

How to Sell to a CIO

What hot buttons do CIOs have? What can I do to get a CIO to meet with me? How do I guarantee a sale to a CIO? How do I ensure add-on sales?

Chief Information Officers (CIOs) have responsibility for choosing the best information technology for use by their company, and then for implementing the technology and supporting it on an ongoing basis. Their job definition calls for them to pay attention to new technology appearing on the market so that they can determine whether use of the new technology will provide benefit to their company.

I've known a lot of CIOs over the years, and they all have one thing in common: they're very busy people. Most CIOs like to hear about new products and services as much as the next person, but because of their position they're bombarded by salespeople day and night. It gets to the point where they're afraid to go to industry meetings because they get attacked by salespeople; it's like movie stars and paparazzi. I know some CIOs who carefully register for industry meetings using a less prestigious job title just so their name tag doesn't identify them as a target.

The reason for this CIO behavior is obvious: there's a lot of money in technology sales, and CIOs are key decision-makers for most of those technology sales. If you can't sell the CIO, then you're not likely to sell a technology at all. And because there are so many more technology salespeople than CIOs, the CIOs are hopelessly outnumbered, and many of them become reclusive.

This white paper is written for technology salespeople to help them sell to CIOs. I'm writing the white paper because someone needs to define the rules of engagement for such a sale. I want to protect CIOs from being badgered, and I figure that if I give you a better way to sell to CIOs then maybe you'll be more likely to leave them alone when they're out in public. Most of the badgering comes from bad sales technique, so here's the *right* way to sell to CIOs.

The Psychology of a CIO

Let's start by getting an understanding of the type of person who becomes a CIO. There are two types of CIO: those who come from a technology background and those who don't. But whether the CIO comes from a technology background or not, the very fact that the person has achieved the office of CIO tells us that the person's primary motivator is the needs of the business. In very small companies someone may get the title of CIO as a perk when in fact the person just manages the technology infrastructure, but that's rare. Most CIOs are senior executives, and that means that their focus is on business needs: profit, revenue, productivity, business speed, and shareholder value.

I make this point because the most common mistake I see technolo-

gy salespeople make is to try to interest a CIO in a new technology because it's "cool." Although you might get a brief smile of appreciation for the product's coolness (after all, CIOs were children once, so they appreciate toys), it's not going to be enough to make a sale unless there's an overwhelming business case to be made for the product. No CIO wants to bet their job on something just because it's cool.

So why *would* a CIO be interested in your product or service? Companies generally compete on one or more of three factors: product, price or relationship. Most technology companies compete on product: their product is what differentiates them from their competition. A few technology companies – mostly in services – compete on price: the product is pretty much a commodity and they compete by offering the commodity at a lower price than others. And once in a while I see a technology company that competes on relationship: they build a personal relationship with the client and then make sales based on that relationship.

Here's a warning for anyone trying to sell to a CIO: most CIOs don't make an initial purchase from a salesperson based on relationship; the initial contact has to be made based on product or price differentiation. That's partly because CIOs tend to be more tool-oriented than most senior executives (certainly the ones who come from a technology background will be that way) and partly because most CIOs are too busy to allow time for a relationship with a new salesperson to build. So right from the beginning you have to understand why your product or service is better than any other alternative or why it's comparable to other alternatives but more cost effective (Note that I said "cost effective" – not "cheaper." It could be more expensive than alternatives if its overall life-cycle

cost is lower due to other factors, for example ease of training or low ongoing maintenance.).

Here's the bottom line on CIOs: They're way too busy to waste time on anything that won't provide benefit to their business. So you have to show them what the benefit of your product or service is, and you have to do it quickly, succinctly and convincingly.

Your Leverage: Fear

Experts in advertising often tell us that ads have to appeal to some personal emotion like guilt, flattery, greed, anger, sympathy or fear. From my own experience, fear is the most likely candidate for CIO advertising. CIOs live in constant fear that on the one hand they'll pin too much hope on an unproven technology or that on the other hand they'll be humiliated when a competitor gains an advantage by using a technology that the CIO hasn't approved. Although CIOs learn to live with their fears, they're constantly trying to strike a balance between reliability and forward thinking. Depending on the CIO and the business, the balance is struck in different places; some CIOs are early adopters, while others lag behind everyone else in implementing a new technology.

The most effective way to motivate a CIO to consider your product or service is to address a CIO's fear head-on. The message will depend on your product or service. Some products and services are specifically aimed at reducing risk, for example by increasing infrastructure up-time or by handling emergencies. Other products and services are useful in pursuing business objectives of increased performance, decreased time-to-market or lower cost. This second group attacks competitive fears rather than the fear

of down time.

The biggest fear of a CIO is that he'll run out of time; he won't be able to accomplish his goals before he is replaced. Thus showing a CIO how he can accomplish more in a fixed amount of time is a big attraction, but only if the implementation of the time-saver can be done quickly. It's virtually impossible to sell a CIO a product or service that takes multiple years to achieve benefit; the CIO will be long gone before the benefit is achieved, and any accolades will fall to the CIO's successor.

Find a Need and Fill It

This old business slogan is just as true for CIOs as it is for any other customer. But to sell to individual CIOs, you have a "chicken and egg" problem: you can't get any time in front of the CIO until you convince her that you can fill one of her needs, but you can't find out her needs without getting time in front of the CIO. There are various approaches you can use to break through this obstacle. Here are a few:

1. Talk to lower-level people in the CIO's organization to find out what the organization needs. But be careful, since quite often the lower-level people – even if they report directly to the CIO – are more focused on *how* things are done than on *what* things should be done. You'll need to read between the lines, and you'll need to keep reminding yourself, "How does this need relate to an actual business benefit?" Lower-level people have their own agendas, but it's the CIO's agenda you should be interested in.

2. Talk to people who buy the products and services provided by the CIO's company. Find out how they compare the CIO's company with the

competition, and see if you can discover a competitive disadvantage you can remedy or a competitive advantage you can strengthen.

3. Apply your knowledge of similar IT organizations in similar businesses. Do some research and find something you can offer a CIO that will bring his organization up to the level of excellence achieved by another IT organization.

4. Talk to vendors of products and services that are complementary to your own, looking for a vendor who already sells to the CIO's company. Gather information about the CIO's needs from these other vendors.

Once you've found a match between a specific CIO need and one of your products or services, write up a brief but compelling case for why the CIO should talk to you. Get specific about dollar benefits, and pay particular attention to how long it will take before payback is achieved. If you can go to a CIO and say something like, "My products can add \$10 million to your company's bottom-line within one year," there is no way that the CIO will say no to a meeting.

Make the Approach

Ok, so you've identified a need, and you've developed a great pitch to explain to the CIO how your product or service will provide huge dollar benefit to the CIO's company within one year. Now how do you get time in front of the CIO to convey your message?

The answer depends on the CIO and the specific company. For smaller companies with only one business location, you can probably approach the CIO directly by sending a letter that outlines your case and that asks for a meeting to discuss your proposal further. A letter works better than an

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email or a phone call. Incoming calls to a CIO are usually screened by an administrative assistant, and you're not likely to get through without name recognition. And most people – CIO or not – get hundreds of spam emails a day, so an email out of the blue is not likely to be perceived as positive. Of course, letters are likely to be screened by an administrative assistant as well, but if it's a personal letter – not just a bulk mailing – then it will probably get through to the CIO.

After the letter is sent, wait a week or so and then call the CIO to set up a meeting. Refer to your letter in the call, and reference the bottom-line value that you can deliver.

For larger companies that have more than one business location, it's going to be more difficult to talk to the CIO. He'll be traveling a lot more, and he's likely to jealously guard his time at his home location. You can still try to contact the CIO directly using a personal letter; your degree of success will depend on how strongly you make your case in the letter. If you don't get a response, or if you don't think you'll have success with a letter, then consider the following alternative ways to get in touch with the CIO:

1. Find someone who knows the CIO, and ask to be introduced. You'll have a better chance of success if the person doing the introduction is a respected colleague or business associate. If the person is a personal friend of the CIO outside of business, then the introduction will be more suspect, but it might still work out. Do not, however, go over the CIO's head and contact the CEO or President of the company, even if you know her. You'll get your CIO meeting, but the CIO will harbor a grudge against you, and you'll have to work even harder to make the sale.

2. Identify another CIO of equivalent rank (same size company) who knows your products and services and thinks highly of you. Have this other CIO make contact first in an equal-to-equal communication, and then have this other CIO introduce you. This works particularly well if your own company is about the same size (or larger) than the company to which you want to make the sale, and if you can have the CIO of your own company do the introduction. If that isn't appropriate, then see if you can persuade one of your other CIO customers to introduce you.

3. Sell up the ladder. Start lower down in the CIO's organization, and introduce yourself to the highest ranking IT person who will listen to you. Make the case for why he should consider doing business with your company, perhaps sell him some smaller product or service, and then persuade him (or his boss) to introduce you to the CIO.

4. Sell to the business users in the CIO's company. This is a tricky approach, since it can backfire on you just like going over the CIO's head. But if your company has a product or service which offers significant non-technical benefit, then it's perfectly valid to sell to the business users instead of the IT organization. However, make it clear from the beginning that you would like to involve the IT organization as well, and ask the business users to invite someone from IT to some of the meetings. Bend over backwards to show any IT attendees that you have their best interests at heart. At an appropriate time, ask to be introduced to the higher management of the IT organization, and eventually the CIO.

Make Your Case

You've finally got that appointment with the CIO; now make the most of it. No matter how long the scheduled time is for the appointment, you've got no more than about fifteen minutes to convince the CIO that she should do business with you. This is your opportunity to convey the brief but compelling case that you've previously put together. Here are some tips:

1. As soon as introductions are done, start with the bottom line. If you can save the CIO's business \$10 million, then say so to get her attention. Then gradually peel back successive layers of your proposal based on the CIO's interest and questions. Approaching the pitch this way guarantees that you'll get a strong message across no matter how little time you have. And don't be surprised if an interruption occurs and your time is cut short; that's to be expected in a meeting with a time-crunched CIO.

2. Don't start with background information on your company, except for maybe a sentence or two. The key message isn't a history of your company – it's the contribution that your products and services can make to the CIO's business. That's why you should start with the bottom line.

3. After presenting the bottom line, substantiate your claim. Provide the facts underlying your figures. Compare the CIO's situation to other customers or to other companies who have a similar challenge or problem. But be very careful not to reveal information about another customer that might be regarded as confidential by that customer; if the CIO sees you being cavalier with another customer's information, then he will expect that you won't keep his own company's information confidential. That's a deal

killer.

4. There are four messages that you should convey in your meeting:

- a. My products and services can give your company bottom-line benefit.
- b. You can receive the benefit quickly, ideally within the same fiscal year as the expense.
- c. My company is trustworthy; we're solid, and you can count on us.
- d. I will make your job easier; my products and services will solve more problems than they create.

If you can truthfully and convincingly convey these four messages, then you've laid a solid foundation for a sale.

Eliminate Risk

Ok, so now you've got the CIO's attention. You've conveyed the four messages, but the CIO will still have doubts; after all, it's his job that's on the line. Your next task at the first meeting, and at subsequent meetings, is to reduce or eliminate the risk for the CIO. There are four types of risk that you need to reduce or eliminate:

- a. Financial Risk for the CIO's company. There needs to be a win-win arrangement between your company and the CIO's company.
- b. Job Risk for the CIO. There can't be any way that this will affect the CIO's job other than positively.
- c. Technical Risk associated with your products and services. The CIO needs to be sure that the products and services will work as proposed.
- d. Future Risk associated with changes in the state of technology over time. The CIO needs to understand how future technology changes will impact the particular products and services that are being proposed.

There are a number of ways in

which you can reduce or eliminate these four risks. The specifics depend on the product or services you offer, but here are a few ideas:

1. Offer a free trial of your product or service for a limited scope test (e.g., short-term software licenses for a small test organization, or a service provided to a small subset of the general company population). This reduces Technical Risk, since the CIO's company will see first hand how well your products and services work. It also reduces Job Risk for the CIO if the test can demonstrate the kinds of benefits that will come from using the product or service. And if the financial benefits can be demonstrated in the trial then it reduces Financial Risk as well.

2. Provide free training for the people involved in the test or trial. If you provide the product or service without the training then the test organization is not likely to use the product or service correctly. Furthermore, you'll find that once people are trained in the use of a good product or service, they'll want to continue using it after the trial. The test organization will actively lobby for the sale.

3. Provide reference information about CIOs in other companies who are successfully using your product or service. Contacting the other references will reassure the CIO and will reduce Job Risk and Technical Risk. And if these reference accounts can provide the CIO with specific financial data that show the benefit of the products and services to their companies, then it will reduce Financial Risk as well.

4. Provide white papers written by your company that show how your products and services fit into various IT architectures, both current and future. Case studies with actual customer information (even if the cus-

tomers are disguised to protect their confidentiality) will make more of an impact. This reduces both Technical Risk and Future Risk.

5. Have the CIO sign a nondisclosure agreement, and then share information with the CIO on future products and services from your company. If it makes sense, and if the size of the deal justifies it, then offer to have the CIO visit your development organization and/or talk to your own CIO, CTO or CEO. Sharing future direction will reduce Future Risk. Having the CIO sign a nondisclosure agreement will protect your company, and it has the added benefit that it makes the CIO feel like an insider; this makes it more likely that the CIO will buy.

6. Reduce Financial Risk by working out a financial proposal for your sale that provides a net positive impact in every fiscal budget year. Ideally the product or service will pay for itself in benefits in the first fiscal year. But if that isn't possible, then work out a way to finance the purchase (taking the financial accounting guidelines of the CIO's company into account) to generate positive cash flow for the CIO's company in every fiscal year. It's a whole lot easier for a CIO to sell a project when he can show that it impacts the bottom line positively in every upcoming year.

7. If you and your company are absolutely convinced that the bottom-line impact of your product or service will be positive, then contractually make that commitment. This eliminates the CIO's Financial Risk altogether and makes the purchase a no-brainer. But be careful to specify exactly how the bottom-line impact will be measured, and explicitly state any assumptions underlying the agreement. You need to protect your own company in case the CIO's company makes major changes in ownership, in

commitment, or in underlying conditions that invalidate your guarantee.

Assuring Add-On Sales

Earlier in this white paper I said that CIOs don't make an initial purchase from a salesperson based on relationship. However, once the initial sale has been completed, and once the validity of your bottom-line promise has been established, then you're well on your way to establishing a trusting relationship with the CIO. Continuing to build this trusting relationship will enhance your ability to get add-on sales from the CIO's company.

But remember that the trusting relationship is very fragile, and it's based on your continued honesty and your continued ability to delivery bottom-line performance. You can't slack off just because you've got your foot in the door; you have to do your homework on *every* add-on sale just as you did for the initial sale. If you promise something and don't deliver it, then your trusting relationship will be over very quickly.

You also need to keep an eye on the politics in the CIO's company, arrange to meet additional executives, and build trusting relationships with them as well. Sooner or later, the CIO will leave, in spite of the support you've given her (or possibly because of it; the CIO may go on to a bigger company). You need to be prepared to start over in building a trusting relationship with the new CIO, aided by your history of success with the company.

Conclusion

The key to guaranteed CIO sales is to:

1. Determine the bottom-line value of your product or service for a CIO before you ever contact the CIO.
2. Get the CIO's attention by letting the CIO know how much *monetary* value you offer.
3. Take maximum advantage of the limited time you have with the CIO by focusing on the value, and on conveying that value to the CIO.
4. Reduce or eliminate all of the risks that will prevent the CIO from completing the sale.
5. Once you've gotten the sale, focus on building a trusting relationship with the CIO and with other company executives.

Always remember that you're not selling a product or service – you're selling the *value* of your product or service to the CIO's business. Don't ever confuse those two things; without business value your product or service is worthless.

Harwell Thrasher is an author, speaker, and coach specializing in the human side of Information Technology. His workshops show IT people and their non-IT customers how to work together to make more effective use of technology.

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