

# Marketing the IT Organization

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This article will discuss what IT organizations can do to create a more favorable perception of their value within their respective corporations. The subjects to be addressed are: (1) What is marketing? (2) Why do IT organizations have to market themselves? (3) What can IT organizations learn from marketing? The intent is to have the readers take away some specific marketing ideas they can begin to implement immediately in their organization.

Shown in attachment A is a comprehensive IT marketing strategy. Highlighted are four elements of this strategy - major programs, skill development, structural considerations and management systems. Using this framework as a backdrop, let us examine a few things that IT organizations can do to more effectively market themselves.

## Major Programs

An example of a successful marketing program is the symposium conducted by Royal Bank of Canada. Royal Bank hosted a three-day symposium for senior management to which major customers were also invited. The symposium focused on themes such as "technology means business" and "in partnership we can do it together," and provided hands-on use of technology for all participants. After this particular event, their CIO commented, "These sessions changed the profile of IS in the bank and opened up the eyes of bank executives and customers alike to what is becoming possible." (Tapscott and Caston 1993)

At this point it is important to state that *marketing is not always about "what" you do, but rather, "how" you do it*. In other words, marketing is really a state of mind – one that always considers and evaluates how the things that one does can be used to create a more favorable perception on the part of clients and senior management. Two examples of this are executive education and IT strategic planning.

## Executive Education

A powerful use of executive education is in creating a "first love syndrome." Essentially, one can do this with any new strategic area that emerges rapidly, and as a result, triggers some anxiety on the part of senior managers. This anxiety usually stems from the need to be "in control" and to provide leadership to the organization, yet not understanding what opportunity or threat the new initiative represents to the organization.

Current areas in which this might be applied are numerous. The obvious ones are the Internet and the Web. But there are also electronic commerce, client-server, the extended enterprise, GroupWare, knowledge management, etc. Any of these can be used to create a "first love syndrome" and to earn undying loyalty from those whom you have educated.

The trick for an IS organization is to present them in a way that is relevant and meaningful to an executive audience.

## **IT Strategic Planning**

Several years ago, two faculty members from Santa Clara University and I conducted an interview study of CEOs. Our objective was to find out what CEOs thought that IT organizations needed to do in order to be successful. The results of the study are published in a *Business Horizons* article.

In our interviews we heard CEOs commenting about CIOs needing to be more strategic. Their preference was for a CIO "who is probably 60% strategic and 40% tactical."

Currently, a major strategic theme across many companies is "focus" — the need to create a singular image of the business for both insiders, as well as, customers. IT can help with this issue.

Recently, I developed an IT strategy for a company in which there was not a clear, "focused" corporate strategy. In this particular situation, we used the Treacy/Wiersema Value Discipline model to help the CIO develop three alternative IT strategies---one for each of the three value disciplines of product leadership, operational excellence and customer intimacy. She subsequently presented these three alternatives to the Chief Operating Officer (COO) with significant results. The COO was very impressed by the work and remarked, "It's obvious to me that we have to be clear on our strategy before we can ask you to be clear on yours. I believe the Board would find your perspective very valuable. Would you please present this same picture to them?"

Another way to involve senior management in the IT strategic planning process is by having them participate with the senior IT executives in a multiple-day offsite meeting. The agenda typically consists of a half-day business strategy discussion, spent validating and clarifying the business strategy, followed by 1.5 days spent determining the best uses of IT in support of this strategy. We have done this numerous times with often dramatic results. As one IS executive we worked with remarked after one of these sessions, "Now, for the first time, I really feel we have the CEO's support."

## **Reporting Results**

It is important to regularly and widely report the performance of the IT organization in achieving results that add value to the organization. Without such reports, senior management (and colleagues) can't be aware of the contributions of IT. As the esteemed marketing guru, Ted Levitt (1986), says:

"He'll only know when he's not getting what he bought, and that's all that's likely to count unless, in the interval, he's been made so regularly and persuasively aware of what he's been getting all along that occasional failures fade in relative importance."

*Senior management will not perceive the real value from information technology until they are conditioned to expect something different than they have in the past.*

Traditionally, management expectations have centered on IT as an automation tool — not as a strategic tool. One way to begin this process is by establishing performance metrics which reflect the true value of IT.

Once appropriate and meaningful performance metrics have been established, the work of reporting value can begin earnestly. The monthly report is a good vehicle to accomplish this. Monthly reports should focus on results, accomplishments and value-added---not tasks, projects and activities. The tendency is to report what has been done, rather than the *result* of what has been done.

A simple technique to use when writing the monthly report is to ask yourself, "So what?" For example, if IT reported that a new software package was brought up this month, ask yourself, "So what?" What value to the organization can be anticipated from its installation? Was there anything meaningful about the installation itself? Was it accomplished sooner than expected? Did it cost less to implement than expected?

This was also the idea behind IBM's requirement that salespeople make a CAPS (Customer Annual Progress Summary) report to their customers. This was a formal standup presentation in which the salesperson highlighted IBM's contributions to the organization in that current year. It was usually preceded with a message something like, "Dear Customer, you spent a lot of money with us this year. We want to come in and tell you what you got in return for that investment."

This CAPS presentation was typically delivered to a senior executive (at least one level above the level that the salesman normally worked with) and would be a significant reminder of the value that IBM had provided. The dividends this type of reporting can pay for the IT organization are clear.

### **Requisite skills**

Earlier I mentioned the CEO study we conducted last year. There were a number of interesting insights from our study, but most surprising of all, was the conclusion that CEOs felt that IT executives needed to have the very same skills as themselves. They hastened to add, that in general, IT executives did not possess these skills. The skills specifically mentioned were in the areas of: general management, strategy and interpersonal skills.

If IT organizations are to be viewed more favorably, the IT management team must enhance their professional skills. It is fair to say that IT managers and executives are viewed as technical specialists, rather than as true business executives. Unfortunately, there are few places that IT executives can go to develop these requisite skills. Santa Clara University in Silicon Valley is one such place. It offers an intensive three-day program for IT executives wishing to develop their senior executive skills.

In summary, marketing is a very natural thing for IT executives to use to create a more favorable impression of their value. This article has outlined a number of ideas that IT organizations can use to begin this process. The intent is to reduce the gap between the value that we provide and the perception of that value. My hope is that these ideas will at long last begin to earn IT organizations the respect that they so rightfully deserve.

## **References**

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Attachment A

