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B2B CMOs: Make Marketing Automation A Catalyst For Alignment With Sales

by Jeff Ernst

for CMO & Marketing Leadership Professionals

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Use Forrester's Marketing Automation Maturity Model To Map Your Strategy

by **Jeff Ernst**

with David M. Cooperstein and Corinne J. Madigan

EXECUTIVE SUMMARY

Business-to-business (B2B) marketers use technology to aggressively push more leads into the top of the sales funnel. Businesses have changed their buying behavior, and while the capabilities of the marketing automation platform vendors have kept pace, most marketing organizations have not advanced beyond initial stages of maturity. B2B marketers must use their automation initiatives as a catalyst for collaborating with sales to develop a unified lead management process that helps prospects move through their buying process.

TABLE OF CONTENTS

2 **B2B Marketers Use Automation Tools To Do Little More Than Blast Emails**

2 **Marketing Leaders Need To Rethink The Processes They Are Automating**

3 **Use Marketing Automation As A Catalyst For Aligning With Sales**

Level 1: Blasters Are On Email Overload

Level 2: Campaigners Have A Process But Are Still Focused On Marketing's Output

Level 3: Optimizers Put Science Behind The Art Of Lead Development

Level 4: Predictors Deliver Personalized Experiences At Every Touchpoint

WHAT IT MEANS

8 **Aligning With Sales Is No Longer Optional**

9 **Supplemental Material**

NOTES & RESOURCES

Forrester interviewed marketing automation vendors and service providers including Deloitte, Eloqua, Harte-Hanks, Manticore Technology, Marketo, and Team Thor Marketing.

Related Research Documents

"The CMO's Role In Technology Decisions"

April 2, 2010



B2B MARKETERS USE AUTOMATION TOOLS TO DO LITTLE MORE THAN BLAST EMAILS

Marketing automation is like a painter's palette — it doesn't automatically make you a master. Chief marketing officers (CMOs) and marketing leaders in B2B companies are under constant pressure to make greater contributions to the sales pipeline and to the productivity of the sales team. While they recognize the importance and potential impact of some of the more advanced capabilities of marketing automation platforms, such as behavior-based lead scoring and lead nurturing, very few experience the real value that these platforms can deliver. The reasons are very interrelated and have little to do with the technology itself:

- **Focus is stuck at the top of the funnel.** It can take one year to three years for marketing automation to generate a steady flow of prospects who are in active buying cycles, but sales managers always need more leads today. Rather than using the technology to nurture prospects until they are sales-ready, many B2B marketers fall into the trap of blasting one-off email campaigns to their entire database and make sales reps call anyone who responds.
- **There is a lack of process.** The maturity of marketing automation totally depends on the maturity of sales and marketing processes. Before automating, few B2B firms put any real process in place for lead generation and the handoff to sales, so they let automation tools drive the process rather than support it.
- **Not enough support from the sales organization exists.** B2B marketers haven't typically influenced the activities of the sales team, and many marketing leaders lack credibility and clout with sales to get buy-in for the behavior changes required to handle leads effectively. So they continue to play a subservient role to sales and focus on the activities they can control.
- **Resource bottlenecks persist.** Once marketers realize what's possible with automation, they naturally want to run more campaigns and quickly realize that they don't have the content they need to engage buyers. When they start to tailor content to buyers' needs, it creates an exponential increase in the amount of content they have to create. Even worse, people on their staff don't have a deep-enough understanding of how and why customers buy, so creating content becomes a bottleneck.

MARKETING LEADERS NEED TO RETHINK THE PROCESSES THEY ARE AUTOMATING

B2B marketers have been doing it backwards. They've been using marketing automation as expensive email blasters to generate more leads that they throw over the wall to sales. If they want to make a greater contribution to customer acquisition and revenue generation, they need to be tightly aligned with sales around a single lead generation and management process designed to:

- **Cater to empowered business buyers.** Today, business buyers are in control.¹ By the time they engage with your company's marketing programs and sales teams, they want rich, detailed

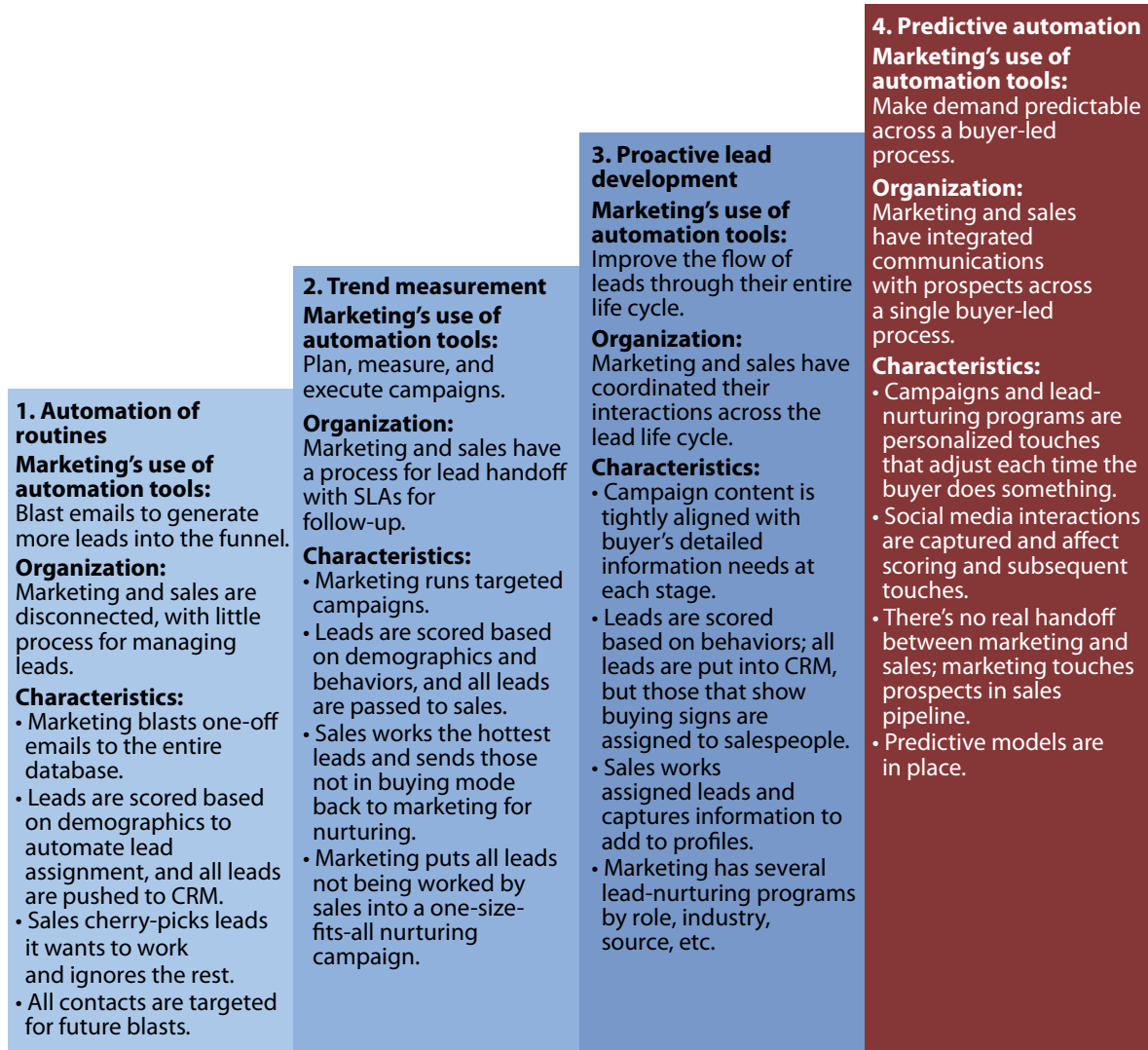
information about how you can help them solve their specific problems so that they can move to the next stage of their buying process. Marketing automation enables marketers to deliver information that is tailored to each prospect's needs, at the time she needs it.

- **Help sales reps prioritize their selling time.** Marketers need to resist the temptation to just go out and buy another contact list, send an email campaign, and turn all of those names over to sales. This backfires because sales reps will deem anyone who's not in an active buying cycle at that exact moment, which is most of the people on your purchased list, as unqualified. Sales reps waste too much of their time talking with people who aren't sales-ready, and look at marketing leads as worthless. Marketing automation can help score leads to focus the attention of the sales teams on those prospects most likely to buy.
- **Let marketing nurture those leads that aren't in buying mode.** One thing that B2B sales and marketing leaders don't like to admit is that at any one time, most of their prospects are not in an active buying cycle and should not be in the sales pipeline. In complex sales environments, many of these prospects may stay in the early stages of their buying process for an extended period of time. With marketing automation, you can nurture these prospects to keep them engaged with your company, while listening for buying signs.

USE MARKETING AUTOMATION AS A CATALYST FOR ALIGNING WITH SALES

Since an effective marketing automation initiative requires the full support and participation of the sales organization, it presents an ideal opportunity for marketing leaders at B2B firms to drive alignment with sales around a unified lead management process. Since there's no single blueprint for doing this, Forrester has developed the marketing automation maturity model (see Figure 1). Use the scorecard to assess where your firm is in terms of maturity today and to develop plans for improvement (see Figure 2).


Figure 1 Forrester's Marketing Automation Maturity Model



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Source: Forrester Research, Inc.

Figure 2 Forrester's Marketing Automation Maturity Scorecard

 The spreadsheet detailing the full scorecard is available online.

Scoring criteria

Work with sales to score your firm on a scale of 0 to 3 for each question.
(Select the statement that best fits your organization.)

How do marketing and sales work together to manage the lead process?

- 0: Marketing and sales are disconnected, with little process on either side for managing leads.
- 1: Marketing and sales operate separately but have a process in place to hand off leads.
- 2: Marketing and sales have coordinated the interactions each team has with prospects.
- 3: Marketing and sales have integrated communications with prospects across a single buyer-led process.

How much visibility do you have into the flow of leads across their life cycle?

- 0: We have no idea what happens to leads after they are handed off to sales.
- 1: We can see how many leads are turning into sales opportunities and closed deals.
- 2: We have visibility across the pipeline into sources of leads, content consumed, conversion rates, and interactions.
- 3: We have models in place to predict what will happen with a lead based on the engagement we've had to date.

How do salespeople pick up and work leads?

- 0: Salespeople cherry-pick leads that look interesting and ignore the rest.
- 1: Salespeople work the hottest leads and send those that don't pass qualification back to marketing for nurturing.
- 2: Salespeople work all assigned leads within the time frames they agreed to.
- 3: Salespeople acknowledge that they have enough sales-ready leads to keep them busy and don't feel the need to cold-call.

How do you think a typical prospect would describe the experience interacting with your company?

- 0: It's disjointed and confusing.
- 1: It's hit or miss.
- 2: I'm getting what I need.
- 3: You know me so well.

Scores:
0-2 = level 1
3-6 = level 2
7-10 = level 3
11-12 = level 4

**Marketing automation
maturity score**

Level 1: Blasters Are On Email Overload

When marketers start out with automation, they quickly realize how easy it is to send emails, so they start firing away, hitting the contacts in their database with different messages and offers until something sticks. Marketing and sales are disconnected at this level, so as marketing creates more leads, the sales team doesn't have a process in place to receive and work those leads. If you're at level 1, here are some things you should do to move toward level 2:

- **Proactively gain the confidence of the sales team.** You'll be asking sales team members to change their behaviors as you get the automation engine in gear. So you need to show them that you're in the game of helping them be more productive and making them look good. Make sure your team is providing useful selling tools that address the biggest obstacles salespeople face today. Get the people on your marketing staff into the field, accompanying reps on sales calls on a regular basis.
- **Agree on a definition of "sales-ready."** Get agreement between sales and marketing on what attributes and behaviors are indicators that someone may be in a buying mode so that he can be considered a sales-ready lead. Incorporate those criteria into your lead scoring.
- **Define a handoff process.** Get your sales reps to start looking at the lead scores in the sales force automation (SFA) system. Once they realize that those with higher scores tend to result in better sales calls, they'll be more willing to follow a new lead handoff process. Get sales management to commit to service-level agreements (SLAs) for the follow-up of leads so that they share the responsibility to follow up.

Level 2: Campaigners Have A Process But Are Still Focused On Marketing's Output

The focus at this level has gone from blasting emails to planning quality campaigns, and marketers have visibility into which campaigns are generating leads that convert into opportunities and closed deals, which allows them to improve campaigns. Marketing and sales are still separate processes, but the handoff of leads is synchronized, and sales has a process in place for picking up and working leads. Based on the interviews for this report, we found that more companies are operating at this level than any of the others. If you're at level 2, do these things to move toward level 3:

- **Define your segments, and align your messages.** Get sales to the table to map out the buying processes and the information needs of prospects at each stage. Use this to define a unified lead management process that gives prospects what they need. Your salespeople are talking with prospects every day and know from experience what content and messages resonate with buyers, so ask them for examples that you can put into nurturing campaigns.
- **Get sales buy-in for nurturing.** Make sure sales management understands that as you provide more leads that show buying signs, you'll start to hold back on the rest and nurture leads until they're ready. Show managers the metrics on the increased quality and higher conversion rates of the leads you are passing to them.

- **Expand your nurturing campaigns.** Go from running a single nurturing campaign for all leads to having a few variations targeting people at different stages of their buying cycle, in different roles, or with different pains. Look at the choke points in your process, and examine the interactions you've had with people who have flowed through your process. Use this data to start improving your campaign touchpoints.

Level 3: Optimizers Put Science Behind The Art Of Lead Development

At this level, marketers have taken ownership of the lead across a single coordinated lead creation and development process and are much more focused on improving the flow of leads. The CMO is working with the vice president of sales and the chief executive officer (CEO) to set revenue targets and determine the volume of leads and conversion rates required to hit targets. This level is more analytics-driven, and leaders have visibility up and down the pipeline, using this data to continuously refine campaign targeting, messaging, scoring criteria, and sales follow-up tactics. If you're at level 3, here's what you can do to move toward level 4:

- **Use analytics data to optimize the experience.** You now have a wealth of data about how prospects engage and what touches are required to help people advance. Use this information to determine the next best step for someone who has taken an action, break your long multistep campaigns up into more granular trigger events and responses, and build this into the rules within the automation platform.
- **Lean on your automation vendor and its user community.** Very few companies have reached the most advanced level of maturity, as it uses capabilities that leading automation vendors such as Eloqua, Marketo, Manticore, and Silverpop have been bringing to market or making easier to use in the past year. Leverage the knowledge of the vendors, and participate in vendors' user community to get lead management ideas from their most advanced customers.

Level 4: Predictors Deliver Personalized Experiences At Every Touchpoint

At this level, companies have integrated every interaction that marketing and sales have with prospects, across the entire buying cycle, so that everything buyers get from the company is tailored to their needs. Campaigns go from being static predefined sequences of events to personalized touches that adjust dynamically each time the buyer does something. The sales team is confident in letting marketing campaigns be used to help advance buyers in later stages of the pipeline. When you get to level 4, you're in a position to:

- **Optimize campaign ROI.** With the campaign effectiveness data you are now collecting, you can predict what each incremental marketing investment will yield in terms of leads, opportunities, and revenue. Use this data to build your case for increasing spending on the programs and activities that have the highest return on investment (ROI).

- **Share your lead management practices with your channel.** Now that you've got your direct sales force experiencing the productivity gains from marketing automation, take these practices and programs to your indirect channel partners.

WHAT IT MEANS

ALIGNING WITH SALES IS NO LONGER OPTIONAL

Sales and marketing teams can get away with being disconnected when the economy is strong. But in this down market, missed quarters and shrinking pipelines have exposed the lack of alignment and put it on the CEO's radar. As marketing automation provides a catalyst for more integrated lead management processes, we predict that:

- **Marketing leaders will be the drivers of alignment with sales.** Sales teams will do whatever it takes to hit their numbers, and many sales leaders have low expectations for the level of help they can get from marketing. Don't expect sales leaders to initiate collaboration with marketing. The alignment required to achieve real productivity gains from marketing automation will be driven by marketing leaders that take ownership of the sales-marketing relationship and will establish the credibility required to get sales to the table.
- **The talent gap will widen.** Marketing leaders who have typically relegated automation responsibilities to people with marketing operations backgrounds will drastically change the skill sets on their teams to include people who can analyze large amounts of behavioral data and align the right content and messages with buyers' problem-solving paths. Many firms won't be able to make this transition fast enough and will rely on agencies to help them through it.
- **Firms that advance their level of maturity will lead their markets.** Companies like National Instruments, Aricent, and ShareBuilder have leveraged marketing automation to advance their lead management processes and improve sales effectiveness. We expect that companies that get to at least level 3 in our maturity model will gain a competitive edge over other firms in their industry.
- **Marketing automation vendors' advances will outpace mainstream adoption.** While there are distinct differences in the approaches the automation vendors bring to market, they will all continue to bring new capabilities to market that enable marketers to deepen the level of engagement with prospects and customers. Expect to see further advances in full life-cycle analytics, simplified user interfaces for building workflows and rules, and incorporation of social media touches. But don't expect the user base to change processes to adopt these features until they reach level 3 or level 4.

SUPPLEMENTAL MATERIAL

Online Resource

The spreadsheet detailing the full scorecard is available online for Figure 2. Use this tool to score your own level of maturity in your use of marketing automation and in your lead management processes.

Companies Interviewed For This Document

Deloitte

Eloqua

Harte-Hanks

Manticore Technology

Marketo

Team Thor Marketing

ENDNOTES

- ¹ People are empowered in their roles as business buyers just as much as they are in their roles as consumers. They are educating themselves on the Web, reading product reviews, and putting trust in the opinions that other customers have shared on social networks and discussion forums. Groundswell technologies — social, mobile, video, and cloud — put tremendous power in the hands of customers. See the June 25, 2010, “Marketers’ Empowered Opportunity” report.

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