



6 Ways To Engineer A Customer-Buying Pipeline

by Laura Patterson

We all understand the need for Marketing to positively and directly impact the sales cycle and win ratio. This is still an area of challenge for many marketers.

Two studies this past spring, the CSO Insights 16th annual sales performance study of 2,800 companies and an Aberdeen study conducted with 472 participants, brought to the light the need for marketing to do a better job when it comes to both quality and quantity of leads.

When these are out of kilter, sales cycle increase and the lead-to-conversion ratio declines. Both of these are critical metrics for marketing to monitor, measure and manage. Our ability to affect these metrics is indicative of how well Marketing is affecting business results.

Sixty-three percent of the respondents in the CSO Insights study reported that the quality and quantity of leads generated by marketing need improvement. The Aberdeen study found that 59% of the respondents don't convert enough leads to sales.

The Aberdeen study revealed that Best-In-Class companies convert 44% of the leads to sales compared to an industry average of 26% and have experienced 8.4% year-over-year reduction in the sales cycle time compared to a 1.3% reduction by the industry average.

What do the Best-in-Class do differently?

Best-in-Class Marketing organizations embrace performance analytics, invest in training and technology, and streamline their processes in order to shrink lead turn-around time and response to customers. And they improve their understanding of the customer buying process and organize their marketing and sales processes around the way customers' buy.

These six steps will help you engineer your pipeline around the customer buying process:

1. Create a detailed list of your customer's entire buying process. (customers in different industries or different sizes may have different processes, so one process may not "fit all.")
2. Organize the list in the order you think they occur.
3. Validate the process with your customer advisory council or board or other "friendly" customer.
4. Reconfigure your opportunity pipeline stages using the customer buying process so that your stages are linked to specific observable incremental customer buying behaviors.
5. Revise your lead scoring methodology to match the customer process to improve the handoff between sales and marketing, reduce leakage, and improve the conversation rate.
6. Synchronize your marketing and sales activities with the customer process.

The Value of Pipeline Engineering

Pipeline engineering helps identify where bottlenecks or gaps exist. For example, maybe there are too many contacts and the organization cannot process them quickly enough. Or there is a dearth of qualified leads indicating that the sales team won't be able to produce the needed number of deals. We can also use the pipeline to compare a program's performance to industry standards. Pipeline engineering allows you to calibrate your marketing and synchronize marketing and sales efforts. It truly is the first step in marketing and sales alignment.

This methodology also allows you to take a more scientific approach to opportunity and customer development enabling you to understand what is happening in the buying process and where to make adjustments. Pipeline engineering enables you to manage opportunities and improve the lead-to-win ratio.

Disclaimer: Any VEM information or reference to VEM that is to be used in advertising, press releases or promotional materials requires prior written approval from VEM. For permission requests, contact VEM at 512-681-8800 or info@visionedgemarketing.com. Translation and/or localization of this document requires an additional license from VEM. For more information on VEM, visit www.visionedgemarketing.com.