

Is Anybody **Following** Your Thought **Leadership?**

Five Best Practices That Can Help Establish
Your Company As An Industry Thought Leader



Introduction

Rudolf Melik is a modest man, but he is also a thought leader.

A few years ago Melik, co-founder and CEO of Tenrox, a software company that provides project management software and resource planning solutions, began to craft a series of white papers. These papers covered various issues in his field, including best practices for budgeting, planning and resource management. After he had written about 12 white papers, Melik compiled them in book called *The Rise of the Project Workforce: Managing People and Projects in a Flat World*.

Not surprisingly, this book is not a self-serving sales pitch for his company. It is a very prescriptive overview of what companies should do to manage, measure and control resources in the geographically dispersed business world we now live in.

Melik didn't set out to be a thought leader. In fact, he might not even agree with that label. His initial goal was to be heard above the din of marketing messages in his industry. But the white papers, and the book, certainly had a thought-leading impact. Melik now speaks to industry groups around the world, which indirectly helps to drive business for Tenrox. In fact, the company regularly competes with the big boys (like Oracle) for enterprise project management opportunities. Since the book was published in 2007, Tenrox has grown its revenue by an average of 20%, and the company managed to remain strong and highly profitable throughout the recent economic crisis.

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What Exactly Is Thought Leadership?

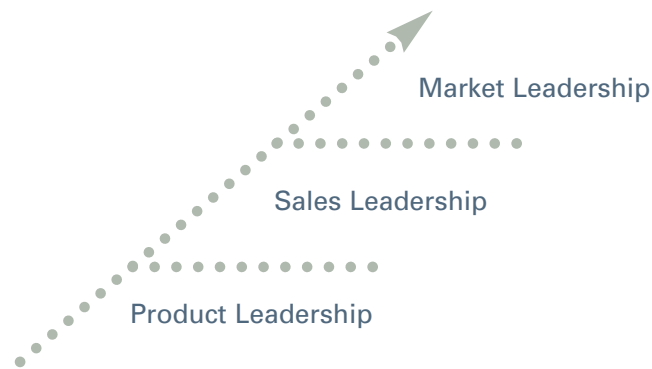
A Google search for the term "thought leadership paper" returns almost 1.7 million results. Is it possible there are that many thought leaders around? Or that there is some confusion over what thought leadership really is?

It's instructive to see what Consultant Richard Currier describes as the three stages of corporate leadership:

1. Product Leadership
2. Sales Leadership
3. Market Leadership

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Market Leadership is the Only Long-Term Sustaining Strategy



According to Currier, market leadership is the only lasting advantage. He believes that when companies first establish a foothold, it's usually because they have a better mousetrap. It's cheaper, faster or more innovative. But product leadership doesn't keep companies ahead forever. Why? Competitors are either a half a development cycle behind (or ahead) of you. So, in an efficient market—with free flow of information and resources—it's hard to maintain product leadership. Beyond product leadership, there is sales leadership. Many B2B companies are sales-driven. It's an excellent way to grow, but at the end of the day, the best sales people don't stay in mature organizations, they go on to the next start up, or look for the highest commissions. And salespeople rotate. Today's Xerox salesperson is working at Ricoh tomorrow.

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Thus, according to Currier, it's market leadership that is built to last. Staying far enough out in front of not only product trends, but service delivery, pricing, customer experience, R&D, regulatory—the entire value spectrum. In other words, seeing where the market is going—and getting out in front of it.

Does Oracle have the best database? It's arguable. But they are certainly driving (and leading) the market. The same can be said for Sony, Whole Foods, Toyota, Apple and a number of other market leading companies.

A big part of making market leadership pay off is your ability to convey and promote thought leadership. Thought leadership is the outward expression of market leadership. It conveys your views of where your marketplace is heading (or should be heading), and by communicating in this manner, you show your organizational confidence and surety in those views.

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We could reference reams of research here showing why thought leadership is important. One study found, for example, that salespeople who had reached the status of "trusted adviser" were 70% more likely to come away with a sale, and thought leadership is naturally one way to reach that status. But at the end of the day the reasons for becoming a thought leader really get down to a matter of good business sense for many companies.

Consider an analogy: A logging firm can either spend all its resources trying to clear trees faster than anybody else, or it can dedicate some of its time to planting new forests or inventing a better ax. The first choice is myopic. The second is market leadership. Thought leadership is letting the world know you have taken the second path.

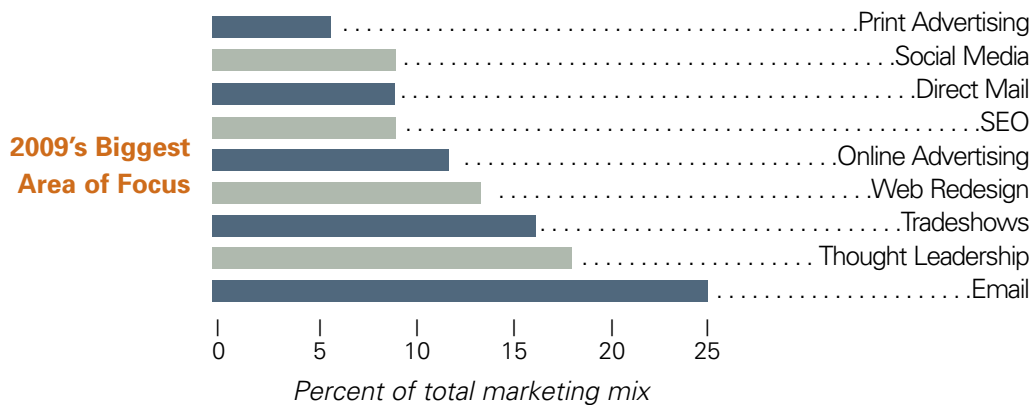
More Companies Are Doing It

Is thought leadership for everyone? Certainly not. Some very smart and successful companies are comfortable being fast-followers, price leaders or just a significant player in their industry. Their marketing and communications efforts are placed elsewhere, which is fine.

But more companies are looking to add thought leadership programs to their marketing mix. In fact, the MarketingProfs Daily Fix blog recently featured research that thought leadership trails just behind e-mail as the area of most significant focus for B2B marketers in 2009.¹

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It's our bet that 10 years ago thought leadership would not even rank as a marketing tactic. And frankly, we're not sure that it really should be ranked along these tactical lines. It's as much a way of thinking as doing, as much a function of corporate culture as it is of the marketing department's annual list of objectives.

For those companies aspiring to thought leadership, the conventional route is to express themselves in white papers, position papers or bylined articles published for the benefit of customers, media and analysts. Some companies do this quite well. As a result, they get invited to the “new business dance” quite frequently, and win more than their fair share of that business because prospects trust that they know where the industry is going. But for every Tenrox, there are many more companies that attempt to be thought leaders and achieve far less impressive results. What makes the difference between thought leadership that works and thought leadership that falls flat?

At The Content Factor, we try to help companies develop thought-leading marketing programs. But we are the first to admit that we don’t always succeed. In this paper, we’ve set out to ask ourselves (and a few colleagues) what makes good thought leadership—and what doesn’t. Hopefully, there are some nuggets in the paper that you can use to further your company’s cause.

Only Your Followers Can Make You a Leader

Great thought leadership happens when companies understand that it is up to the reader, listener or viewer to decide who is a thought leader and who isn’t. In today’s noisy marketplace, customers and prospects have

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become quite discerning when it comes to making this determination. They can quickly spot a self-serving puff piece that is intended to lead a sale and a visionary white paper or other document that is truly intended to lead a thought—to inspire, provoke, change a process or create a paradigm shift in the way business gets done.

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Granted, customers are savvy enough to understand that every business is in the business of selling its products or services, and that every investment a company makes and every document it produces should ultimately lead to that end. Nonetheless, great thought leadership has other characteristics, as well.

- It focuses on the big picture, not just your product or service
- Within your organization, it’s as much cultural as it is task-driven
- Even at the task level, it’s a process, not a project. One white paper is a start, but it’s not going to get you there.
- It acknowledges the difference between the instant gratification expected from a lead generation investment and the longer-term behavioral changes that result from your organization being viewed as ahead of the curve

- It follows specific practices that meet the acid test of “Tell me, don’t sell me”

As Jeff Bezos, the founder of Amazon.com, famously said: “To be a leading company, you have to have a willingness to be misunderstood.” Terrie O’Hanlon, senior vice president and chief marketing officer for Manhattan Associates, takes it one step further: “You have to be willing to be laughed at.”

While there is no right or wrong formula for establishing thought leadership, the following pages present some helpful suggestions that will work.

Do It the Right Way: 5 Best Practices

1. Clearly define your own brand of thought leadership.

Before you embark, be sure you know where you are going. That means having a clear understanding of what thought leadership means in general, in your marketspace and for your company. Such clarity ensures that other key stakeholders in your organization follow you and will help them understand what it takes. Experts agree that thought leadership is one of the most misunderstood, overused and yes—abused—terms in business. Beware of biting off more than you can chew. Start small and grow.

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“Thought leadership is one of those terms people throw around with no idea what it means,” said Beverly McDonald, former chief communication officer at Infor, a \$2 billion software company. “People think it means repeating what has already been said in the marketplace and if they do it with more frequency they’ll rise above the noise. Or they think it’s an alternative way to get their name in the press when they can’t get attention with any real news. The bottom line for me has always been that you can’t be a great thought leader unless you have great thoughts.”

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Brian Carroll extends the definition on his B2B lead generation blog: “Thought leaders genuinely influence others by creating, advancing and sharing ideas. Their objective is to help others. In business, thought leaders revolutionize the way others (both inside and outside their companies) do business. That’s thought leadership.²

For McDonald, the blog definition omits one quality essential to thought leadership: passion.

2. Be Guided By Generosity.

Thought leadership is a commitment to a grander goal than lead generation—an effort whose reason for being is to benefit your industry as a whole, not just your own company.

Thought leadership requires generosity of one's time, intelligence and knowledge.

The blog www.elise.com notes that a spirit of generosity is essential to thought leadership, and it's a good summary of the shift in mindset that should occur when a company makes the transition from business leader to thought leader.

"Thought leadership requires generosity of one's time, intelligence and knowledge," Elise Bauer counsels on the blog.³ Such generosity can take the form of:

- Pitching issues-oriented stories to the media that don't mention your company by name or your products
- Calling and talking with media writers and editors yourself, rather than leaving it up to your PR agency
- Recognizing that the marketing department—where most thought leadership programs originate—is not just a fulfillment service for your sales team

Consider the phrase "a rising tide lifts all boats" as a mantra for your thought leadership efforts, and understand that, with a little patience, your company will benefit from your work. Companies will look to you for insight and innovation. The media will quote you and analysts will respect you. And rest assured that your brand will have earned a new credibility and glow that while difficult to quantify on a spreadsheet, will build your company's success over the long term.

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3. Tell, don't sell.

Notorious examples of sales pitches thinly disguised as thought leadership abound in the B2C world. Consider the millions spent by the tobacco industry on studies to disprove a link between smoking and lung cancer. Most recently, nutritionists have pointed out similar transparencies in the CPG industry's Smart Choices program. "When Froot Loops can earn a Smart Choices check mark, a new industrywide label that indicates a product's supposed healthfulness, we know we can't rely on the marketers, with their dubious health claims, or for that matter on the academic nutritionists who collaborate on such labeling schemes," wrote Michael Pollan in a *New York Times* article.⁴

In the B2B world, a poorly executed thought leadership program might not make headlines in *The New York Times*, but it won't win you any fans, either. The point is that in our post-credit meltdown marketplace, the consumer—whether B2B or B2C—is more skeptical than ever, and

can spot an insincere bit of “trust me marketing” a mile away. This is all the more reason for companies to exercise due diligence when starting a thought leadership program. Be sure it is more “chalk talk” than “pep talk.”

If white papers are part of the program, be sure you understand that they should offer objective analysis of an industry issue or problem, not promotion or technical documentation of your products. A white paper should:

- Justify why the problem must be solved
- Objectively explore alternative ways to solve the problem
- Logically lead the reader to the conclusion that your organization has the knowledge, expertise and tools required to solve the problem

4. Take yourself out of the story.

Ken Anderburg, publisher and editorial director of *Health Management Technology* magazine, looks for people who take a bold stand on the

issues when he selects contributors to the publication’s regular “Thought Leaders” column. That means telling, not selling. It also means taking yourself out of the story. “The contributors should be presenting an overview that is not self-serving,” he said. “We’re looking for information that is useful for your readers,

not a self-serving discussion of a company’s technology.”

For Anderburg, true thought leadership gets down to a matter of credibility, and that means discussing what is important to the reader, not what is important to you. The magazine’s top two “Mistakes to Avoid” for Thought Leader contributors sum it up well:

1. Avoid pitching self-serving topics. For example, “Why Healthcare Organizations Must Go Wireless,” by a wireless vendor, or “The Critical Need for EMRs,” by an EMR vendor. These always get rejected.
2. *Thought Leaders* is not an opportunity to get your company’s name or product’s name into print. It’s an opportunity to posture or position the company as a thought leader in the healthcare IT industry. The best *Thought Leaders* columns don’t mention vendor or product names.

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Case in Point: Manhattan Associates Takes Itself Out of the Story

Led by O'Hanlon, the marketing team at Manhattan Associates—a leading provider of supply chain solutions—wrote a series of “Portraits in Leadership.” These portraits described how certain key clients were developing new supply chain strategies to beat the competition and succeed in the new economy. O'Hanlon and her team then provided the finished Portraits back to their clients without any mention of Manhattan, and encouraged the clients' PR teams to pitch these stories to the media. Since journalists did not view these stories as sales pitches by a technology vendor, *The Wall Street Journal* wrote articles about two of the clients and *Fortune* magazine covered the successful supply chain strategy of another.

The traditional measure of success for a PR effort—Manhattan's name in ink—didn't apply here. “We didn't want coverage on Manhattan,”

O'Hanlon said. “We wanted coverage on the efficacy of investing in this technology. And it will pay off. You just have to assume there will be commensurate benefits when someone sees the coverage, calls our clients and asks what software they are using.”

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5. Take risks. Be visionary.

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One year after Theodore Roosevelt lost a bid for the White House in 1912, he took a journey down an unexplored tributary of the Amazon known as the River of Doubt, where he encountered a life-threatening infection and even stalking by cannibalistic natives. But he completed the journey, and eventually the River of Doubt was renamed Rio Roosevelt by the Brazilian government.

Modern business doesn't offer such colorful adventures, but all the same the successful thought leaders among us do take risks, do venture into uncharted territory, and do emerge victorious as Roosevelt did. Taking that first step can seem daunting, however.

For example, many companies measure the success of a marketing effort in terms of how many leads it generates. They take a short-sighted view that doesn't take into account the long-term ROI that a properly constructed thought leadership program can deliver. They are also apprehensive about sharing information that goes beyond what is contained in corporate collateral or on their website. They might be loathe to promote their clients' successes because they think it would be equivalent to giving away their clients' “secret sauce” recipe to the competition.

What they don't stop to consider is that all organizations have a "secret sauce" or the "family jewels" that set them apart, and keeping them locked away in the far corners of the organization is not the behavior of a true thought leader, especially not in today's blog-driven, social media-hyped world. A thought leadership program can be the best way to extract your company's value and communicate it to the marketplace in a fresh new way, as Manhattan Associates did.

Case in Point: ControlScan—You Don't Have To Be a Big Company to Think Big

Heather Foster, vice president of marketing for ControlScan, a company that provides PCI compliance and security solutions to small merchants, uses thought leadership as the primary driver of the young company's marketing strategy. It's the reason the company commissioned a study of small merchants and the security challenges they face, a topic that hadn't received much attention from the media or analysts. ControlScan teamed with the National Retail Federation and the PCI Alliance and conducted the primary research. The results showed some interesting gaps in merchants' knowledge of the PCI compliance strategy and the resulting report urged the industry to do more.

Within a few months, more than 15 articles about the study were published in various industry trade publications, not including blogs and other forms of social media. "For a small company to get that kind of visibility is unusual," says Foster. "These same publications are calling me now wanting more information about the issues small merchants face, because we're considered a thought leader in the field. That was our goal."

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Conclusion: Is It Really Worth It?

Companies that are thought leaders understand that the success of their program can't be measured on a spreadsheet—at least not right away. But that's not to say that thought leadership programs aren't delivering impressive results quickly to the companies that are willing to make a serious investment in them.

If you're considering a thought leadership program, you can also take heart in the fact that it doesn't have to be 100% virgin-pure. We're all in business to win, and everyone in business understands that. When you produce a white paper, of course give your company credit and briefly discuss how your solutions and services can help solve the challenges outlined in the paper. No one expects you not to promote your business. Just don't overdo it. Remember the acid test for any thought leadership initiative—whether it is a white paper, a webinar or a podcast: Are you trying to lead a thought, or lead a sale? Lead a thought, and the people who matter to your business will follow you.

No one expects you not to promote your business. Just don't overdo it.

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About The Content Factor.

The Content Factor is a team of experienced, Web-literate content creators. Our goal is to help our clients do better marketing through better content. We can be reached at www.contentfactor.com or 770-457-2489, ext. 227

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