

Sales and Marketing Alignment

The New Power Couple

December 2011

Trip Kucera, Peter Ostrow

~ Underwritten, in Part, by ~



Executive Summary

Alignment of marketing and sales goals and objectives is a key strategy for many organizations seeking revenue and customer growth amid economic and market challenges. This research examines the operational efficiencies used to maximize prospect engagement and profitability. Best-in-Class organizations are more likely to define shared processes, collaborate on content to generate results, and take responsibility for the performance of marketing within the business.

Best-in-Class Performance

In August through October 2011, Aberdeen surveyed 385 end-user organizations to learn about their sales and marketing management practices. Aberdeen used the following two key performance criteria to distinguish the selling organizations within Best-in-Class companies:

- 40% of the sales forecasted pipeline is generated by Marketing, compared with 22% among Industry Average companies and 13% for Laggards
- 31.6% average year-over-year growth in annual company revenue, versus 18.2% for the Industry Average and a 6.7% average decrease among Laggards

Competitive Maturity Assessment

Survey results show that the firms enjoying Best-in-Class performance share several common characteristics, including:

- Meetings between sales and marketing management occur 69% more frequently than at all other firms (average of 1.89 meetings per work week vs. 1.12 meetings per work week), and the relationship between Sales and Marketing is described as “good” or “strong,” by 79% of the Best-in-Class, compared with 61% of all others.
- An individual or team is recognized as holding responsibility for improving marketing performance in 91% of Best-in-Class organizations, compared with 61% of all others, and performance of marketing campaigns is shared with key stakeholders by 69% of Best-in-Class companies, compared with 50% of all others
- Sales and marketing have access to a common set of marketing collateral, such as data sheets, white papers, case studies and best practices, in 53% of Best-in-Class companies, compared with 41% of Industry Average and 25% of Laggard companies.

Required Actions

In addition to the specific recommendations in Chapter Three of this report, to achieve Best-in-Class performance, companies must:

- Tightly align marketing activities to specific sales objectives and goals.
- Establish or refine the lead management process.

Research Benchmark

Aberdeen’s Research Benchmarks provide an in-depth and comprehensive look into process, procedure, methodologies, and technologies with best practice identification and actionable recommendations

Table of Contents

Executive Summary.....	2
Best-in-Class Performance.....	2
Competitive Maturity Assessment.....	2
Required Actions.....	2
Chapter One: Benchmarking the Best-in-Class.....	4
Business Context	4
Business Pressures Impacting the Sales / Marketing Partnership.....	5
The Maturity Class Framework.....	7
The Best-in-Class PACE Model	8
Best-in-Class Strategies.....	8
Chapter Two: Benchmarking Requirements for Success.....	13
Capabilities and Enablers.....	14
Chapter Three: Required Actions	20
Laggard Steps to Success.....	20
Industry Average Steps to Success	20
Best-in-Class Steps to Success.....	21
Appendix A: Research Methodology.....	23
Appendix B: Related Aberdeen Research.....	25
Featured Underwriters	26

Figures

Figure 1: Goals Associated with Sales/Marketing Alignment.....	4
Figure 2: Internal Pressures Driving Marketers to Innovate.....	6
Figure 3: External Business Pressures Faced by Sales and Marketing.....	6
Figure 4: Best-in-Class Strategic Actions.....	8
Figure 5: Relative Depth of Sales/Marketing Mutual Goal Awareness	9
Figure 6: Hot or Not: What Marketing Channels are on the Rise	11
Figure 7: Lead Conversion Activity, by Best-in-Class.....	15
Figure 8: Sales/Marketing Leadership Meeting Frequency, by Best-in-Class.....	16
Figure 9: Adoption of Lead Management Tools by Best-in-Class.....	18
Figure 10: The State of the Sales and Marketing Relationship.....	22

Tables

Table 1: Top Performers Earn Best-in-Class Status.....	7
Table 2: The Best-in-Class PACE Framework	8
Table 3: The Competitive Framework.....	13
Table 4: The PACE Framework Key	24
Table 5: The Competitive Framework Key	24
Table 6: The Relationship Between PACE and the Competitive Framework	24

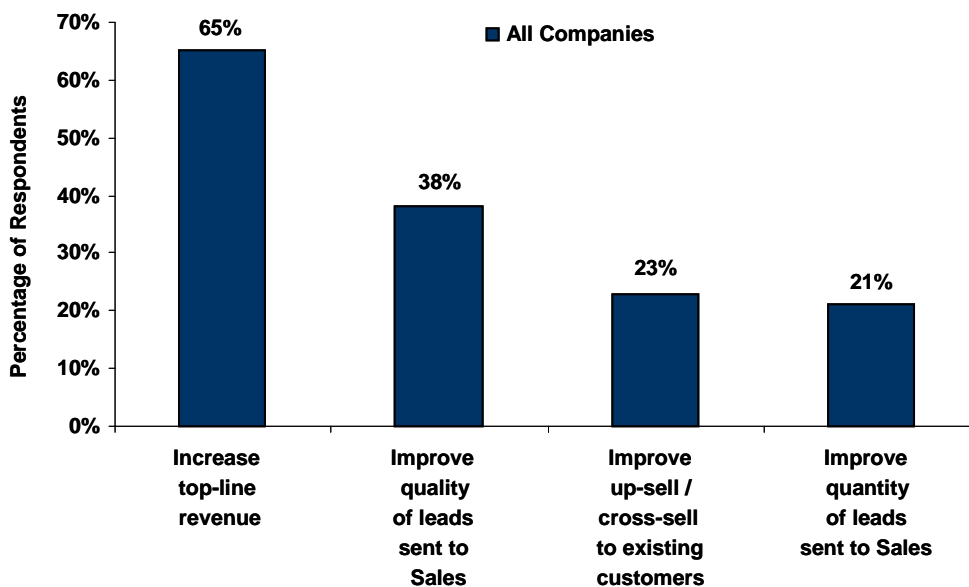
Chapter One: Benchmarking the Best-in-Class

Organizations are trying to increase revenues despite the challenging macroeconomic environment and its associated resource constraints. In other words, lean growth can be thought of as the "new normal." As a result, marketing leaders are under ever-growing pressure to justify and optimize their budget spend. As companies have added marketing automation and lead management solutions, and integrated them with customer relationship management (CRM) and sales force automation (SFA) systems, their ability to track activity from lead-to-close shines the light on remaining gaps and inefficiencies as leads are passed from the marketing to the sales funnel without precisely measuring results. In the meantime, the availability of product and service information on the web and through social networks has fundamentally transformed the marketing and sales funnel, putting pressure on Marketing and Sales to align both process and content / message. From establishing a common definition of "qualified lead," to developing compelling, customer-focused messaging, a number of marketing-sales alignment best practices are emerging to address these challenges.

Fast Facts

- √ Establish or refine the lead management process is most frequently cited as a top strategy by Best-in-Class companies (36%) compared with 23% of all other companies
- √ Fifty-five percent (55%) of Best-in-Class companies cite marketing-led lead nurturing as the most valuable activity to maximize lead conversion rate compared with 46% of Industry Average and 36% of Laggard companies

Figure 1: Goals Associated with Sales/Marketing Alignment



n = 385

Source: Aberdeen Group, October 2011

Business Context

Revenue growth is the rallying cry of sales and marketing executives today. Sixty-five percent (65%) of survey respondents cite increasing top-line revenue as the top goal driving their strategies (Figure 1). While this might be expected for respondents in a sales job role, 66% of the marketing

executives in Aberdeen's study cited revenue growth as a top goal as well. Yet, despite some of the most volatile and complex market dynamics in history, corporate profits and growth have remained relatively consistent. Not only must Marketing and Sales do more with less, they ARE doing more with less.

One of the most important dynamics affecting the relationship between sales and marketing functions is the evolution of the "hidden sales cycle." This concept was introduced in [*The Marketing Executive's Agenda: Uncovering the Hidden Sales Cycle*](#) (October 2011):

"When it comes to product and services selection, buyers have more information than ever before to guide their discovery and evaluation processes. From their professional social networks, to solution providers' websites, and third-party, independent content (such as Aberdeen's research), buyers and solution providers are operating in an unprecedented era of transparency. As a result, many are observing that their prospects and customers are entering the formal sales cycle more informed about the problem they want to solve, the technologies available to them, and even how much the solutions should cost."

Sales and Marketing leaders must come to terms with the impact of the hidden sales cycle on their business in their markets. What was considered a lead last year, may not qualify (literally or figuratively) now. As this report will illustrate, Best-in-Class firms are adopting a number of common practices across a range of sales-marketing functions.

The top goals associated with sales and marketing alignment take on new significance when seen through this lens. Organizations favor lead quality over lead quantity, suggesting a focus on sales efficiency and the need for lead management that can score and nurture marketing contacts effectively. The focus on up-sell and cross-sell demonstrates a commitment to maximizing lifetime customer value, and has interesting implications for customer experience management.

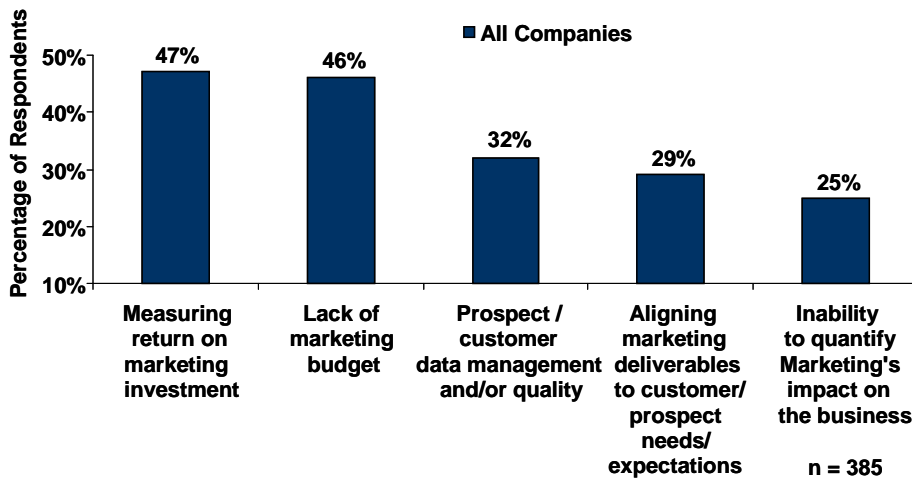
Business Pressures Impacting the Sales / Marketing Partnership

Sales and Marketing face myriad internal and external challenges that, taken together, point to the need for marketing to seek alignment with their sales counterparts in specific. Unremarkably, the dual pressures of measuring return on marketing investment (ROMI) and lack of marketing budget are virtually tied for top internal pressure (see Figure 2) reported by survey respondents from both Sales and Marketing. With companies focused on lean growth, a "trust-but-verify" approach to marketing is the order of the day. Marketing and Sales must both justify their existence, but especially marketing (since the measure of sales effectiveness is rather more apparent); budget that can't be justified, particularly new investments will go away. Through closer alignment with sales, marketing can ensure the investments they make are being fully used to populate the sales-forecasted pipeline, or at least learn the reason why they are not.

"Integrating marketing within our sales efforts has been a natural fit for our business, it has helped our organization maintain and improve its financial health despite the adverse impacts of the economic downturn on our industry."

~David Thomas, COO/Co-Leader, LCA Vision

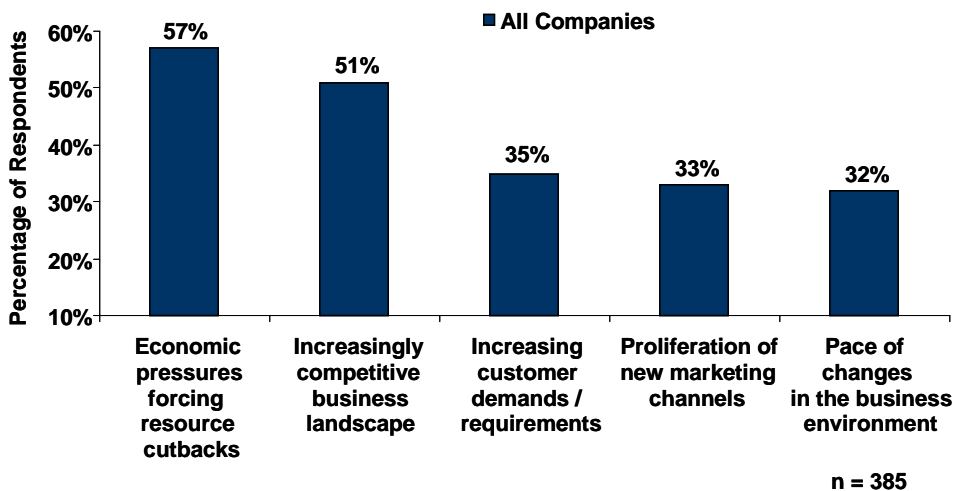
Figure 2: Internal Pressures Driving Marketers to Innovate



Source: Aberdeen Group, October 2011

The internal pressures impacting Marketing and Sales gain more meaning when viewed in light of the external market forces at play. Macroeconomic uncertainty and increased competition reign; this data represents the “new normal” in which businesses operate. But other forces are at work as well, including increasing customer demands, proliferation of new marketing channels and an accelerated pace of change (see Figure 3).

Figure 3: External Business Pressures Faced by Sales and Marketing



Source: Aberdeen Group, October 2011

The proliferation of marketing channels is both a pressure and an opportunity for sales and marketing leaders. It presents itself as a challenge for sales and marketing because of the hidden sale cycle dynamic discussed above. Buyers are flocking to new sources of information and communities of interest for business advice, best practices, and other learning and buying

recommendations. But like any disruption, companies that most effectively adapt to these changes have the potential to gain share. No surprise then that Aberdeen’s research also reveals marketing channel strategy is top-of-mind for Sales and Marketing leaders, as will be discussed below.

Marketing and sales respondents cited consistent internal and external pressures, with several exceptions. Sales leaders are more concerned with geographic expansion and globalization, while Marketing leaders are more concerned with the proliferation of channels.

The Maturity Class Framework

Aberdeen used two key performance criteria among responding sales and marketing organizations to distinguish the Best-in-Class from Industry Average and Laggard organizations:

- Current percentage of the sales-forecasted pipeline that was generated by Marketing
- Year-over-year change in overall company revenue

Organizations with top performance based on these criteria earned Best-in-Class status, as described in Table 1. For additional details on the Aberdeen Maturity Class Framework, see Table 5, The Competitive Framework Key, in Appendix A.

Table 1: Top Performers Earn Best-in-Class Status

Definition of Maturity Class	Mean Class Performance
Best-in-Class: Top 20% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 40% of the sales forecasted pipeline is generated by Marketing ▪ 31.6% year-over-year growth in annual company revenue; 100% showed improvement
Industry Average: Middle 50% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 22% of the sales forecasted pipeline is generated by Marketing ▪ 18.2% year-over-year growth in annual company revenue; 65% showed improvement
Laggard: Bottom 30% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 13% of the sales forecasted pipeline is generated by Marketing ▪ 6.7% year-over-year decrease in annual company revenue; 10% showed improvement

Source: Aberdeen Group, October 2011

Now, let’s take a deeper look at how the best performers manage their people, processes, services and technology to consistently out-perform the competition around these metrics.

The Best-in-Class PACE Model

Using best practices in sales and marketing alignment to achieve corporate goals also requires a combination of strategic actions, organizational capabilities, and enabling technologies and services that are summarized in Table 2.

Table 2: The Best-in-Class PACE Framework

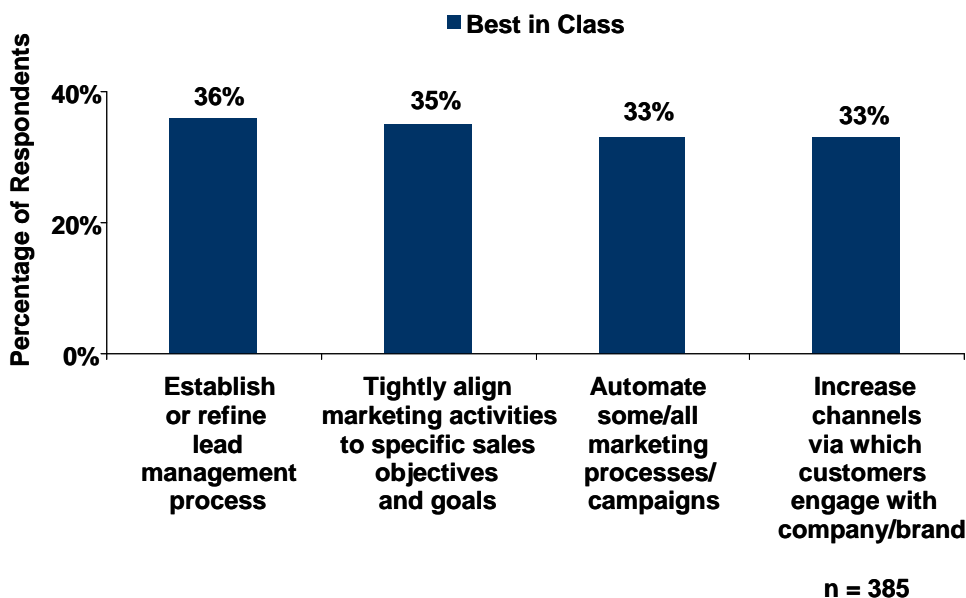
Pressures	Actions	Capabilities	Enablers
<ul style="list-style-type: none"> ▪ Economic pressures forcing budget / resource cutbacks ▪ Increasingly competitive business landscape (i.e. competitive threats) 	<ul style="list-style-type: none"> ▪ Establish a formal marketing strategy or business plan to execute against ▪ Tightly align marketing activities to specific sales objectives and goals ▪ Automate marketing processes/campaigns 	<ul style="list-style-type: none"> ▪ Sales has complete access to all marketing collateral ▪ An individual or team is recognized as holding responsibility for improving marketing performance ▪ Clearly defined roles and responsibilities regarding lead management activities ▪ Process for disseminating results from marketing campaigns to key decision-makers 	<ul style="list-style-type: none"> ▪ Email marketing ▪ Database management ▪ Search engine marketing/optimization ▪ Event management, e-invite, event registration ▪ Social media marketing/monitoring ▪ Lead management (including lead generation, nurturing and scoring) tools and dashboards

Source: Aberdeen Group, October 2011

Best-in-Class Strategies

Marketing and sales leaders from Best-in-Class firms are adopting a number of strategies to achieve results in the face of the macroeconomic and competitive headwinds discussed above.

Figure 4: Best-in-Class Strategic Actions



Source: Aberdeen Group, October 2011

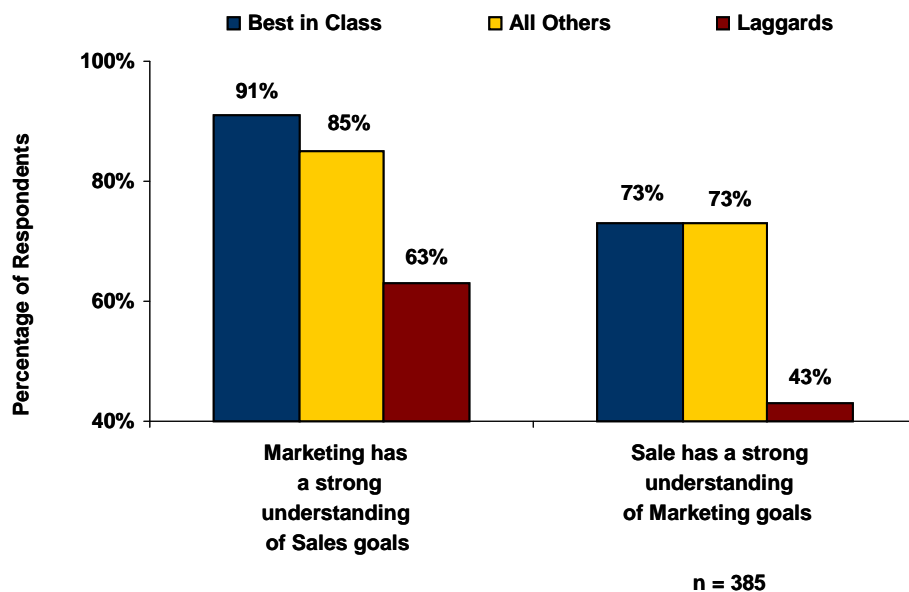
The top strategies depicted in Figure 4 (note: respondents were asked to select their top two strategic actions) show three key, interrelated areas of focus:

- **Marketing-Sales alignment:** By aligning marketing activity to sales objectives, marketing can be more effective and responsive. In fact, 91% of Best-in-Class companies say marketing has a strong understanding of Sales goals, compared with 63% of Laggards. It should be noted that this was the top strategy selected by both Sales and Marketing.
- **Marketing automation and lead management:** With goals of increasing both the quality and quantity of leads, lead management is seen as critical to address shifting buyer expectations and get the most from demand generation investments. As with nearly any process automation initiative, marketing automation allows companies to measure marketing effectiveness more effectively.
- **Marketing channel development:** As discussed above, Sales and Marketing must invest in new marketing channels to reach buyers “where they are.” This may require that companies branch out from their “tried and true” channels and experiment with new, emerging channels. For example, 80% of Best-in-Class companies plan to invest in social media in the next 12 months, compared with 63% of all others.

"Because buyers are more self-sufficient and the marketing funnel is more complex, it's especially important for sales and marketing to establish clear roles and responsibilities, and a framework for working together."

~ Mark Skoog, Senior Director of Solutions Marketing at JDA

Figure 5: Relative Depth of Sales/Marketing Mutual Goal Awareness



Source: Aberdeen Group, October 2011

Aberdeen's research shows that sales and marketing have a strong mutual awareness of their goals, and that the Best-in-Class are more likely to have this mutual awareness than are All Others (Figure 5). This is just one indication of several that points to the strong correlation between organizational performance and sales and marketing alignment in this study. The lower level of awareness of marketing goals by sales is of some concern. Despite the "rain maker" status of Sales in many organizations, they will benefit from understanding the marketing programs that have been used to develop buyers' vision as the influence of the traditional sales approach wanes.

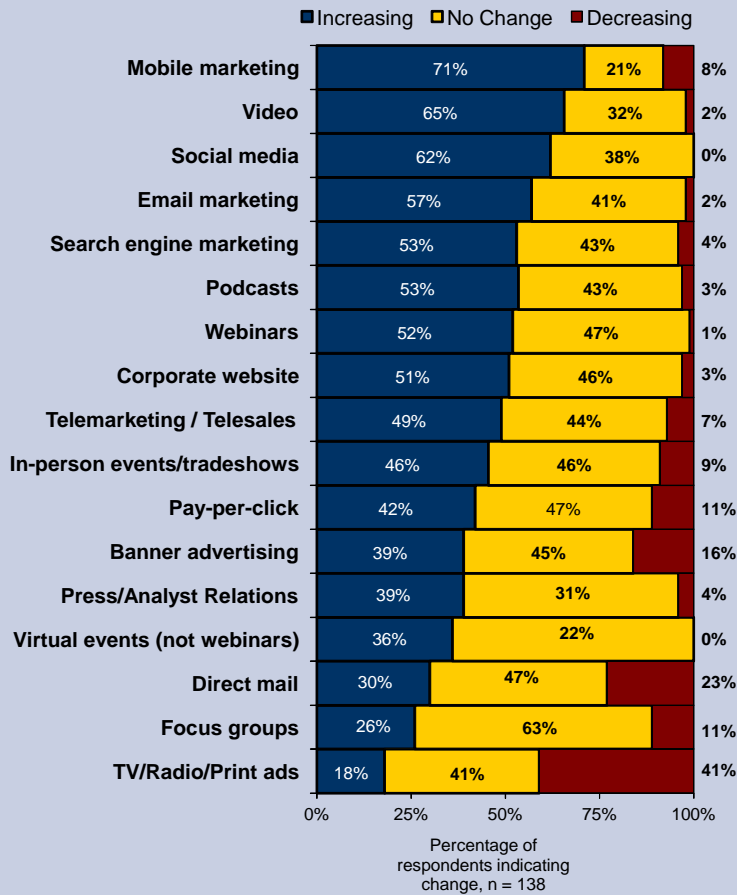
Strategy Insight: Channel Conflicts & Resolutions

New marketing channels are cited as both a key challenge and top strategy by the marketing and sales leaders Aberdeen surveyed. We've all witnessed and participated in the advent of social media, user-generated video and mobile. The proliferation of these channels presents itself as a challenge as marketing and sales work out: 1) how much they impact their specific business, 2) how to effectively engage in them, and 3) how to measure their impact in terms that makes sense to the business. At the same time, as Figure 4 illustrates, Sales and Marketing are looking to increase the channels by which they engage customers and prospects. This is a sound strategy, as respondents in the survey who have adopted social media marketing boast a lead acceptance rate 35% higher than non-users, and Best-in-Class are over 40% more likely than Laggards to adopt an enhanced multi-channel strategy. Aberdeen takes a closer look at the marketing channels in which organizations will invest in the year ahead in the [Marketing Executive's Agenda, Part II: Channel Conflicts and Resolutions](#) (October 2011), in which the following "heat map" of channel investments appears.

Continued

Strategy Insight: Channel Conflicts & Resolutions

Figure 6: Hot or Not: What Marketing Channels are on the Rise



Source: Aberdeen Group, October 2011

Case Study — Philips Respironics

Consider the case of Philips Respironics, a Fortune 500 company providing sleep, respiratory and ventilation equipment. According to Susan McGinnis, Senior Sales Trainer, it became painfully clear by 2010 that a combative relationship between the 256-strong sales team and the marketing organization was hurting the collective team's ability to grow the business. "Our sales staff would accuse marketing of not understanding customers' needs, and marketing would be upset that their messaging was not being properly delivered by sales," she explains. "When you have this much of a disconnect, things just don't get accomplished."

McGinnis located a training / messaging solution provider that brought a fresh approach to prospect / customer communications, which was specifically designed to better align the sales and marketing teams. Bringing both managerial teams together and running through a mock sales cycle, "they made a compelling case for better collaboration by exposing how little we were doing to differentiate our product or company from our competitors," McGinnis says. In realizing that our feature-centric marketing materials and sales messaging would be more effective if we focused on customers' business problems, "a light bulb came on for everybody" and almost overnight, both the marketing content and sales pitches adapted quickly.

McGinnis provides an example around Philips Respironics' sleep apnea product: instead of focusing on the comfort and ease of use of their mask –as their competitors also did– they learned to identify and resolve higher-level pains such as achieving better patient compliance, lower transportation costs and higher revenue-per-patient. In terms of results, "we saw \$7M in net-new business and \$2.5M in up-sell revenue within the first quarter we measured," says McGinnis, so the program continues to be utilized with great success. One of her favorite sales rep quotes provides final validation of their approach: "This is something that if you truly embrace it, will change not only you but your customers and anyone you deal with in life. I am not the same Account Manager I was before this course, and I am in my mind on a different career path than I was before – in a good way."

"Our sales staff would accuse marketing of not understanding customers' needs, and marketing would be upset that their messaging was not being properly delivered by sales."

~ Susan McGinnis, Senior Sales Trainer, Philips Respironics

Chapter Two: Benchmarking Requirements for Success

Effective marketing/ sales relationships play a critical role in an organization's ability to turn the strategies discussed above into competitive advantage. The following sections provide an analysis of how Best-in-Class companies distinguish themselves from other companies through the implementation of capabilities and enablers that support excellence in deploying best practices in sales and marketing alignment.

Aberdeen Group analyzed the aggregated metrics of surveyed companies to determine whether their performance ranked as Best-in-Class, Industry Average, or Laggard. In addition to having common performance levels, each class also shared characteristics in five key categories: (1) **process** (the approaches they take to execute daily operations); (2) **organization** (corporate focus and collaboration among stakeholders); (3) **knowledge management** (contextualizing data and exposing it to key stakeholders); (4) **technology/service** (the selection of the appropriate tools and the effective deployment of those tools); and (5) **performance management** (the ability of the organization to measure its results to improve its business). These characteristics (identified in Table 3) serve as a guideline for best practices, and correlate directly with Best-in-Class performance across the key metrics.

Fast Facts

- √ Ninety-one percent (91%) of Best-in-Class companies have an individual or team recognized as holding responsibility for improving marketing performance
- √ A process for disseminating results from marketing campaigns to key stakeholders is in place at 64% of Best-in-Class companies compared with 51% of Industry Average and 27% of Laggard companies
- √ Marketing involves sales in obtaining voice of customer input at 71% of Best-in-Class firms, vs. 55% of Industry Average and 40% of Laggard firms

Table 3: The Competitive Framework

	Best-in-Class	Average	Laggards
Process	Marketing involves Sales in obtaining voice of customer input		
	71%	55%	40%
	Process for disseminating results from marketing campaigns to key decision-makers		
Organization	69%	55%	41%
	Process for capturing and disseminating collateral, best practices, case studies, etc. that both Sales and Marketing teams can leverage		
	53%	41%	25%
Knowledge	An individual or team is recognized as holding responsibility for improving marketing performance		
	91%	66%	52%
	The business and organizational goals of Sales and Marketing are aligned and well understood		
Knowledge	65%	57%	36%
	Sales has complete access to all marketing collateral		
	85%	74%	63%
	Ready access to marketing campaign results		
	62%	51%	42%

	Best-in-Class	Average	Laggards
Enabling Technology or Service	<ul style="list-style-type: none"> ▪ 84% Email marketing ▪ 79% Database management ▪ 71% Web analytics ▪ 70% Search engine marketing ▪ 69% Search engine optimization ▪ 66% Social media marketing ▪ 63% Event management ▪ 53% Campaign management 	<ul style="list-style-type: none"> ▪ 80% Email marketing ▪ 72% Database management ▪ 67% Web analytics ▪ 66% Search engine marketing ▪ 58% Search engine optimization ▪ 56% Social media marketing ▪ 62% Event management ▪ 50% Campaign management 	<ul style="list-style-type: none"> ▪ 54% Email marketing ▪ 53% Database management ▪ 41% Web analytics ▪ 58% Search engine marketing ▪ 49% Search engine optimization ▪ 45% Social media marketing ▪ 36% Event management ▪ 40% Campaign management
Performance	Process for disseminating results from marketing campaigns to key stakeholders		
	64%	51%	27%

Source: Aberdeen Group, October 2011

Capabilities and Enablers

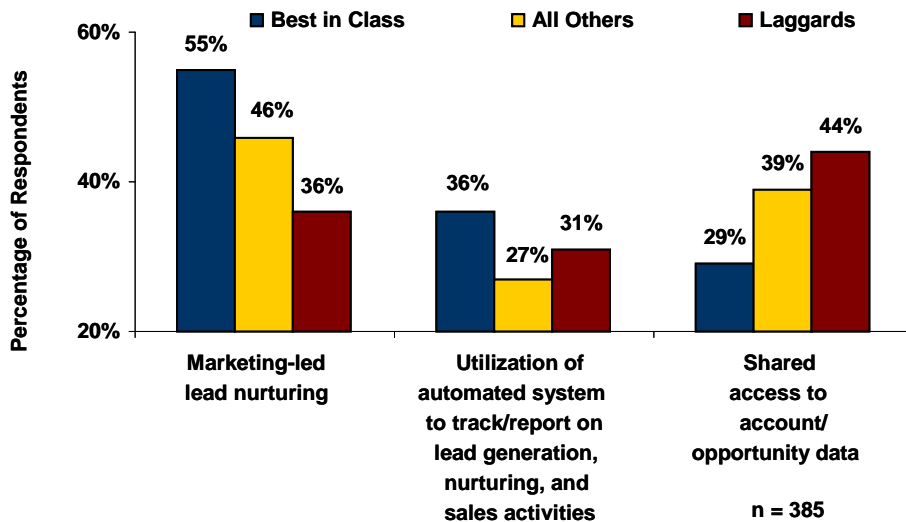
Based on the findings of the Competitive Framework and interviews with end users, the Best-in-Class demonstrate that a highly identifiable set of corporate capabilities and enablers can lead to measurable business success through the deployment of specific sales / marketing alignment methodologies, services and technologies. Additional Aberdeen research, cited in Appendix B, supports these observations.

Process

The process-related capabilities that correlate with top performance demonstrate the importance of developing a shared message across marketing and sales, and the content that goes with it. We also see this tendency reflected in the knowledge management capabilities, below. The rise of content-based marketing as a response to the hidden sales cycle begins to explain this focus.

Best-in-Class organizations are 38% more likely than all others (50%) to have processes in place to share the results of marketing campaigns with key decision makers. This may point to a sense of shared ownership for these results, while demonstrating a service-oriented approach to marketing that views the organization's other internal lines of business as its internal customers.

Figure 7: Lead Conversion Activity, by Best-in-Class



"Marketing and sales alignment were critical to achieving success at JDA. Our approach started by establishing the credibility of marketing, which takes both leadership and a clear view of operational metrics impacting marketing outcomes."

~ Mark Skoog, Senior Director of Solutions Marketing at JDA

Source: Aberdeen Group, October 2011

It's interesting to compare this approach with one that correlates highly with Laggard performance: "shared access to account / opportunity data" (Figure 7). This may lead to a case of "Too Much Information" (TMI) on the part of marketing. In other words, focused dissemination of marketing campaign results demonstrates Marketing's value, while opening the kimono to 100% of sales and marketing data does not.

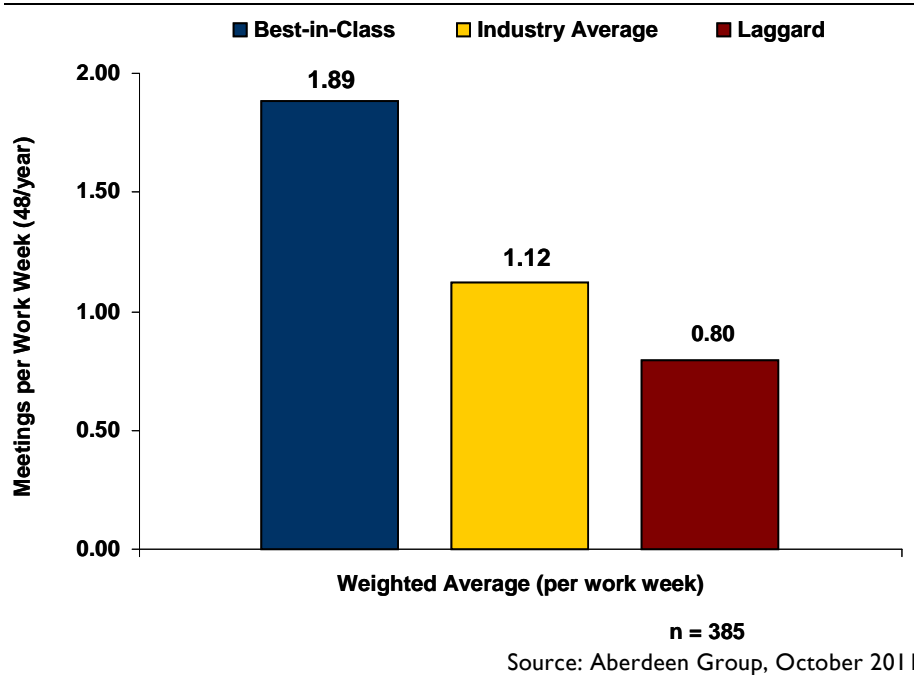
Organization

No other capability is as highly adopted among the Best-in-Class across this study as having an individual or team responsible for improving marketing performance. Best-in-Class companies are nearly 50% more likely than all others (91% v. 61% adopting) to have this organizational capability. While the value of this capability to improving the overall effectiveness of marketing programs might be obvious, this is also a practice, like the sharing of campaign results, that helps demonstrate marketing's commitment to delivering value. For many marketing organizations, the responsibility for improving performance belongs to a dedicated marketing operations role, an individual who may also own responsibility for the marketing automation system from a business perspective. And while many may view this role as a luxury of the "big guys," it's actually adopted more broadly by small organizations (73% of companies with 1-100 employees adopting) than by large companies (60% of companies greater than 1,000 employees adopting).

Another important organizational capability is alignment around the businesses and organizational goals of sales and marketing. This often manifests in the number of meetings between sales and marketing leaders every week. As seen in Figure 8 below, Marketing and Sales in Best-in-Class firms meet nearly twice as often each week (1.89 meetings / week) as their counterparts among Industry Average firms (1.12 meetings / week). However,

we view this as a trailing indicator, and Aberdeen does not recommend a strategy based solely on increasing the frequency of meetings alone.

Figure 8: Sales/Marketing Leadership Meeting Frequency, by Best-in-Class



Additional organizational capabilities adopted heavily by the Best-in-Class include:

- Operations resources devoted to managing marketing campaigns. The value of process- and data-driven marketing makes operational resources more important.
- Clearly defined roles/responsibilities for lead management activities

Knowledge Management

Best-in-Class sales and marketing organizations are clearly singing from the same data “sheet of music” more often than their Industry Average and Laggard peers. The Best-in-Class are more likely to give Sales access to marketing collateral, reinforcing the content process capabilities discussed above.

Consistent with the Best-in-Class process capabilities detailed above, Best-in-Class firms are 29% more likely than all others (62% vs. 48% adoption) to provide ready access to marketing campaign results. This datum may also suggest that such firms have this information in the first place, as you can’t access what you don’t have.

"We're always striving to constantly improve our ability to connect with customers and in that context, aligning our sales and marketing activities empowers both sales and marketing with crucial customer insights that are vital to help them do their job better."

~ ~Adam Gotlieb, Manager,
Brand & Creative, Harris
Corporation Broadcast
Communications

Technology and Service Enablers

The technology and services enablers deployed more frequently by the Best-in-Class show that the adoption of marketing automation technology in a number of categories is paying off for companies. Even firmly established technologies, such as email and database management, that enjoy broad penetration in the market, are still adopted at higher rates by top performers. Emerging technologies, such as social media marketing and monitoring, and customer experience management, have lower overall penetration, but a high delta in adoption between Best-in-Class and all others. Given their potential for building influence within the hidden sales cycle, these technologies have a greater likelihood of creating strategic advantage for companies who adopt them. Overall adoption of Customer Relationship Management (CRM) or Sales Force Automation (SFA) systems is high among the survey respondents, with 65% of all respondents indicating use, including 67% of Best-in-Class and 69% of Industry Average companies (as well as 55% of Laggards). This suggests that when it comes to CRM / SFA, it's not what you have that matters so much as how you use it. Best-in-Class companies are more successfully leveraging these systems to define common processes and share critical information across marketing and sales.

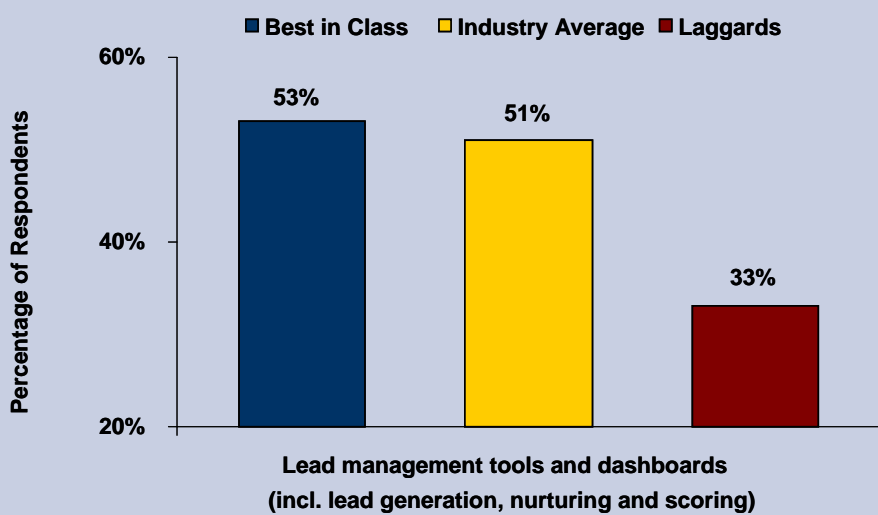
Technology Insight: Lead Management

Adoption of lead management technology, even among the Best-in-Class, is surprisingly low given the challenges marketers face: economic and budgetary pressure, changing buying behavior and the need for metrics that measure marketing effectiveness. Nevertheless, Best-in-Class firms are adopting lead management technology at a rate 61% higher than Laggards (53% vs. 33%), as seen in Figure 9.

continued

Technology Insight: Lead Management

Figure 9: Adoption of Lead Management Tools by Best-in-Class



n = 385

Source: Aberdeen Group, October 2011

Let's look at how lead management technology addresses key marketing challenges:

More with less – This phrase has been the *modus operandi* of many marketing organizations since before the Great Recession. Lead management helps ensure that organizations maximize their investment in lead generation, since only a small percentage of contacts are likely to represent “buyers” at the exact time that a contact is acquired.

Influence the Hidden Sales Cycle – Lead management should be integrated with organizations' content-based engagement marketing strategy. Often referred to as lead nurturing, lead management is pivotal in supporting the scoring of information and its flow to contacts in your marketing database.

Data-driven – As with nearly any process automation initiative, one of the most compelling byproducts, if not a hidden catalyst for the project itself, is the ability to obtain accurate metrics as a measure of performance and effectiveness. The reporting and analytics associated with lead management can help identify gaps or bottlenecks, and present opportunities to optimize the opportunity generation and management process, particularly around the hand-off from marketing to sales.

Performance Management

While marketing and sales leaders cite measuring return on marketing investment as a top pressure, only 45% of respondents have a process for

tracking and measuring marketing results. Fewer still (35%) have defined performance metrics for measuring marketing effectiveness, and neither capability correlates with performance. Performance management appears to be happening at a more granular, even tactical level, with 64% of Best-in-Class having a process for disseminating marketing campaign results to key stakeholders vs. 51% of Industry Average firms and 27% of Laggards. It appears that sharing campaign results not only takes priority over more general marketing performance tracking capabilities (and as such is more widely adopted), but is more prevalent among top performers as well. This may indicate that marketing and sales leaders aren't fully harnessing the capabilities available in marketing automation and CRM systems to generate compelling results.

Chapter Three: Required Actions

Whether a company is trying to move its performance in sales and marketing effectiveness from Laggard to Industry Average, or Industry Average to Best-in-Class, the following actions will help spur the necessary performance improvements:

Laggard Steps to Success

- **Establish a formal planning process between sales and marketing.** Alignment starts with a clear understanding of the goals and objectives of each organization. Best-in-Class and Industry Average firms have established a formal planning process between sales and marketing twice as frequently as Laggards (63% and 61% vs. 31% respectively). It's from these meetings that a common ground on such things as the definition of a lead and go-to-market messaging can be established.
- **Clearly define roles and responsibilities for lead management activity.** Only 38% of Laggards have clearly defined roles / responsibilities for lead management activities, compared with 63% of Average firms and 65% of the Best-in-Class. Changing buyer behavior and engagement-based marketing adds complexity to the marketing and sales cycle, and clear understanding of who's doing what is critical to effectively moving opportunities through the pipeline.
- **Take steps to adopt marketing technology.** Adoption of a range of core marketing technologies, such as email, database management and web analytics is significantly lower among Laggards compared with the use of these technologies by Industry Average companies. There are now a number of cloud-based, on-demand marketing solutions that offer robust functionality at low, pay-as-you-grow pricing. With only 55% of Laggards adopting CRM or salesforce automation systems, this may be the place to invest for sales and marketing alignment.

Industry Average Steps to Success

- **Identify an individual or group responsible for improving marketing performance.** With 91% of Best-in-Class firms adopting this capability compared with 66% of Average firms, no other capability was as highly correlated with top performance. Marketing must get its own house in order before the benefits of sales and marketing alignment can be fully realized. Average-performing firms should consider making this the remit of the marketing operations position, which Average and Best-in-Class firms are equally likely to have (66% and 67% respectively).
- **Marketing should involve sales in obtaining "voice of the customer" input.** This is one of several capabilities associated with content and messaging that are adopted at higher rates by the Best-in-

Fast Facts

- √ Sixty percent (60%) of Best-in-Class companies are using Social Media Monitoring technology compared with 47% of Industry Average and 35% of Laggard companies
- √ Content management technology is in place at 64% of Best-in-Class firms vs. at 48% of all other firms
- √ Fifty-three percent (53%) of Best-in-Class firms are using Lead Management systems compared with 51% of Industry Average and just 33% of Laggard firms

"Sales and marketing alignment begins with determining the right measures indicating marketing's lead contribution to the sales pipeline."

~ Brian Hamilton, General Manager, Thompson Tractor

Class (71% vs. 55%). When combined with the increased likelihood of Best-in-Class organizations to disseminate and provide access to common marketing collateral (white papers, case studies, best practices), it's clear that alignment of message is as important as alignment of process between Marketing and Sales.

- **Share results with key stakeholders / decision makers.** It's not enough just to measure and report marketing results. Best-in-Class firms consistently adopt practices related to sharing marketing campaign results with key stakeholders at higher rates than Average firms. This not only provides important insight about what's working and what might need improvement, but helps establish marketing's credibility by communicating the value they deliver to the business. It may also give Sales a greater sense of ownership and responsibility for closing those well qualified marketing leads.

Best-in-Class Steps to Success

- **Accelerate adoption of lead management / marketing automation.** Given that adoption of lead management and marketing automation are top goals for Best-in-Class organization, Best-in-Class firms should consider increasing their use of lead management to both automate and standardize key demand generation and lead management processes. These technologies are also likely to add value by maximizing marketing campaign investments and better addressing contacts in addressable segments of the hidden sales cycle. Doing so not only allows organizations to institutionalize best-practices, but provides valuable metrics upon which to evaluate ROI.
- **Invest in campaign management capabilities.** Understanding the impact and effectiveness of specific campaigns, tactics and content at a granular level will be increasingly important in evaluating the value that Marketing delivers to Sales, and ultimately to the bottom line. Today, 35% of Best-in-Class have the capability to conduct cost / benefit analysis for individual marketing campaigns, compared with 30% of Average and 28% of Laggard firms. While this capability is not broadly adopted today, early adopters are seeing success.
- **Sales should seek to better understand the goals and actions of Marketing.** While much of the onus on sales/marketing alignment is understandably on marketing, the shift to engagement marketing means that sales should become better acquainted with Marketing's discipline, goals and activities to better understand buyers' pre-sales journey. This will have organizational benefits, including the development of a sales team more in tune with its buyers.

How Does Your Performance Compare to the Best-in-Class?



- Compare your processes
- Receive a free, personal PDF scorecard
- Benefit from custom recommendations to improve your performance, based on the research

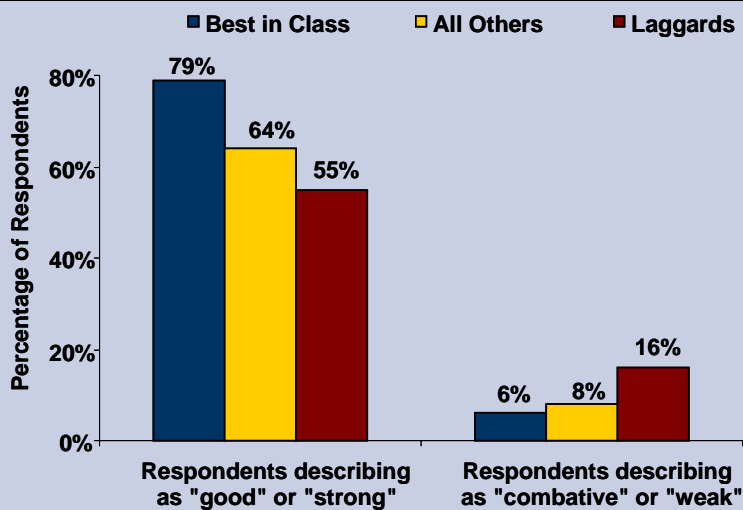
Take the Assessment

Receive Your Free Scorecard

Summary

Whether your organization is selling a pair of jeans or an enterprise application system, the way buyers enter the sales cycle has been significantly and irrevocably changed by market transparency, online communities, and the pervasive connectedness of social media. The educated consumer is not just your best customer; it's your only customer. When this dynamic is added to the pressures of the volatile macroeconomic climate and the accelerated competition for capital, sales and marketing alignment emerges as an imperative.

Figure 10: The State of the Sales and Marketing Relationship



n = 385

Source: Aberdeen Group, October 2011

Aberdeen's research shows that this relationship must be based on both process and message alignment. Yes, a shared planning process, an understanding of lead definition, and a clear articulation of the stages of the marketing-to-sales cycle are important, but Best-in-Class performance is most strongly correlated with the ability to share collateral, best practices and case studies across marketing and sales and to pursue the "voice of the customer" jointly. In addition, Best-in-Class firms in this study access and share marketing campaign results at higher rates than their peers. This suggests that marketers are concerned with tracking the performance of each and every marketing campaign they launch – by whatever metrics they may use to judge that performance.

Appendix A: Research Methodology

During September and October of 2011, Aberdeen examined the use, the experiences, and the intentions of 385 enterprises using services and technologies that impact the performance of their sales teams.

Aberdeen supplemented this online survey effort with interviews with select survey respondents, gathering additional information on sales and marketing alignment strategies, experiences, and results.

Responding enterprises included the following:

- **Job title:** The research sample included respondents with the following job titles: CEO / President (23%), Director (23%), Manager (21%), EVP / SVP / VP (15%), General Manager/Managing Director (3%), and other (15%).
- **Department / function:** The research sample included respondents from the following departments or functions: marketing (50%), sales and business development (24%), corporate management (10%), and other (16%).
- **Industry:** The research sample included respondents exclusively from software (24%), IT consulting and services (14%), media / public relations (6%), telecommunications equipment / services (6%), financial services (5%), health / medical / dental devices & services (3%), industrial product / equipment manufacturing (3%), and other (39%).
- **Geography:** The majority of respondents (73%) were from the Americas. Remaining respondents were from the EMEA region (18%) and Asia-Pacific (9%).
- **Company size:** 11% of respondents were from large enterprises (annual revenues above US \$1 billion); 26% were from midsize enterprises (annual revenues between \$50 million and \$1 billion); and 63% of respondents were from small businesses (annual revenues of \$50 million or less).
- **Headcount:** 19% of respondents were from large enterprises (headcount greater than 1,000 employees); 25% were from midsize enterprises (headcount between 100 and 999 employees); and 56% of respondents were from small businesses (headcount between 1 and 99 employees).

Study Focus

Responding executives, primarily in marketing and sales management roles, completed an online survey that included questions designed to determine the following:

- √ The degree to which sales and marketing alignment is achieved in their organization and the impact it has on achieving their business goals
- √ The structure, effectiveness and satisfaction with existing sales and marketing alignment implementations
- √ Current and planned use of sales and marketing alignment activities to achieve desired changes in marketing's contribution to company revenue and annual company revenue
- √ The benefits, if any, that have been derived from sales and marketing alignment initiatives

The study aimed to identify emerging best practices for managing performance of sales and marketing teams, and to provide a framework by which readers could assess their own management capabilities.

Table 4: The PACE Framework Key

Overview
<p>Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:</p> <p>Pressures — external forces that impact an organization’s market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive)</p> <p>Actions — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product / service strategy, target markets, financial strategy, go-to-market, and sales strategy)</p> <p>Capabilities — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products / services, ecosystem partners, financing)</p> <p>Enablers — the key functionality of technology solutions required to support the organization’s enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)</p>

Source: Aberdeen Group, December 2011

Table 5: The Competitive Framework Key

Overview	
<p>The Aberdeen Competitive Framework defines enterprises as falling into one of the following three levels of practices and performance:</p> <p>Best-in-Class (20%) — Practices that are the best currently being employed and are significantly superior to the Industry Average, and result in the top industry performance.</p> <p>Industry Average (50%) — Practices that represent the average or norm, and result in average industry performance.</p> <p>Laggards (30%) — Practices that are significantly behind the average of the industry, and result in below average performance.</p>	<p>In the following categories:</p> <p>Process — What is the scope of process standardization? What is the efficiency and effectiveness of this process?</p> <p>Organization — How is your company currently organized to manage and optimize this particular process?</p> <p>Knowledge — What visibility do you have into key data and intelligence required to manage this process?</p> <p>Technology — What level of automation have you used to support this process? How is this automation integrated and aligned?</p> <p>Performance — What do you measure? How frequently? What’s your actual performance?</p>

Source: Aberdeen Group, December 2011

Table 6: The Relationship Between PACE and the Competitive Framework

PACE and the Competitive Framework – How They Interact
<p>Aberdeen research indicates that companies that identify the most influential pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute those decisions.</p>

Source: Aberdeen Group, December 2011

Appendix B: Related Aberdeen Research

Related Aberdeen research that forms a companion or reference to this report includes:

- [Marketing Executive's Agenda for 2012: Uncovering the Hidden Sales Cycle](#); October 2011
- [Marketing Executive's Agenda for 2012, Part II: Channel Conflicts and Resolutions](#); October 2011
- [Leveraging the 360 Degree Customer View to Maximize Up-Sell and Cross-Sell Potential](#); September 2011
- [Chance Favors the Prepared Mind - Understanding the Science of Sales Intelligence](#); July 2011
- [Sales Forecasting: How Top Performers Leverage the Past, Visualize the Present, and Improve Their Future Revenue](#); July 2011
- [The Extended Sales Enterprise: Channeling Better Results](#); April 2011
- [Streamlining the Top of the Funnel: How Inside Sales Teams Source, Qualify and Close Business](#); February 2011
- [Sales Mobility: Quotas Untethered](#); November 2010
- [Sales and Marketing Alignment Collaboration + Cooperation = Peak Performance](#); September 2010
- [Sales Performance Management: Getting Everyone on the Same Page](#); August 2010
- [Optimizing Lead-To-Win: Shrinking the Sales Cycle and Focusing Closers on Sealing More Deals](#); May 2010

Information on these and any other Aberdeen publications can be found at www.aberdeen.com.

Author: Peter Ostrow, VP/Group Director, Customer Management; Principal Analyst, Sales Effectiveness (peter.ostrow@aberdeen.com)

Trip Kucera, Sr. Research Analyst, Marketing Effectiveness & Strategy (trip.kucera@aberdeen.com)

For more than two decades, Aberdeen's research has been helping corporations worldwide become Best-in-Class. Having benchmarked the performance of more than 644,000 companies, Aberdeen is uniquely positioned to provide organizations with the facts that matter — the facts that enable companies to get ahead and drive results. That's why our research is relied on by more than 2.5 million readers in over 40 countries, 90% of the Fortune 1,000, and 93% of the Technology 500.

As a Harte-Hanks Company, Aberdeen's research provides insight and analysis to the Harte-Hanks community of local, regional, national and international marketing executives. Combined, we help our customers leverage the power of insight to deliver innovative multichannel marketing programs that drive business-changing results. For additional information, visit Aberdeen <http://www.aberdeen.com> or call (617) 854-5200, or to learn more about Harte-Hanks, call (800) 456-9748 or go to <http://www.harte-hanks.com>.

This document is the result of primary research performed by Aberdeen Group. Aberdeen Group's methodologies provide for objective fact-based research and represent the best analysis available at the time of publication. Unless otherwise noted, the entire contents of this publication are copyrighted by Aberdeen Group, Inc. and may not be reproduced, distributed, archived, or transmitted in any form or by any means without prior written consent by Aberdeen Group, Inc. (2011a)

Featured Underwriters

This research report was made possible, in part, with the financial support of our underwriters. These individuals and organizations share Aberdeen's vision of bringing fact based research to corporations worldwide at little or no cost. Underwriters have no editorial or research rights, and the facts and analysis of this report remain an exclusive production and product of Aberdeen Group. Solution providers recognized as underwriters were solicited after the fact and had no substantive influence on the direction of this report. Their sponsorship has made it possible for Aberdeen Group to make these findings available to readers at no charge.



Brainshark provides the leading cloud-based software for creating, sharing and tracking online and mobile video presentations. With Brainshark, businesspeople can easily transform static content, such as PowerPoint® documents, into voice-enriched video presentations that can be accessed anytime, on-demand. Customers can also obtain extensive viewing details, providing the analytics necessary to measure the effectiveness of their content, so they can follow up accordingly. Thousands of companies – including a third of the Fortune 100 – rely on Brainshark to increase the impact and reduce the cost of their sales, marketing, training and HR communications. For more information, visit www.brainshark.com.

For additional information on Brainshark, Inc.:

Brainshark, Inc.

130 Turner Street, Building I, Suite 100

Waltham, MA 02453

Telephone: 781.370.8000

www.brainshark.com

info@brainshark.com



Great customer conversations are your company's best opportunity for competitive differentiation. Marketing and Sales must work together to make that happen. With Corporate Visions, you will develop status quo-busting messages, deploy those messages in tools that create demand and enable salespeople, and deliver skills training for winning conversations that tell your story in a remarkable, memorable and compelling way. For more information, visit www.corporatevisions.com.

For additional information on Corporate Visions, Inc.:

Corporate Visions, Inc.

849 Incline Way

Incline Village, NV 89541

Telephone: 262.251.3726

www.corporatevisions.com

triesterer@corpv.com