ANALYST RELATIONS EFFECTIVENESS

The Role of Automation in Small AR Programs

By Merv Adrian

EXECUTIVE SUMMARY

Analyst relations (AR) is a challenging, detail-oriented role.

The organizational effectiveness it demands in large organizations is well recognized, but it can be even more difficult for small — especially single-person — teams.

Identifying and maintaining a steady cadence of context-rich conversations with the right analysts is a continuous process, and it is best leveraged with organized, evidence-based internal reporting. Management allocates resources to effective activities, and the use of specialty software such as ARchitect can help AR get the job done — and prove it.

With AR software, AR professionals can manage campaigns, train and mentor spokespeople, and keep the right messages coming through effectively.

INTRODUCTION

Almost every technology vendor maintains an internal organization — AR teams, of varying size — charged with a mandate to manage communications with industry analysts.

Decades of AR experience, best practices collections, trade organizations and training/certification programs have helped to create a body of theory and practice. Not surprisingly, this information is built around the needs of larger companies, some of which have literally dozens of practitioners. In such an environment, coordination across teams, geographies, coverage areas and even languages looms large. Organizational challenges — especially goal-setting, measurement and budgeting — dominate. The biggest organizations struggle the most, and many try outsourcing as a solution, hoping to leverage the expertise of large public relations (PR) organizations.

But while some of the problems of size dominate conversations about effective AR, basic processes are far more often the source of the biggest difficulties, and the most visible failings of AR teams. And these processes are as vital — and at least as challenging — for small teams, and especially single-person ones.

Like most business processes, AR benefits substantially from automation — software-based tools that help ensure continuity, consistency and quality. Experienced practitioners use automation to streamline processes and become more effective. Several recent conversations with customers of ARchitect from ARInsights, the most widely used product for managing AR programs, reinforce the notion that single-person shops have much to gain from learning to use this tool effectively.

The Role of Automation in Small AR Programs

KEY TASKS AND CORPORATE MEMORY

In her excellent discussion of the value of software for AR, industry veteran Peggy O'Neill put it this way:

> *Analyst relations professionals are under constant pressure to respond to analyst requests, provide internal guidance, and produce metrics, all while struggling with demands such as social media and bloggers.*

O'Neill offers a well-written set of scenarios, illustrating tasks AR must often juggle. The challenge is to avoid becoming too focused on internal tasks; after all, it is analyst relations we're talking about here. It's a people job — about connections, dialogue and the exchange of value. Making time to do more proactive relationship-building and outreach is critical, as is continuity and corporate memory. If AR is spending too much time chasing metrics, looking for information about analysts and building briefing books laboriously by hand, then time spent with the analysts gets sacrificed.

Let's look at five key tasks AR must focus on to be most effective:

Identifying & tracking analysts & their output

Internal communications, training & preparation for company spokespeople

Managing & documenting analyst interactions

Driving communications programs around events & products

Measuring the impact of analyst relations & documenting it

IDENTIFYING & TRACKING ANALYSTS

Just knowing which analysts to consider spending time with can be a daunting task, especially for the smallest AR teams. It's a commonly understood best practice to "tier" analysts based on their relevance, spending the most time with the ones who will be most valuable in accomplishing AR's goals — but first, they have to be found.

Clarence Hempfield, Director of Analyst Relations & Strategy for Pitney Bowes, notes the importance of being able to identify unknown analysts:

> " *We are a global company, so I use ARchitect's database of analysts to find analysts that are important to parts of our business that operate in various geographies of the world.* "

Once target analysts are identified, the information needs to be kept current: some AR professionals believe they know who their key analysts are and, unfortunately, stop maintaining the information. Yet lists can become out of date as today's analysts leave or change firms, or as new ones arrive or become relevant as business conditions, strategies and product portfolios change. The fact is, small teams and individual practitioners often don't or can't keep up. And if the AR team or person changes, the reasons behind the analyst prioritization list — if it's documented at all — may not be clear.

Heather Dahl, Manager of Analyst Relations for Neustar, a communications service provider, says:
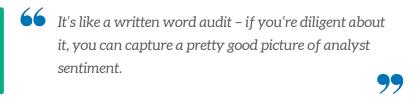
> " *I manage 67 active 'Level 1' [analyst] relationships – connecting with them monthly or bi-monthly. We have many lines of business, so I need to be very broad. There are perhaps 3-7 specialized analysts per line of business. In addition, there are 'Level 2' relationships that are managed with 1-2 interactions per year.* "

ARchitect, with a database of several thousand active analysts from over 1,000 firms, offers a very useful solution for the company. The analyst information is updated daily for accuracy (with profiles refreshed at least every 90 days), so it is always current. It is searchable by multiple criteria, such as topic coverage and geography, and shows profiles of analysts, including social media. For those analysts from most major firms, feeds of their research are automatically fed into the system, and past and future events that analysts participate in are also tracked. AR people who find an analyst who is not listed can send information to ARInsights, and the analyst will be added. These capabilities eliminate enormous amounts of unnecessary search time, and help guard against missing important connections that ought to be made.

In addition to the information ARInsights provides, it is easy to add copies of articles, quotes or other references to individual analysts of interest.

Michael Lim, Senior Manager of Analyst Relations for NVIDIA, relies a great deal on ARchitect's article capture. He says,

> **66**
> *It's like a written word audit – if you're diligent about it, you can capture a pretty good picture of analyst sentiment.*
> **99**

ARchitect makes it easy for Lim to collect written reports from those firms for which NVIDIA is licensed. Separately, Lim also captures quotes about the company, and ARchitect provides the place to store and use the information.

MANAGING & DOCUMENTING INTERACTIONS

The raison d'être of analyst relations programs is managing analyst interactions to improve analyst perception about the company. So, these interactions need to be tracked to assess how the needle of analyst perception is moving. The documented interactions form the fact base from which metrics for the organization's performance are constructed.

The first element of preparation for interactions is knowledge: knowing what the analyst has been saying publicly and privately precedes the direct conversation. Documentation of how interactions go is critical to long-term relationship management. Within ARchitect, ARInsights maintains the "common area" profile information for each analyst. Then, the private section acts as a supplement to the public data — allowing AR professionals to store and use information on an analyst that they don't want to share with others. This facilitates frank assessments and guidance for spokespeople and others.

The next step is to add interactions: briefings, consulting, phone calls, emails, etc. ARchitect's connection to Outlook is extremely valuable here. A key theme of all practitioners emerges: you get out of the system what you put into it; unrecorded information is useless.

Chantal Godbout, Director of Industry Analyst Relations for CGI, says:

> *I capture interactions with analysts and combine that with the repository of key documents like published research. I also track what we submit when we participate in their research projects and maintain an audit trail of the process.*

The latter point is particularly important. Analysts move on quickly from their interaction with a firm to similar activities with many others they follow. Revisiting what has taken place in the past is especially important to maintain currency in their minds as well as yours. It is valuable to refer back — positively or negatively — to prior dialogues for context setting and to drive what content should be covered.

Other critical tasks in long-term action plans are benefited greatly by automation as well: scheduling future meetings, promoting them to stakeholders internally, attaching notes to them to focus on key issues, etc. The ARchitect dashboard provides a look ahead with sufficient time to brief internal participants and review any intervening publications or quotes that may appear.

DRIVING COMMUNICATIONS PROGRAMS

AR is often called upon to support communications campaigns that leverage the analyst community. Most PR starts with AR. Upcoming corporate events, marketing programs, product introductions, management changes and financial results are to be communicated and discussed with the analyst community. Having provided analysts with advance knowledge and perspective can be very valuable when journalists call them to get a quote to include in their article for an important story. For these reasons, the ability for AR pros to set up analyst groups/lists is an invaluable timesaver.
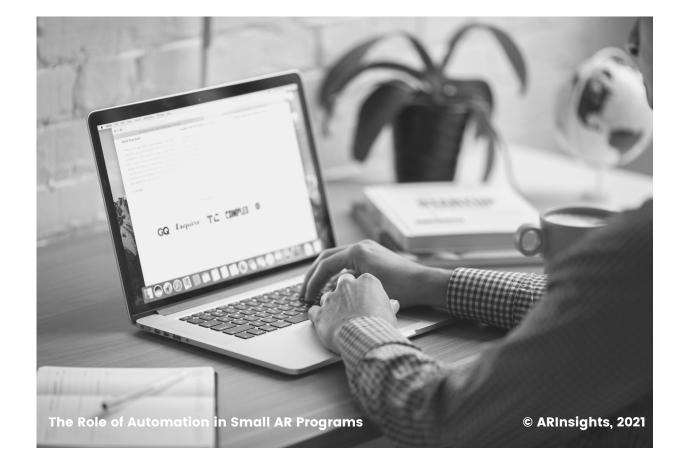
ARchitect allows the AR professional to create as many lists as he or she might want, and assign analysts to as many of them as needed. Some groups may be topical and relatively stable. Others may be created for a specific purpose and be deleted or archived after use. These lists allow for fast access to key analyst information, group mailing, reporting and data exchange with Outlook.

Hempfield of Pitney Bowes notes:

> " *I didn't realize how much I relied on ARchitect's integration with Outlook until I made an OS change, and it took a bit to get it going again. When I had to complete the work manually, I realized how much time the integration saved me. The integration saves me steps when I need to look up analysts in ARchitect, and it syncs with my smartphone, so even when I'm not in the office I can respond quickly.* "

Analyst email distributions were cited by all the users interviewed as a way to facilitate the creation of newsletters, product updates and the like. They cited ARchitect's ability to track which analysts opened the emails. Some analysts prefer not to receive them, preferring either to do it by phone, and many take a "Don't call me, I'll call you," attitude. ARchitect makes it easy to accommodate analysts and their various preferences by personalizing the communications.

MAKING THE MOST OF SPOKESPEOPLE

In many, if not most, organizations, training and preparing company spokespeople for analyst interactions is one of AR's critical tasks, and one fraught with political challenges. Asserting your expertise with a very senior executive is a challenge most AR professionals must learn to master early. One of the quickest ways to earn respect is to demonstrate content mastery — not just about the job, but about the analyst and the context.

ARchitect readily provides the content necessary for such executive preparation. A prepared template that allows you to easily create an executive briefing document is a huge time-saver. Content can be exported to Word for editing. It is easy to build a briefing book that might include past interactions — organized by analyst, or by time period, kinds of interactions, who was involved in them, ones that mentioned Gartner Magic Quadrants… whatever meets the needs of the moment and the spokesperson.

Proactively sharing with executives previous analyst feedback, which the best practitioners routinely collect and track, is an excellent way to improve spokesperson training. ARchitect's reporting functions are invaluable here.

NVIDIA's Lim notes:

> *It's rare that interactions take place without me. I'll poll all participants for the notable takeaways and share my findings.*

MEASURING AR'S IMPACT

Regrettably, after decades of effective service, many AR organizations still struggle for recognition of their value. Their problems securing budget and staff dominate many discussions when AR pros get together. Typically, those that struggle the most are those which do the least to internally document their success. Preparing metrics — status reports, trend reports and documented plans that align clearly with corporate objectives — is a responsibility of any corporate function. An AR organization that fails in this responsibility can expect the struggles to continue. NVIDIA's Lim has taken this to heart:

> *I do a monthly report to execs and key stakeholders — summarize notable comments, interaction numbers, what they were, with which firms and which analysts. It illustrates how much I'm doing myself and how much other people are doing.*

ARchitect enables AR pros to quickly generate a variety of actionable reports, aligned with key metrics and based on the interaction data in its system.

Finally, there is another key value here — the preservation of corporate memory and the ability to maintain the cadence of contact when staff changes, as it inevitably will. Having to restart a relationship can severely hamper ongoing efforts, but even one-person shops can avoid this problem with the right strategy. Neustar's Dahl notes:

> *ARchitect was here when I got here. I was brought up to speed on its use as a centralized information-sharing system, and as a database of analysts, their firms and our interactions with them. To support budgets, we use it to report on our KPIs. We brief the higher-ups — give them recaps on what has been going on with an analyst, what has changed with their firm. We keep track of interactions, judge perceptions and track prior interactions. We maintain statistics on the number of interactions we've had. We use it to build up plans and align strategies.*

THE BOTTOM LINE

Automation is the great equalizer.

All organizations wrestle with limits; resources are allocated to effective ones. Excellence in AR can be dramatically enhanced with an effective information system and tools, allowing even single-person units to "punch above their weight" and ensure their story is heard along with those of their larger competitors.

ARchitect is such a tool, and if used well, can help AR perform at its best. It automates key tasks: identifying analysts, managing and documenting interactions with them, building campaigns, and communicating internally and externally to improve effectiveness and document AR's contribution. ARchitect can be accessed from any mobile device, making the information readily available — a big plus for AR professionals who must often be out of the office. Such tools belong in every AR portfolio. Purchasing them is cost-effective and a better use of corporate resources.

ABOUT THE AUTHOR

Merv Adrian created this report when he served as principal of IT Market Strategy.

ARinsights retained IT Market Strategy to provide an independent view of ARchitect in small AR organizations. ARinsights provided technical support and briefings for this report. However, IT Market Strategy retained editorial control and is responsible for the content and conclusions.

Merv joined Gartner after closing IT Market Strategy, and currently serves as vice president and analyst on Gartner's Data Management team. He has spent three decades in the IT industry and was a senior vice president at Forrester Research, where he launched Forrester's practice in analyst relations. At Giga Information Group, Merv was an analyst and research manager, executive editor of the monthly Research Digest and weekly GigaFlash, and chair of the GigaWorld conference (later Forrester IT Forum.) Prior to becoming an analyst, he worked in the software industry, in analyst relations and in strategic marketing roles.