

3.3 | Keys to Success



Demand Generation

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| Introduction

There are many white papers, blogs and forums that discuss demand generation programs. Many offer advice about the merits of using one automation system over another or the tactical benefits of this over that to boost response rates.

Their initial standpoint is that B2B marketers understand what demand generation is and know how to plan their programs, but this may not always be the case.

This series of white papers (3.1-3.4) has been written for those marketers who may need some planning guidance; to shed some light on the key stages that they need to consider before any tactical activity takes place.

*This, the third in the **Demand Generation** white paper series (3.3), reviews the keys to success, including:*

- ▶ We Two Are One — The Relationship Between Sales and Marketing
- ▶ The Six Keys to Success

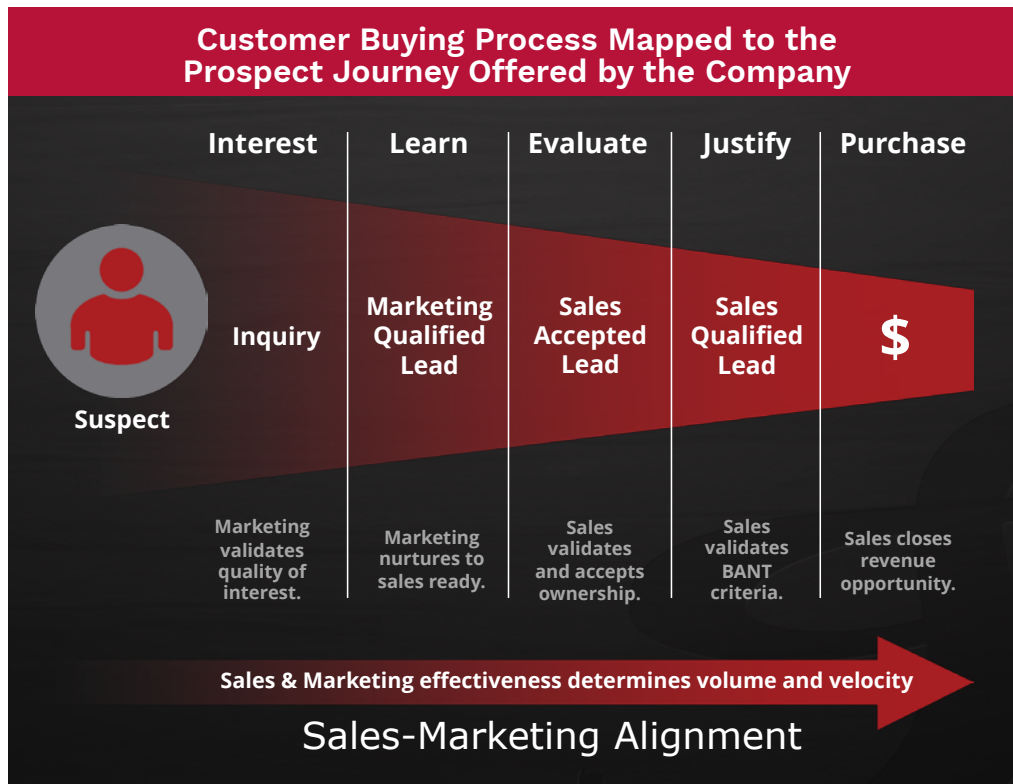
| We Two are One

The Relationship Between Sales and Marketing

Enlightened companies realize that the role of the marketing department has progressed from brand awareness to one of greater strategic importance to their businesses, building lasting relationships with customers and creating sales-ready leads for the sales team to convert.

“In sales,
a referral
is the key to
the door of
resistance.

-Bo Bennett,
Philanthropist



However, it's important to note, one should not be subordinate to the other and both will make significant contributions to the business. The key, however, is for them to function as a united team, having clear rules and definitions which they both agree and buy into. These include:

| The Six Keys to Success

1. An Understanding of What Defines a “Lead”

This is something that needs to be clarified straight away to allay any confusion. Marketing Sherpa* defines various lead stages as follows:

Suspect: Effectively cold calls, these are contacts who should be perfect because they match the profile of the ideal customer. All indicators point in the right direction — job title, company, business sector — but they have not made an approach or signed-up for anything. Marketing will own these contacts to move them further down the sales funnel. As a word of caution, however, the amount of time invested in these contacts should be considered carefully.

*Marketing Sherpa, a research firm specializing in tracking what works in marketing

Prospect: Marketing will own this lead because it is unlikely to be sales ready and will require further investigation and nurturing. This type of lead is as a result of an individual responding to an offer (completing a form, entering a competition), but there will be very little known about them except their email address and what they have responded to.

Marketing Qualified Lead: This is a “warm” lead which has been qualified by their levels of activity (such as downloads of white papers, website visits etc), as well as by a list of required data via marketing activity (telemarketing, for example). This information will allow marketing to judge how well they meet the profile of the type of customer your business is looking for. They are considering a purchase (exactly when will have to be determined), but they may require some help and education. For this reason, qualified prospects should be owned by marketing to continue nurturing until they become sales ready. As a basic rule of thumb, marketing will need to have full details for: Budget, Authority, Need and Timescales (BANT).

Sales Qualified Lead: This is a “hot” lead which the sales team should own because they are in a position to purchase, although this may not necessarily mean straight away. They will, however, have done their research and short-listed the companies they are interested in doing business with. They have identified a need they require a solution for and have the budget to warrant the time and attention of the sales team.

2. An Understanding of What Each Function Does

Sales teams need to feel confident that their marketing counterparts have the talent and systems in place to meet their demand for quality leads. A recent Frost and Sullivan* study found that only 25% of demand generation programs by B2B marketers, that have adopted marketing automation systems, are satisfying their sales teams' demand for leads.

By the same token, marketing will want to know how well the sales-ready leads are converting and what the reasons are for non-conversion. Both functions will benefit from understanding what the points of “inertia” are and how they may be overcome.

“Communication,
the human
connection...
is the key
to personal
and business
success.”
-Paul J. Meyer,
Author

*Frost and Sullivan, a business research and consulting firm

3. Engagement from the Highest Level

Having the support of senior management underlines the importance both functions play in a company's fortunes. It demonstrates that the rules have been bought into from the top down and ensures that they are adhered to.

4. Communication

The world of business changes all the time; key contacts come and go, new products enter the market and so on. It makes sense, therefore, for both marketing and sales to share this type of information to ensure alignment and the ability to respond (positively) to these changes. This can be done through a common CRM system or other tool that enables collaboration. It is also important to note the importance of sharing account details throughout the buyer's journey, not only when the deal is closed or lost.

5. Key Metrics

As mentioned, both functions will need to agree how they share information and what that information will be. Metrics will be one such area and with constant benchmarking, will ensure tweaks and changes take place where necessary and a watchful eye can be kept on maintaining the highest return on marketing investment. Metrics may include:

- ▶ Return on Objective
- ▶ Return on Investment
- ▶ Cost per Lead
- ▶ Cost per Sale
- ▶ Average Conversion Time (see point six and the Marketing Sherpa chart on the next page)
- ▶ Average Order Value

**“Unity
is strength...
when there is
teamwork and
collaboration,
wonderful
things can be
achieved.”**

*-Mattie Stepanek,
American poet*

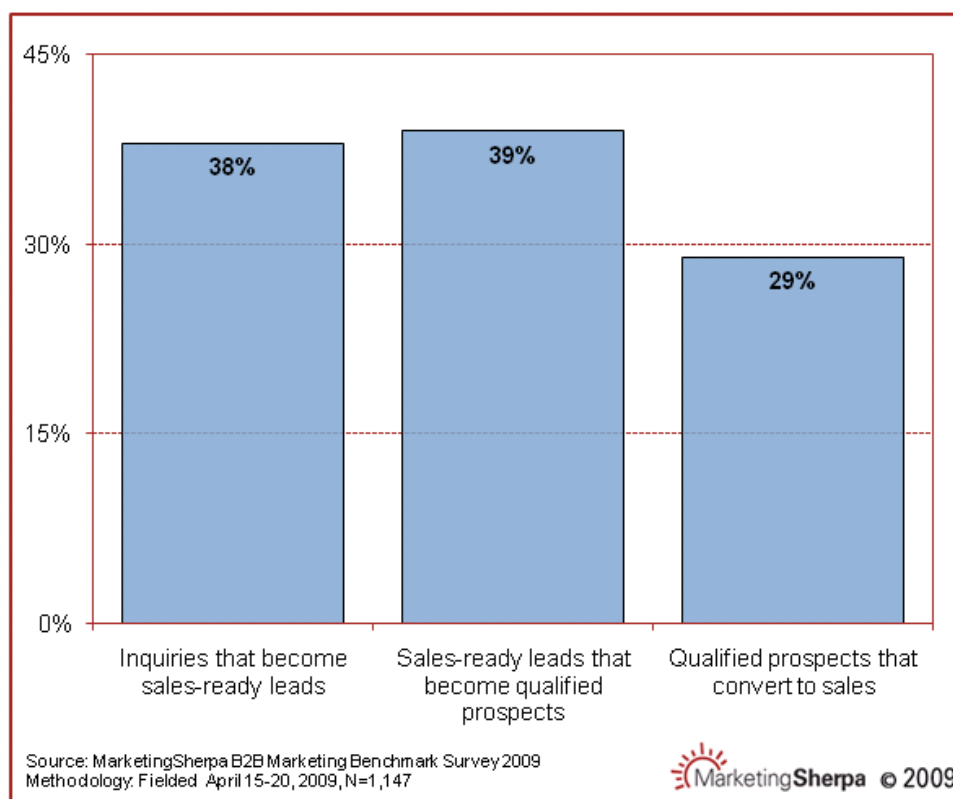
6. An Understanding of the Length of the Sales Cycle

Put simply, both functions need to have a handle on this. Sales will forecast the number of qualified prospects they expect to receive over a defined period. Marketing, therefore, must understand the average conversion rates for each stage of the nurturing process — from inquiry to qualified prospects to sales-ready leads — and how long this may take. Failure to understand could stifle the regular flow of prospects through to sales.

The Marketing Sherpa chart below demonstrates that nearly four in ten (38%) leads move from initial inquiry to sales ready, with the same ratio (39%) progressing to becoming qualified prospects. From this point, the ratio drops to one in three (29%) prospects converting to a sale. Both marketing and sales need to use data such as this to determine their strategy for improvement at each stage.

“Marketing is too important to be left to the marketing department.”

*-David Packard,
Co-founder
Hewlett Packard*



| Summary

Marketing and sales may enjoy their respective positions as strategic stakeholders, but they are still expected to deliver — marketing to generate demand and sales to generate revenue. Of course, this can clearly be achieved if each works in isolation, however, the overall sales performance will reflect just how well they work together...and it is pretty easy to analyze. The buy-in and direction at board level will ensure collaboration, but there still needs to be a clear understanding of the end game and the role each is expected to play.

*Please check out all of the white papers in our **Demand Generation** series (3.1-3.4). Next in line (3.4) we will discuss the rules of engagement.*

Sources:

Mardevdm2: What Customers Want Webinar

Frost and Sullivan

Marketing Sherpa: The Long Road from B2B Lead Generation to Sales Conversion

| About StratMarketing Group (StratMG)

With 95%+ in customer satisfaction ratings and 100s of projects, our proven methodology has successfully generated more than \$100M+ in sales for our industrial manufacturing customers. We help build deep and meaningful relationships with their prospects and customers which in turn is a catalyst to organic sales growth.

We consistently exceed objectives by leveraging complex technologies and analytic methodologies to deliver simplified sales, faster. Our methodology breaks the process into three main categories:

- ▶ Make Customers
- ▶ Manage Customers
- ▶ Monetize Customers

| Specialties

Demand Generation | Marketing Automation | Go-to-Market Strategy | Marketing Operations
Marketing Services | Marketing Strategy | Lead Management | Lead Nurture
Database Marketing | Sales-Marketing Alignment | Lead Qualification

| Let's Talk

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