

Adapted from **PARTNERING WITH THE CIO**

Experience vs. Expertise

When shopping for strategic solutions, the CIO looks for 'been there, done that' experience from vendors

By Michael Minelli and Mike Barlow

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David L. King is senior vice president and CIO at Regal Entertainment Group, the nation's largest chain of movie theaters. Today the motion picture industry is going through its largest transition since talkies replaced silent movies in the late 1920s. This time around, digital media is replacing film. As a result, IT is moving from a supporting role in the back office to a leading role on the big screen.

Based in Knoxville, Tennessee, Regal is at the forefront of the digital movie revolution. As the owner-operator of 560 multiplex theaters, Regal's technology challenges are enormous. On average, each multiplex has 11 screens showing five feature-length movies daily, 365 days a year. In digital format, each feature is about 300 to 400 gigabytes (GBs). The coming attractions add another 40 GBs to the load of information that must be distributed across Regal's chain of cinemas.

"A lot of the technology required to accomplish all this on a routine basis doesn't exist yet," says King.

In this type of transformational environment, King looks for IT suppliers who are ready, willing and able to serve as strategic partners. The challenge for King is identifying which suppliers are truly committed to long-term relationships and which suppliers are seeking short-term wins.

There are two basic requirements for being considered as a strategic partner: Enough experience to handle a complex, transformational engagement and enough depth to commit the spectrum of resources necessary to follow through successfully on a multi-year project.

In some selling scenarios, it's easy to spot which suppliers can talk the talk, but can't walk the walk. "Usually you pick up on it immediately," says King. "All you have to do is describe some specific problems and ask the vendors how they solve those problems."

Since any reasonably energetic sales rep with a Web browser and an Internet connection can acquire enough information to chat about practically any technical subject, it's important for King to determine quickly if the rep's "domain expertise" is built on a solid foundation of real experience or conjured up from an all-nighter of caffeine and Google.

Expertise is not the same as experience. Expertise can be picked up on the ride from the airport to the customer's office. Experience develops over time – and it's hard to fake.

Smart sales reps try to stay out of situations in which their expertise doesn't match their experience. And CIOs like King try to avoid dealing with vendors who make a habit of sending reps lacking real-world experience into sales meetings.

What happens when King is looking for a strategic partner and the vendor sends over a sales rep without the right level of experience?

"I'll be courteous, but I'll bring the meeting to a close fairly quickly," says King. "Then I'll meet with my people and find out why they failed to qualify that vendor appropriately. If I feel that the sales rep tried to mislead us, I'll probably call one of the vendor's senior execs and describe what happened."

If it turns out that the sales rep is just naturally aggressive, King says he usually gives the vendor a second chance to make the pitch with another rep.

If King determines that the vendor's corporate culture encourages the sales force to engage in inappropriately aggressive or misleading behavior, he's not shy about sharing his observations with friends and colleagues throughout the CIO community. "I'll let everyone in my network know what happened," says King.

For CIOs, sharing stories about misbehaving vendors isn't about getting revenge – it's a matter of survival. "You rely on vendors and partners to help you accomplish your mission," says King. "Every time you select a vendor or a partner, your job is on the line.

It's critical for vendors to understand the extent to which CIOs depend on them. It's also critical for vendors to remember that when CIOs change jobs, they bring their memories with them.

CIOs base their impressions of a vendor on their dealings with the vendor's sales force. If the sales force is consistently sending the wrong messages, the vendor's reputation will invariably suffer.

Levels of Commitment

A sales rep's ability to say, "Been there, done that" weighs more heavily as a factor in the vendor selection process when the solution under consideration is critical to the business, says King.

"If the solution isn't critical, we might be willing to try something new with the vendor. But even then, the vendor will need to demonstrate some past success in doing new things with other customers or within other parts of our business," says King. "I'm really looking for signs of commitment. I want to know that the vendor will stick with us, and not get bored and disappear."

Not every relationship has to be strategic. King doesn't expect the same level of commitment from a vendor selling PC peripherals as he does from a vendor selling an enterprise financial management solution.

"We look for higher levels of commitment from vendors supplying business-critical solutions. As the business process becomes more critical, our need to feel comfortable with the vendor increases," says King. "If we're talking about a commodity such as a computer mouse, then we don't need the same level of comfort with the vendor."

When King is interested in working with a vendor, he doesn't hesitate to explain precisely what he's seeking.

"Early in the sales cycle I try to describe the role that the vendor will be playing within our company. I'll describe the vendor's responsibilities, the level of service we're expecting and the kinds of results we're looking to achieve," says King. "And I'll ask the vendor, 'Can you fill this role? Where have you done this before?'"



Michael Minelli and Mike Barlow are co-authors of "Partnering with the CIO: The Future of IT Sales Seen Through the Eyes of Key Decision Makers" (John Wiley & Sons, 2007). This article is adapted from the book.