Current Analysis

The Four Ps of Selling Enterprise Infrastructure

By Tere Bracco
February 2005

Despite pockets of accelerating growth, enterprises overall aren't buying as much as infrastructure vendors projected. They aren't purchasing wireless technology the way vendors had anticipated. For example, Synergy Research estimates that the number of WLAN clients sold worldwide in Q1 2005 will be down nearly 10% over Q4 2004. Nor are enterprises investing as much as expected in infrastructure upgrades to make old networks VoIP ready. Synergy notes that while Enterprise IP telephony port sales are projected to increase in Q1 2005 by a little over 6% from Q4 2004, overall enterprise telephony port purchases have fallen steadily for the last year. Some enterprises are paralyzed by the dilemma of which need is the greatest: wireless or VoIP or upgrade-to-get-ready-for-the next-big-thing. And others are simply trying to determine which investment—if any—won't get the IT director fired. Here are some guidelines on what to do—and what not to do—to overcome enterprise doubts and objections and finally loosen those purse strings.

Analytical Summary

Enterprises are overwhelmed by the burden of implementing new infrastructure. Every new technology seems to introduce an exponentially greater number of management challenges, integration issues, training and support problems, and security threats and the consequent drain on resources that results from each. So what will persuade enterprises to buy new infrastructure? Here are a few ideas: present a clear multi-year plan that can be implemented in manageable phases. Develop a plan that commits the enterprise to an architecture and a strategy and perhaps even a technology goal, but not necessarily to a vendor. Keep recommendations targeted and practical. Avoid scare tactics. Above all, use planning as a sales tool.
Add Confidential Comments

In informal discussions over the past several weeks, enterprise IT infrastructure vendors have been remarkably candid in revealing their disappointment with enterprise IT purchasing in recent months. A few published surveys and interviews have borne this out, although spending finally seems to be picking up. Vendors have been surprised by slower-than-expected enterprise uptake of VoIP and wireless LAN technologies, and have been dismayed at the enterprise market's hesitance even to upgrade its existing infrastructure. The question—sometimes spoken, sometimes not—is: "What's wrong with these enterprises? Don't they realize new investment is crucial?" And, more to the vendors' point: "How can we get them to shake loose some money?"

What's a vendor to do to overcome enterprise fears and objections and finally loosen those purse strings? We've listed a few tips below. These pointers come from discussions with both enterprise infrastructure vendors and buyers. Some of this may appear to be "Selling to Enterprise IT 101," but occasionally over time, the basics are forgotten, so it's worth a refresher.

Planning: The single most important sales tool for an enterprise infrastructure vendor is a one-, three-, and five-year technology plan for the enterprise. This plan must be based on specific knowledge of the enterprise customer's IT architecture, requirements, and goals. The plan must map out discreet phases for implementing specific technologies, and include "decision points" at which the enterprise can re-evaluate its technology choices and make changes in course. The goal should be to present a plan for an architecture that is scalable and flexible and that can be budgeted in phases, without requiring that the enterprise commit financially and technologically to the whole thing up front. Developing a plan like this requires that professional services organizations become a key partner of the sales organization and an integral part of the sales process. This means that professional services should no longer be viewed as a high-margin add-on to the sale. They are the sale.

Plurality: A vendor that devotes itself primarily to the customer's IT network, rather than to its own equipment, will find itself entrenched with its customers. Therefore, the vendor's infrastructure plan for the customer should commit the enterprise to a technological goal without indenturing it to a particular vendor's equipment. This approach will actually deepen and strengthen the bonds between enterprise and vendor. Attempts to bind enterprises to single-vendor architectures can cause enterprises to hesitate, and can even backfire by causing enterprises to insist on splitting purchases evenly among two or more vendors.

Presence: Vendors need to approach enterprises with realistic assessments of the infrastructure upgrades that enterprises need, and avoid scare tactics to urge enterprises to buy more than they need. After weathering Y2K and the post-9/11 videoconferencing push, enterprises are burned out on scare tactics. Before making recommendations, vendors should take into consideration the current enterprise network, including such things as real and present security threats, current bandwidth requirements, and near-term growth rates. For example, vendors should ask themselves how the enterprise has changed over the past five years. Companies haven't expanded personnel in the past several years, so the actual growth in bandwidth requirements is low. And the applications haven't become that much more bandwidth intensive. Chances are an enterprise is still trying to justify the last round of infrastructure upgrades. So what upgrades are truly necessary now?

Practicality: Take care to recommend systems and solutions that are appropriate and justified. Overkill destroys trust. This is especially true in security, where prevention can be as bad as the problem. For example, some methods of wireless security actually overwhelm identified rogue networks with disconnect messages—and the defending device goes offline to do it. This leaves the enterprise with an RF mess and no service from the defending access point—not much different than a DoS attack. Therefore, keep solutions practical and targeted. Above all, don't scare enterprises into overspending precious funds on technology to find rogues when those funds would be better spent on upgrading infrastructure and piloting new technologies.

Enterprises are caught in the dilemma of which pressing need is the greatest. At the same time, nervous IT directors are trying to invest funds as much to preserve their jobs as to prepare their companies for the technological future. They know that new investment is crucial. But with so few funds and so many pressing needs deep in corporate IT infrastructure, as well as so many executives clamoring for new high profile technology, it's easy to become dazed and immobilized. Practicing the Four Ps can get the money moving again.