Making the Carrier Connection
A Milestone Group Best Practices Survey

February 2008

There is a running debate among the technology vendors who sell into major wireless operators as to whether it is the Carrier's proprietary marketplaces (i.e., "Walled Gardens") that account for an increasingly difficult sales cycle. Or is the abundance of new technologies – and the partnership opportunities they create – overloading buyers in the Carrier organization?

In this *Milestone Group Best Practices Survey* (of Global Leaders in the Wireless Industry) we look for the answers to these questions. And we see more of a case for buyer overload than gatekeeper influence as the cause for a slowing and more difficult sales process.

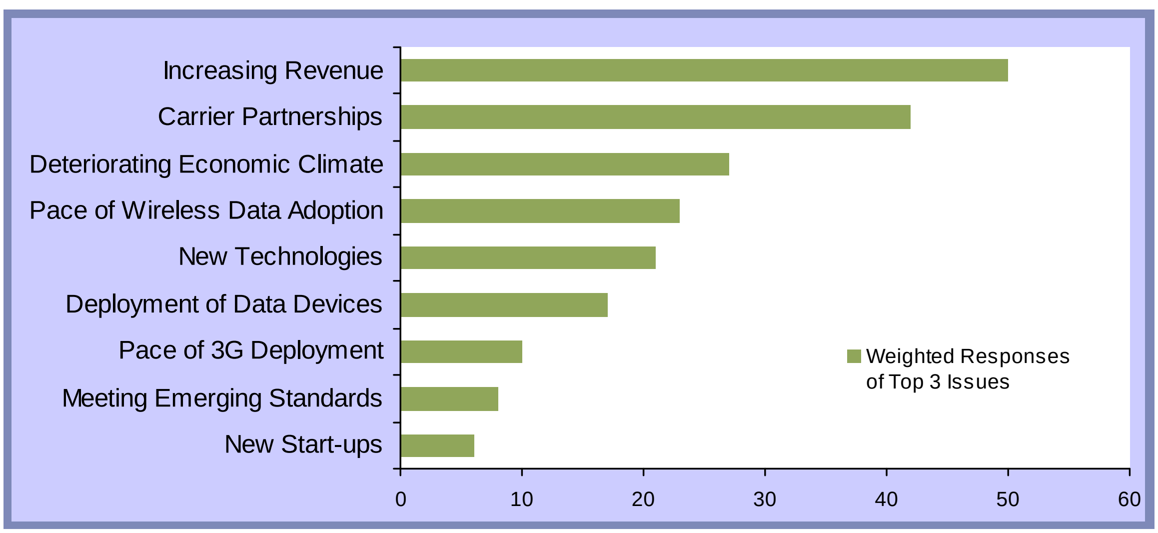
> Key Survey Finding: Because of Wireless Data Convergence, Carriers are being inundated by new partnership opportunities. Sales efforts are trending towards an emphasis on "soft sell" marketing activities that are intended to improve the efficiency of the sales process. However, those embarking too heavily on marketing based initiatives may be devaluing key relationship-based sales tactics.

While many of the enterprise sales fundamentals – budget inclusion, time to close and finding an internal champion – are emphasized as key success factors by respondents, they are also identified as the biggest challenges as well, resulting in a move to "soft selling" and business development to achieve Carrier interest at the front end.

Getting the Carrier's Attention

The Milestone Group Best Practices Survey shows that meeting the demand for new technology among Carriers is as much an effort of pull, as it is push. The sales environment into Carriers has become cluttered and inefficient – there are significantly more vendors and application candidates than the operators can accommodate and evaluate.

Figure 1: Success Factor Concerns for 2008

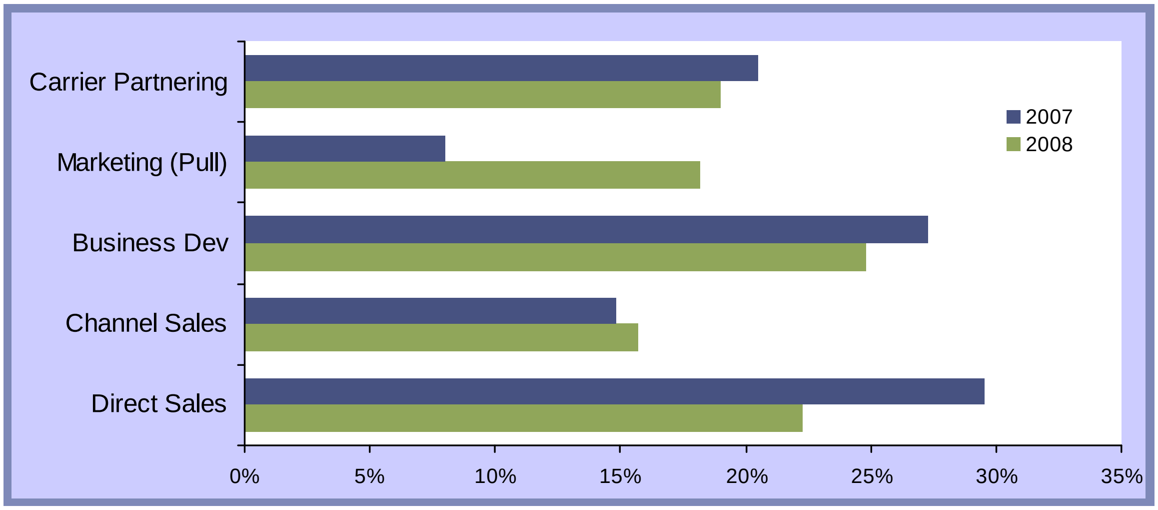


That's not to say that there isn't interest among the Carriers – the move to take advantage of data capable wireless applications & technology is top of mind. In fact, 83 percent of respondents say that they have been contacted (unsolicited) by a major Carrier in the past 24 months.

The Move to Soft Selling

Those responding to the Survey are in significant agreement that increasing revenue will be their primary focus throughout 2008 (see Figure 1). And in an environment of Carrier overload, strategy centers on relationship selling. Indeed, the *Milestone Group Best Practices Survey* shows a shift from direct sales to marketing and awareness activities (see Figure 2) aimed at the front end of the sales process.

Figure 2: Channel Emphasis 2007 and 2008



Interestingly, though, there appears to be a disconnect between the move to relationship-based selling and the value vendors place on methods that produce relationship. *Milestone Group's analysis of the Survey's results presents three important connects that vendors need to make.*

Association (Trade and Developer Group) involvement – Though respondents emphasize relationship selling, they downplay the importance of association involvement – with 44 percent saying that it is of "low assistance" in obtaining Carrier business. Association involvement is fruitless if not managed well, but when leveraged appropriately relationship occurs.

Difficulty in closing – It appears that many vendors are frustrated by their failure to understand the Carrier's buying processes. An effective enterprise sales effort is built on understanding the cycles before they kick in.

Illogical diagnosis of the sales environment – Vendors focused on the challenges to solution evaluation in the early stages of the relationship are missing the point that Carriers are inundated by possibilities. Appropriate phasing of the relationship will improve the likelihood of carrier interest.

All told, the move to relationship marketing requires a steady and constructive presence in front of Carriers. Getting the messaging, appropriate relationships and distribution mix right is what the Milestone Group Best Practice Survey found as top-of-mind priorities. The applications that will break out are the ones that are *demonstrated* as quality solutions.

And there's little debate about that.

Contact: Gary Cohen
Principal – Wireless Practice
Milestone Group
745 Emerson Street
Palo Alto, CA 94301 USA
gcohen@milestone-group.com
+1-415-370-9400