

# AR 101

## UNDERSTANDING THE INDUSTRY ANALYST GAME

Analyst come in all shapes and sizes.  
Create a successful analyst relations  
program by understanding who they are  
and what they do.



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# Overview of Industry Analysts

Industry analysts are to business technology as Consumer Reports is to consumer products. Whether people are buying a complicated business solution or a refrigerator, experts can guide them to the right buying decisions.

An industry analyst develops deep knowledge of a market and offers that expertise through reports, advisory, presentations, and similar services. They directly or indirectly influence the entire market ecosystem.

So, industry analysts are hugely important to tech vendors. Large vendors invest time and resources on getting strong benefits from these experts. The game of analyst relations (AR) makes this happen.

Startups and scaleups that understand the game, and play it well, speed their way to successful businesses. Sadly, few do.

## What analysts do

Analysts/analyst firms come in all sorts of sizes and shapes.

Size is easy. An analyst can be a one-woman band or a huge firm with thousands of brainiacs on board. Or anywhere in between. More on firms later. To understand an analyst, first understand the audience(s) they serve and where their revenue comes from. Then see how they fit in with your goals.

Consider the roles an analyst can play:



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## Researcher

The core work that all analysts do is research a technology market. It could be on the technology itself, the use of technology in a particular industry, or technology usage in a particular geography. They build deep knowledge of the trends, vendors, market sizing, customer needs of these markets.



## Customer Advisor

Some analysts primarily offer their services to technology buyers. They write reports that help buyers make good decisions. They advise in one-on-one sessions. They present at conferences. They squawk on social media.



## Vendor Advisor

Most analysts in the market primarily offer their services to vendors. They write reports and advise vendors on how to be better, faster and smarter. Many will also create content for vendors to use to amplify their brands.



## Customer & Vendor Advisor

Most customer advisors often also advise vendors, keeping a wall between these audiences to maintain their neutrality.

It's complicated. To understand an analyst, I first understand the audience(s) they serve and where their revenue comes from. Then I see how they fit they goals.



# How analysts help

With those different focuses, there are several ways an analyst can bring value:

- **Help you sell.** Because of their direct influence on buyers, customer advisors can write about you or mention you, leading to new opportunities, which can significantly spur revenue. There are two mega firms and many boutique firms that can have this kind of influence. I promise, I will get to that.
- **Brand and message amplification.** While a report with your name or a mention to a customer does build awareness, here we are talking about broader amplification. Vendor advisors are there to help you be loud. Some of the customer advisors can do this too. (Like I said, it's complicated). Any analyst worth their salt WILL NOT say nice things about you, no matter how much you spend. That kind of pay-for-play is meaningless anyway. What they will do is create research-based content, webinars, presentations that can be used to get messages out to the market. The third party validation goes a long way and associates your brand with a trusted name.
- **Feedback and insights.** Both customer advisors and vendor advisors have knowledge, skills and perspective that can make your business soar. They can improve your strategy, improve your product, improve your sales, improve your messages, improve your partnerships, improve your competitive intelligence. Get it? This kind of guidance doesn't come for free, but with the right investments, engagement and idea management, you can see enormous value. Huge value. Really breakthrough stuff.
- **Due diligence for investors.** Investors and industry analysts have kind of a thing going. Investors go to these experts to vet a company or understand market dynamics. Analysts can be a great ally on the financing end of your business.



# Analysts Firms

There are 1,000+ industry analyst firms, but three big ones that most know because they have the greatest number of analysts and the greatest market awareness.

- **Gartner**. By far the biggest firm and that with the greatest influence, with about 1500 analysts and hoards of technology categories. They get about 70% of their revenue from buyers and fiercely protect their vendor neutrality. The other 30% of their business is with vendors and investors.
- **Forrester**. Similar model and approach as Gartner, but much smaller. Like Gartner, they sell subscriptions, research and consulting to both buyers and vendors, but mostly to buyers.
- **IDC**. They have a different model: their strength is in the numbers. IDC has data that analyzes trends, market shares, forecasts, and more. They focus more on the vendor side with less direct impact on buyers. They have strong international coverage.

The other 997+ are important, too. They come in two major flavors:

- Firms that are smaller than the big gorillas, but have similar structures and models. They are often more focused, with specific technology domains covered. Omdia, HfS, Constellation, 451, Ventana Research... there are a bunch.
- Boutiques. These are small firms that focus tightly on a specific technology, industry or geography. They can be extremely influential in their space because of their depth.

So, there are lots of firms and lots of individual analysts. You can only focus on a small group... 5-10 for a typical startup/scaleup. Finding them is a needle in a haystack kind of exercise. Lots of hunting, pecking, asking, studying. Pick the right analysts and you're golden.



# Goals and Metrics

To be effective, AR must be focused.

The first stop in the plan needs to be the core business objectives. What are the “must do” goals for the next 12-18 months? Revenue, expansion, product development, brand awareness, partnerships?

- First, determine how AR can help move the needle on some or all of these objectives.
- Then, set the relevant AR goals.
- From the goals, set tactics - how you will achieve.

For example,

- Business Objective: Grow revenue 30%
- AR Goal: Build strong relationships with top customer influencers
- Tactics: Regular cadence of impactful briefings and inquiries

Simple.

That will set you on the path, but you need to measure progress and show success.

I consider two types of metrics:

- **Activity metrics.** The things you do... #s of engagements, # of relationships managed, # of reports submitted, etc,
- **Performance metrics.** The measurable outcomes of those activities... coverage, positioning on reports, perceptions, etc.

Though you should not be concerned activity metrics per se, they are the leading indicators of performance. If you do great briefings, have meaningful inquiry, do top notch report submissions, and overall manage great relationships, the performance metrics follow.



# Ways to Engage

Once you've figured out who to engage, the question is how. Analyst engagement is the core of any AR program—All the good stuff comes out of these interactions.

## There are four basic types:

- **Briefings.** The basis of every relationship. Briefings are one-way presentations from the vendor to the analyst, providing overviews and updates. They are free, granted based on the relevance to the analyst and the merit of your story or update. Usually limited to 2-4 times per year.
- **Inquiries.** Require a commercial relationship, usually part of a subscription. Inquiry gives you access to the analysts in two-way dialogue. You can ask questions, or discuss trends and issues. Inquiries can be much more frequent than briefings and offer a much deeper way to engage.
- **Advisory sessions.** An extended engagement which allows longer and deeper presentations and dialogue. Traditionally done in person, but have transitioned to virtual for many. These sessions are usually an additional cost above a subscription, or can be done stand-alone with some firms.
- **Special projects.**
  - Content projects. Custom research, webinar, reprints, etc. that can be used for demand generation and brand awareness. Your key analysts will be involved in these projects and it creates strong engagement.
  - Collaboration. Providing a POV or customer case to support an analyst's research.



# Investing in Analyst Firms

AR is not pay-for-play. You can start a great program with just about zero dollars. But there are good reasons and good ROI in the right investments.

## **Types of analyst firm investments:**

- Subscriptions to research, inquiry and other services.
- Stand-alone advisory.
- Content marketing to amplify your brand - custom research, report reprints, webinars, etc.
- Sponsorship of analyst events.

## **Investments lead to these benefits:**

- Insights– strategy, product, messaging, competitors, etc. Insights impact business success
- Strong relationships, mindshare and advocacy
- Demand generation and brand-building

## **Never invest money to get coverage or buy advocacy.**

- Coverage that has value is earned by the merit of your story
- Coverage comes from regular interaction
- Advocacy can't be bought from reputable analysts

My basic rule is to invest nothing without clear ROI. Do as much as you can for as long as possible with little or no budget.



# Reports and other coverage

The most visible way to recognize success in AR is to see your name in ink. Being covered in a vendor evaluation report can shake things up in all sorts of good ways. If there is a report you qualify for, go for it! Do everything possible to perform well.

But vendor evaluations are only one type of coverage. If there is no such report for your market, or if you don't qualify yet, there are many other ways to get covered.

- **Vendor evaluations.** In depth ratings and rankings of the vendor field. The analyst renders their opinion and that report gets waved around by the winners. They are impactful. (e.g., Gartner MQ, Forrester Wave, IDC MarketScape).
- **Market overviews.** View of a particular market, including relevant players. (e.g., Gartner Market Guide, Gartner Hype Cycle, Forrester NowTech, market share and forecasting).
- **Startup reports.** Spotlight of disruptive emerging vendors. (e.g., Gartner Cool Vendor, IDC Innovators).
- **Trend reports.** Discusses trends in the market and may include customer or vendor mentions.
- **Traditional media, social media media, or blog mention.**

Coverage is indicative of growing mindshare. If you're inhabiting an analyst's brain, you're likely to get coverage, and that proves you are making good progress.



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## SUMMING IT UP

With this brief overview, you now know much more about industry analysts than my mother ('though I've explained it to her countless times).

But there is so much more. Analyst relations is constantly changing, incredibly nuanced, and always challenging. And fun. "There's gold in them thar hills"... for those that know where to look and how to pan for it. Success in this realm can impact the future of your business. Do it right. Do it now.



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