

Change the Conversation, Please

Written by Bob Snyder
30 December 2010

Tiffany Bova, VP of IT Sales & Channel Strategies at Gartner, made a presentation at COMDEXvirtual. Apparently the information was so valuable that Gartner didn't want to leave it up on the site like other speakers.



Here we've interpreted the essence of her speech, but if you get a chance to hear Tiffany's own version, take it.

While "Change the Conversations" is a phrase used by Gartner in one sense, this theme actually applies well to three cases within Gartner's scenarios for the future of solution providers...

1. Change the Conversation (with Vendors)

You have to "change the conversation" with vendors.

Vendors will further expand their scope (adding services), go wider in their products & solutions as they compete with one another (Oracle now selling hardware, for Pete's sake!) and insist on delineating loyalty as your ability to represent their new & wider interests (think of how Mark

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Hurd changed HP's attitude towards its channel, judging it by the ability to accept a wider & wider range). Vendors not only want more loyalty, they will now buy your alignment, your focus. Look how Cisco pushes its channels in directions it prefers, using business incentives, certification procedures, and classifications.

When Gartner says vendors are using Cloud to roll out professional services that were once the prerogative of the reseller, they forget to mention that as far back as 2007 Gartner encouraged vendors to do. Even back then, Gartner listed 14 ADAM (alternate Delivery & Acquisition Models)

Now solution providers now have to navigate where their business services and the vendor's professional services will intersect.

As vendors expand their solutions, you will have to pay even more attention to deal registration and sales territory (both geography as well as verticals).

All of this means your choice of vendors will be more and more crucial and it becomes harder to erase mistakes...maybe even fatal to your business. As a solution provider, you will need to have staff that can manage the fuzzy borders as vendors grow their business to collide with one another.

Your conversations with vendors will change as they orient around your business specialization, your ability to lead the sale with service offerings and your ability to discuss business outcomes with their customers (of course, we mean "your customers"). You will be talking about compete solutions and most likely cloud will be "part" of it (only "part" as Gartner expects a hybrid world for next 10 years of IT).

Basically while resellers may feel threatened by the Cloud, Gartner says it's a wonderful time. It's wonderful because you have the opportunity now to partner with bigger companies like Amazon, Google and telcos. The cloud ecosystem is expanding and service providers are coming from all regions and all directions. Five years from now, says Gartner, those opportunities won't come easy.

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So not only will you change your conversation with suppliers but you should be changing with whom you are speaking.

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2. Change the Conversation (with Customers)

You have to “change the conversation” with your customers.

Gartner’s original admonishment to change the conversation (which we have turned into a 3-prong theme in this article) focused on the discussions between you and your customers. As hardware becomes commoditized, the PC refresh grows stale, and computing power is sold as utility, the resellers who will survive will become trusted solution providers who really understand the business of their clients.

You will be forced to move away from discussions of IT as a “cost-cutting” technology and learn to sell IT that grows innovation and revenue for companies.

You will need to talk the ADAM language (Gartner’s Alternative Delivery & Acquisition Models) as you will be responsible to conduct audits that help companies determine what and when will move to new delivery models like cloud and SaaS. You may not even “resell” anything and you may end up getting in doors by offering insight into cloud operations.

You’ll have to converse about how you will support company-wide business strategy. You will demonstrate how you can integrate multiple cloud offerings into a full solution.

Even SMBs will want vertical focus as you need to expert in certain verticals in specific regions and offer a total solution (an example would be a data centre service for health care in UK).

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There will be plenty of hardware opportunities but these will grow from very different conversations than you had in the past.

3. Change the Conversation (with Yourself)

You have to “change the conversation” with yourself.

When the world around you changes, you have to change, too. Inside a company that means the conversations you have internally will also change.

You are going to have to concern yourself more with operations, data centres, network, and service (including billing, provisioning etc). You will study and discuss more about leading-edge technology, SOA, Java, Apache semantics, BI and other areas.

You'll migrate in action as well as in conversation from MSP to Cloud Agent to a Cloud Broker/Aggregator (you'll seek to mix and match cloud offerings to make complete solutions).

You will talk more about GUI and usability...if cloud brings IT to companies as an utility, non-IT types will be your standard customer interface (not the IT department you are accustomed to).

In your talks, you will stress business orientation to your staff (and look to hire account managers with service-based skills).

You will talk about how you can do more online marketing. You will stop thinking like hardware sales folks and think first to the web (like the Y generation of digital natives).

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Your annual Big Questions, those questions you ask yourself each year as you do planning, will change from...

- How do I evolve my business?
- Do I have the right talent (sales/tech)?
- Do I have the right customers?
- Do I have the right vendor partners?

...to:

- What is our value proposition and how does it distinguish us from competition?
- How profitable are each of my customers and suppliers?
- Which verticals/practice do I invest in this year?
- Where do I want to company to be five years from now?
- How do I introduce predictable revenue streams into my business?

All three changes in conversations (vendors, customers and yourself) will take place at the same time. Those changes led Tiffany to sum up her advice to the channel with a single sentence: **“You are going to have to get better.”**□