



Saligent Software High-Yield Marketingsm INFORMATION BRIEF

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USING MARKETING AUTOMATION TO BUILD A BRIDGE BETWEEN MARKETING AND SALES

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Using Marketing Automation to Build a Bridge Between Marketing and Sales

Despite good intentions, many companies falter due to a lack of cooperation between the marketing and sales departments. The sales manager says, “Our marketing people are generating lousy leads.” Or, “Those marketing people don’t know the difference between a good lead and a bad lead.” The marketing director responds, “If salespeople would only follow up with the leads we give them, we’d have more sales.” Or, “Sales doesn’t realize how hard we work for them.”

The easiest course of action is to design and implement programs that work best for the marketing department. In the short term, this will save you many hours of frustration. In the long term, you may set your lead generation program on a certain course for failure.

When we speak to mixed audiences of marketing and sales professionals, we often ask participants to rate the relationship between marketing and sales at their organizations. On a scale of 1-to-10 (where 1 is the low-end), it is not unusual for most people in our audiences to rate their relationships no more than 1, 2 or 3. Building a bridge between marketing and sales is about improving and changing behavior as it relates to the relationship between the marketing and sales functions.

If you are not happy with the relationship between marketing and sales in your company, the first thing to do is perform an honest assessment of the roles as they exist today. If there are challenges, what is the cause? Comparing answers to questions posed to both sides such as, “How many leads does it take to close one sale?” Or, “What constitutes a qualified lead?” will demonstrate how much of a gap exists.

If we are going to change the way marketing and sales do business together, all individuals involved must agree to step outside the box. There are positive and synergistic roles in both marketing and sales, and if each side agrees to the role embraced by their counterparts, the organization will thrive.

The Differing Roles of Marketing and Sales

Marketing has a very important role to play, but one which is far different from their sales counterparts. What types of activities occupy a marketing manager’s day?

- Generating inquiries
- Creating campaigns
- Conducting marketing research
- Reporting
- Branding
- Building awareness
- Profiling and segmenting
- Defining markets
- Positioning
- Database marketing
- Creating collateral

Marketing managers are often required to fully understand the present while predicting the future. Marketers must approach their jobs with double vision—deploying a series of near-term tactics as well as planning for the long-term—in order to effectively serve their organizations.

When you ask a sales rep or sales manager to describe his or her role, you’ll probably hear an answer that has something to do with generating revenue. But if you ask how they occupy their time, these are the types of things they will mention:

- Seeking new opportunities
- Taking care of existing customers
- Building relationships
- Developing accounts
- Soliciting referrals
- Reporting on their pipeline
- Meeting quota

As this list makes apparent, most of the activities which occupy the attention of a sales person are focused on the near term. And we would not want it any other way. Through revenue contributions, the sales group supplies the lifeblood of most organizations. Diverting their attention from short-term revenue often proves a costly mistake.



Sometimes an organization will try to balance marketing and sales departments by changing the reporting structure. For example, they may ask the marketing department to report to a sales executive. While this may appear to make sense in the short-term, it can be very dangerous and counter-productive in the long-term. We have seen situations where a marketing department was forced to forget all long-term planning and change its entire focus on supporting short-term sales goals. This lack of attention on branding and building awareness will ultimately have less than favorable results.

Another well-meaning tactic is to create a separate organization to focus on short-term marketing activities. These groups are usually called 'field marketing' and they are allied with both the marketing and sales departments. It is extremely important that field-marketing groups have the blessing and full support of both sales and marketing. We've witnessed situations where control over field-marketing was perceived as a way for sales to gain control over the entire marketing process. If this is the perception held by the marketing department, its attitude will often change from cooperation to defensiveness. Such political battles rarely benefit the organization.

How Marketing and Sales Approach Budgeting

Marketers and sales people approach budgeting with very different perspectives. Marketing managers often start with a list of activities they believe deserve funding, and develop their budget accordingly. Sometimes they review the cost of activities conducted last year or last quarter and add a certain percentage to the budget for the current year or quarter. These strategies foster the perception that marketing activities are an expense rather than an investment.

Although most acknowledge that marketing expenditures are linked to generating revenue, this relationship is usually inferred and not proven. The average sales person will tell you that marketing spends a great deal of money, but might not be able to explain why. And truth be told, many sales reps think they could do a much better job of spending money than their marketing counterparts.

By contrast, sales managers approach the budgeting process as an investment. They think about the most resourceful way to spend a given amount of money to generate revenue. They are closest to the customer and are always looking for the path of least resistance. And most good sales managers are happy to create a 'back door' marketing slush fund if they perceive that the marketing department cannot or will not support their revenue goals.

Unfortunately, when sales managers fund and implement marketing programs, it tends to be harmful for everyone. Marketing will have competition within its own organization and sales managers are distracted from their primary mission—generating revenue.

To sum up the different approaches to budgeting: marketing is focused on where and how to spend money while sales is focused on where and how to make money. This fundamental difference can cause a lack of credibility between departments.

How the Marketing Pipeline Impacts the Relationship

Marketing and sales also view the lead pipeline in different ways. Specifically, they usually do not agree on who is responsible for the middle of the pipeline—that group of leads which are viable and qualified by marketing but which are not yet sales-ready.

We refer to the activity of developing leads over time as prospect development. This process also is commonly referred to as nurturing, incubation or lead cultivation. However you define it, we strongly believe that *marketers are responsible for mining the middle of the pipeline*. The old quantity-focused model of generating a large volume of raw inquiries and passing these through to the sales force has proven ineffective. The new model focuses on generating quality inquiries. The most important rule in implementing the new quality-focused model is that sales activities should begin only after marketing has done a thorough job of prospect development.

Prospect development involves screening and filtering near-term, highly-qualified prospects and delivering them to the sales force. It includes identifying disqualified prospects and flagging them



for no future contact. Most importantly, it includes developing viable, long-term opportunities over time, until these opportunities are sales-ready.

Prospect development is imperative for the business-to-business marketer, particularly if they offer complex products and services. Marketing's job includes much more than creating demand. It also is about creating ongoing dialogue with prospects and customers, and thereby making positive and measurable contributions to revenue.

Five Strategies for Building the Bridge

1) Assign responsibility for prospect development. As we mentioned earlier, you will greatly benefit by taking a fresh approach to prospect development. When you, the marketing manager, assume responsibility for prospect development, you transform your department from:

- Creating demand *to* generating revenue
- Handing off raw leads *to* delivering real prospects
- An expense *to* an investment
- Activity-based *to* return on investment-based

2) Determine your pipeline requirements. To understand what the field sales force will need to meet its revenue objectives, marketers must review the company's sales plan, including revenue requirements, by product line and by territory. You also need to know pipeline requirements by time period, and take into account the length of the sales cycle when determining marketing programs to support those requirements. The idea is to thoroughly understand lead flow requirements and how they contribute to revenue.

3) Synchronize your marketing communications pipeline loading activities with the requirements of the sales force. Sales people need a certain number of qualified prospects in their pipeline at any given time in order for them to meet their revenue requirements by month, quarter and year. Many marketing managers have already done the math which tells them how many inquiries they need, and this number is loosely tied to what the sales force says it needs. However, there often is no method in place to differentiate between short- and long-term requirements.

For example, if you have to generate revenue for your company this month or this quarter, you probably cannot do it through advertising, trade shows or public relations. You will need to focus your marketing attention on those prospects who already have responded to previous offers. You also can generate short-term revenue from your existing customer base. At the same time, you must be aware of the needs of the sales force, two to three quarters or more into the future.

Remember: the awareness-building activities you conduct now, such as print advertising, public relations and trade shows, will help feed the sales pipeline in future quarters. If you sacrifice these activities, even for short-term gain, you will decrease sales' ability to close opportunities in future quarters.

4) Feed the sales pipeline with precision. Feeding the pipeline is not just about producing the raw leads your sales force requires. You must be prepared to adjust your lead flow to support the revenue requirements of specific geographic territories, vertical markets and product lines. Additionally, feeding the pipeline with precision means you deliver leads that are:

- Exactly when needed by sales (taking quarterly sales quotas into account);
- In the format desired by sales (e-mail, fax, website, hard-copy report, etc.);
- Fully incubated and ready for hand-off to sales;
- Data rich (containing all the information necessary to ensure a high closing rate).

Remember that it is marketing's job to feed the pipeline and it is the sales department's job to determine the proper level of incubation and the amount and types of data required for leads to be considered truly ready for sales attention.

5) Practice High-Yield Marketingsm to build the relationship. High-Yield Marketing is both the name of Saligent Software's product and the proven methodology we've developed to help marketers receive better return on investment at every stage of the marketing lifecycle.

The basic components of High-Yield Marketing include:

- Applying the appropriate sales and marketing resources at the right time;



- Creating messages which speak to the relationship you have with individual prospects and customers;
- Designing your marketing programs to migrate prospects and customers to the next level;
- Placing as much emphasis on 'disqualifying' as you do on 'qualifying' prospects;
- Making sure you use a marketing automation system which supports High-Yield Marketing practices.

The Automation Solution: High-Yield Marketing™ from Saligent Software

High-Yield Marketing™ (HYM) is part of a category of software referred to as enterprise marketing automation (EMA), developed specifically to service the needs of the marketing department.

Today, from one central location, accessible from any web browser anywhere in the world, the marketing manager can create, launch and manage marketing campaigns, model and estimate new projects, view all relevant marketing data, communicate with fellow employees and key business partners, monitor return on investment (ROI), and issue dozens of reports which provide a balanced scorecard of the status of sales and marketing activities.

Saligent Software's HYM system includes the following features:

Analysis Tools: HYM includes modeling tools which can be used to analyze your current business model and help determine the appropriate activities necessary to achieve your lead and sales objectives.

Best Practice Templates: HYM incorporates best practices in business-to-business marketing, developed over the last several years while servicing over 40 business-to-business clients in a demanding outsource services environment.

Marketing Knowledge-Base: HYM is designed to offer its users the right information suitable to their specific roles and responsibilities.

Process Management and Tools: Best practices in marketing require automation of complex processes. HYM has built-in tools which allow large scale roll-out of marketing activities using a large number of data points.

Marketing Process Automation and

Management: HYM supports the concept of marketing components re-use (e.g., programs, documents, surveys, qualification questions) through object oriented marketing.

Marketing Database: HYM takes the one-to-one marketing concept a step further by allowing users to track the one-to-many marketing environments prevalent in the business-to-business marketplace.

Sales Lead Management: Saligent Software's system offers complete management of marketing activities, from electronic program planning to call center to sales feedback.

Sales Territory Management: With HYM, you can define sales territories and rep assignments while and electronically routing sales leads to the appropriate sales representative, real-time or in batches. The HYM software also integrates directly into sales force automation and customer support systems.

Application Integration: HYM is a best-of-breed marketing automation solution which is an open, infinitely tunable and customizable application. It allows both user integration with current ERP, CRM, and SFA systems, and upgrades of interrelated applications as business conditions warrant.

Internet Interface: Savvy marketers know that they must accommodate their prospects' and customers' needs to conduct business electronically. HYM software is designed to capture the results of these interactions in the database and trigger the appropriate marketing or sales event.

Results of Implementing High-Yield Marketingsm

In today's bottom line business environment, the savvy marketer needs to demonstrate measurable results to management. In other words, you need a way to prove the value of your marketing expenditures. Automating your marketing process can supply the proof.

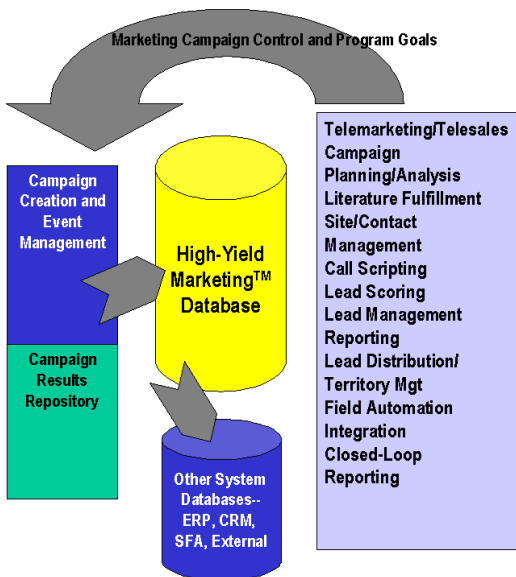
You will reap tremendous benefits when you empower your marketing department with Saligent Software's High-Yield Marketing. Specifically, you can expect the following benefits:

- Better targeted and higher performing marketing programs;
- More customers from the same pool of prospects;
- The building of a proprietary database asset which increase in value over time;
- Better one-to-one relationships with your prospects, ensuring that they become and remain your customers (it costs 6-7 times more to obtain a new customer than to retain and nurture an installed customer);
- Lower collateral and postage costs by efficiently delivering the right message to the right prospects;
- Intelligence on new market trends and opportunities for your products and services.

The impact on the sales organization is equally profound. High-yield results for sales equate to:

- A sales pipeline filled with greater precision;
- Higher quality leads to the sales force, sooner and at a lower cost-per-sale;
- More time for actual sales activities;
- A better, synergistic relationship between marketing and sales, improving staff efficiency and job satisfaction.

If you follow these strategies through the automated marketing process, you will create harmony between your marketing and sales departments as well as improve the overall success of your company.



For more information:

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