

Seeking Validation

Leveraging Industry Analysts to
Help Launch FinTech Products

A William Mills Agency Whitepaper

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You have a concept for a new solution that will revolutionize the industry. After presenting to a group of bankers who like it, they have requested a prototype for beta testing. Fast forward a few months and your product is in a “live” environment, maybe not perfect, but delivering what you promised. The product launch and public relations efforts have garnered good initial media coverage and created “buzz,” but there needs to be more demand in the marketplace.

How might analysts play a role in your product’s success and meeting the needs of your customers?

Technology companies reach out to industry analysts and media for the same reason – to increase awareness of products/services among those who influence IT purchasing decisions. However, analysts have additional value in that they are a key resource for technology vendors for their

insights and experience, helping them better understand buying behaviors, improve credibility and more sharply position the product or service against the competition.

Many bank decision-makers read research reports that include analysis and commentary issued by analyst firms like Forrester, Gartner, Aite and IDC Financial Insights. Vendors included in these reports are more likely to achieve “top of mind” status for upcoming buying decisions. Purchasing reports or leveraging a

consultative relationship with analysts can provide bankers the data and justification they need to make wise investments.

There are literally hundreds of vendors providing services to the U.S. banking market. The increasing market complexities and an overall cautious mood have forced banks and credit unions to do more due diligence when selecting a new vendor.



Companies reach out to industry analysts to increase awareness among those who influence IT purchasing decisions

Let's review what a company needs to know before working with any analyst:

1. Who are industry analysts?
2. What is analyst relations?
3. Why engage with analyst firms?
4. When are analyst firms most useful?



Who are Industry Analysts?

1 In the U.S., “analysts” can refer to stock or financial analysts who cover individual companies. Industry analysts are individuals with an intense focus on a specific industry and certain market segments, such as retail banking, payments and compliance. Industry analysts identify and research trends; consider best practices and meet with vendors and bank clients to understand shifts in the market. They review materials, provide industry direction and analyze business solutions; they “live and breathe” their practice area. A good analyst review can favorably impact the success of a start-up or launch of a new product into the industry.

A good analyst review can favorably impact the success of a start-up or launch

Most financial industry analysts have a banking, payments, technology or service provider background and years of hands-on working experience. They serve as unbiased third party validators and independent researchers with keen industry insights. Each analyst firm – and each analyst within the firm – is responsible for understanding his or her specific market and articulating its value. Analysts are information gatherers, analytical and thorough, and they are confident in their knowledge.

To be clear, we should address a few things analysts are not: they are not on your company's payroll; nor are they paid to endorse your company. Analysts provide objective research, opinions and advice to the market. Knowing this will help you get the most out of your relationship.



What is Analyst Relations?

2 By definition, Analyst Relations is a corporate communications and marketing activity where companies communicate with industry analysts who work for independent research and consulting firms.

To better ensure a positive and successful experience, an internal company resource, usually someone from the marketing department, should spearhead managing analyst relations. This responsibility includes handling inbound requests and planning involvement in all relevant reports. There are also opportunities to work with analysts for go-to-market collateral such as white papers, webinars and sponsored research reports. Outside resources, such as a PR firm, can also assist with

your effort to keep analysts abreast of company news, make introductions and facilitate briefings. It is also a common practice to leverage good analyst relationships to serve as sources for thought leadership articles and trend pitches; they can add a level of depth while providing an unbiased opinion that readers appreciate.

Press releases should be emailed on a regular basis to keep analysts up to date on major developments.

Analyst relations can be integral to meeting your business objectives as they can help you substantiate your vision or direction through research and reports on the subject.

Why Engage with Analyst Firms?

3 Analysts are able to draw upon multiple sources of information. They typically have a market perspective that is important in understanding trends, evaluating competition and sizing the market. They can also provide valuable information about potential partners or customers, and some analysts also advise on sales channel strategy.

Analysts offer a wealth of value in terms of target market perspectives and strategic planning

Cultivating relationships is important whether for an emerging technology company or an established one introducing a new solution. While no guarantee of success, companies frequently experience a greater level of market success or traction when engaged in a positive relationship with analysts. Many companies invest a lot of time and resources into managing analyst relations; it offers a wealth of value in terms of market perspectives and strategic counsel.





When is Analyst Relations Most Useful?

4 Analyst relations offer value at all stages of any company's growth and can produce numerous benefits if executed properly. Initially, it can help with inclusion in an analyst's report, a ranking, a blog or a webcast. It can also help generate media interest because editors and reporters often rely on the expert opinion of an analyst. And, it can open the doors to RFP opportunities because analysts are continually talking to and advising companies on their technology purchasing decisions.

For start-up companies, briefing analysts on your technology can help you to better define your market and hone associated messages. They are a good sounding board for ideas and can work with you to determine best business strategies. Analysts can also provide valuable insights into areas of need within different industries and opportunities for growth.

When launching new service(s) or enhancing existing ones, companies can leverage this influential community to best determine how their new product(s)

might fit into the current landscape; what the current market needs; or how this will solve an industry challenge. Keeping this community apprised of your solutions can prove beneficial when they are asked to comment as an expert in the area.

Companies need third party validation for their solutions, whether it is from actual customers or analysts. Beta customers can speak about products, but if they are not able to provide the substantiation or ROI needed, reaching out to an analyst who understands the industry may offer the information/validation needed to be successful. An analyst, however, will not take briefings with vendors who do not have a successful proof point. The analyst community is a vital audience for any FinTech company; building the actual relationship takes time and often involves a monetary commitment. It does not happen overnight.

Vendors should not expect more than one unpaid briefing every 12 to 18 months.



Steps to Building Strong Analyst Relations

1. Decide: Paid or Unpaid?

Analysts make money by selling their research, opinions and insights to a broad client base of financial institutions, and technology providers and consulting firms. Analyst firms are also engaged by companies for customized research, speaking at events and go-to-market services.

The first step in any analyst engagement is to decide what type of relationship works best for your company. All firms want vendors to become paid partners, and with a paid engagement you will receive more valuable interactions and advice, market research reports, market sizing and spending, quotes, one-on-one meetings during the year and onsite visits. Services vary depending on the scope of the engagement your company decides to pursue. The scope of projects and associated costs can vary greatly between analyst firms. And, a new start-up company might be able to negotiate a smaller sampling package than what is on the traditional menu. Work with your sales representative

to explore all of the options. Without having a paid relationship, there are still many benefits to engaging with analyst firms. Similar to media relations, this is an educational relationship. Companies can request briefings with relevant analysts to inform them of their products and help them understand their unique market brand. Unpaid engagements can even result in being included in wide-scale reports for a group of products.

There are many benefits to engaging with analyst firms regardless of whether the relationship is paid or unpaid.

Analysts want to be comprehensive and unbiased when listing and ranking products, but they need to know about your

product in order to include it. Many rankings are annual reports or are scheduled far in advance. Earmark those specific seasons to follow-up with the authors and proactively offer any data they might be seeking. Recurring reports such as IDC MarketScapes, IDC Top 10 Predictions, Forrester Waves, Gartner Magic Quadrants and Celent's Top Trends in Banking and others are all very well read, and preference is often given to paid partners.



Steps to Building Strong Analyst Relations

2. Identify Relevant Analysts

The next step for a successful analyst relations program is to identify the analysts who are most relevant or specialize in your industry/business. They need to understand the solutions that you offer so that together you can work to establish your company as a market leader. It is important to note that not all analyst firms cover all areas of financial services. Many specialize in specific practice areas and markets or technologies that may not be applicable to your business.

Some possible questions to ask analysts include:

- What reports do you have planned in my space?
- Where do you see the market going?
- Who will emerge as the main players?
- Which competitor should I most fear?
- What type of partnerships would benefit my product/company?
- What do you see as the primary strengths of my offering?
- What are the strengths and weaknesses in my approach, strategic direction, competitive strategy?



STRATEGIC INSIGHTS INTO
CUSTOMER TRANSACTIONS



Steps to Building Strong Analyst Relations

3. Tailor Your Content

If you are unaccustomed to working with analysts, initial briefings typically begin by contacting the firm and requesting an introductory briefing. A face-to-face meeting is always the best way to foster a relationship, but keep in mind that analysts are very busy. Similar to editors and reporters, industry analysts are typically interested in learning about technologies and services that will help their specific industry. They want to get information as well as a better understanding of your company and your product(s).

A typical briefing will cover a brief history of the company, its vision, where the product fits in the marketplace, what makes it unique, and where/how the product is currently being used. Come prepared to discuss two or three issues related to your products or services. Your briefing goal should not be to sell your product to the analyst but rather to get him or her more familiar with how your company/solutions fit into the marketplace. Highlight the most relevant examples of your success and tie them to the specific



A face-to-face meeting is always the best way to foster a relationship.

expertise of the analyst. Anticipate tough questions and do not take a defensive posture when answering them. These analysts have seen many demos and they can be skeptical. Their opinions are often well founded and a conversational posture is best.

Rehearse your presentation so it appears to be natural. You should be so familiar with your material that should there be a power outage, you can still deliver the complete presentation without the PowerPoint outline. And lastly, make your solution benefits perfectly clear. Bullet points, demos and presentations are welcomed tools to communicate your ideas.

Another key point to remember – if analyst visits are part of a product launch, meet with analysts before you meet with media. This enables you to incorporate any feedback they provide in your presentation and subsequent messaging to the media. Additionally, this meeting provides the opportunity to ask one or more of the analysts to possibly develop a quote for an upcoming news release (although most



Steps to Building Strong Analyst Relations

4. Keep in Touch

After your initial briefing, the relationship can be maintained in a number of ways. Most analysts are open to periodic meetings and briefings, especially if there are new products or major developments impacting your company or industry. They also welcome relevant news updates, but remember to focus on the most significant news. Analysts do not want to receive every new hire, product enhancement and speaking advisory that comes from your company. Exceptions can include changes that will affect the company or the industry.

Also, inquire about upcoming reports. There is a much better chance that an analyst may include you if they have been briefed on your company in advance. Never assume that an analyst will proactively contact you requesting an update.

Analysts are often publishers of content outside of formal reports. Take time to read their blogs, connect on social networks (LinkedIn, Twitter) and provide feedback on their published work on the networks.



Summary

To successfully build productive, respectful relationships with analysts requires a commitment to a plan plus realistic expectations based upon a paid or unpaid relationship. Analysts will help establish your company with influencers along with building name recognition, awareness and credibility in your market.



About the Authors: We'd like to thank Catherine, Heather and David for their contributions to this white paper. Catherine Laws is Executive Vice President, Heather Sugg is Account Supervisor, Regional Manager and David Jones is Account Supervisor at William Mills Agency.

Analyst Firms Covering the Financial Industry

ANALYST FIRM	HEADQUARTERS	PRACTICE AREAS
Aberdeen Group	Boston, MA aberdeens.com	- Financial Management & Governance Risk Compliance - Financial Reporting - Disclosure Measurement - Treasury and Risk
Aite Group	Boston, MA aitegroup.com	- Banking & Payments - Retail Banking & Payments - Wholesale Banking & Payments - Securities & Investments - Insurance
CEB Tower Group	Arlington, VA Executiveboard.com/exbd/financial-services/towergroup	- Financial Services - Bank Cards - Consumer Lending - Consumer Management - Delivery Channels - Emerging Technologies - Financial Information Security
Celent <i>Member of the Oliver Wyman Group</i>	New York, NY celent.com	- Banking - Corporate Banking - Retail & Business Banking - Global Financial Services - Innovation & Emerging Technologies - Insurance - Legacy & Ecosystem Transformation - Securities & Investments
Cornerstone Advisors	Georgetown, CT cmrstone.com	- Performance Solutions - Strategic Planning - Technology Services - Contract Negotiation - System Selection - Conversion Services - Mergers & Acquisitions - Risk Management

Analyst Firms Covering the Financial Industry (continued)

ANALYST FIRM	HEADQUARTERS	PRACTICE AREAS
Forrester	Cambridge, CT forrester.com	• CMO • Customer Experience • Customer Insights • eBusiness & Channel Strategy • Application Development & Delivery • CIO • Enterprise Architecture • Infrastructure & Operations • Security & Risks
Gartner	Stamford, CT gartner.com	• Digital Banking • Bank Operations Innovation • Payment Reinvention
Glenbrook Partners	Menlo Park, CA glenbrook.com	• Banking • Mobile Banking • Mobile Payments • Debit Card Economics • Scenario Planning • Online Payment Solutions • Cross-border payments • Credit Cards • New card & mobile technologies & strategies • Global expansion card and cardholder authentication technologies • Mobile & EMV strategies • Alternative payments assessments • Global Expansion • Vertical Industry Specialities
Greenwich Associates	Stamford, CT greenwich.com	• Banking • Insurance • Capital Markets • Securities & Trading • Investment Management
IDC Financial Insights	Framingham, MA idc.com	• Mobile Banking • Payments • IT Metrics & Benchmarks

Analyst Firms Covering the Financial Industry (continued)

ANALYST FIRM	HEADQUARTERS	PRACTICE AREAS
Javelin Strategy & Research <i>A Greenwich Association Company</i>	Pleasanton, CA javelinstrategy.com	• Omnichannel Financial Services • Payments • Fraud & Security • Mobile
Mercator	Maynard, MA mercatoradvisorygroup.com	• Banking Channels • Commercial & Enterprise Payments • Credit/Debit • Emerging Technologies • Prepaid
Novarica <i>Sister company of Novantas</i>	New York, NY novarica.com	• Insurance • Technology • Strategy • Operations • Markets
Novantas	New York, NY novantas.com	• Global Banking, Brokerage & Investment Banks • Marketing • Sales & Service • Customer Retention • Revenue Management
Yankee Group	New York, NY yankeegroup.com	• Mobile Applications, Transactions & Security • Cloud Computing • Customer Experience • Regulations



About William Mills Agency

William Mills Agency is the nation's largest independent public relations and marketing firm to the financial services industry. Founded in 1977, the Atlanta-based company has established its reputation in the industry through the successful execution of media relations, marketing services and crisis communications campaigns for hundreds of companies ranging in size from entrepreneurial start-ups to large, publicly traded corporations throughout North America, Europe and India.

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