

Accelerating Revenue Growth

Through Sales & Marketing Alignment



B2B marketing and sales executives are both in the hot seat

The marketing team is under pressure to create successful programs that deliver revenue impact, but they are rarely able to get the feedback they need from the sales team to properly target campaigns or to close the loop and measure campaign results. The marketing team works hard to generate qualified, sales-ready leads for a sales force that either mishandles or ignores them.

The sales team is under pressure to deliver revenue. And in many B2B organizations they are essentially on their own, sacrificing precious selling hours to generate leads and create new opportunities. The leads that the marketing team generates simply aren't much help. Too many are unqualified, and weeding through them takes too much time.

These are two sides of the same painful story. Both of these teams should be working toward the same goal: generating profitable business for the organization. But they have operated in silos for years, and this separation has set everyone up for failure.

There is a solution. Aligning your marketing and sales teams is the first step toward creating a new paradigm for your organization—one in which your sales resources are maximized and your marketing initiatives contribute directly to the bottom line.

The marketing and sales teams share the same goal: generating profitable business.

Aligning marketing and sales

In this e-book, we will give you tangible steps you can start taking today to optimize your investments in marketing and sales. These are proven ways to unite your marketing and sales teams, stop the blame game and get your organization working together to create an engine for profitable revenue generation.

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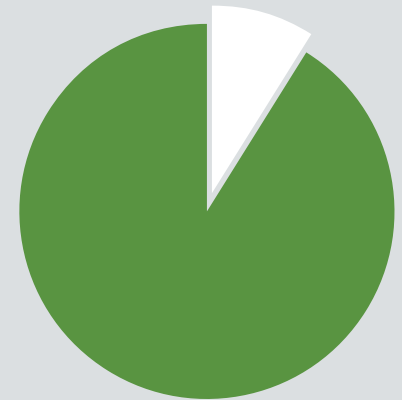
1 Stop the premature distribution of “leads”

Do your salespeople complain about time wasted pursuing unqualified raw inquiries?

The distribution of unqualified leads is the biggest cause of misalignment between Marketing and Sales.

When sales representatives continually receive raw inquiries that lack the key attributes of a qualified, sales-ready lead, they begin to believe that Marketing doesn't know what a lead is. Once this perception takes hold in your organization, the majority of Marketing-generated leads will be ignored.

Premature distribution of leads results in wasted marketing resources along with a massive loss of opportunity. SiriusDecisions conducted a study on the lifecycle of leads generated by Marketing. They found that only 20 percent of leads are followed up by Sales. Of that 20 percent, 70 percent are deemed “not qualified” by Sales. And of that 70 percent, 80 percent made a purchase in the next 24 months. **That means that the leads ignored by your sales team represent a staggering 91 percent of potential return on your marketing investments!**



91%

of potential return on marketing investments is **WASTED.**

2 Agree on your targets

So who, exactly, is your company targeting? It seems like this would be a point of commonality, but if you were to ask your marketing and sales teams this very question, they would probably have differing views on the matter. In order for your marketing programs to generate truly qualified leads, everyone needs to be on the same page. Identify your ideal targets up front so that Marketing can communicate with the right audience and Sales will follow-up on the resulting leads.

Clearly establish your target market criteria:

- Industries/Sectors
- Locations
- Company size
- Key decision-maker and influencer titles
- Any custom attributes (have owned an ERP system for 5+ years, e.g.)
- Named accounts

Using an agreed set of targeting criteria, create a map of your total addressable market so you can quantify the opportunities available across vertical markets, territories, etc. This exercise will help establish expectations and provide direction for everyone involved in the process. To better focus your resources, you should also prioritize which markets, titles, etc., will best help you meet your objectives.



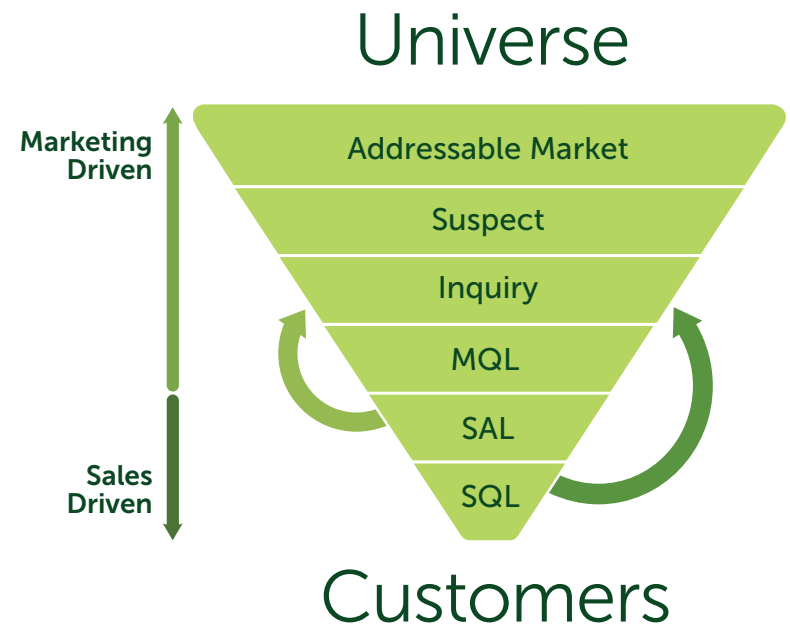
3 Define your terms

Very few companies have a universally accepted definition of what a lead is. This confusion is where the misalignment between Marketing and Sales begins. So, once you've stopped distributing leads that aren't really leads and you agree on your target audience, you need to bring Marketing and Sales together to create a new set of shared definitions.

First and foremost, you have to stop using "leads" as a generic, catch-all term; instead, use more precise language that directly corresponds to the sales funnel, and incorporates mutually acknowledged targeting and qualification criteria.

- **Addressable Market**
Organizations that fit defined targeting criteria.
- **Suspect**
Individuals within the Addressable Market who fit defined targeting criteria.
- **Inquiry**
A suspect that has in some way interacted with your organization, indicating a level of interest in your content or your services.
- **Marketing-qualified leads—MQLs**
Leads that are ready to be passed along to sales.
- **Sales-accepted leads—SALs**
Leads that the sales team has accepted and will pursue.
- **Sales-qualified leads—SQLs**
Leads that the sales team has determined to offer real, quantifiable opportunity.

Once agreed upon, these definitions will become the basis of your lead distribution and lead management system moving forward.



4 Build a lead scoring model

Once your qualification criteria are in place, you need to build a lead scoring model around them—and determine the minimum lead score needed to qualify the lead as sales-ready.

The model will become part of a management process for qualifying all inquiries. Via this process, each lead will be scored on its explicit and implicit needs before being sent along to Sales for follow-up.

These qualification rules should encompass:

- Demographic and firmographic qualification, including industry, company size, annual revenue, title and location
- B.A.N.T. qualification—budget, authority, need and timing

You should incorporate both types of criteria into your lead capture mechanisms and further qualify your leads through data enrichment and tele-qualification.



5 Nurture your leads

According to a joint study by CMO Council and BPM Forum, 73 percent of companies have no defined process for re-qualifying and revisiting leads that were not immediately sales-ready.

Your marketing team should use comprehensive multi-channel communication programs to nurture leads that are qualified but not sales-ready. This includes “recycled” leads that went to Sales but weren’t ready to purchase. Your lead management process and service-level agreement should establish clear procedures for returning leads from Sales to Marketing.

Your nurturing program should deliver a steady (but not intrusive) stream of high value content, including e-newsletters, press releases, webinar invitations, high-level whitepapers and vendor-agnostic research studies. You should use a multi-channel approach that incorporates email, direct mail, telemarketing and display advertising.

As prospects engage with your content, you can deliver messages that nudge them toward the sales process. Eventually, your scoring model will identify them as MQLs and send them over to Sales.



6 Create a service-level agreement (SLA) between marketing and sales

Once Marketing and Sales have mutually agreed on what constitutes a qualified lead, the next step is to hold each team accountable for its specific role—creating or converting demand.

A service-level agreement (SLA) defines expectations for both Marketing and Sales. It specifies the number of MQLs Marketing is expected to deliver as well as how the sales team will follow up.

You should connect the SLA to your company's revenue generation plan. This plan takes your revenue goals and works backwards to create a demand waterfall projection:

- Revenue goals
- # of new customers needed to meet revenue goal
- % contribution expected from Marketing (this will vary based on your business model)
- % of SQLs that will convert to become customers
- % of SALs that will turn into SQLs
- % of MQLs that will be sales accepted
- Total # of MQLs needed

This way, you can hold Marketing accountable for a specific contribution to annual revenue goals and measure the return on every marketing dollar you invest.

Creating a service-level agreement is proven way to stop the Sales and Marketing blame game so you can move forward with productive and profitable revenue generation.

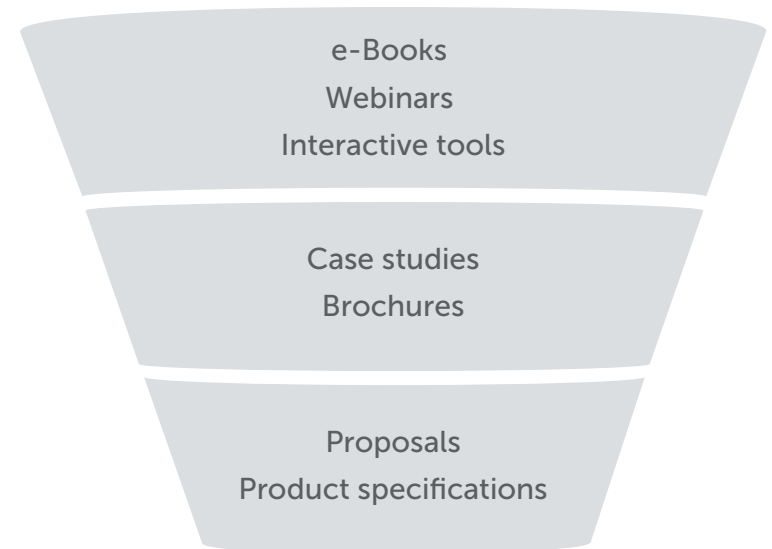


7 Create assets to match every stage of the funnel

Let's say a prospect visits your website and downloads a white paper or uses your ROI calculator. What happens next? Maybe they are ready to talk to Sales, but what if they aren't? Do you have follow-up assets that will keep them engaged as they move through their consideration and purchase cycle?

A big part of Marketing's role is to develop assets that will engage prospects and propel them through the sales pipeline. They should create a wealth of content that can be used to lead an ongoing dialogue with prospects who are qualified but not yet ready to buy. It's also a good idea to develop materials that Sales can use to keep MQLs, SALs and SQLs warm and drive them towards purchase.

If you've developed personas that reveal meaningful insights into your target audience's buying processes and motivations, you'll be able to create content that resonates at every stage of the pipeline. It's a powerful way to help the sales team keep prospects continually engaged.



8 Close the feedback loop by holding regular meetings between marketing and sales

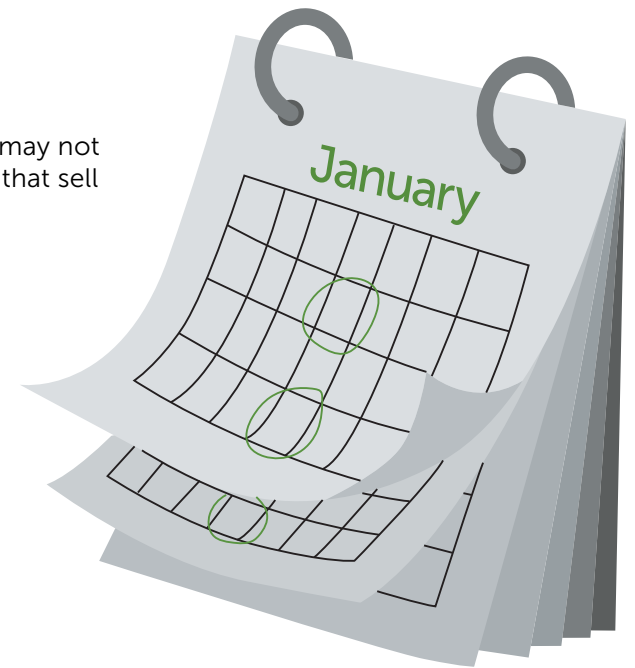
Establishing an initial agreement is just the beginning. In order to ensure continual alignment and ongoing optimization of processes, Sales and Marketing should hold regular meetings (at least quarterly).

Key topics to address:

- Is Sales satisfied with the quality of leads that Marketing has generated?
- Is Sales receiving enough information along with the leads to drive the opportunity forward?
- How much time passes after receiving the lead before follow-up begins?
- Which leads turned into customers? Is there anything unique about those leads?
- Are there any attributes common to the leads that did not convert?
- Is the existing definition of a qualified, sales-ready lead still appropriate?
- Should target market segments be reprioritized?

These meetings should include frank, formal post-mortem discussions on all lost opportunities. This may not be practical in environments with high lead volumes, but it should certainly be done in organizations that sell big-ticket items with long sales cycles.

Look upon losses as opportunities for learning, not finger-pointing. Document knowledge gained, then plan and test new approaches that might overcome any gaps or deficiencies.



9 Take an integrated approach to managing customer relationships

Collaboration between Marketing and Sales should not end once a prospect has become a customer. Your existing customers will be your best source of future business, so Marketing should continue to provide assistance to busy sales representatives to maximize every opportunity. Well-designed marketing programs can help increase loyalty, growth and retention. Make sure you're engaging in initiatives that promote re-orders, upsell, cross-sell, win-back, etc.

Assigning joint responsibility to Marketing and Sales for managing customer relationships may require a cultural shift. In many organizations, everything that happens after the initial sale falls on the sales team's shoulders—but that doesn't mean it's the most effective approach. Some areas where Marketing can support Sales in ongoing customer management include:

Customer Growth and Retention:

- Identifying additional decision makers and influencers across business units
- Building awareness of your company and its offerings across the organization
- Finding opportunities to upsell or cross-sell

Customer Loyalty:

- Extending "keep-in-touch" communications programs to all decision makers and influencers
- Sharing new ways to use the purchased solution
- Educating new users on why the solution was originally purchased
- Ensuring customers feel appreciated

Customer Win-back:

- Collecting historical information on past customers
- Verifying who the decision makers and influencers are
- Reintroducing your products/services and stimulating interest with targeted marketing campaigns

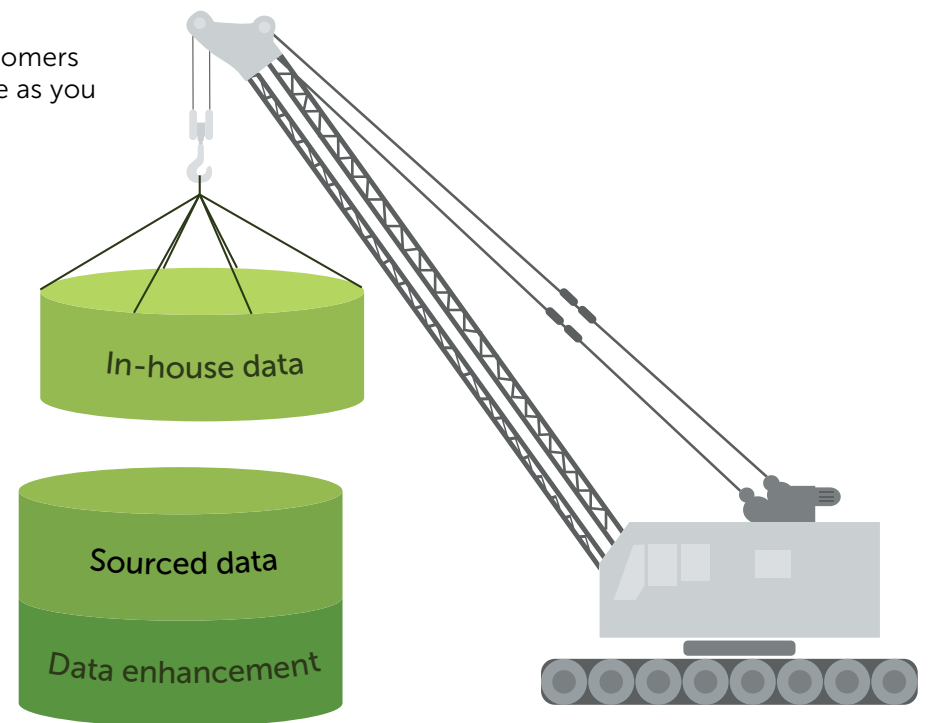
Marketing programs can help increase loyalty, growth and retention.

10 Build a centralized marketing database

If you are serious about bringing your sales and marketing operations together to create an integrated demand generation engine, you'll need to consolidate your company's potential data sources into a single marketing database that is updated in real time. Make the database available to both Marketing and Sales. Track every marketing activity to better understand your prospects' interests and needs.

The architecture should be capable of storing all marketing touches and providing marketing and sales stakeholders with visibility into every stage of the pipeline. In addition to being flexible, it should also enforce data integrity at every step of your marketing process.

Your database will serve as the one source of truth for information about customers and prospects. It will be the nerve center of your demand generation machine as you expand and improve your data resources.

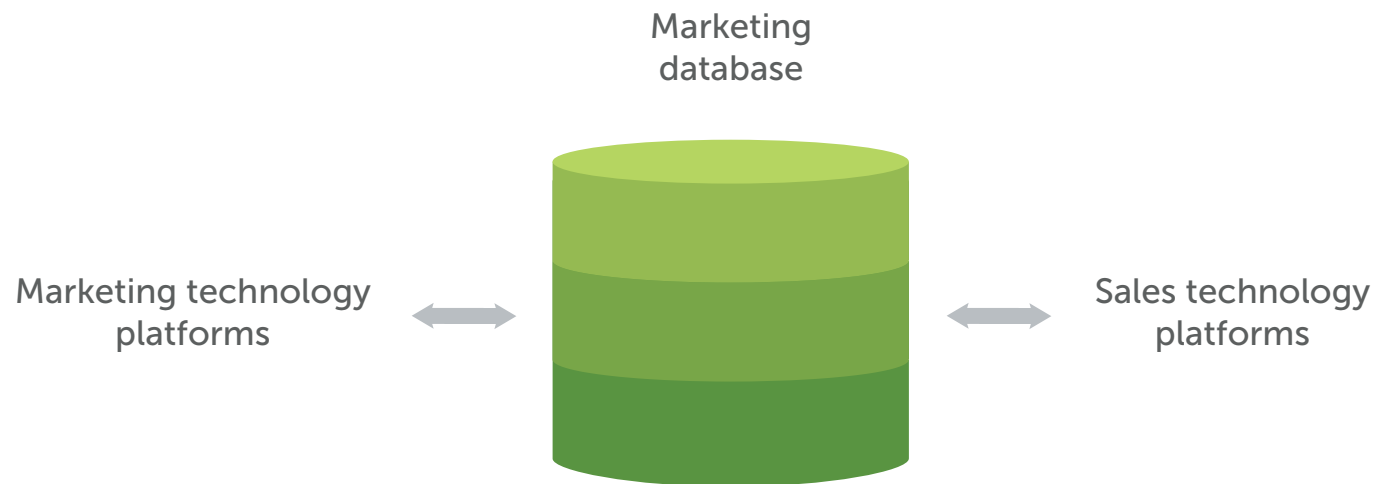


11 Build an integrated marketing ecosystem

In order to bring your sales and marketing teams together operationally, you need to fully integrate your marketing infrastructure (marketing database, email engine, website and back-end sales tools). Real-time synchronization of marketing data with sales contact and pipeline information allows sales representatives to get an in-depth look at how marketing campaigns affect their pipelines—right down to an individual prospect’s email or direct mail response, website visits, downloads and registrations.

Connecting campaign data with pipeline and revenue data facilitates closed-loop reporting, so Marketing can optimize programs and campaigns based on Sales’ effectiveness. This level of visibility increases the true ROI of the marketing spend, thereby also increasing the marketing program’s credibility.

With an integrated infrastructure, marketers will be able to tell which campaigns have been most effective in delivering quality leads to Sales. Likewise, Sales reps will be able to see Marketing’s impact on the pipeline, making them more likely to follow up on MQLs and provide ongoing feedback.



12 Leverage the power of marketing technology

Long gone are the days when senior-level decision makers opened most of the emails they received. Although one-to-many email campaigns occasionally generate revenue, they lack the ability to nurture an ongoing dialog with prospects while building a favorable brand impression. In the B2B environment the total target universe is finite, so missing this opportunity can be a costly mistake. Fortunately, it's one that's easily avoided—especially since the tools already exist to help marketers connect with prospects in a more relevant and efficient manner.

Leveraging Technology

This is where marketing automation platforms and similar technologies are particularly valuable; they can diagnose a digital action and respond accordingly with follow-up content, assets and messaging.

You can leverage the power of marketing technology to evolve your demand generation program from a one-to-many model to a one-to-one continuous interaction driven by behavioral data.

Strategy and Process

But be careful! Although marketing automation platforms are powerful, they are not silver bullets. They require intensive support and comprehensive processes. Platforms are not a substitute for personal interaction and should only be leveraged in the context of an integrated marketing and sales strategy. If you don't have proper support in place, you'll end up with either an under-leveraged system or one that simply automates your existing processes—and their existing flaws.

If your organization isn't in a position to support the implementation and integration of a marketing automation platform, consider working with a managed services provider to help you define your objectives, develop your marketing strategies and processes and implement your technology systems effectively.

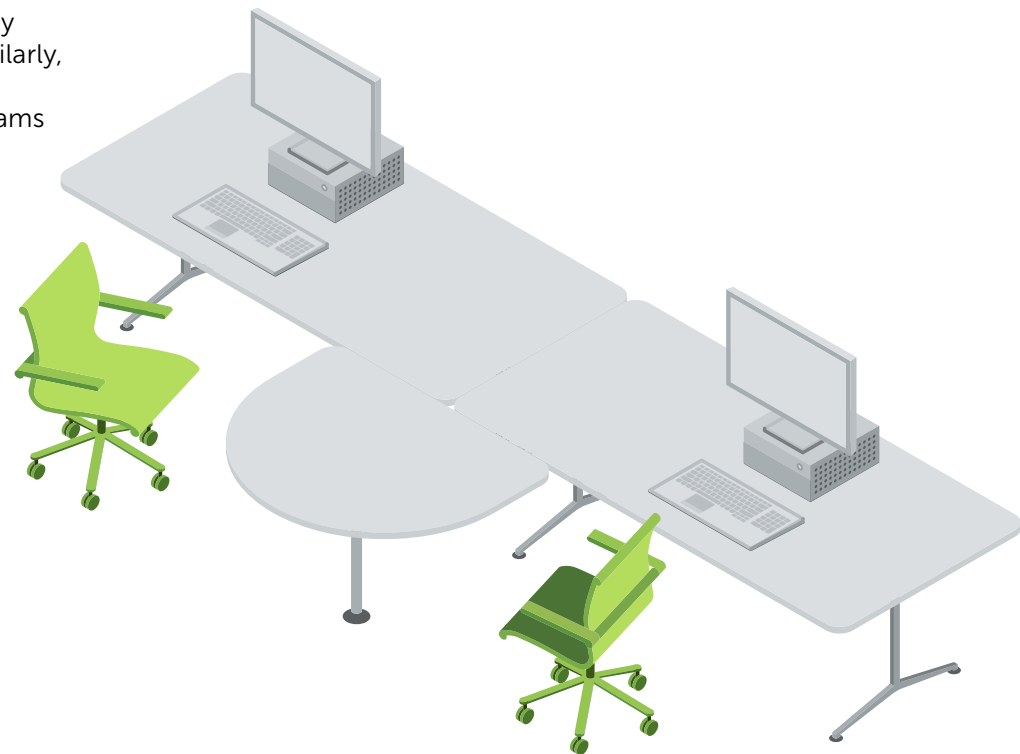
Although marketing automation platforms are powerful, they are not silver bullets.

13 Keep your teams close

Another important point to keep in mind: when creating a collaborative team, proximity matters. Sales and marketing teams should sit close to each other, rather than on different floors or in different locations. Putting the two groups together encourages teamwork, nurtures a culture of camaraderie and allows for a deeper understanding of the challenges each team faces. It's easier to break down organizational silos once you've broken down the physical ones.

If this is not possible due to an expansive field network, make it easy for employees to meet face-to-face by providing video conferencing software.

Also, consider inviting marketing personnel to listen in on sales calls so they can gain additional insight into the needs of customers and prospects. Similarly, Marketing should invite Sales to participate in the early stages of campaign development and general brainstorming. The more marketing and sales teams think and act as partners, the more effective your revenue engine will be.



Moving forward

In this e-book, we've laid out strategies that can help you break down the divide between Sales and Marketing and establish an integrated demand generation engine.

These strategies include:

- Aligning your teams on target markets and common terms
- Holding Marketing and Sales accountable
- Creating a truly integrated technology and process infrastructure.

Alignment can have a substantial impact on performance. A study by The Aberdeen Group showed that 88 percent of the best performing companies have well-aligned marketing and sales teams. Another study by SiriusDecisions reported that B2B organizations with tightly aligned sales and marketing operations achieved 24 percent faster three-year revenue growth and 27 percent faster three-year profit growth.

Start applying these strategies today to take the first step toward a more efficient, effective and profitable process.

**If you'd like to discuss how
The Mx Group can help
you align your Sales and
Marketing teams and build
a demand generation
engine, call us at
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The Mx Group

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