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Leadership Vision for 2022

Top 3 Strategic Priorities for Tech CEOs

From Rishi Sood, GVP, Technology & Service Providers

As we continue to navigate through and emerge from the global COVID-19 pandemic, business leaders are recognizing the possibility of long-lasting changes in how we do business, even after the immediate threat of COVID-19 has waned.

When, where and how we work is forever altered. As a result, the process for decision making — rooted in content consumption, collaboration and consensus building — has fundamentally shifted.

Accelerated digital technology innovation, changing buyer behavior and new business models add complex dimensions to how technology service providers think about every part of the organization. Technology spending is democratizing and is increasingly driven by business leaders seeking to accelerate digital initiatives. The market has changed, so technology vendors need to adapt.

Demand for digital transformation will fuel double-digit growth in spending on enterprise applications, infrastructure software, and managed services and cloud infrastructure services with enterprises investing ahead of revenue expectations in areas such as analytics, cloud computing, customer experience and security.

For small/midsize enterprises, this means growing and acquiring new customers requires new approaches to building an organization capable of achieving sustainable scaling and growth. Successful organizations will adopt whole solution methods, deliver total customer experience, embrace new demand generation strategies, expand routes to market, enhance sales practices and drive business model innovation to disrupt competitors.

Gartner Leadership Vision provides top-level guidance to leaders and their teams on where to focus — based on our data-driven research. We're providing detailed insights to our clients across dozens of roles, and we're now excited to share excerpts with the business community beyond our clients. We hope this will help you to focus discussions with your teams, peers and other leaders, so you can more quickly and effectively diagnose priorities and actions, especially as you solidify your strategic plans for 2022.

Rishi Sood
Gartner Research & Advisory

Entering 2022 as a Tech CEO

High-growth ambitions

Growing revenue and **acquiring new customers** continued to be the top priorities for tech CEOs through 2021.

Source: Gartner Market Databook Quarterly Updates

IT spend back in growth

Technology investments will continue to grow in 2022 after widespread gains in 2021. Gartner expects worldwide IT spending to expand by **6.0%** in constant currency and **5.1%** in U.S. dollars.

Gartner Market Databook Quarterly Updates

Resources are available

An increase in funding and mergers and acquisitions* created opportunities to **accelerate growth plans** and build out capabilities, conversely **creating new threats.**

* > $1 billion deals excluded

Challenges and Actions for the Tech CEO

Look beyond net new logos to account expansion

The 2020 Gartner Tech CEO Customer Acquisition Survey revealed that, compared to other organizations, top-performing growth organizations were more likely to include account growth than net new sales in the sales compensation plans. High growth can only be achieved if it is supported by low churn. Customer retention priorities are more critical than ever.

Budget for your growth ambitions

According to the 2020 Gartner Tech CEO Benchmarking Survey, high-growth technology and service providers with an annual revenue under $250 million achieve year-over-year revenue growth of 23% and above. High-growth technology and service providers grow three times faster than the average provider but spend 60% more on marketing and 50% more on channel partners.

Maximize the effectiveness of sales investments

The 2020 Gartner Tech CEO Customer Acquisition Survey revealed that top performers overall excelled at most phases of a buying process that was driven by a lead qualification discipline, and produced high-quality leads. At the core of a successful customer acquisition strategy is the alignment of marketing and sales tactics, where well-qualified and educated leads are transitioned to a properly skilled and motivated sales team.

Actions for the tech CEO

Begin by conducting a "whole product" analysis for the job to be done. If, through the analysis, you find your product and services do not constitute the whole product, the next stage is to fill the gaps. Consider whether it makes sense to build, buy or partner for each gap.

Create a deliberate and proactive strategy around assessing route-to-market expansion options, such as alliances, ecosystems and partner programs. Target large technology providers with which to build partnerships, given their attractive client-installed base.
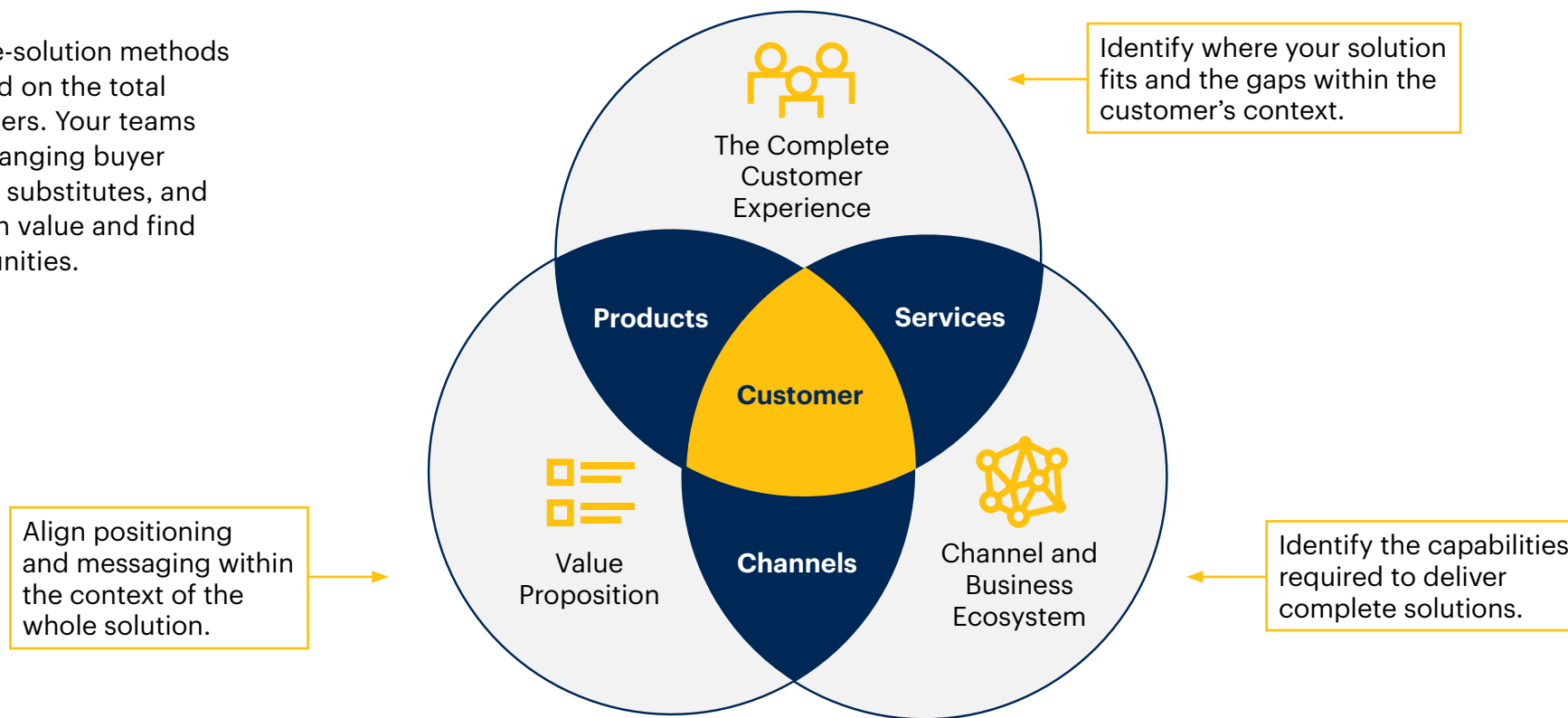
There are five key steps to improve sales results:
- Engage the right champions.
- Deliver curated information.
- Find the right problems to solve.
- Avoid question shock.
- Incorporate the buyer's psychology.

Source: Gartner

Action

# Align Products, Services and Channels to Deliver the Complete Customer Experience

Lead your teams to adopt whole-solution methods that will beat competition based on the total experience provided to customers. Your teams will more rapidly respond to changing buyer priorities and competition from substitutes, and explore ways to expand solution value and find more customer growth opportunities.

The Complete Customer Experience

Identify where your solution fits and the gaps within the customer's context.

Products

Services

Customer

Align positioning and messaging within the context of the whole solution.

Value Proposition

Channels

Channel and Business Ecosystem

Identify the capabilities required to deliver complete solutions.

Source: Gartner

Action

Purposefully Design Your Routes to Accelerate Growth

To secure frictionless customer engagement and value, select your routes to market to ensure your organization can deliver on the complete customer experience. There should be a deliberate and proactive strategy around assessing route-to-market expansion options, such as alliances, ecosystems and partner programs.

Action
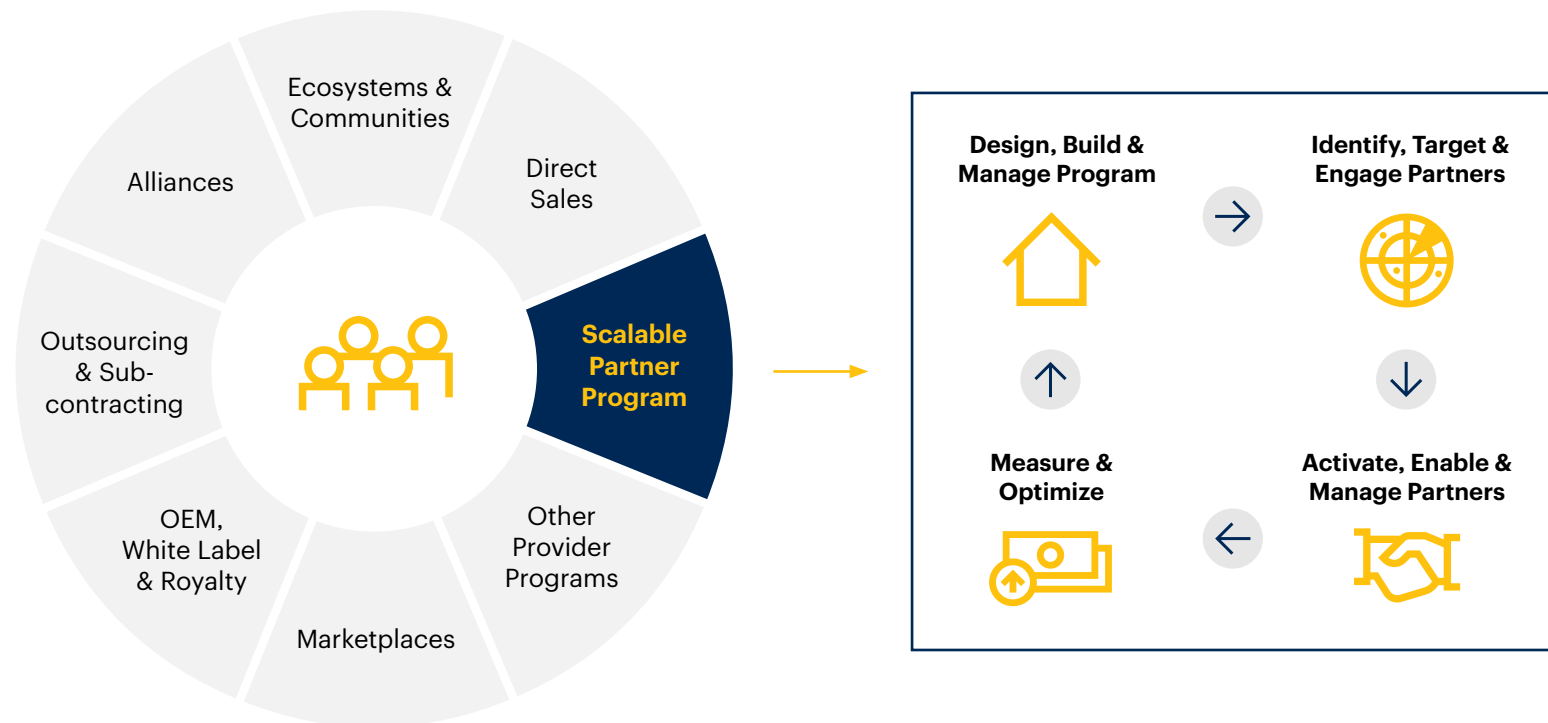
Improve Sales Performance

Tech CEOs are continually challenged to improve sales performance, effectiveness and productivity. Lead your teams to be vigilant in following best practices and consistently challenge whether resources should be used in pursuit of a given deal. Win rates will improve and growth will accelerate.

Enhance sales practices	Continuously qualify	Improve win rates

Enhance sales practices

Engage the Right Champions

Incorporate the Buyer's Psychology

Deliver Curated Information

Avoid Question Shock

Find the Right Problems to Solve

1
2
3
4
5

Continuously qualify

Preengagement Qualification Criteria

- **S** Similar?
- **C** Candid?
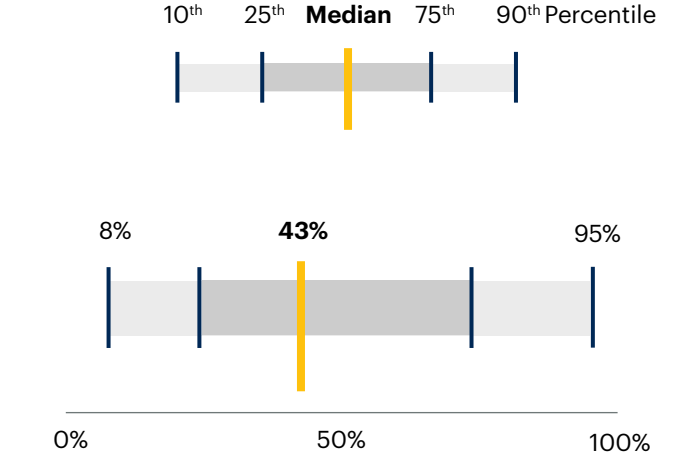- **O** Organized?
- **P** Pragmatic?
- **E** Engaged?

In-Process Qualification Criteria

- **D** Delivering?
- **I** Involved?
- **C** Concerns?
- **E** Evasive?

Improve win rates

10th 25th **Median** 75th 90th Percentile

8% **43%** 95%

0% 50% 100%

n = 102

Q: How many qualified leads did your organization pursue in the fiscal year?/
How many deals did your organization win in the fiscal year?
Source: Gartner High Tech CEO Benchmarks, as of September 2020

Actionable, objective insight

Explore these additional complimentary resources and tools for tech CEOs:

Webinar

The Gartner Tech CEO Leadership Vision for 2022: Trends and Priorities

Achieve and sustain high growth and continue scaling.

Watch Now

Research

Decision to Execution: Market Expansion Strategy for Tech CEOs

Make optimal decisions for market expansion success.

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Research

Corporate Development for Tech CEOs Primer

Achieve accelerated growth aspirations.

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Webinar

The 7 Disruptions That Will Most Impact Tech Providers in the Next 5 Years

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