Session Agenda

- State of Demand Generation
- Marketing and Sales = The Revenue Engine
- The Customer Buying Pipeline - The Foundation to the Dance
- Measuring Beyond the Lead
- From Scoring to Nurturing to Optimization
The Business Climate is Challenging

- Tough economic environment
- Constant change
- Tougher buyers
- More competition
- Increasing complexity
- Reduced business investment

Sales Productivity is at Risk

- Sales costs outpacing revenue growth
- More leads needed to close a deal now than ever before. (2/3rds of companies experienced an increase in leads needed to close a deal)
- 72% of companies have seen an increase in buying cycles during the past 12 months
Is Marketing Dropping the Ball?

- Sales people still feel they are doing the majority of the heavy lifting when it comes to lead gen
- The percentage of marketing leads that convert into legitimate sales opportunities has been declining
- Sales enablement remains an issue

Marketing and Sales= Jointly Own Creating, Retaining, and Growing the Value of Customers

- Marketing and Sales is the fundamental relationship that lies at the heart of how well a company attracts buyers and sells to them
- The relationship is more than just a simple handoff at the point a lead is generated
- BUT this fundamental relationship is broken when sales and marketing
  - Different goals, objectives and metrics
  - Report through different channels
  - Lack of established channels for communication
  - Different and at times at odds compensation structures
  - Don’t understand each other’s role
Too Important to Leave to Chance

- #1 thing a company needs; to build a pipeline
- Using fully-burdened sales people to manage early stage activities is a waste
- It takes commitment and process to realize the value
- Collaboration between the two enables a company to be more efficient and more effective at securing revenue

Synchronized Sales and Marketing = Improve Revenue

- Miller Heiman 2010 global study from more than 23,000 participants found that over 70% of marketing and sales organizations are not aligned
- Alignment or lack of impacts the number of opportunities in the pipeline, the average deal size, the win rate and the sales cycle
- Aberdeen sales effectiveness study – companies with strong collaboration between marketing and sales achieve better revenue results.
10 Tell Tale Signs It's Broken

1. Sales and Marketing work from separate opportunity pipeline or sales funnel models
2. The handoff between Marketing and Sales for the opportunity pipeline is not clearly defined
3. Marketing and Sales report on different performance metrics and do not have agreed upon metrics used to determine the success of each function
4. Marketing and Sales management have not jointly defined activities that will improve opportunity flow in terms of quality, quantity, and timing
5. No common vocabulary or language
6. Marketing doesn’t solicit appropriate input from Sales when drafting a Marketing plan
7. Sales keeps Marketing away from customers
8. Sales is excluded from Marketing meetings and vice versa
9. Too much time is spent on dispute resolution or the crisis of the moment
10. Sales and Marketing attend different training programs, events and other learning opportunities

What is the Cost?

- Redundant and ineffective marketing and sales materials
- Generating poor leads
- Lack of follow up to leads
- Inconsistent messaging
- Appearance of fragmentation
- Diminished shareholder value
How Did We Get Here?

- Lack of an integrated marketing and sales prioritization and planning process
- Poor alignment between the sales process and the customer’s buying activities.
- No formally defined steps for the selling process.
- An ineffective process for dispersing and managing leads.
- Lack of marketing systems, data and reports to continuously modify and adjust marketing spend to meet sales requirement or market dynamics.
- No formal system for tracking marketing’s role in customer acquisition, retention and value creation

Create a Buying Pipeline- Discard the Funnel

- Old - Stages defined by the company
- New – Stages defined by the customer buying process.
- Old means:
  - a lot more has to go in at the top of the funnel than what comes out at the bottom.
  - lots of opportunities drop away at each stage of a long sales process.

Old Sales Stages example:
- Initial Inquiry
- Initial Communication - BANT
- Initial Meeting/Needs Assessment
- Solution Presentation
- Customer Evaluation
- RFP
- Negotiation
- Verbal Commitment
- Written Purchase Order/Contract
- Delivery
- Payment

The sales funnel is a common tool primarily used by the sales organization to understand the flow of business opportunities.
**The Downside**

Gap in “booked versus forecast” - A difference of 10% is significant

- On $100 million of revenue, that’s nearly $6 million in incremental revenue.
- Consider a sales rep with a $1.5M quota and an average deal size of $75K.
- Sales people missing between 12-20% of quota

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**Key Role of Marketing: Customer FIT**

Chasing “awareness” makes marketing irrelevant to sales

FIT- Key Component of Scoring and makes marketing relevant:

1. understand needs of the market/customers
2. identify in which markets to participate
3. assess the future attractiveness of a market and your organization’s competitive potential
4. develop the value proposition best suited for the target market

*Marketing Creates a Buying Climate – They are Drivers and Champions of Growth*
How? Create and Use Customer Buying Pipeline

- The term itself, customer buying pipeline, suggests this process is something owned by BOTH sales AND marketing.
- It’s all about customer buying signals.
  - BEHAVIOR (2nd component of scoring)

What is the Difference?

Scenario A:
- Identify the buyer
- Send an email
- Call to meet
- Assess the need
- Determine the budget
- Submit a quote
- Deliver a presentation
- Submit a proposal

Scenario B:
- Visit website
- Download a document
- Read analyst report
- Requests a call
- Describes a project
- Attends a webinar
- Schedules a meeting
- Calls a reference
- Provides specification and budget
- Participates in a demo
- Requests a proposal
Pipeline Management – A Critical Tool

Pipeline management
- helps identify bottlenecks or gaps
  - 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.
- enables you to compare your program’s performance to industry standards.
- allows you to calibrate your marketing organization and synchronize marketing and sales efforts.
- **SCORING –** Fit and Behavior Then What?

Pipeline Approach Enables Common Definitions and Metrics

- **Reduce ambiguity**
- Need to be clear about what is an opportunity, lead, qualified leads
- Critical to understand where the stages are in the process and who owns it
- Behavioral orientation is best
  - Visible
  - Measurable
The Upside

- Better insight into customers – what they want and what messages will resonate
- Greater message continuity
- More effective allocation of resources
- Fewer underperformers on the sales team
- Higher win rates
  - Improved customer acquisition and retention
- Stronger customer loyalty and equity
  - Greater customer share of wallet

“Teamwork is the ability to work together toward a common vision...It is the fuel that allows common people to attain uncommon results.”
- Andrew Carnegie

4 Key Benefits to Creating A Buyer Centric Model

1. Provides insights into how the target makes a purchase and decides to buy
2. Enables the development of tools designed to build an action that will motivate the target toward the next step in selecting your company’s offer
3. Aligns marketing and sales around a common process and vocabulary
4. Provides a measurement process and tool
## A 6 Step Iterative Process

1. Define the customer buying process and each incremental behavior
2. Validate
3. Create the buying stages that map to the buying process
4. Determine the Stage Owners
5. Map marketing and sales tools to each stage
6. Monitor, measure and report results and payback

## Then What? Nurture

- Use the customer buying pipeline to nurture
  - Connection to Engagement to Commitment
Then What? Optimize

- Measurement doesn’t stop at counting “leads”
  - How many of the marketing contributed leads closed compared to all other leads?
  - How fast do the marketing leads convert to deals compared to other leads?
  - How much are the marketing leads worth compared to other leads?
  - How much did the marketing deals cost compared to other leads?

Marketing Needs to Impact and Measure

- Pipeline contribution
- Pipeline movement
- Pipeline value/volume
- Pipeline velocity
Five Elements For Success

- Metrics and Priorities
- Tools
- Common Definitions
- Process
- Executive Sponsorship

Indicators of Success

- Improved:
  - Best Practices Sharing
  - Forecast Accuracy
  - Order Processing Accuracy
  - Communications
  - Win Rates
- Increased:
  - Margins
  - Revenues
- Reduced:
  - Administrative Burden on Sales
  - New Sales Rep Ramp-up Time
  - Sales Cycle
Take the Key Step: Create a Customer Buying Pipeline

- What Does it Take?
  - Redesign your marketing and selling process from the outside-in.
    - Set specific goals
    - Establish expectations and accountability
  - Build the process around customer buying activities
    - Involves a joint mapping session
  - Create cross-discipline teams
    - Complete the alignment checklist together

Closing Thoughts

- Change can be daunting, but alignment is too critical to avoid
- Do it together, get in the same room, leverage an expert
- Start with a blank slate, not your current paradigm

Without process everyone left to their own devices

Thank you and Resources

- Please email your questions to Laurap@visionedgemarketing.com
- To Learn More
- check out our e-Book Gone Fishin': Marketing and Sales Alignment for Finding, Hooking, Keeping and Growing Customers – a concise book that effectively guides you through the process of finding, hooking, keeping, and growing profitable customers by explaining how to define, understand, and cultivate this core relationship.
- Self-paced workbook, Using the Customer Buying Process to Align Sales and Marketing & Create 3 Key Sales Enablement Tools

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About VisionEdge Marketing – Experienced Practitioners

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VisionEdge Marketing, Inc. is a data-driven and metrics-focused marketing firm that specializes in improving marketing performance and creating competitive advantage designed to attract, secure and retain profitable customers.

Services Include:
- Marketing performance management
- Marketing and sales alignment
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- Professional development

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