

IIAR Best Practice Paper

Analyst Relations and Industry Analysts

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The 7+7+7 Golden Rules of Engagement

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Abstract

The relationship between industry analysts and technology companies is built upon a notion of trust. Specifically, Analyst Relations professionals and analysts work on the basis of undocumented principles, which sometimes only become apparent when they are broken or abused. In this best practice paper, we present a starting point for understanding how AR pros and analysts can best engage, to the benefit of both sides.

Introduction

In the [IIAR paper](#) "What are analysts and what do they do" we covered the types of analyst firm and the services they offer. In it we described how the 'industry' is very much about its people (and personalities) - hence, it is important to manage relationships between all stakeholders. These relationships are impacted by multiple factors, including for instance the perceived vendor's products or services in the marketplace and its openness on one side and on the other hand the analysts' perceived influence or the pertinence of their insights / research.

Unwritten 'rules of engagement' exist between analysts and the vendor community, as represented and interfaced by AR professionals. With the notion of analysts being 'pay per play' or 'guns for hire' consigned to the past, the overall spirit is one of fairness - that neither analysts nor vendors will seek to exploit, abuse or otherwise undermine the relationship which exists between the two.

Analyst Relations roles exist to represent their own companies, and analysts represent the buying community as 'trusted third parties'. Those potentially diverging objectives are nevertheless based on a symbiotic relationship, the key of which is a "no surprises" behaviour – to work and play nice, according to these rarely spoken rules. Trust is about setting expectations and adhering to them. These cannot be hard-and-fast, as they are as much about the spirit as the letter.

On this basis, this paper articulates the rules of engagement based on input from people across the AR and analyst community, to help those who might be coming to AR for the first time and to offer a back stop for those with more experience.

Two way rules of engagement

A number of principles apply to the general relationship between AR professionals and analysts:

1. Confidentiality

Analysts are reliant on receiving information about opportunities, roadmaps and plans, challenges and market issues from vendors – all such information helps provide a clearer picture of the market as a whole. As such, analysts can be expected to work within a certain level of confidentiality (referred to as NDA, or non-disclosure agreement).

2. Transparency

Vendors are always going to be keen to present their best side, but this should not come at a cost of seeking to hide information from analysts. It is better to be open about weaknesses and risks than present something half-baked as fully cooked, which only undermines analyst trust down the line.

3. Integrity

Neither analysts nor vendors should seek to 'buy' the good will or objectivity of the other party, either through direct or indirect means – for example by taking out a subscription on the basis that the analyst firm will say positive things (or requesting the same), or by offering expensive gifts. Equally, neither vendors nor analysts should create fictional markets, by accident or design.

4. Preferential treatment

Analysts need to be careful not to single out vendors without cause. Similarly, analyst access to a company should be on the basis of objective measures around insight and influence, rather than any subjective views about 'preferred' analysts or companies which hold a more positive view.

5. Timeliness

Both vendors and analyst firms should recognise that the other party is acting on timescales dictated, for example, by research schedules or product roadmaps. All parties should aim to respond to genuine requests for information within a reasonable period or give reasons why not.

6. Effort

Understanding a market area takes time and resource, as does understanding the value an analyst firm can bring. Both sides should be able to prepare for occasions such as briefings and conferences, at least to understand the information already available before taking too much face time.

7. Realism

Both sides need to understand the perceptions and practices of the other. Vendors shouldn't see analysts as a drudge: yes, they can be sceptics after years of seeing marketing turn to dust but their insight can be all the better for it. Meanwhile, analysts should understand vendors can rarely afford an idealistic world view.

Based on these criteria, we can consider the expectations of AR professionals vis-à-vis analysts, and vice versa. Both sides can break the moral rules, but may then discover they have a more difficult relationship as a result.

What does AR expect of Analysts?

On the basis of the above, what specific advice could we offer analysts about the expectations of vendors, as represented by AR professionals, keeping to which would make the AR pro's day go more smoothly? Vendors have the following baseline expectations:

1. NDA means NDA

Vendors are prepared to open the kimono to analysts as long as the latter keeps to Non-Disclosure Agreements or understood news embargoes, even if these are simply incorporated on a PowerPoint slide or not even written down. Analysts in doubt of what information is under NDA and what information is not can always ask.

2. Earn it, don't be a diva

Analysts are not be upset if left out of a briefing series or 'ignored' – there is only so much time and budget, and AR needs to decide how to best allocate it. To gain access to 'the list' for a given vendor, analysts need to earn the right, by demonstrating influence and insight in a variety of ways.

3. Do your homework before briefings and publishing

Analyst reports that contain incomplete information or fail to include vendors are one of the main causes of upset that AR professionals encounter. For example, this means covering or not only companies who have the best communications, but the superset of vendors operating in a certain space – or giving clear reasons why not.

4. Publicise your editorial calendar

While this may not always be possible, analysts can make AR professionals' lives much easier by offering an editorial calendar which provides the research areas to be targeted and the focus of any reports (for example verticals, SME).

5. Give vendors the right to participate

When updating research about a given space, it is useful to a vendor for the analyst firm to make contact, even if the intention is not to cover them this time. This enables vendors to at least make a case for inclusion. When an analyst covered a vendor before it is deemed reasonable to expect the analyst to reach out for the next iteration of a similar research note. While most vendors understand analyst constraints, they are less appreciative of reports that appear to shoot from the hip – a note stating "The new service is rubbish" could translate into "The vendor representative didn't explained it very well." Reasons for rejection can be as useful as inclusion. Feedback, both positive and negative, is of paramount importance for vendors.

6. Create insightful content

The role of the analyst, as perceived by the vendor, is to write, record and present insightful content based (at least in part) on vendor input. Content needs to be fair, rational and objective, and not simply opinionated or subjective. Background research, 'workings out' and so on are also helpful.

7. Always allow a vendor draft review

It is essential to allow vendors the right to provide feedback or reply – usually by sending a draft of a research note or blog post with enough time¹ to review/respond, or opportunity to comment. Analysts should ideally be available for a short call to discuss their research. This not only differentiates analysts from journalists and allow for a differentiated treatment (i.e. better access) but also has other virtues, including ensuring factual accuracy of the published research report to the benefit of all parties (including readers), inclusion of up to date information and allowing AR to manage stakeholders expectations (and therefore protecting the relationship with the firm) and finally raises the analyst / firm profile within the vendors. This does not of course give vendors any rights or expectations that they can amend analyst assessments or opinions. We strongly believe that some drawbacks such as allowing for escalations or ‘giving’ content for free are more than counterbalanced by those benefits. After all, no one likes surprises and any research report should be backed up with facts.

¹ “Enough time” varies according to companies and stakeholders. In general, 24 hours is too short and a week is reasonable. In many companies however, the content provider (usually product marketing) may well be the global lead for the product and thus likely to be a “bottle neck,” facing competing demands from the press, the vendor’s sales team, product management, regional marketing, strategy and so on, as well as industry analysts. On this basis, a week is not a lot of time to review a document.

What do Analysts expect of AR?

Just as AR pros' lives can be made easier, analysts have their own wish lists of vendors, such that they can do their jobs efficiently and effectively. We can consider expectations in terms of the stages of the analyst working process – research, writing and publication.

1. Don't waste analyst time

Analysts often have to fit in research with report writing and other activities. Poorly targeted briefings (for example picking the wrong analysts), dead time at conferences, replacing face time with a video or over-long 'networking events' all take time that could potentially be better spent.

2. Enable relationships, not gate-keep them

AR's role is to be a catalyst for conclusive relationships between analysts and vendor representatives, being simultaneously an advocate for analysts and for vendors (their employers or clients). To achieve this, AR needs to provide a conduit to senior spokespeople. To restrict access is ultimately counterproductive: if an analyst already has a relationship with a senior executive, for example, work with it, don't try to block it.

3. Recognise different analysts play different roles

Even analysts in larger firms offer a range of skills and want to be valued for insight, not just conceptual or real 'procurement influence'. Analysts bring primary and secondary research, domain knowledge, process and organizational insight, which can benefit a vendor in numerous ways. AR professionals should understand the analysts' business models and positioning to 'pitch' how their research and insights can support the business.

4. Enable analysts to meet their research objectives

Analysts are looking to deliver on short-term goals such as the latest research report, as well as to grow their relevance and reputation in the market. Vendors that recognise and appreciate these dual goals will inevitably build stronger relationships with the analyst community.

Equally, the use of NDA should be limited to what really should be under NDA, before a launch for instance. Blankets NDA, say for a whole event, are counterproductive.

5. Respond in a timely manner

Reasonable requests for information should elicit a response. Not all requests are reasonable; meanwhile not all vendors will be able to respond to every request, which they should be transparent about. Valid requests include difficult questions, such as "How is it going to work?" (The last sentence doesn't really fit to this point). Respond, and do so in a timely manner. "Reasonable" is also very subjective, the "rule" should be: explain why this information is valuable to you.

6. Respect independence in writing

Analysts ultimately represent the needs and aspirations of the customer community, and need the freedom to do so. While vendors may have some great products and services, analysts may not agree with vendor perceptions of market need or product suitability. Also, analysts do not have unlimited time to research every part of what can be a quickly changing market.

7. Be diligent during, and post publication

Analysts should offer the right to reply, but this also requires a timely response from vendors, who should be clear about when NDAs and embargoes lift. Finally, vendor marketing machines frequently have a greater reach than that of analyst firms – to publicise and respond to analyst findings costs little, but builds good will on the part of the analyst.

Conclusion

No guidance will ever be complete, comprehensive or correct – exceptions will always exist. For example, this paper does not cover the specifics of social media, or what to do if an analyst “goes off on one”, or should a vendor deliberately undermine an analyst’s work. These things happen.

Ultimately however, both analysts and vendors are looking to provide value for technology users. Each should aim for the same goal – the win-win, in which vendors can add clear value to the market . If a vendor comes up with great products which are genuinely innovative and useful, no doubt analysts will want to know about them and update their own customers and readerships.

About the authors

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Acknowledgements

Thanks to all those who provided some input and reviewed this paper:

- Alyssa Gilmore / Bloomberg
- Bill Reed / St Cross Group
- Bram Weerts / Kea
- Gareth Lodge / Celent
- Geoff Dorrington / CA Technologies
- Heather (Dawson) Atkins / BAE Systems Detica
- Jon Collins / Inter Orbis
- Ray Wang / Constellation
- Simon Abrahams / Rackspace
- Tim O’Sullivan / Deloitte

Further Reading

The following blog posts are recommended reading for AR professionals and analysts alike:

- <http://sagecircle.wordpress.com/2009/10/26/unreasonable-demands/>
- <http://sagecircle.wordpress.com/2008/02/06/donts-about-using-analyst-written-research>
- <http://sagecircle.wordpress.com/2009/11/25/the-top-5-roadshow-readiness-mistakes/>
- <http://sagecircle.wordpress.com/2009/04/01/the-top-5-worst-practices-for-an-analyst-briefing-presentation/#more-2570>
- <http://sagecircle.wordpress.com/2009/07/20/you-have-a-problem-message/>
- <http://sagecircle.wordpress.com/2009/08/17/so-you-were-left-off-a-wave-or-magic-quadrant/>
- <http://analystrelations.org/2008/09/04/analysts-when-you%E2%80%99re-looking-for-a-briefing-%E2%80%93-help-me-to-help-yo/>