



Where serious technology buyers decide

TechTarget Perspectives:

Don't miss the mark with the right technology buyer

Assessing the different roles and influence IT and Line of Business have within technology buying teams

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Introduction

Smart B2B technology marketers recognize that the quest for a single key corporate decision maker is a fool's errand. According to the 2012 TechTarget media consumption study, "Marketing strategies vs. IT buyer demands," fully 96% of all technology purchasing decisions involve more than one individual, and more than half (51%) involve 4 or more individuals. In this same study, we find that in 2012 fully 71% of all final technology decisions are made by IT leadership and their staff. From a marketing effectiveness standpoint, this means that same size marketing programs to IT audiences can uncover 5x as many sales opportunities as programs targeted at Line of Business (LOB) professionals.

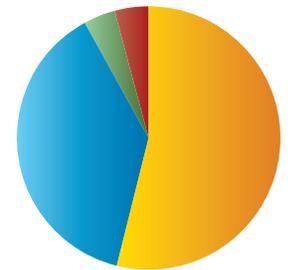
The takeaway is that just 29% of technology buying decisions are made with more input from the business than IT. And, as shown in Figure 1, the business still relies heavily on the opinion of IT when making those decisions. Understanding how, when, and to what extent the business side is involved in the purchase process is critical for successful and efficient marketers.

Figure 1:
**Technology Perspectives:
LOB values technical
opinion more than IT values
business opinion**

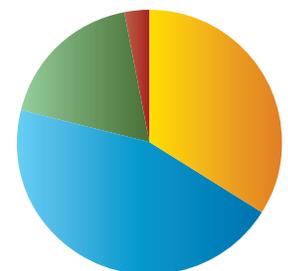
A closer look at the importance LOB and IT place on the other's input within a technology decision.

- Extremely important
- Very important
- Somewhat important
- Not at all

LOB view of technical team input



IT view of business team input



Who is on the technology buying team?

Roles on a technology buying team include:

Technical Decision Maker (TDM)—reviews products for technical fit within the organization. Often this is the senior-most member of the technical team assigned to the project. This role is concerned with technical/IT risks, infrastructure integration issues, and is also likely to consider the solution in the context of product lifecycle (how will it be supported, how will it be upgraded, how much infrastructure will it consume over a 3–5 year planning horizon). Titles include IT Architect, CIOs, IT Managers, direct reports to CIOs and for certain silos in large organizations, Director Level IT management.

Business Decision Maker (BDM)—reviews products/solutions for business fit. This can be a line of business manager (or above). As rank within organization goes higher, this person becomes more concerned with impacts on lowering costs of goods sold and increasing revenue. Titles include all Line of Business title, manager and above.

Financial Decision Maker (FDM)—looking specifically at the acquisition costs, this buying team member controls the overall budget. Generally, this team member is more concerned with ROI, prefers to reduce capital expenditures when possible, and can push other team members to consider solutions solely based on cost. Titles include Departmental or Corporate Controller, VP of Finance, or Line of Business Management if the purchase is within their signing/budget authority level.

Influencers—the largest group—includes those affected by the decision or those who have been formally assigned to research solutions to the identified business or technical problem. Titles for this group include all of the above titles, plus staff. This is often the role of consultants. Often, influencers are the key researchers who do the evaluation of the technology and the short list creation—even though they are not the decision makers. This group includes everyone on the buying team, their peers, acquaintances and experts who may not be directly involved in the purchase decision, but may offer insight that is useful as influencers seek information to help them whittle out. Influencers are essential to your efforts as they can make or break your cause.

Product Champions—official or unofficial—this is a team member who is convinced and assertive that one particular solution is significantly better than the rest.

Initiator—the person who both identifies a problem or opportunity and is able to rally others to collaborate in solving it. Titles can include any functional or business title. Often this person is a Business Systems Analyst or a Consultant. Line of Business is the initiator for many projects that directly affect them, but the purchasing decision involves the team.

Buying Team Members



Technical Decision Maker



Business Decision Maker



Financial Decision Maker



Influencers



Product Champions



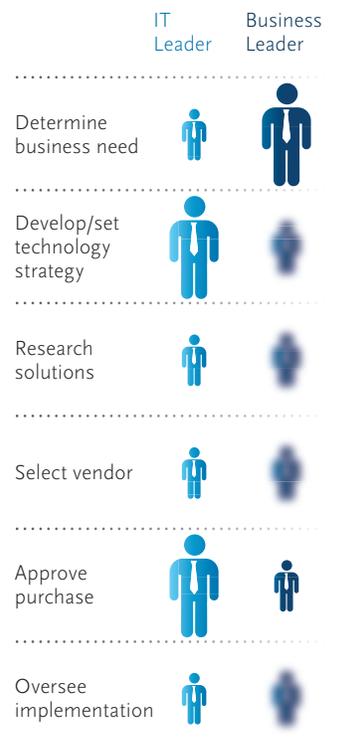
Initiator

Every person on the team, from TDMs to the influencers *must* be aware of your solution and its unique utilization vision (Unique Selling Proposition, translated to the viewpoint of a buyer). It is up to technology marketers to ensure that every team member is aware of and knowledgeable about your solution, its differentiators, and how it will help them achieve their individual goals. Since BDMs overwhelmingly trust TDM opinions more than the reverse, focusing on the TDM is the smartest way to generate closeable sales opportunities.

Measuring the influence of Line of Business across the buy cycle

In another recent TechTarget study, this time looking at purchase behavior for technology consulting services, we found that fully 81% of the final decisions were made based on the recommendations, evaluations and reviews of the technology (IT) team. In these cases, line of business neither selected vendors, evaluated solutions, nor became sales leads for consulting services vendors. Instead, all of the research, all of the interaction, and all of the selling was done to the IT teams within these organizations—not to line of business members. We found that line of business team members were indeed active and involved at the initiation and at the decision phase. What is very clear, however, is that during the critical research, evaluation, and short list creation phases that decide which technology gets evaluated and purchased—even in the comparatively business-friendly consulting/service arena—IT was responsible for more than 4/5ths of the buying and research activity.

Figure 2:
Technology decisions are made across a buying team with mainly directional LOB involvement

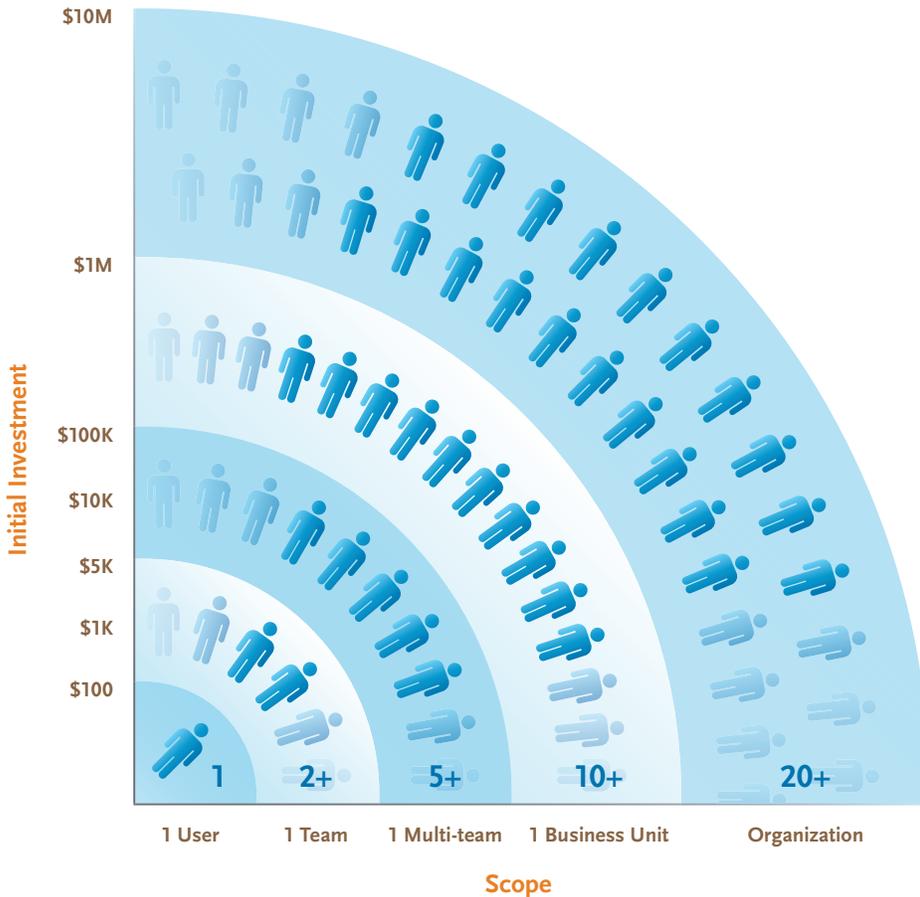


How big is a buying team?

Well, it depends.

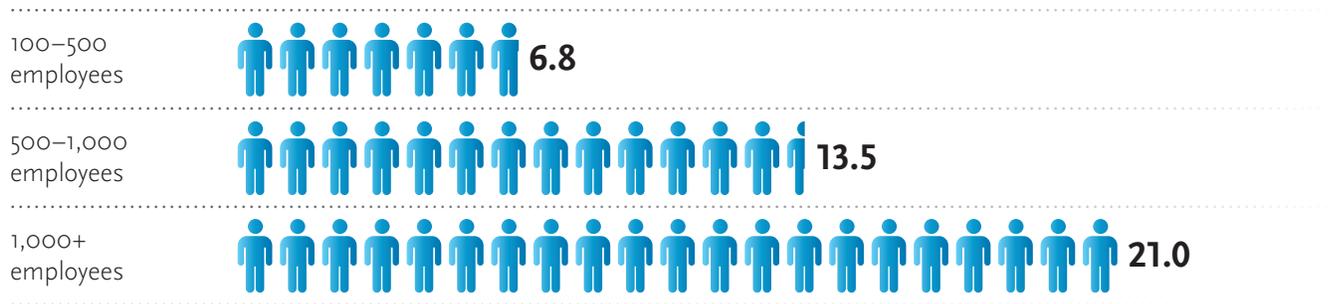
Problem identification can start anywhere in the organization. What matters, and what determines the size and composition of a buying team is the implementation scope and acquisition cost of the solution. Generally, solutions limited in scope to a single individual—e.g. an app for a smartphone, a desktop productivity add-in that can be leveraged for less than \$100 can be made by individuals or managers—a buying team of one to two individuals. Technology purchases that have greater scope—affecting an entire team, multiple teams, or business unit level—have larger decision-making teams. Teams also can become larger as acquisition prices and IT risks rise.

Figure 3a:
Measuring the size and scope of technology buying teams
 Ratio of the number of buying team(s) members to technology investment.



One MarketingSherpa research study found that for B2B technology purchases over \$25,000; a 100–500 person firm will have, on average, 6.8 members for a buying team. For that same purchase in a 500–1,000 person firm, the team will double in size to 13.5 people. That same purchase in an enterprise account, with more than 1,000 employees will involve 21 people.

Figure 3b:
Average size of buying team for \$25k technology purchase



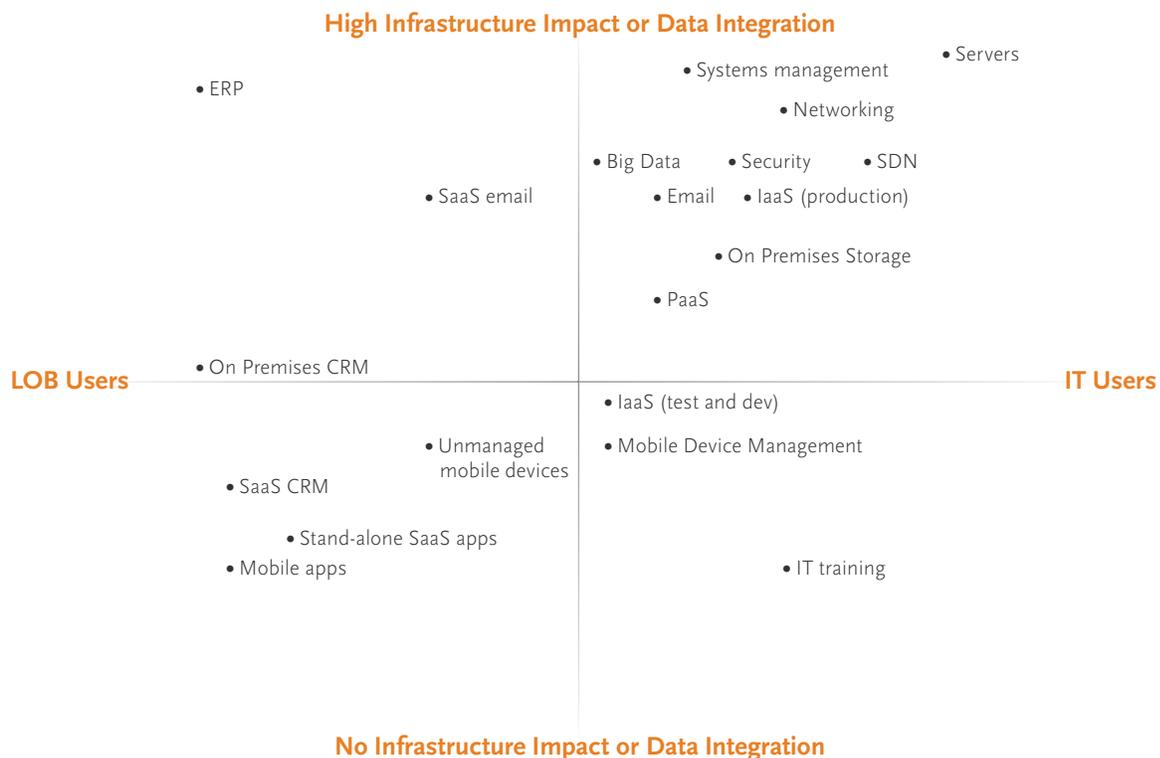
What this points to is a clear need for technology marketers to focus on creating deeper penetration and engagement with buying teams at key accounts. Doing so will help you yield greater influence with decision-makers and influencers as technology projects progress and short lists are identified.

Who do you market and sell to?

B2B technology marketing is concerned with all stages of the forward buy cycle—awareness, consideration, and decision. Depending on where the prospective buying team is on its buying journey, different roles on the team are in control. Generally, technology that has a high impact on the compute infrastructure or has a member of IT as its target end user will be heavily influenced by team members from IT. Conversely, solutions that have no impact on IT infrastructure, and require no integration with existing data or systems tend to be heavily influenced by LOB team members.

Figure 4:
Marketing specific technology solutions to the right buyers

Use and decision-making can vary by technology and its impact on company infrastructure, but IT is involved in the majority of decision-making.



Checklist: Determining “Buy In” for technology purchases

Technology buying decisions that usually require IT “Buy In”

- ✓ Solution has acquisition costs (minimum amount you can spend to have a workable solution) of more than \$1,000.
- ✓ Solution requires access to or integration with any existing corporate data or systems.
- ✓ Solution is IT infrastructure, or IT management to be used in production.
- ✓ Solution leverages corporate IT infrastructure.
- ✓ Examples that fall into this category include Cloud Computing (except SaaS), Software Defined Networking, and Big Data.

Technology buying decisions that require LOB “Buy In”

- ✓ Product is used directly by business end users—i.e. non-IT end users will know the name of the solution.
- ✓ Technology automates an existing LOB work process.
- ✓ Technology is a completely new capability (3-D Printing, for example) that few or no firms have had the ability to deliver.
- ✓ Technology will result in job losses or job reassignment or otherwise lower demand for an existing corporate skill.
- ✓ Solution directly lowers the cost of goods sold or increase margins on the goods and services that the buyer’s organization produces.
- ✓ Examples include unmanaged smartphone technology and apps, CRM Software, ERP Software, standalone SaaS applications.

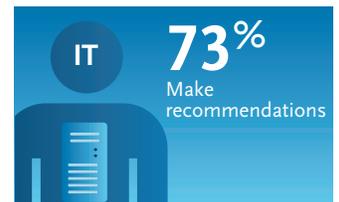
Business involvement in technology buying— business applications

There is one area where Line of Business leaders and team members, responsible for discrete functions within their organizations like sales, marketing, manufacturing, human resources, and accounting are often the initiators of technology buying decisions for their functions. This market is generally referred to as business applications and the majority of these buying decisions center around the need to address a discrete business function need. Because many solutions in this market are solely aimed at solving a business problem, it is often assumed that business leaders are solely responsible for making purchase decisions for these solutions. Seems logical on paper, but is this accurate?

In reality, the business takes a much more active and involved role in influencing and participating in the decision-making process. According to the results of a 2012 TechTarget Business Applications survey, in the last 6 months, 59% of LOB professionals indicated that they have been involved in making recommendations on products and solutions in this area. However, the marketer's reality is that when compared side-by-side, it is the IT department and related technology functions that still dominate in this area of technology purchasing.

Figure 5:
**IT vs. LOB Purchase
Influence with Business
Applications**

IT outpaces LOB in how many have made recommendations on behalf of department or company over the past 6 months.



Redefining IT—the rise of MIS professionals

In a recent survey of Business Applications professionals, three core areas of the IT organization were identified as being primarily involved in the technology decision-making process:

1. Information Management (MIS)—34%
2. Software Development/Programming—20%
3. Systems Infrastructure (storage, networking, security)—19%

As businesses become more reliant on technology as a key enabler to success, we are witnessing the technology buying market evolve with a new breed of business-savvy professionals emerging—Information Management professionals. These professionals sit within IT but their primary role consists of acting as a liaison with their business counterparts on a broad range of projects in both the pre- and post-sales cycle. At a high-level, these responsibilities include:

- Influencing Application Purchases—clarifying/identifying the business pain point, building a business case, prioritizing projects (BI/data analyst).
- Alignment—ensuring the IT solution is in line with business demand, translating business need into technology capabilities (solutions architects).
- Collaboration—heading up joint task forces to oversee the sharing of information (data stewards, info governance).
- Adoption—managing expectations to ensure business requirements are met prior to roll-out to help increase user adoption levels (project manager).
- Integration—determining which solutions make the most sense/can be supported within existing architectures.

Collaborating with the business

When it comes to Business Applications purchases, IT, and MIS in particular, interact with the business on a daily basis as a *core* function of their role. In fact, 77% of IT pros in this market say they interact with the business on a regular basis across a wide range of functions and departments.

Figure 6:
Top LOB departments IT interacts with on a regular basis

Majority of focus supports financial, operations, and sales/marketing functions within enterprises.

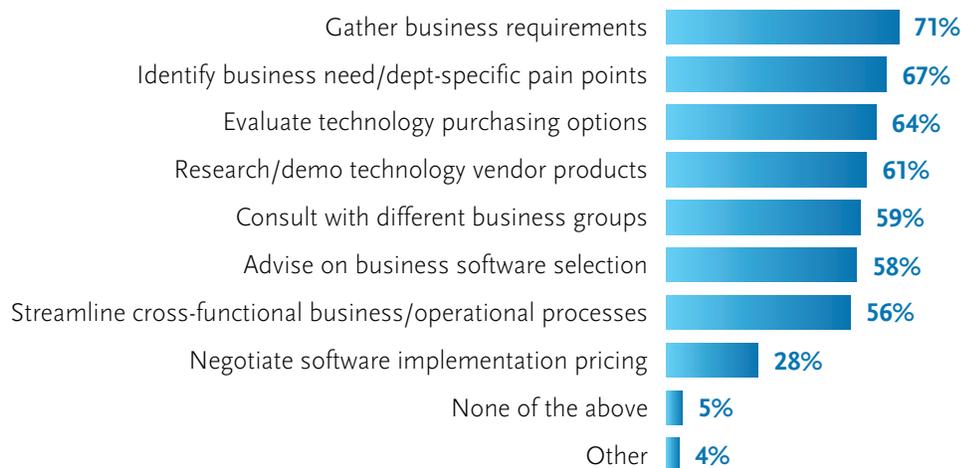


LOB is an important influencer, but IT is doing most of the heavy lifting

It is important not to discount LOB as a key component of the Business Applications purchasing cycle, but it is worth clarifying that LOBs are not as involved in the day-to-day gathering/researching/shortlisting/evaluating process as most marketers tend to think. While many business problems are identified by LOB constituents, 95% of Information Management (MIS) pros are involved in some aspect of the pre-purchase process and almost 70% of those that work with the business regularly say they are responsible for identifying business needs as well.

Figure 7:
IT works very closely with the business across the entire purchasing cycle

IT is heavily involved in identifying business needs, gathering requirements, and making technology purchase decisions.



Unlike legacy infrastructure and/or traditional technology markets, in the Business Applications space, it is essential to reach Line of Business users to help influence important technology buying decisions, but focusing your entire efforts on targeting solely LOB titles is a dangerous mistake. Focusing 100% on the business will seriously impact your ability to make the coveted shortlist and as a result hinders your ability to deliver high-quality, sales-ready leads. Understand that in Business Applications purchases, the needs and interests of the business are represented by IT more than in any other market segment. For this very reason, TechTarget’s network of Business Applications sites is designed specifically to enable you to reach both of these constituents and provide information that is relative to their specific roles in the technology purchase process.

Best practices for B2B technology marketers

Understanding that technology purchasing is a true team sport with IT as the main quarterback, there are a number of different practices and advice you need to consider when targeting IT and business decision-makers.

Understand that IT leads the team—The vast majority of that team is in IT. Business-led buying of Information Technology products and services is an exception to the rule—not the normal way technology is purchased.

Market efficiently—Broad based out of home marketing of technology to business buyers is risky and inefficient. While these tactics are effective for creating brand awareness and marketing to potential investors, it does not help communicate solution value or identify prospects for your pipeline. Instead, you are hoping that of the millions of impressions you make at the airport or in a business magazine, one of them will turn into a deal. A more efficient strategy is to target influencers and decision makers that have already shown they are looking for a solution your firm can provide. TechTarget gets you in front of these active buyers.

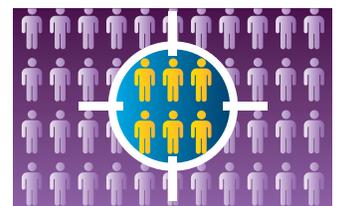
Walk a mile in the shoes of a technology buyer—Most technology marketers are not technology professionals. Marketers are business professionals, however, and find it simply easier to speak the language of business than the language of technology. This is cognitive in-group bias. Just because something is easy, doesn't mean it's right. Sure, it is 'easier' to talk to a business audience, and in business media, but does it deliver the right buyer at the right time for your technology product or service?

Pick your spots with business buyers—Based on research presented, for most purchases, IT does the majority of the research and makes the purchase decisions 80% of the time compared to 20% for business buyers. Make sure you are communicating with business buyers using the right voice and at the right time within the buy cycle to maximize influence with buying teams. When marketing within Business Applications markets, move beyond only targeting LOB to maximize influence with key Information Management professionals.

Best Practices



Understand that IT leads the team



Market Efficiently



Walk a mile in the shoes of a technology buyer



Pick your spots with business buyers

About the author



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Jon has over 20 years of experience as a publisher, market pundit, and VP at software firms in the US and UK. He advises major industry firms in the data center, cloud computing, virtualization, storage and networking markets based on buying and product adoption research conducted at TechTarget. He has served on the board of two technology startups, recently spoke at RSA on cloud data security, and authors published content for Google, Microsoft, and other leading firms. He holds a BA from Amherst College, and an MBA from the University of Massachusetts.

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