

Winning New Business In High Technology

By Karla W. Trippe
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Let's face it. High-tech public relations firms are in a billing bonanza right now. Internet-oriented startups are continuing to secure funding at an accelerated rate with a higher percentage of the monies going to marketing and communications than ever before. Two years ago, technology public relations firms were charging a minimum of \$25,000 per month. Now the going price is as high as \$50,000.

Naturally, many non-technology agencies would like to jump on this revenue-making bandwagon. But before you start pitching the latest broadband startup, there's something you should know about high-tech companies. **THEY'RE NOT LIKE ANY OTHER COMPANIES!**

Most technology startups are run by serial technology entrepreneurs who were raised on this business. They speak their own language, have an ego the size of Mt. Everest and are very PR savvy. They expect you to deliver a strategic PR program that will make them stand out from everyone else even if their product doesn't.

So for those of you wanting to take advantage of this lucrative PR opportunity, here's a primer on winning new business in high technology.

Understand the different technology segments

Not all technology is the same. There are six key segments: components, hardware, software, peripherals, telecommunications and the Internet. Each has different trade publications, analysts and industry watchers. You need to understand the particular segment your prospective client is in as well as how it relates to the other segments because all technology is interrelated. It's like six degrees of Kevin Bacon.

Focus on the Hot Growth Markets

According to **Upside Magazine**, one of the leading business publications of the technology industry, the hot markets for 2000 are e-commerce, online content, digital entertainment, semiconductors, enterprise software, telecommunications and net infrastructure. Assign an account person to prepare a thorough research report on these markets including key players, analysts, tradeshow and reporters. Then put out the word



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among the investors and headhunters that you have a team ready and available to take on an account in one of these areas. Watch the startups come calling.

Understand the different communications needs for pre-IPO and Public Companies

Communication strategies for startups and public companies are somewhat different. A pre-IPO is looking to rapidly increase its market valuation prior to going public. It will have a few key news-making activities – company launch, product launches, business alliances and customer/revenue growth – on which to build its brand and market awareness. Startups will expect its PR firms to capitalize on each of these opportunities. The good news is that they have more money to spend these days. The six biggest technology IPOs of 1998 each spent \$6 million or more on marketing in the year preceding its public offering.

For public companies, the strategy still focuses on valuation or increasing the stock price. But public companies have many more communication opportunities as well as the ability to create communication campaigns that are not product focused.

Understand the Decision-Making Process

For agencies that regularly work with public companies or organizations in non-technology industries, the client contact may go no higher than a director level. But with a technology startup, you are regularly dealing with a contact that is no lower than a vice president who can make an immediate decision. They will expect to work with a very senior-level person at the agency, preferably a vice president. Many PR firms make the mistake of putting a junior-level account person (less than 5 years experience) on a pre-IPO technology account. These people simply don't have the experience or the presence to gain the confidence of technology startup executives.

Winning the Business

There are a few basic principles for winning new technology accounts. First, when pitching the business offer relevant case studies with quantitative results. Technology companies are very coverage-oriented and will expect to see plenty of clips from the right books reflecting their key messages. Second, build relationships from the top down. Technology executives look for smart people and are very loyal to personnel, consultants and agencies that can attack a difficult problem and achieve the impossible.

Lastly, be unique, be first, be Internet-oriented. The goal of any technology company is to stand out in a very noisy market so executives have their radar up for any campaign that seems repetitive. Also, they are highly receptive to programs that are technology-oriented like webcasts.



Technology companies can make great clients because they always demand your best work, your best thinking. And with the amount of capital that is continuing to flow into this market segment, you can build a strong revenue base well into the future.

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About the Author

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