

February 2002

Selling Collaboration

By David Coleman

I was asked to give a presentation for a recent online collaboration conference; I was given free rein on the topic and I choose "Selling Collaboration". Why? Because I believe that collaboration has matured to the point where it cannot just be sold as a neat technology to early adopters, now it needs to be sold to regular business people. These people are neither enamored of the technology or patient with failure, so the ability to sell collaboration becomes more critical than ever.

In thinking about this topic I realized that there are actually three different ways that this phrase could be interpreted. The first is selling the concept of collaboration to the marketplace. The second is an employee selling a collaboration project to his/her management team. The third is the ability of vendors of collaboration software and services to sell to their prospects. I will go into some depth in each of these interpretations of "selling collaboration" in this article.

Selling the Concept to the Marketplace

Collaboration is like "mom and apple pie"; no one will say they do not do it, and everyone says they support it. In reality, neither is true. This may be a matter of education of the market, including defining collaboration ("computer-mediated collaboration that increases interpersonal productivity and processes on an ongoing basis and for a specific goal") and the market for collaborative solutions. It also requires that you answer the WIIFM (*What's In It For Me?*) question for both individuals who will potentially use the software and the organizations they are part of. If the benefits of collaboration are not clear, then resistance will occur. This resistance can take a variety of forms, but most often it is seen as poor deployment of the technology (i.e., it takes root in one group or department in an organization but does not spread throughout the organization, or it spreads throughout the organization but only one feature or function in the product is used).

The concept to sell is anytime, anyplace collaboration. The problem is that the technology has advanced a lot over the past few years but the way the software is valued has not been clear. Our research has shown that in order to establish clear value for collaboration, three factors have to be present: people, process, and technology. In other words, the technology alone often is not enough for people to see it as a benefit rather than additional work or overhead. However, collaboration technology, when put into the context of a process with specific roles and actions, can much more easily be seen as a benefit. It is what we call the "clear ROI". The biggest problem we have seen in selling collaboration to the marketplace is not tying it to process.

Another challenge in selling the concept of collaboration to the marketplace is the volatility of the market itself. In Figure 1, you can see that there are an enormous number of vendors that claim collaborative functionality. However, many of these vendors have disappeared through mergers, acquisitions, or simply not getting the funding to continue. This has made buyers in this market a bit skittish, as no one likes to bet on a vendor only to have the software orphaned when the vendor goes out of business.

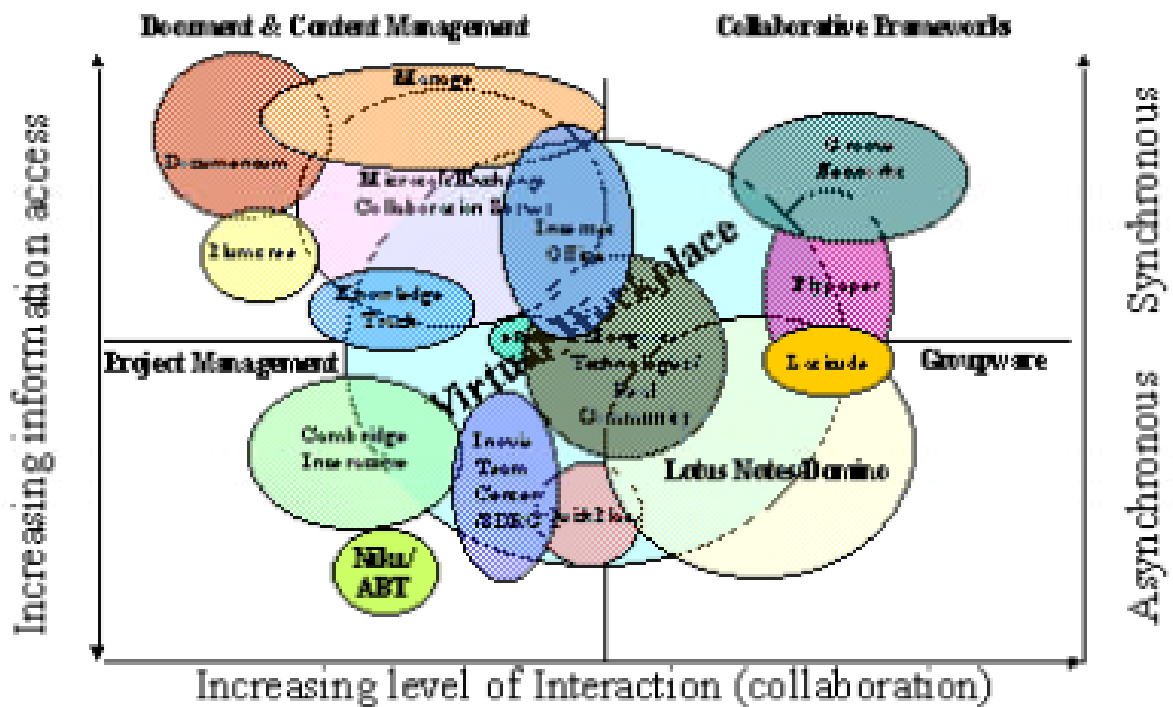


Figure 1

It is obvious that the market for collaboration tools is growing. For example, CS estimated the market for just real time collaboration tools, not including asynchronous collaboration tools, as \$2.24B at the end of last year. We have projected market revenue growth to almost \$6B by 2005 (see Figures 2 and 3). But what is most needed to validate this market is success stories. Clear case studies that show how collaborative tools actually did help. These studies have to use appropriate metrics that are easy for the reader to understand and translate (mentally) into the projected success for their specific situation.

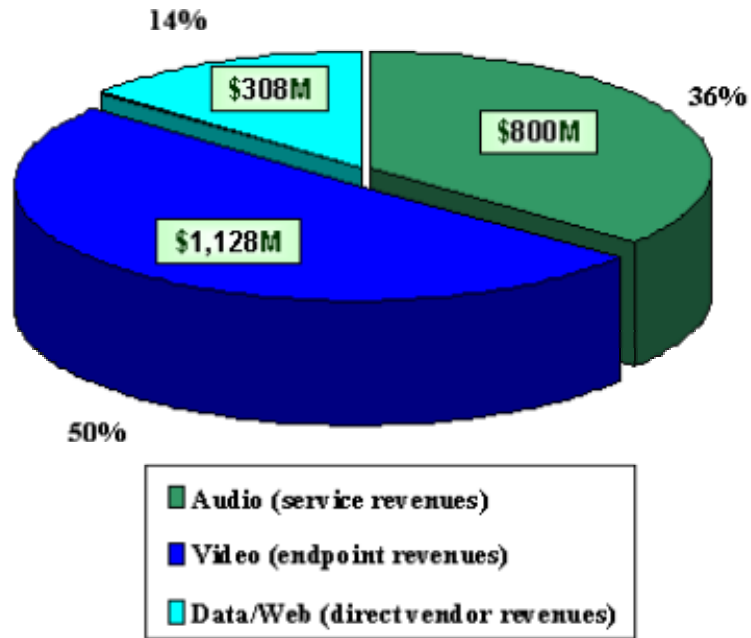


Figure 2

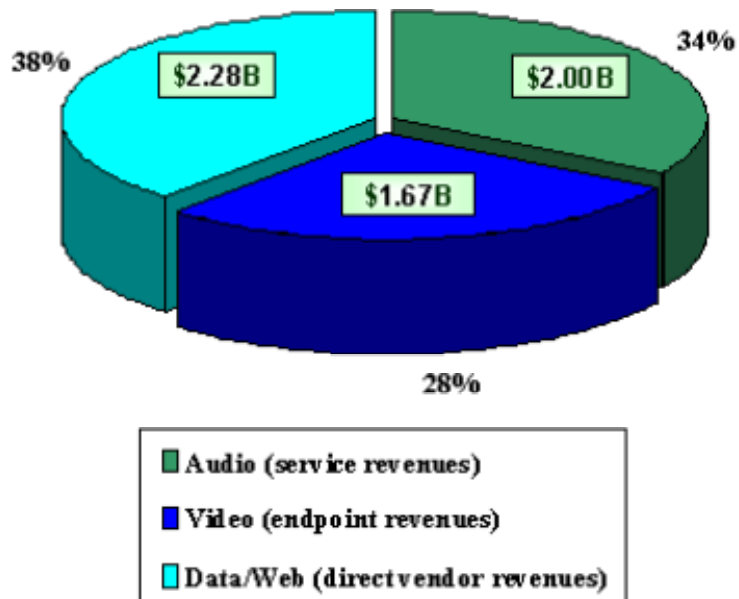


Figure 3

Selling Collaboration to Management

For this second interpretation, I looked at how an employee might sell the idea of collaboration or a collaborative pilot project to a management team. Over the years, we have seen and helped to craft a number of strategies (some more successful than others) whereby collaboration was sold to management (sometimes even the other way around). Below are five strategies and some of the pros and cons of each.

- **The ROI Strategy:** This works well if the organization is very focused on the bottom line, or if management is driven by accounting. It is also a good strategy if you want the CFO on your side. It is a risky strategy in that it is often hard to do; however, if you can establish good metrics (usually some form of decreased cycle time), this can be a very powerful strategy.
- **Keeping Up with the Joneses Strategy:** This strategy is just what it sounds like, letting your organization know that a competing organization is using collaborative technologies to kick your butt (it better be true!). This can often elicit a reaction from your organization and at least get a collaborative pilot started, or identify a process where others have derived high value from collaboration.
- **Bottom Up Strategy:** This is a good one when you do not have much budget or a lot of time pressure. It is not a very common strategy, and has the disadvantage that management is usually the last to use the tool, and may be resistant. Management resistance is hard to overcome. On the plus side, this strategy often works well within technical groups, as they can see the merit of the solution and often recommend it to their colleagues.
- **Value Chain Strategy:** The value chain is defined as the ongoing relationships you have with customers, suppliers, regulatory agencies, strategic partners, anyone you exchanges some type of value with on an ongoing basis. When one of the entities in a value network has a collaborative issue, it can be a very strong motivation for adopting a collaborative tool. However, it is often less painful to have your organization drive collaboration through the value network proactively rather than reacting once there is a problem.
- **Merits of the Project Strategy:** This strategy does not focus at all on collaboration, but rather focuses on the merits of the project itself (the project makes good business sense, it is in line with the goals of the organization, there is a good project plan, no over utilization of scarce resources, etc.). It is clear that that project is good to do with or without a collaborative component.

This list of five strategies is by no means complete; there are as many strategies as there are organizations. However, we hope that these strategies might give you some ideas of how to sell collaboration to your management more successfully.

Vendors Selling Collaboration to Buyers

As industry analysts, we deal with lots of vendors of collaborative software and track their offerings and the market with great interest. It is very common in a meeting with a vendor for them to say that their organization is great at developing this new collaborative software, but not so good at selling it. We usually agree with them, as most vendors we have seen have very poor sales processes for collaborative tools. Often they will try to sell these tools like they would a database or spreadsheet. The difference or problem here is that collaborative tools are interpersonal or social software, where databases and spreadsheets are not.

To sell a database or spreadsheet, which are individual data access tools, most vendors will show you the features and functions, usually in a demonstration of some kind, and then ask if you want to buy the tool. This process also happens with collaborative tools. The problem is that the seller is not always clear what the buyer's problem is, and if their tool is a good solution.

We call this tendency to demonstrate the technology early on in the sales cycle "demo-itis" and it is in epidemic proportions amongst collaborative software vendors. We believe it is much better to follow a solution selling process, and more importantly a process that contains collaborative content that will allow your sales force to have the answers and credibility it needs to be successful.

We call this unique service offering "Selling Collaboration". There is a much better description of this service in a brochure we have available in PDF format. If you are interested in this service, please contact us for the brochure and additional discussion. The best person to talk with about this particular service is Mike Dressler

(miked@collaborate.com), or you can call our office at 415-282-9197 to speak with any of our senior analysts/consultants about this offering.

David Coleman is the Founder and Managing Director of Collaborative Strategies and the editor of "Inside Collaboration." He is the author of two books on groupware, and many of the monthly Hot Tips on the collaborate.com Web site as well as this newsletter. When he is not consulting for vendors or users of collaboration technologies, he is often engaged in both in-person and Web-based presentations to educate all types of organizations about the benefits and successful techniques for collaboration. He is also working on a new book on e-collaboration. He welcomes your comments, questions, and requests, and can be reached by e-mail at davidc@collaborate.com, and he is often on AOL Instant Messenger at davidc121, or can be reached by phone at 415-282-9197.

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