increase productivity.

The second benefit was the potential to avoid a planned investment to increase the size of our offices, which were near to full capacity. We believed this investment could be deferred by embracing flexible working arrangements enabled by the virtual desktop, which would effectively increase building capacity by some 20 percent.

The case was well researched and had a very good return based on improved productivity and avoided costs. The plan was rejected.

The project team and the users who worked with us were devastated. We went back and analysed what went wrong and two themes emerged:

- The executive did not see improved flexibility for employees as a need. They didn't appreciate the link between improved flexibility, productivity and better results (after all, no jobs would be lost and no costs reduced).
- Remodelling the offices wasn't an obstacle for the executive as any cost was seen as a good investment for the future.

We had made a fundamental error: while the business case demonstrated substantial benefits to the company, they didn't match the needs of our colleagues. What we perceived to be advantages simply weren't on their list of requirements. But that's not the end of the story. While this process was underway we were also conducting a business continuity/disaster preparedness exercise, sponsored by the CFO and performed at the request of the board. It didn't go all that well.

Among the many reasons for the difficulties experienced was the fact that being completely dependent on one office is a problem should that office suddenly not be available. We would have performed a lot better if our team had the flexibility to work from anywhere – something a virtual desktop infrastructure can provide.

We re-pitched the case: same costs, same timelines. Except this time, we emphasised the business continuity benefits it would provide, an issue fresh in the minds of our executives. No other benefits were discussed and the business case was approved inside 10 minutes.

Reflecting on what had transpired and what could be learned, the conclusion was pretty clear. By any rational measure, our first business case was the more robust proposition. Despite that, it wasn't approved because it didn't meet a burning need of the executive. That's precisely where the second, pretty basic, business case differed. We could solve the business continuity problem staring the executives in the face, so they said 'yes please'.

The bottom line is that selling technology isn't the answer.

Instead, satisfying people's needs is.

Wooing Your Customers

"When I run my How To Sell To a CIO workshop I often get asked who was the best salesman I worked with and why were they so good?"

This is a fairly simple question for me to answer because one person stands out. For the purposes of this blog I will call her Connie. Connie represented an incumbent supplier and what made Connie stand out is two things, firstly, occasionally she came to us with an idea of her firms current thinking on a particular issue and worked hard to make it relevant to us. I understood that she was seeking to sell me more things but I appreciated it because she had thought about what the meant for us. Second, and most importantly, she listened and followed through on our conversations. This seems really basic and surely every salesman does this right? No they don't, not the way Connie did. If I gave Connie feedback on a proposal or an idea we were working through (e.g. I like this, please change that, I can't sell that but I can sell this …. etc.), I knew that she would take that away and bring me back what I had asked for.

In my experience this is very unusual. Most sales teams bowl in, bold as brass, tell you about themselves and how wonderful they and their product are with no idea if that's what you need. That wouldn't be so bad except if by chance they happen to have something interesting. Often they then fail to follow through or will not make changes to their proposal to allow you to buy there product/service.

This is how most sales teams operate. Is it any wonder they are struggling to gain market share? Perhaps a different approach may help, perhaps Connie's approach might help. That is, where you come knowing a little about your C suite customer and are ready to engage and learn. Think of it as being like wooing your future partner at the start of your blossoming romance. If you took this mind-set then you would make sure you "bought relevant gifts" and you would certainly follow through on their requests.

Chapter 3
Wednesday

"A sales team that understood my issues! Who would have thought it!!! An unexpected gift on hump day that shone a little light of possibility. Right, back to my day …. "

It's Wednesday and I think about the old adage of Wednesday being hump day and I'm pleased to be on the downhill slope to the weekend. Not that this has been a particularly bad week and certainly no worse than normal. It started Monday with reviewing the weekly reports. Performance was flat. Faults remained at about historical levels and SLAs, while OK, are not where I have committed they would be. The good thing is that there were no P1s last week. This means that when I have my one on one with the CEO later this week I stand a good chance of being able to talk about strategy rather than operations. It's always the same if the systems "aren't working" the focus of the conversation with the CEO is about operational competence rather than strategy. Never the most comfortable of conversations.

On Monday afternoon I had a steering committee for a major project initiative sponsored by the COO. The purpose of the project is to significantly reduce the lead times in our supply chain. The project is on a knife edge. We are struggling to get the resources we need from the COO's organisation and the SMEs we do have don't support the standard process design of the package we bought, even though we all agreed there would be no customisation.   The project manager did the right thing and raised issues on the project but didn't consult anyone before bringing these issues to the steering committee. The COO felt blind sided and in the post meeting catch up I agreed to talk to the project manager about improving his communication. At the same meeting the COO agreed to look into and resolve the resourcing issues. A step forward.

> "My thoughts are interrupted as my phone beeps with a new text message. A new P1!"

Tuesday morning was spent at home. Some respite from the grind of constant meetings that dominate my day. This particular Tuesday morning my focus was getting the strategy written in draft for my meeting with the CEO later in the week. It might be strategy but the first order of business was cost reduction. The economy is still struggling from the GFC and competition is hot for what money there is. The board's priority is maintaining profitability and that means cost reduction. I begin to consider where I can reduce costs. First glance tells a familiar story. Nearly 2/3rds of your costs are contracted and most of the remaining costs relate to staff. I squirm in my seat as I face the uncomfortable reality.

And that brings Wednesday. So far today I have had a one on one with a direct report. They are not meeting some of their key KPIs. This is not new and you once more work with them to determine what needs to be done but you have a sinking feeling that this conversation is moving from coaching to performance management as they seem reluctant or incapable of following through on a plan.

Next I met briefly with the project manager from the Monday meeting and debrief the steering committee meeting. The project manager thinks the COO is being unfair but agrees to change how items are brought to the steering committee. Then a quick break and my mind wanders back to the strategy pack and the uncomfortable decisions required. My thoughts are interrupted as my phone beeps with a new text message. A new P1!

> "When will this meeting be over so I can get back to doing my job!?
>
> Then it happened."

Almost instantaneously one of my managers rushes into my office to explain. At this point my PA appears and reminds me of a meeting with the sales team from XYZ Corporation. They are here and waiting.

Damn, forgot they were coming and this has turned out to be a really bad time but I have committed to the meeting so off I go. The normal pleasantries are exchanged and we settle into the meeting. The meeting was at their request so they lead. A familiar format unfolds. This is who we are and here is our proud corporate history. We have lots of clients aren't they impressive. Here are our products and services, they are the best products and services on the market and our research says you should want them.

I laugh silently to myself as their products sound exactly like the team who came in last week. As the meeting proceeds my mind drifts off. What's happening with that P1? How will this latest P1 impact my meeting with the CEO tomorrow? Will the project manager follow through? Will the COO find the resources we need? When will this meeting be over so I can get back to doing my job!? Then it happened.

All of a sudden I was engaged….

Out of the blue one of the members of the XYZ corporation team said "we've done some research on your company and the role of IT within the company and what we have found is …..". She proceeded to outline with unerring accuracy the issues we were facing. Our IT systems were reasonably reliable but it was a struggle to keep them that way, projects struggled to deliver as they couldn't get the resources and the team were more focused on completion than benefits, all the while you are being asked to deliver more cost saving projects to the business, while reviewing IT's costs as the economy was flat and surely IT couldn't cost this much.

All of a sudden I was engaged because these were issues I faced daily. How did she know? I found myself asking "so how can you help?" They outlined how what they did could help with some of these issues. I began to see that they did understand and that they might be able to help solve some issues rather than just sell some product. I became quite excited and I asked them to meet with a member of my team and investigate this further.

I thanked them for their insight and left feeling a little better because someone seems to understand what I was going through and maybe just maybe was prepared to help me move forward.

A sales team that understood my issues! Who would have thought it!!! An unexpected gift on hump day that shone a little light of possibility. Right, back to my day ….

Chapter 4
Business Partnership

First Published: CIO (IDG Publications) 05 April 2011

While many suppliers talk about best practice and sustainable advantage in their marketing material, their actions are often at complete odds to this.

Many of our service providers aspire to be business partners. Personally, I think it would be great if more of our service providers were partners. I am sure that if we had business partners rather than service providers, we would be able to provide much better service to our users and life would be much easier for my team and me. This got me thinking, if they want it and I want it why doesn't it happen more? As I pondered this, I felt the first thing I needed to do was understand exactly what is meant by the word partnership in the context of an IT supplier and a corporate IT customer? I searched for a definition. For a phrase that is bandied around so much I was surprised to find relatively few definitions of business partnership except for definitions of formal legal partnerships.

I found that Wikipedia had the best definition. It quoted Tony Lendrum (author of the *Strategic Partnering Handbook*) in its definition of a business partnership as being "the development of successful, long term, strategic relationships between customers and suppliers, based on achieving best practice and sustainable competitive advantage."

Being a customer, I assume that the focus was on the customer achieving best practice and sustainable competitive advantage rather than the supplier (Wikipedia made no mention of this topic). The supplier in turn receives profitable fees / revenue, a strong reference site and likely future business based on good service.

Here's the rub. While many suppliers talk about best practice and sustainable advantage in their marketing material, their actions are often at complete odds to this.

Here are some of my favourite examples:

- A company that comes to me and talks about how they can provide competitive advantage, but then won't provide resources when we have issues with a critical system.

- A company that will not respond to our repeated requests for support until we fill in their customer survey (because customer satisfaction is very important to them) and we give them a very low rating. Then it is important (I wonder how they are paid?).

- A company, whom while confirming licensing arrangements, includes only the possibility of a one-way ratchet rather than a true up for actual usage.   (Is this partnership or revenue gouging?).

- A company, whom having won the initial contract, immediately raises rates to the stratosphere knowing you have no choice.

- A company who justifies non-performance on the basis that doing what they committed to is unprofitable.

These are all, slightly altered, but real examples.   As Stephen Covey says, it is impossible to talk your way out of problems that you act yourself into. These companies have acted themselves into no possibility of partnership.

If everyone is agreed that partnerships are the way to go, why do companies act this way? I don't know for sure, but I believe that the heart of the issue lies in company cultures that value and reward predominantly short-term results and behaviour. There is no time to build a deep, trusting relationship when this month's sales target has to be met.

Please don't take any of the above as a representation that we are perfect in the world of partnership. We have our elements of short term-ism and in the absence of a substantial track record we will negotiate hard and make you work for the right to be a partner.

We are, however, loyal to companies that show the ability to perform consistently and whose actions show they have our best interests at heart. My favourite example of this is a company that flew a processor out from Australia for us on the back of a phone call, no questions asked, because we needed their help even though it wasn't their problem. That is the action of a partner and that buys loyalty. This doesn't mean they win all their work uncontested or that they don't need to be competitive, but they are included on the short list every time.

OK, so if I want more partners because I believe it will improve my service delivery, what do I expect from my suppliers if they are to become business partners? On reflection the answer is remarkably simple:

- Deliver what you promise when you promise it. This is the entry point. Until you do this, nothing else matters.
- If we ask for help, please, help!
- Bring ideas that will add value to my company and help us be successful.
- Be competitive, always, or expressed differently; never take us for granted.

Simple, yes, but it does mean you will need to give up short term-ism to build a long-term relationship.

How To Sell To a CIO

First Published: CIO (IDG Publications) 24 June 2009

"Never tell me I'm strategic, because every time someone has said that they quickly try to increase the price or decrease the discount I receive."

Before I took up the role of CIO at The Warehouse I was a partner with Deloitte Consulting. As with most professional services firms, my role was a mix of selling and delivering services to clients. Because of this, when I joined The Warehouse I was quite open to meeting with potential service providers to see what value they could add to us. I was unprepared for the onslaught however.

Every week I get a number of phone calls and emails from companies who have a great product or service to sell. When I respond to these calls I find that they never provide me with value for my time. As a result, I now work diligently to avoid all and any approaches from companies wishing to sell me something. While this preserves my time, I am convinced that there must be solutions out there that will help our organisation and talking to the owners of those solutions seems like a sensible way to find out about them. The question is how can I do this in a way that adds value rather than destroys value?

I have talked with other CIOs about this issue either in person or online, over one of several social network groups I belong to, and I have discovered that I am not unique.

It's a prevalent issue, so to try and cut through the clutter, here are my tips on how to successfully sell to a CIO.

Do your research before you come to see me. Doing your research shows that you are serious about us as a client because you have invested your time. As a publicly listed company our business strategy is available in the public domain if you are prepared to look. Don't stop at the company level either. Research what is going on in our IS team. For better or worse I have a reasonably high profile and so there is a lot of information available about what we are trying to achieve.

I don't buy technology, I buy solutions to business issues so when you come and see me sell me a solution to my business issue. Selling technology isn't a bad thing. It just doesn't work for most CIOs. If I like your business solution I probably won't buy straight away. I will most likely refer you to one of my team and someone in our business outside of IS. You will then need to sell to them too, as they will need to live with the solution day by day.

Listen and act on what you hear. If I ask you to change a proposal or to pitch it in a particular way, trust me that there is a reason. I will tell you if I can, but I can't always tell you. If I do this it's a great sign, as it means I'm interested and one of the best ways to build a relationship is to show that you have listened and responded to my needs. If you can't for some reason, then be up front and acknowledge it. I'll appreciate the honesty and think of you next time when you may be able to help me.

Be honest at all times. If you aren't it will only come back to bite you and your organisation. In particular, don't tell me how important I am to you and that you want a long-term relationship with me if you don't really mean it. If you are successful in winning business with us, I will find out if you are serious the first time I ask for a change to our arrangement and you begin to quote the contract to me. This lacks integrity and you are unlikely to win any additional business. Never tell me I'm strategic, because every time someone has said that they quickly try to increase the price or decrease the discount I receive.

Finally, for me pitching via email is better than by phone. I don't answer the phone, but I do at least browse all my emails. If you follow some of the guidance given above and I like what I see, you might get a response and a chance to pitch your solution to me or one of my team and that might just lead to value for everyone.

About the Author
Owen McCall

Owen is an experienced management consultant and CIO who is passionate about harnessing the power of technology to create value and positive outcomes for businesses, communities, families and individuals.

Previously, Owen spent 18 years with Deloitte (five plus as partner) where he worked with clients from around the world to implement technologies that supported their business strategy. While at Deloitte, Owen also had the privilege of leading their outsourcing practice for Australia and New Zealand. He then spent seven and a half years as the CIO of The Warehouse, where he was responsible for strategy development and actually delivering value from IT.   These roles have given Owen a broad perspective of IT, it's power and it's challenges.

Owen now operates as an independent consultant and advisor who guides CIOs and senior executives as they create executable IT strategies and world class teams that deliver real value from their organisation's technology investments.