GETTING MANAGEMENT ON BOARD

By Paul C. Boucherle

Editor's Note: *Welcome to our new monthly column that will translate the issues of convergence into everyday, practical terms. Our goal is to provide readers with an action plan to promote convergence within their companies and to provide useful information on how to implement new technologies.*

Why do we need to gain the commitment and support of senior management, especially when dealing with convergence? As a famous bank robber once said when asked why he robbed banks, "because that is where the money is!"

I have personally witnessed a curious trend both as a corporate manager and subsequently among my clients: Today's mid-level management has less purchasing power than they had five years ago. And I don't mean just a small decrease in buying authority. In some cases, reductions reach as much as 80 percent. In the new business world, senior management is often personally involved in reviewing, analyzing and approving project funding, and because of limited corporate resources, they only approve those they believe can provide the greatest contribution to the bottom line. The convergence trend has created new opportunities and challenges, thus further complicating strategic buying decisions.

Senior management is the only group that evaluates business solutions that affect multiple departments and then changes priorities and funding to facilitate choices that provide a broad competitive advantage. The key to sales is finding out what senior management needs to know about a project before they will consider providing their support and access to the corporate pocketbook. They want to know what they will get in return, i.e., what is the expected Return On Security Investment (ROSI)? The more data you can provide to senior management that they perceive as relevant, the more interested and supportive they will be to the change process.

The way decisions are made in companies today is difficult to categorize. Sales scenarios vary widely based on company size, reasons for buying and expertise available to assist in decision-making processes.

The first distinction is the size of the company. Fortune 500 companies have so many layers of management that the majority of financial decisions under $5 million are made by senior management, but not necessarily at the "C" level. This does not mean the C-suite isn't aware of or approve of these expenditures. They require briefings and discussion before they allow senior management to proceed. At the small-medium business (SMB) level, the decision-making process will typically include the active involvement of owners, C-level and senior management teams.

Projects can get sabotaged if the focus or business solution is too narrow or tactical to gain the interest of management. While a project may have a small initial footprint, will it provide a wider path for cost reductions and efficiencies in the future? The story must be told in a realistic and compelling manner to gain management support.

It is a challenge to guard against natural biases that may have built up over the years. We are in a new era called convergence when competitors and enemies are now categorized as "frienemies." By its very nature, an integrated project team has members whose affiliations cut across organizational boundaries. "Turf" can become an issue unless there is strong, effective senior management support and a shared vision.

Let's take an IP video project as an example. It is important to gain the support of senior management before starting an IP video project, more so even than for traditional video. Traditionally, video has been a security department purchase decision and single-faceted in its value proposition. However, IP video crosses departmental lines, involving various departments and is more strategic in nature, requiring more management oversight and support. Also, computer networks may need to be enhanced or expanded to carry additional video data, which can require significantly higher funding.

Benefits that senior management might expect include leveraging assets and finding new ways to deliver the right information to the right people at the right time. These factors support faster and better business decisions and deliver competitive advantages for most businesses.

To present IP video from a purely technological point of view is to risk losing senior management support. Just because it is possible and interesting does not make it worth pursuing without a solid business case. Senior management has already witnessed the promises of technology that did not live up to their advanced billings, so they often have a well-justified and healthy skepticism about the latest technology solutions. The expected results make this a good ROI opportunity that must be carefully explained and presented.

Altruistic motives aside, people naturally gravitate toward projects that make their own departments shine and enhance their personal career opportunities. Therefore, senior management is more likely to be cooperative if they see benefits to their own departments. A key fulcrum point in gaining cooperation from senior management is a history of successful implementations in risk reduction. This means having similar projects to reference that have measurable results on record.

How can ROI information be obtained for reporting to senior management? Developing reliable, accurate and relevant ROI data takes some hard work between the supplier and the customer. It begins with the sales teams' attitudes, training and experience. Sales teams that have been trained in pursuing value-based selling approaches have consistently been able to identify, develop and confirm ROI metrics with customers that have stood the test of time. This selling process involves focus on the customer's business to truly understand if an ROI opportunity exists and specifically in what departments versus the purchase of conventional equipment.

How to get there

The bottom line is that selling in the new convergence world requires thoughtful preparation and some new approaches. The following questions can be a guide to help users prepare their sales presentation for senior management.

Does the network-centric project fit into senior management's big picture for the company?

First of all, you need to understand a manager's perspective, agenda and management style. Is this manager destined for more responsibilities at the company or is he/she just camping out until retirement? Understanding these drivers will dictate the strategy for gaining senior management support. The words, phrases and metrics you use need to match what they "want to hear" about your project.

Are you proposing a big picture project that delivers measurable business value or is it loaded with details about "cool" technology?

Beware that you are heading into the Twilight Zone unless your senior manager is an electrical engineer by training and vocation. Management likes big-picture concepts that can deliver a multiplier effect of benefits, not necessarily ones based on a lot of bells and whistles.

Is your project innovative and creative in that it addresses past or future challenges in a new and meaningful way?

Leading edge is okay, but bleeding edge is not advisable if you value your career. Be sure that you can answer these questions right up front: How will your project leverage existing IT resources? What new resources will need to be added? Can new technology solve old problems cost-effectively?

How many different departments will benefit from the project solution you are proposing?

Be prepared to clearly communicate foreseeable benefits in each department's own terms. You will need to understand who will use the system in each department and how before you can effectively communicate this value to senior management.

Do you really know the customer's business?

New technologies can help integrate business processes, lower costs of doing business, mitigate both security and business risks and deliver actionable data in real time if you understand the company's business before you begin offering solutions. To offer a supportable and fundable project for consideration, you must make sure that the technology is married to the process that will deliver the ROSI. Senior management trusts advisors that deliver what they promise on a consistent basis without excuses.

Does your solution provide a competitive business edge?

Be prepared to demonstrate how your project will lower the overall cost of doing business or increase profit margins for the company in measurable ways.

Are you willing to share the risk with your customer?

From the senior management's perspective, you should be willing to "share the risk" if you are really a business partner. What skin will you put into the game to ensure a mutually shared risk and reward? If your solution works in measurable ways and you are willing to share the risk, most senior management will consider you a true business partner worthy of a long-term relationship.

Gaining senior management support is simple if you look at business from their perspective. Their job is to improve return on invested capital, guide company growth opportunities through improved competitive advantage and provide vision, leadership and partnership with companies that have these same qualities. If you truly want to play in the convergence game effectively, you must pick the right teammates to win, including senior management.

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