6 Best Practices for Opportunity Management

By Laura Patterson

A study by the CMO Council on the topic of marketing and sales alignment, revealed "an urgent need for marketing, sales, and channel management to align and embrace technologies, processes, and programs that enable wider and deeper customer conversations, as well as leverage the knowledge, influence, and access of the channel and continuously refine the delivery of products and services in the most painless, seamless, and satisfying way." And according to a study conducted by CSO Insights, only about a quarter of leads generated by marketing met expectations and about 5% exceed expectations. Just half the companies indicated they engage with less than 50% of their leads.

The relationship between Marketing and Sales is at the core of how well a company attracts buyers and sells to them. This relationship is more than just a simple handoff at the point an opportunity is generated; it is the foundation for profitable revenue growth. Ensuring alignment between sales and marketing should be top of mind for every company.

Why? Besides the organizational benefits, according to IDC, marketing and sales alignment offers was of the greatest opportunities to improve the revenue cycle. In addition to segmentation, go-to-market strategy, and sales enablement, a key area of for marketing and sales alignment is opportunity management.

Opportunity management, which is the complete process of tracking and managing new revenue opportunities (prospective and existing customer business) from the generation of the opportunity to their conversion into a customer relationship when well-defined and properly implemented provides insight into the effectiveness and efficiency of marketing and sales efforts.

<u>Six Opportunity Management Best Practices</u>

There are six best practices when it comes to opportunity management:

1. Using the customer buying process as the foundation for aligning both organizations- this step requires doing hour homework. Each customer segment/type may require its own process map. The more you can define the buying process behaviorally the better.

2. Tracking and scoring opportunities based on both fit and behavior. A qualified opportunity should both be a good fit (segment, buyer type, revenue, need, etc.) for your company AND also behaviorally demonstrate they are sales ready. It is important to determine the specific "observable" behaviors that are associated with the movement of an opportunity from contact to connection to conversation to consideration to consumption.

3. Collaborating on defining a qualified opportunity to determine when an opportunity truly sales-ready. There is a difference between an opportunity being sales worthy vs. being sales ready. Sales people ideally want sales ready opportunities.

4. Measuring marketing's impact on the sales pipeline and the number of open opportunities that result from marketing programs. There's more to measuring marketing than counting "leads." Our job is generate more customers, faster, and less expensively. Therefore we need metrics associated with each of these.

5. Using customer behavior to map the most appropriate next interactions. Once we understand the customer buying process, we can use it to develop and manage content and channels across the lifecycle.

6. Leveraging opportunity nurturing programs. Marketing and sales need to have an agreed upon plan for how opportunities that are not yet sales ready will be nurtured.

These six best practices facilitate a collaborative and aligned marketing and sales team. Together, these make it possible for Marketing and Sales to manage a predictable, reliable opportunity pipeline with a plan that ultimately produces higher value opportunities and maximizes revenue. They also set the stage for developing, implementing and measuring Marketing's contribution to the opportunity pipeline.