

“How do I sell IT services to my organization?”

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Scope of this Report

This report discusses the challenge Information Technology professionals face in marketing and selling their capabilities to their peers, or internal clients and how to meet that challenge in order to remain competitive in the ever commoditizing world of technology.

Bill Gates is right...

“Information technology and business are becoming inextricably interwoven. I don't think anybody can talk meaningfully about one without them talking about the other.”

While Mr. Gates and his wife Melinda have moved on to philanthropic work, his insights that helped launch and build Microsoft into a historic IT provider remain cogent, especially the quote above.

The primary challenge IT professionals face in marketing and selling their IT services is not tactical but strategic, they must understand the company. IT professionals, at any level, have to master the core principles of the business value the company provides to its customers and how IT is related to supporting or generating that value.

Let's take two well-known companies, 3M, and SAP. The 3M Company, formerly known as the Minnesota Mining and Manufacturing Company, is an American multinational conglomerate corporation that produces a range of products including adhesives, abrasives, laminates, passive fire protection, dental products, electronic materials, medical products, car care products, electronic circuits and optical films. SAP America is the American subset of SAP AG; which is based out of Germany. SAP is a software development and consulting corporation. The company's best known product is its SAP Enterprise Resource Planning (SAP ERP) software.

They are two vastly different companies but both rely on technology, today more than ever. 3M makes products and associated services and uses technology to support all facets of its business. SAP provides enterprise resource planning software for its customers and has to navigate the technology landscape to remain competitive. Software is a product but not a hard goods one, such as a pad of sticky notes. Software is an information management tool that manufacturers, like 3M, use to make its products.

An IT professional working for 3M and one working for SAP face different challenges in selling IT services internally but have one thing in common that will spell success or failure in their efforts. Each must understand EXACTLY what value IT (or their proposed services idea) will have to the business to grow revenue, optimize delivery or reduce costs. If an IT professional cannot monetize the value of the proposed IT services in a way that serves the greater good (corporate profits) then the sales conversation will have problems advancing to a decision.

Know your business

3M is a product manufacturer that often sells ancillary services to enhance its revenue beyond the one-time product sale. An IT professional well-versed about the business side of IT could discover some fact about the business that was costing the company money and could propose an IT solution to address the issue. For example, suppose 3M, in delivering some of its liquid and purification products, only charged for the liquids or gas, supplying the cylinders for free. The bright 3M IT professional proposes a new customer cylinder tracking system to determine how many empty cylinders were at customer sites that could be filled and used to generate revenue. This information could then be used to create incentive or fee charging programs to manage the floating cylinder inventory.

Just such a similar scenario occurred for Merck, the giant French pharmaceutical manufacturer. In the mid-1990, they were able to identify this opportunity to go from free to fee in charging for their services associated with their products. Identifying the opportunity was key. It is uncertain who within the organization identified this issue, but whatever information systems data was used to make the business case, the business value was apparent.

Marketing and Selling: Not the same

Selling IT services to your organization starts with understanding the business value IT provides to the business. But opportunities like the one hypothesized above with 3M require a pro-active mindset, timing and good internal soft-skills to sell your idea. However before try to sell any idea, you have to shape your potential client's mindset about IT in your favor through marketing, which is not selling.

Marketing is about connecting with your internal customer in ways that have little to do with making a decision and all about an emotional connection. To make that connection, in today's e-mail and social media driven world, you have to be consistent in communications that reinforces the positive contributions a group makes, whether it is IT, HR or accounting. It not about spin or hype, it's about telling true stories that shine a good light.

Furthermore, internal marketing is an important activity every IT group should undertake to change their current brand. Brand? IT has a brand? Yes. For good or bad, every IT group has a brand that lives in its internal customer's minds and hearts. Changing that brand (yes it takes time and effort) to one that works in your favor will make for a more receptive environment when "selling" an idea downstream.

Selling is about Value

Your internal customers now have more options to purchase or acquire IT outside of the organization. It's a constantly competitive world and a new reality for many IT professionals. In order to compete you have to develop not only a business value perspective but also a salesman's discipline in communicating why the internal IT group is the best choice, overall, than any other option.

Assuming your marketing efforts have helped lay the foundation for a dialog about IT's value and capabilities, how do you "sell" your IT services to your organization.

Let's assume the bright 3M IT professional in our example above shared his story with his friend who works at SAP over a lunch. The SAP IT professional mulling over the success of changing free to fee (on

the cylinders) gets the notion that their current software development environments, being shared with acquired companies (many of them) at no charge, is costing central IT quite a lot. Charging the acquired companies, using some formula, would improve IT's cost profile. However, the acquired companies are also customers of central IT and pay for other services and would not welcome new costs. How do you sell this idea?

The IT professional now is a salesman who has to create a value proposition, using business terms, on why this new chargeback structure helps everyone. However before any PowerPoint or excel spreadsheet is put together to define who, what, when, where, why and how, the first thing the IT professional must do is secure executive sponsorship with a monetized argument. He must prove why, in dollar terms, is this change needed. Change is hard for any organization, more so for larger ones. There must be an economic reason to incent everyone to endure the change.

Once executive sponsorship is gained, the next steps include

1. Gaining consensus on the why not the how with the key influencers in the organization through personal contact and appeal
2. Facilitate "how could this work" meetings with all the key stakeholders in the proposed changed allowing them to shape the potential implementation
3. Design a proof-of-concept exercise to build quantitative economic data about the proposed change involving a small subset of the key stakeholders
4. Present the results of the proof-of-concept back to the executive sponsor and the key stakeholders to secure the all-important, "Let's do this or not" decision.

By the time step 4 is complete, the idea will either sell itself or be put on hold or killed because the economic value is not there. This process allows the idea's merits to be tested before being implemented saving an organization time, trouble and money.

Conclusion

Selling your IT services to your organization is less of a tactical challenge than it is a strategic one. While there are many best practices such as service catalogues, chargeback schemes and other mechanisms they address the engineering challenges instead of the business value proposition. To propose more value, you have to know your business and how to improve it in economic not engineering terms. Before you embark on selling an idea, make sure your internal brand is solid enough to support the impending conversations. Selling your business value rich idea then becomes an exercise in consensus building and so that the decision maker can be comfortable that they have everyone's support (or at least everyone important!).

Sources

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