



**Saligent Software High-Yield Marketing<sup>sm</sup>  
INFORMATION BRIEF**

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***NAVIGATING THE MARKETING  
AUTOMATION MINEFIELD***

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## NAVIGATING THE MARKETING AUTOMATION MINEFIELD

*by Christopher Ryan, President, Saligent Software, Inc.*

At its best, marketing automation is a difficult process to implement and manage. At its worst, it can be a nightmare and actually damage your organization. We advise our clients to forego marketing automation until they are ready to make a real commitment to the process.

While there are many benefits to automating, there are an equal number of pitfalls to avoid. We'll explore both the hazards and opportunities in this paper.

### What is Marketing Automation?

There are many flavors of marketing automation being offered, including many single-function solutions that don't deserve the name. True marketing automation is a set of technologies integrated with a unique database that automates the marketing process, therefore enhancing both effectiveness and efficiency.

Prime candidates for marketing automation are organizations whose marketing departments do not have a fully developed marketing process that consistently delivers fully qualified leads to the sales force. Naturally, if you are not doing this, you probably have a disgruntled sales force.

We tell our clients that the marketing department must consider the sales department its primary customer, not the end user of the products and services. However, unlike the customer service mantra that states that the customer is always right, the sales department is not always right and you shouldn't necessarily follow their dictates. You must learn to give them what they need, not what they state that they want and marketing automation can help you do this.

### The Marketing Automation Process

There is no one 'right way' to do marketing but good business-to-business marketing tends to go through a certain number of steps.

- Analyze the market
- Model "what if" scenarios
- Identify the audience
- Launch new campaigns
- Manage campaign workflow
- Coordinate multimedia campaigns
- Manage inquiries
- Incubate prospects
- Distribute leads to sales
- Report on campaign results





## The Important Benefits of Marketing Automation

When looking at marketing automation software, you should compare each product in terms of how it helps you achieve the following benefits:

**Accelerate campaign creation cycles** – We no longer have weeks to plan and execute campaigns, let alone months. A good marketing system will allow you to identify your target audience, plan your campaign creative and execute electronic campaigns in a few hours with reporting of near real-time results.

**Target prospects more accurately** – the most important ingredient in any marketing recipe is proper selection of the target audience. Make sure your marketing system allows you to select prospects based on transaction history, demographic characteristics, response to marketing campaigns, and likelihood to purchase.

**Customize information content** – Good one-to-one marketing means that you will send only relevant information to your prospects and customers, and stop sending them anything that is not relevant. To do this, you must have a system that collects data about their likes, dislikes and history.

**Achieve lower costs for outbound contacts** – Due to better targeting and customizing content, you will need fewer external promotions and the costs can come down. This is particularly true if you shift part of your print and broadcast media to less expensive electronic media.

**Generate improved marketing and sales metrics** – Much as sales force automation systems forced greater accountability on sales reps, marketing automation will have a similar impact on marketing managers. The good news is that this impact can be highly positive. Campaign response rates should go up, as should sales conversion ratios. In fact, any part of the marketing and sales process that can be measured can also be improved.

**Become the organizational hero** – At Saligent Software, we strongly believe in the ascendancy of marketing organizations in the corporate hierarchy. Now that many marketing organizations own a revenue channel (Internet and e-commerce) and the means to measure productivity with marketing systems, their credibility and stature is significantly enhanced. Of course this accountability has a flip side; you really stand out if you don't do your job correctly and contribute to the overall corporate mission.

## The Internet and Marketing Automation – A Winning Combination

The Internet is a very important part of most marketing systems. It can give you a single dashboard view into everything that occurs in your marketing and sales operation. Web tools can also provide you with access to analytics, planning, execution and reporting. And the right Web-based system will allow you to control the entire marketing process, external vendors, prospects in the pipeline and all your data from a single location.

Using the new automation tools, accessible from any web browser, the marketing manager can create, launch and manage marketing campaigns, model and estimate new projects, and view all relevant marketing data. In addition, he or she is able to communicate with fellow employees and key business partners, monitor return on investment (ROI), and issue reports that provide a balanced scorecard of the status of sales and marketing activities. Here is a more detailed list of the marketing functions that can be automated and accessed with an Internet browser.

**Marketing Information Bases:** These information rich tools give marketers information suited to their roles and responsibilities. For example, a manager can post documents and data in a collective repository and electronically transmit relevant information to personal distribution lists. Likewise, creative content (copy, graphics, photos, etc.) can be posted for review or re-use in other campaigns.



**Campaign Management:** There are a number of tasks that form the core activities of marketing, one of which is executing targeted marketing campaigns. Supporting the campaigns are marketing or sales activity reports that can be issued and transmitted to the appropriate personnel--electronically. The right technology allows marketers to initiate and efficiently track all activities and then generate subsequent actions.

**Marketing Process Automation:** Good marketing automation systems support the concept of re-using effective marketing components (e.g. programs, documents, surveys, and qualification questions). Rather than completely re-inventing their activities, marketers can leverage proven successful programs and select an optimal media mix based on past results.

**The Ever-Important Marketing Database:** Consumer marketing requires tracking one-to-one customer relationships. Business-to-business marketing, however, must maintain and link records at the individual, site, and enterprise levels. This gives everyone one view of what is going on at the prospect organization. Automation also allows full use of all the relevant information you are collecting about your prospects and customers.

## **The Pitfalls You Must Avoid For a Successful Marketing Automation Implementation**

As mentioned above, automating your marketing operations can prove to be a tricky and complex proposition. Over the years, we have discovered a number of pitfalls that, if not avoided, can sabotage an otherwise promising implementation.

**The eternal implementation process** – This pitfall must be avoided at all costs. It occurs when you start adding objectives midway in the project and when you tweak product functionality over and over. These are the types of systems where everything ends up 90 percent done but the entire system never gets implemented properly.

**The “have it our way” vendor** – There are some otherwise good systems that require you to change your business practices. Because of the built-in inertia at most organizations, implementing this type of change is very difficult and costly. It is far better to install a system that allows the best of both worlds: the most up-to-date business practices and lots of flexibility to adapt to your existing business rules.

**The proprietary system that doesn’t work with anything else** – Proprietary systems are close cousins to the ‘have it our way’ systems. They are based on technology architectures that do not easily ‘plug and play’ with other systems. This means you will need costly customization to create specialized data migration processes.

**The technology experts who don’t know anything about marketing** – Many of the new marketing automation vendors were created to take advantage of an emerging marketplace. While the technology may look good, a closer inspection reveals that the systems were created by technologists, not by marketers, for marketers. You will need to evaluate such systems very carefully to ensure that they deliver the minimum functionality required.

**A lopsided or oversized team** – There is a degree of truth in the old expression that a camel was created by a committee trying to design a horse. Too many players on the marketing automation evaluation team will lead to a project that is longer and more costly than anticipated. We recommend a smaller task force approach, with representation from the marketing, IT and sales departments.

## ***How to Automate Your Marketing With Minimal IT Involvement***

**Use an external provider for lead management** – There are many good firms that can offload the process of lead development and prospect migration. Of course, you will pay a premium for doing this externally, but the



improved results you get from your marketing programs may be well worth the price.

**Use a hosted web application** – Companies such as Saligent Software now offer all their software products on a hosted basis. All you need is a Web browser to access these applications and gain all the benefits. There is no hardware to buy and the total cost of ownership is lower because the software provider performs all system maintenance.

**Keep your database marketing in-house**– Just as with the lead management vendor, you can use an outside vendor to handle your database marketing needs. We usually do not recommend this because of the associated costs and loss of control over your data.

**Retain your legacy system(s)**– Some companies, faced with the expense of new marketing systems, attempt to update older applications to meet their current requirements. This is almost always a mistake because it is hard to duplicate the functionality of the newer systems

and because re-architected legacy systems tend to be costly to maintain.

**Keep your sales force and marketing systems separate**– Using your sales force automation system for your marketing programs is an idea that sounds good until you do a careful study of the sales force system. These products were created for the needs of the sales force, not the marketing department, so you will find their marketing functionality severely limited.

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