

Internal Marketing of IT Services

Applying modern marketing to IT

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Introduction

Is marketing relevant to an internal services provider such as IT?

One of the common charters asked of IT Service teams is for them to provide both shared and unique IT services to all or segments of their organisation. They do this by operating the technology infrastructure; producing valued added services for customers and users; and managing the people within the IT team to help achieve the various strategies and plans that are desired.

This white paper will present perspectives on both IT and Marketing to show that there is alignment between the two fields, and that opportunities exist to use Marketing techniques to improve IT Service Delivery.

Background

Marketing has only existed as a management science for around 40 years. It is a progressive field which is evolving to take into account the changes in our increasingly global society.

The emergence of technology presents an interesting paradox, since technology brings new capabilities to Marketing in the form of marketing research tools; as an enabler for global commerce; and as a service delivery method in its own right.

In this whitepaper, Tech Partners examines the implication for technology and IT Service, which are now on offer from Marketing.

What is Marketing

An accepted definition of Modern Marketing might be as follows:

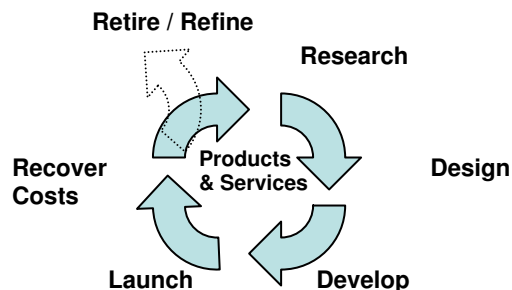
“Marketing is the purposeful design and delivery of products and services, for consumers, at a price which can be mutually sustained”

From this definition we can draw a number of thoughts:

- Marketing involves finding out what consumers want;
- Marketing is highly involved with the ‘engineering’ effort to produce products and services;
- Marketing is involved in the financial management of products and services. This includes costs, tariffs and revenues; and

- Marketing considers the mutual satisfaction of both supplier and consumer, over a longer period of time.

When examining the role of marketing in a products and services lifecycle context, we understand the activities to be broadly as shown in the following graphic:



The Marketing Cycle

The Marketing roles used in IT

When we apply this background to IT Service organisations, the IT team or its managers may need to assume the roles of:

- Researcher, of internal needs and external offerings;
- Solutions Integrator for the engineering of products and services;
- Negotiator of agreements;
- Manager of channels, contracts and vendors;
- Agent for the delivery of service;
- Promoter of products and services; and
- Accountant, to achieve the sound management of all financial aspects.

Marketing tasks within IT

In order to introduce marketing techniques, organisations may wish to consider the following marketing tasks, and in what way they may be fulfilled:

- **Research the organisation needs;**
 - Understand the organisations strategic business plan and resulting projects;
 - Conduct interviews with key stakeholders and Business Unit personnel;
 - Convene customer forums on both broad and specific topics; and
 - Review previous Service Level Agreements between IT and Business Units.

- **Research the offerings from Industry;**
 - Attended industry trade shows and presentations;
 - Establish liaison with relevant industry groups such as standards bodies;
 - Establish liaison with key current and prospective vendors;
 - Maintain an 'Industry watch'; and
 - Establish contact with peer organisations.

- **Assess the present levels of customer satisfaction;**
 - Convene focus groups;
 - Conduct a survey, possibly with independent help;
 - Dialogue with the IT service manager and service desk team;
 - Establish feedback mechanisms; and
 - Solicit direct comments and input.

- **Include Marketing into Products and Services Design;**
 - Establish processes to capture organisational requirements, so the right initiatives are pursued;
 - Form costing models;
 - Ensure business cases exist for new initiatives; and
 - Ensure products and services marketing activities are built into projects.

- **Include Marketing into Products and Services Development;**
 - Establish processes to ensure Marketing is included in development projects;
 - Ensure Marketing is involved in solutions integration, field testing and documentation;
 - Establish branding for key products and services;
 - Determine desired usage practices;
 - Set tariffs and cost recovery, if required; and
 - Establish and test support processes.

- **PR and Communications;**
 - Design the overall communications plan and negotiate sufficient resources;
 - Produce, maintain and publish the roadmap of intended initiatives;
 - Produce, maintain and publish the services catalogue of current services;
 - Establish the procedure and method for announcements; and
 - Establish and ensure the accuracy and currency of the IT Services Web site.

- **Commercial Management;**
 - Review and negotiate appropriate supply chain arrangements;
 - Establish relationships with key suppliers and partners; and
 - Ensure external contracts are managed.

- **Review the current Products and Services ;**
 - Review the products and services, for their continuing fitness for the organisation;
 - Adjust current products and services to cater for new business needs; and
 - Initiate the exit or retirement of obsolete products and services.

Marketing tools available

A number of tools and techniques are available for the IT Services team to use or adapt:

- **Information gathering – Internal Business Needs;**
 - ITIL Service Level Management process;
 - Customer forums;
 - Executive and 'Key' user Interviews;
 - Focus groups;
 - Customer Satisfaction surveys;
 - Requests to the Supply Team;
 - Enquiries to the IT Service Desk; and
 - Incident and Problem trends.
- **Information gathering – External vendors and groups;**
 - Trade shows and presentations;
 - Vendor briefings possibly by entering into Non Disclosure Agreements (NDA);
 - Associations;
 - Internet newsgroups;
 - Vendor press releases;
 - Vendor sales reps; and
 - Peer organisations.
- **Products and Services – Design and Development;**
 - ITIL Release Management process;
 - Business Analysis; and
 - Technology integration techniques.
- **PR and Communications**
 - ITIL Service Level Management process;
 - Newsletters;
 - Internal web site;
 - Email announcements;
 - Service Catalogue; and
 - IT Services Roadmap.

- **Financial Management**
 - ITIL Financial Management process;
 - TCO Assessment service providers;
 - Cost management tools, techniques and reports; and
 - Cost models.

Benefits

The benefits of introducing Marketing techniques within IT may include:

- Doing the Right Thing - the IT team can find out accurately what is needed by the business, and thereby provide the most effective products and services to the organisation, first time around and thereby reducing wasted effort;
- Establishing a clearly recognized process for contact with and by business units. This will allow a process for dialogue about initiating new ICT initiatives;
- All services are clearly described, allowing all people to gain a common understanding of the products and services. It allows IT to correctly set the expectations of users and managers, as well as allowing business users to seek improvements;
- Understanding the IT works program. The publication of the service catalogue (current) and the roadmap (intended) products and services, allows all people to understand the status and timing of any works-in-progress.
- Provides a focal point for external contact by industry. Often industry has new products to offer organisations, but does not know who to talk to;
- Demonstrates the capability of, and the value provided by the IT team; and
- Generating job satisfaction within IT, through the recognition of achievements.

Costs and Issues

The costs associated with introducing Marketing techniques may include:

- Time to consult, plan and design the implementation;
- People to fulfill roles such as those for research, strategy, communications and business unit relationship management;
- Technology such as software tools to prepare documentation and IT infrastructure capacity to host web pages for communications;
- Travel approvals for small quantities of people to attend events such as conferences, tradeshows and vendor executive briefings; and
- Legal agreements with some vendors, such as Non Disclosure Agreements (NDA's).

Planning factors and Challenges

Prior to introducing Marketing techniques the following challenges should be considered:

- Communications – some communications mediums used by companies include glossy brochures and websites, which look expensive. These sometimes conjure an image to people, of expense and 'excess'. Be sure to test any communications choices with a representative audience, beforehand.
- Balance – the Marketing cycle presented in this paper shows marketing is involved with many phases of the lifecycle of products and services. Be sure that there is balance between communicating the intent and producing the actual results. There are perils for being imbalanced in either direction, but be especially careful not to Over-sell and Under-deliver;
- Setting perceptions – service is by definition an intangible, with measurements affected by people's expectations, experiences and perceptions. Interestingly enough, people will usually accept any reasonable level of service, providing they are advised what to expect. Consequently, be sure to set the expectations carefully.
- Competition – depending on the organisation, and the IT Service Delivery model, IT teams can be subject to competition from other internal groups or alternative outside suppliers. Competition can be both good and bad, so consider this in your planning.

Support

Fortunately, a degree of support is available to assist organisations when introducing Marketing techniques to IT Service teams.

Some of the processes are contained in the IT Infrastructure Library (ITIL).

There are also a small number of organisations which offer services such as consulting assistance and planning advice. These consulting organisations should offer a blend of experience in the fields of IT Service Delivery, Marketing, Management, Finance and Technology Management.

Conclusion

Often Marketing and IT Service teams exist within organisations, however very few attempts have been made to integrate the two fields. Some entrepreneurial IT Managers have applied Marketing techniques in designing their service delivery organisation and processes. There appears to be opportunities for other IT Managers to now consider this initiative.

References

Useful references links include:

IT Infrastructure Library (ITIL)

www.itil.co.uk

Other white papers from Tech Partners Consulting

www.techpartners.net.au

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Alan offers 20 years experience in the management and implementation of technology and technology based services. He holds tertiary qualifications in Communications Engineering and additionally has pursued post graduate studies in Business and Marketing. He also holds the Service Manager certification in IT Service Management.

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