



The Top 10 Marketing Mistakes Made by IT Companies

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If your software, hardware, professional services, VAR, MSP, or Consulting business is struggling to get revenue traction, it is likely due to one or more, or quite possibly all, of the following ten common problems.

1. “If We Built It, They Will Come” Mentality



Technology companies, almost without exception, are started by avid technologists—smart guys and gals, engineers, computer scientists, programmers, techies, hackers, nerds, propeller-heads, pocket-protector-wearing consumers of late night Doritos and Red Bull, ad nauseum.

And for these bits-and-bytes inspired hordes, there is never a Chicken-and-Egg dilemma for them in this paradigm: Step 1, first comes the “Widget.” Whatever it is – a new software program, a gadget, or a system to revolutionize the world – and *voila*, an idea is transformed into a prototype and a vision is born.

Step 2 –sparkle in the eye emerges with the realization that “we’re gonna be rich” so, let’s simply build a company around our “new baby.” Let’s scrounge up some funding, get all the standard company-type people hired, inclusive of a few sales and marketing people (if we just have to), and presto – revenue, fame and fortune.

The mentality that “the sheer awesomeness of our invention is sufficient to have them lined up at our door” is probably the most common and fatal mistake most IT companies make. It’s an attitude that presumes that other humans – specifically the business-oriented, non-technical ones – a) have any idea that said new offering even exists, and b) have the intuitive capacity to know why they should care about it in the slightest.

While said entrepreneurial technologists might deign to indulge themselves in the disparagement and even ridicule of the business-oriented, non-technical types for their ignorant failure to appreciate the brilliance of the new offering and dutifully come running with cash in hand, the aforementioned business types just happen to be the ones who possess the checkbooks, and *ergo* they are then the source of all revenues. Thus, the “no sale” joke is on the techno-weenies.

Very few technology buyers and decision-makers buy new things just because they are new. Virtually all of them must be SOLD, which is a very aggressive, active, and proactive process. Passive adoption of new innovations is a myth. Thus, lack of effective sales and marketing capability is problem #1.

2. Engineering-Driven Companies Speak Geek Not Business

In keeping with the mentality of Problem #1, companies that are Engineering-Driven and Not Market-Driven have their own language, vocabulary, and jargon that people outside their enclaves don’t understand, and no wish to ever understand.



Evidence of this problem is traditionally manifest in all of the company's marketing communications – from their data sheets and brochures, to their presentations and website copy. It's all literally written *by* engineers *for* engineers. Its hallmark is extremely verbose technical text (of the non-amusing nor entertaining type) laden with acronyms, technical terms, charts and buzz words, all detailing excruciatingly dry esoteric topics that require at least a learning annex class in computer science and a secret decoder ring to follow.



The mistaken assumption on the part of the technology company is that the readers of their anesthetic prose are themselves fellow bit-floggers, or at least keyboard jockeys who work for business-types who can translate for them.

The bottom line is the same: the communication process of value to the person with the checkbook isn't happening. It is incumbent upon technology companies to have on staff or hire a third party to function as liaison and international translator to the real world. Otherwise, no sale.

3. Selling Drills Instead of Holes



A wise man once said: "When a guy goes to the hardware store to buy a drill – he doesn't really want a drill, per se, he really wants a hole."

Read that line above again at least three times and then go to your room and think about it for at least an hour.

So much of technology and its related services are merely a means to an end, not an end unto itself. Failure to realize what the business buyer's business goals and objectives are is the very thing that precludes you from being able to communicate how your technology helps the buyer achieve those goals and objectives, which is his primary behavioral trigger to making purchases.

Help the buyer solve his problems, not yours. He doesn't care about your lack of revenue. You must learn to care about what he cares about – or at a minimum achieve a very convincing facsimile of same.

4. Failure to Understand Solution Selling

Solution Selling is the remedy to problem #3. It is the exercised art of a more mature sales process (Level 3 on a 5 level scale), where business elements such as Return on Investment (ROI) and Total Cost of Ownership (TCO) are actively incorporated.

Solution Selling is a sales methodology that specifically adapts a technological offering of products or services to a specific target business environment. It is one that seeks to understand that environment such that it can articulate plausible, credible, and applicable arguments and value propositions that business buyers can both understand and appreciate in terms of the offering's value to them in the context of their business' success and achievement.



Sell holes, not drills.



However, please note that this concept is not exclusive to the sales force's actions alone, but must pervade all elements of marketing communications, from collaterals to presentations to proposals to website copy. There must be a concise consistency in everything the business buyer sees, hears, and is exposed to. Any contradictions perceived will result in a loss of credibility and trust by the buyer.

5. Attempting to Sell to Companies and Not People



Companies don't sign Purchase Orders, Contracts, or write Checks. People do.

The people within a buying organization might be just one person, the decision-maker, especially if the company is small. Or, in larger organizations, especially in the Fortune 1000, substantial product and service decisions are most often made via a complex process of filtering, vetting, possibly even testing, all prior to the funding and contracting process involving legal review, accounting paperwork formalities, committees, and multiple levels of management approval.

However simple or complex the decision-making and funding approval process is within an organization, each member of this process has their own personal and professional agendas, biases, preferences, and possibly even axes to grind. The successful sales organization understands that each of these stakeholders must be identified, profiled, and engaged in order to ensure a successful sales process.

It must be known who all the relevant Decision Makers, Recommenders, and Influencers are in the complete decision process; and whether they are Supporters, Adversaries, or Neutral. The Supporters must be made to look good by making a favorable decision. The Neutral parties must be won over, if possible. And the Adversaries, at a minimum need to be neutralized. That calls for an account-specific Marketing Strategy and Campaign. If you lack the internal talent to craft such strategies and campaigns, then you will need external help.

Ultimately, selling to anyone involves three absolutely mandatory ingredients: Credibility, Capability, and Applicability. Can they believe what you say? Can you really do what you say? Is what you do something the prospect really needs? If you work to achieve a Yes to all three questions, then more often than not, you'll make a sale.

6. Website Betrayal

Far too often a technology company has snatched defeat out of the jaws of victory. That is because the most common behavior a potential prospect exercises whenever they learn about something new that interests them is to "Google it" and check it out. This is a function of a general Internet search and a visit to your website to see if you are for real.

If the entry of your company name doesn't turn up your website as one of the top results – that's bad. You must at least be on the first page of results, along with a few Press Release entries and hopefully some positive third party mentions. That's the first box that needs to be checked off.





Then they will come to your website to see what you look like. If they get there and your website is only a few pages that look like a kid in high school did them for you – forget it. You'll not be taken seriously. And loss of credibility means that nothing you say to them from that point forward carries any weight or will be believed.

Worse, will be if they see a website with zillions of pages, as cumbersome to navigate as the Minotaur's labyrinth, overflowing with technical verbal diarrhea and schematic diagrams and charts that make the business buyer feel frustrated, if not stupid.

FREE TIP: High-level business decision makers respond much better to Big Pictures and Little Words rather than vice versa.

Ironically, highly visible search engine placement and a reasonably appealing website are pretty easy to come by – if you know how. And if you don't know how, **GET HELP!**

7. Jack of All Trades, Master of Nothing



A basic question marketing consultants routinely ask their new clients is: "Who exactly is your target market?"

The answer received 99% of the time is: "Everyone! Everyone needs our stuff."

Translation: "We have absolutely no market focus, are too green to realize we need one, and therefore no one out there amid all the marketing noise will ever realize we're actually talking to them."

Even if a product or service has somewhat universal appeal, you still have to start selling somewhere specific.

Old proverb/riddle: How can one man possibly eat an entire elephant? Answer; one bite at a time.

It may not really matter where to bite first, but a decision must be made and that first bite taken, somewhere specific, before the elephant can be eaten.

This is where the development of a defined Market Penetration Strategy comes in. If you don't have one, then it is like someone digging a hole a mile wide but only an inch deep. If the first veins of gold are a hundred feet deep, even spread out right below your feet, then just making that one inch hole wider and wider will achieve nothing. You must go for depth in at least one vertical or horizontal or geographic or demographic or some other segmented manner.

Moreover, you have to realize that it takes a specific amount of sales and marketing wherewithal to penetrate any and every specific market segment there is. It might be unknown with a new offering exactly what that specific amount of wherewithal is, but it is a quantifiable metric that does exist.

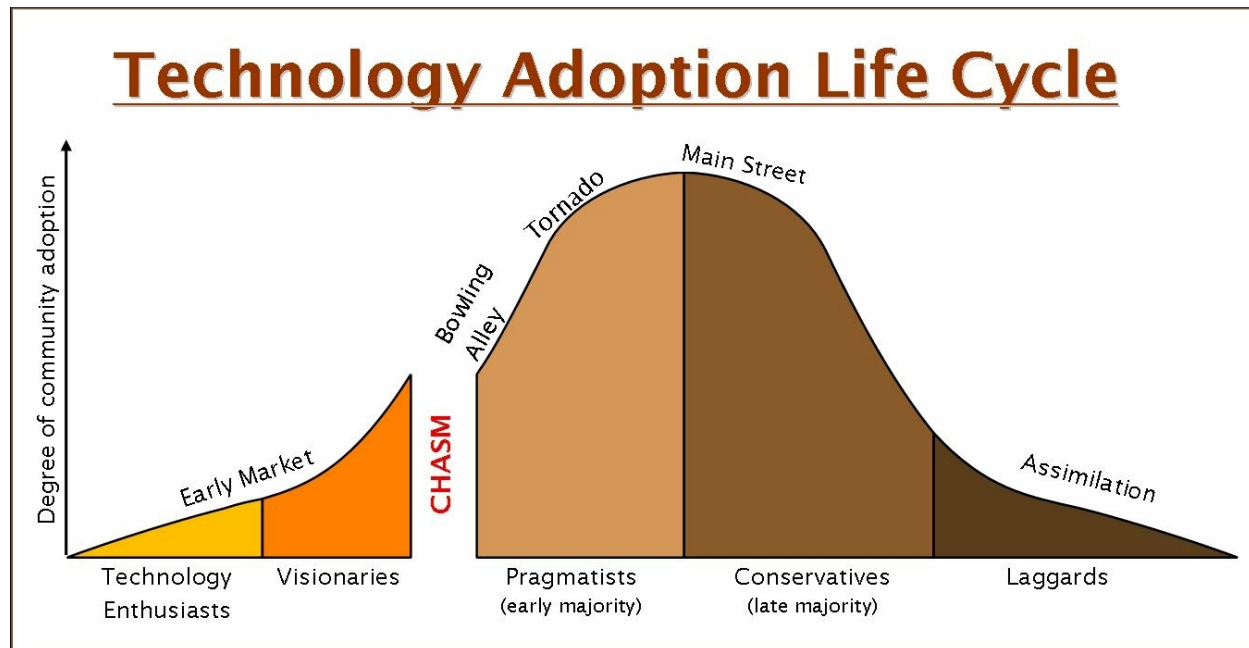
And until you expend that effort at a specific target until you discover what that amount is, you'll never be successful with that target. And until you develop success with at least one target, you'll never be able to then expand your resources and wherewithal to take on a second target, a third, and so on. Market penetration depth must precede breadth.



8. Failure to Understand and Map Your Sales Strategy to Your Market Maturity

Said another way, this is a failure to understand the reality of the Technology Adoption Lifecycle (TALC), and tailor your marketing strategy to exactly where you are on its continuum.

The TALC, illustrated below, isn't an optional consideration for you. It is the law of the jungle in technology, and failure to observe its dynamics is a recipe for failure.



If you are brand new and just going to market, your only takers are going to be Technology Enthusiasts and Visionaries. After you've nailed a few of them and believe you're ready to enter the Early Majority mainstream market, you'd better have a "Chasm-Crossing" strategy in place and your "Bowling Alley" strategy lined up behind that. If you don't know what these things are, they are the solution to problem #7, and are described in great detail in Geoffrey Moore's seminal works, *Crossing the Chasm* and *Inside the Tornado*. Get them and read them.

However, even after educating yourself about these market dynamics and proven market penetration and acceleration strategies, you'll once more need to decide whether you have the wherewithal in-house to do what you have to do in this area, or whether you need to talk to experts who can advise you and possibly even help you execute in this area.

9. Trying to sell Commodities to Enterprise Decision-Makers

This may be one of the most tragic blunders IT companies make when trying to use consumer-oriented or commodity-level sales and marketing methodologies on senior-level IT decision makers and buyers.

If your product or service is indeed "enterprise class", meaning it generates large six-figure or seven-figure transactions, then you can be certain these are not financial decisions that are taken lightly. They are not made as a result of Spam, Pay-Per-Click (PPC) advertising, or traditional paid advertising of any kind. These are decisions that are almost exclusively made on the basis of





TRUST in existing business (and sometimes even personal) relationships, from either an incumbent vendor, or from a new one who didn't make mistakes #4 and #5 discussed in this paper.

On the other hand, if you truly sell a "mass-market" offering, then some commodity techniques may be applicable, at least in terms of cultivating general market awareness. But almost all Business-to-Business (B2B) transactions happen at the human level to some degree, not on paper or online. That reality necessitates a human being positioned somewhere in the sales process who is proactively selling and asking for orders, either as part of a direct sales organization or an indirect channel organization, or both.

Are you set up for one or both? Is all the infrastructure necessary to support a sales organization and one or more indirect channels in place and operating efficiently and effectively?

Are your sales and distribution channels fully equipped in terms of their marketing messaging, communications tools, and other "Credibility, Capability, and Applicability" value propositions? If not, you have work to do.

10. The Most Important One



This problem is the most common mistake of all, one that all but guarantees failure. And other than improper capitalization, it is clearly the biggest reason why 9 out of 10 new ventures fail. Sadly, with the proper knowledge and execution, it is completely avoidable.

Fortunately, a swift and effective remedy to this problem is the confidential and proprietary knowledge of the clients of JPE Inc. Consulting.

In addition to being able to help you with mitigating problems #1 through #9 in this paper, JPE can also serve to resolve #10 for you as well, which you must realize, without it is a lot like plugging 9 out of 10 holes in a sinking boat. If you leave out #10, you may still go under water anyway.

Contact JPE Inc. Consulting today (info@peincconsulting.com) for a free consultation. In that consultation you'll at least find out what #10 is. Just know this: if any of the problems highlighted from #1 to #9 are applicable to you, then it is an absolute certainty you are suffering from #10.

About the Author

Robert Gelinas is the President and CEO of JPE Inc. Consulting (www.jpeincconsulting.com). He has spent over 20 years in the IT industry as a senior executive and sales and marketing leader, having built many national and international Enterprise IT sales and marketing organizations. He has both an extensive Fortune 500 background as well as a wealth of successful Start-Up experience. He is also a published novelist, writer, publisher (www.archebooks.com) and frequent public speaker on both IT marketing and the writing and publishing industry.