Align Sales and Marketing Around the Customer

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Introduction

The traditional approach to marketing and sales alignment has focused on one moment of truth: transfer of prospects from Marketing to Sales. Sales' goal was to ensure that Marketing sent truly qualified leads. Marketing's goal was to ensure that leads it sent were efficiently received, distributed, and contacted. Both were satisfied if qualified leads were handed off smoothly.

That's no longer enough.

Today's buying process is not a linear sequence: that is, prospects no longer interact exclusively with Marketing, are handed off, and then interact exclusively with Sales. Instead, prospects interact with multiple channels throughout the process: visiting Web pages, reading emails, checking social media discussions, talking to peers, attending live and virtual events, chatting online, and occasionally even picking up the telephone. Many of those interactions are managed by Marketing, even in the later stages of the buying cycle. This means that Marketing and Sales must coordinate to deliver the right message to each prospect during every interaction. Instead of handing off each lead like the baton in a relay race, Sales and Marketing constantly exchange control like soccer players moving a ball down field. Close, continuous teamwork is essential to reach the goal.

The key to this new, more extensive alignment is relating each action to the customer's stage in the buying process. In other words, it's less about aligning Marketing and Sales with each other than about aligning them both with the customer. This paper will show you how.

Build Shared Understanding

The bedrock of alignment is understanding. Marketing and Sales must understand each other, and both must have a shared understanding of the customer.

Customer Understanding

Most companies already have a reasonable understanding of their customers. However, Sales and Marketing have often developed separate visions that don't necessarily agree. The sharing process therefore starts with a joint review of each department's information on the customer base. Marketers will likely contribute personas, needs analysis, market segmentation, media consumption, and industry trends. Sales will probably have information on purchase processes, competitors, buying motivations, and critical differentiators. Each department should present its information to a joint team that will create a presentation that incorporates the views of both groups.

Beyond sharing existing information, it's helpful for both groups to cooperate in gathering new customer insights. One productive project can be a touchpoint map, which documents all interactions that customers have with the company from their initial introduction to the brand through the actual purchase and use of the product. Touchpoint maps are especially useful at driving home the core point that buyers gather information from many different sources across all stages of the customer life cycle – a key motivator for improved alignment. The map also provides a framework for more detailed analysis of each interaction, such as which systems support it, how often it happens, what messages are currently being delivered, and what opportunities exist for customer recognition and personalization. This will clarify existing disconnects and help to design and deliver aligned customer treatments in the future.

The company should also ensure that future information gathering projects include both Sales and Marketing, so the shared vision remains consistent. This involves practical steps such as getting Sales input into Marketing survey questions and having marketers spend some time with salespeople on customer visits and making telephone calls. Both groups should periodically review each other's materials (market research, product plans, customer presentations, sales funnels, etc.) to keep their customer understandings consistent as Marketing and Sales gain new insights.

Fact-Based Decisions

Beyond sharing information, team members must share a commitment making decisions based on facts. This is essential for honest participation in team discussions. It also builds confidence that each department's internal decisions are equally fact-based, making it easier for other departments to accept them. Developing a fact-based approach can be hard at companies without an analytical culture. But Sales and Marketing joint activities are a good place to start, because department leaders and senior management are often watching closely.

Marketing and Sales Understanding

Working together on customer insights should strengthen personal relationships between Sales and Marketing departments. But effective alignment extends beyond personalities. Concrete steps to improve shared understanding and consistent motivations include:

- **shared revenue goals:** Marketing should ultimately be measured on the same goal as Sales, typically revenue or gross margin contribution. But there are also reasons to measure each group in part on outcomes it controls directly. The best approach is to build a shared understanding of performance by letting both departments see a mix of marketing, sales, and unified measures. Incentive plans for each group can different subsets of those measures, so people in each department have motivation to cooperate but are also rewarded for their individual contributions.

- **agreed performance targets**: Marketing and Sales should agree on targets for specific outputs, such as number of qualified leads per quarter and number of sales contact attempts per lead. The targets should include objective definitions for each item, such as a "qualified" lead, so everyone knows exactly what they are expected to deliver. Performance against these targets should be included in shared reports each team can better understand challenges their counterparts are facing.

- **Departmental objectives:** in addition to their shared goal of generating revenue, Marketing and Sales have objectives that apply only within their departments. Some are external, such as brand metrics that marketers track closely. Others are internal, such as training goals or sales contests. Each team needs to understand the other team's goals and learn how they contribute the company's long-term success.

- **operational processes:** Marketing and Sales teams should be aware of each other's operational processes, such as how an email campaign gets set up or how leads are distributed. In some cases, it may be worthwhile for team members to be trained in the other department's processes. For tasks that directly impact the other department, such as Marketing's creation of sales collateral or Sales' initial handling of new leads, both groups should agree on a standard process that includes mutual involvement when appropriate. To enforce these agreements and find opportunities for improvement, the company should track compliance with standard processes and report on performance.

Define the Buying Process

One essential component of shared customer understanding is a shared model of the buying process. When customer treatments by Sales and Marketing are aligned with this model, then Sales and Marketing are aligned with each other.

A process model might seem irrelevant in a world where customers no longer engage with in a company-controlled linear sequence. But the stages exist whether or not customers enter them in order. For most companies, a reasonable set of stages would be:

- **acquisition:** Marketing-run programs to attract prospective new customers, inform them about the product, and gather contact information. This includes most advertising, most Web pages, physical and virtual events, prospecting emails and direct mail, blogging, social media promotions, and similar channels.

- **nurture:** Marketing-run programs to communicate with known prospects. Most companies will divide their nurture stage into sub-stages that describe how engaged the prospect seems to be and how close they are to making a purchase. Nurture programs are generally designed to propel customers from one sub-stage to the next, although a more realistic description would be that they service customers as they move through the sub-stages on a schedule of their own. Nurture programs are primarily executed through email but may also include events, content offers, telephone, direct mail, Web pages, surveys, and other individually-addressable media.

- **qualification:** Marketing programs that identify prospects who are ready for sales contact. This stage is less concerned with prospect interactions than with internal processes such as lead scoring and data enhancement. But it may include some interactions that gather data directly from prospects, such as an email survey or phone call from a lead qualification team.

- **hand-off:** joint Marketing/Sales programs that send information about qualified prospects to the sales department. Again, this more about internal processes than customer interactions.

- **acceptance:** Sales programs that initiate the sales relationship with a new lead, send it back to nurture, or disqualify it permanently. This is another mix of internal processes and customer communications. The internal processes center on assigning leads to the correct salesperson, notifying the salesperson of the new lead, and ensuring that rejected leads are routed correctly. Typical customer communications would include introductory emails, phone calls, and appointments.

- **selling:** Sales programs that move the lead from initial sales contact through the closed deal. As with nurture, most companies track sub-substages, such as initial appointment, discovery, proposal, negotiation, and close. Even though Sales is primarily responsible for this stage, many interactions will take place in Marketing-run systems. This means Marketing and Sales must cooperate to share information and deliver correct treatments. This stage is also where salespeople use supporting materials developed by Marketing.

- **service:** operational programs to deliver a good customer experience and promote additional purchases. These programs are run by many company departments. All must cooperate to ensure long-term business success.

Identify Alignment Points

Each stage in the buying process requires Marketing and Sales alignment – even stages where the programs are run wholly by one department or another. The list below contains some alignment points; your company team will probably add others.

For each item on the alignment list, your team will need to specify goals of Marketing, Sales, and the customer; develop and deploy treatments and processes that meet the goals; create measures that monitor execution and track results; and continually review performance to find opportunities for improvement.

Typical Marketing/Sales Alignment Points	
acquisition	✓ define attributes of target customers ✓ agree on target quantities for new leads by time period ✓ define hot leads and agree on processes to send directly to sales
nurture	✓ agree whether to telephone new prospects, and what data to gather ✓ define sub-stages with behaviors and attributes that define sub-stage members ✓ agree on information that prospects should receive at each sub-stage
qualification	✓ define attributes of a sales-ready lead ✓ agree on lead-scoring rules
hand-off	✓ agree on process to transfer new leads to sales ✓ agree on data to provide with new lead to sales ✓ define methods to link new leads with existing accounts, for attribution reports
acceptance	✓ agree on how quickly sales will contact new lead, how many contact attempts ✓ define process for returning rejected leads to nurture or removing from system
selling	✓ define process for returning rejected leads to nurture or removing from system ✓ agree on data to be provided with closed leads ✓ define rules for alerts to sales based on lead behaviors in marketing systems ✓ define rules to drive messages in marketing systems based on lead status in sales ✓ agree on process to develop and distribute sales collateral and to track usage
service	✓ define sales/service alert rules based on customer behaviors in marketing systems ✓ define process to deliver marketing messages during operational interactions ✓ define process to integrate loyalty programs with operations

Successful implementation relies on several factors:

- **shared processes:** several key processes must be shared to ensure successful alignment. These include shared analysis of the buying process, to define the stages and specific alignment tasks; shared project selection, to ensure the most important alignment projects are done first; shared revenue planning, to set goals for lead production and quality standards; and shared results evaluation, to identify problems and opportunities for improvement. At the operational level, the constellation of processes related to lead qualification, hand-off, and acceptance are still the heart of most alignment programs.

- **adequate staffing:** each alignment task will involve a team of people from different departments, but one person must still be responsible for delivering the result. Some tasks may require staff for execution, such as an inside sales group to call newly-acquired prospects. Beyond the individual tasks, staff will be needed to identify opportunities, manage the teams, gather data, and review results. Like any significant business initiative, alignment must have enough management support that busy individuals will spend the necessary time on it.

- **capable systems:** alignment requires data and process sharing between the Marketing and Sales, which often run separate systems for marketing automation and sales management. At a minimum, the marketing system must be able to send leads to the sales system and to receive updates from sales about lead status. Effective alignment typically involves additional integration, such as sharing behaviors and response history, synchronizing profile data, and sending alerts to Sales based on lead behaviors. Coordinating Web site treatments with the prospect's buying stage may require sharing data with the Web content management system or allowing the marketing automation system to identify visitors and select their Web content. Full coordination may also involve other systems including social media monitoring, social publishing, call centers, order processing, billing, and customer service.

- **well defined metrics:** individual alignment points will have their own metrics, such as "percentage of new leads with complete data" and "time to first sales contact". There will also be general performance metrics that are developed as part of the alignment process, such as number of marketing-generated leads, sales acceptance rates, close rates, and revenue from marketing-generated leads. Other metrics will help to manage the alignment process itself: number of alignment points, progress on alignment projects, internal surveys on marketing/sales cooperation, sales use of marketing-developed collateral, and prospect unsubscribe rates. The company will need reporting systems to gather the necessary inputs, present the results effectively, and allow deeper analysis when desired.

- **Continuous monitoring and improvement**. Someone must actively monitor the alignment metrics to ensure compliance with agreed processes, track results, and identify opportunities for improvement. In the early stages of an alignment program, the monitoring and analysis may be left to individual process owners. Eventually, it should be assigned to dedicated resources who are held responsible for it and can develop the expertise and credibility needed to be effective.

Measure Value

Each alignment project must prove their value like any other company investment. For expensive processes such as lead qualification telephone calls, the company may wish to run formal tests by excluding a sample of leads and comparing their results with leads that go through the process. Although such tests are expensive, they are the only certain way to isolate the incremental impact of one particular process on final outcomes. For processes that are too small to measure individually, and for alignment in general, the company can track metrics related to the broad benefits alignment should provide. These include:

- **less money spent by Marketing on prospects that don't become leads.** This value comes from better understanding the types of leads that Sales is looking for, from better nurturing processes to prepare those leads for Sales, and better processes to ensure that Sales actually contacts the qualified leads it receives. **Key metric: Marketing spend per Sales accepted lead.**

- **less time wasted by Sales on leads that don't close.** This value comes from delivering higher quality leads, from providing Sales with better information about lead interests and behaviors, and from more appropriate marketing treatments after leads are accepted by Sales. **Key metric: Sales cost per closed deal.**

- **less Sales time spent on prospecting for new leads.** This value comes from having sales people make the best use of their time, which is on nurturing relationships and closing deals, not on searching for new prospects. **Key metric: share of revenue from Marketing-sourced leads.**

- **higher revenue.** This value comes from all Marketing and Sales activities. Of course, your company is already tracking revenue. It's listed here to make the point that the other measures are all ratios, which means they be improved by chasing only the highest-value opportunities. Companies must also improve total revenue to achieve meaningful improvement. **Key metric: total revenue.**

Moving Into Alignment

Most companies will have begun to align some tasks, but few have a fully mature alignment process. The following maturity model will help you to assess your own organization and identify the changes needed to move you to the next level.

Marketing and Sales Alignment Maturity Model			
Level 1: Ad Hoc Projects	**Level 2: Departmental Alignment**	**Level 3: Customer Alignment**	**Level 4: Customer Alignment**
The company has none or a few alignment projects but no organized approach.	The company has multiple alignment projects that are designed to resolve conflicts between marketing and sales.	The company uses a model of the customer buying process to select alignment projects that will have the greatest positive impact.	The company has processes to identify new alignment opportunities and to optimize existing alignment programs.
Process			
• projects are selected based on immediate needs or management preference • no long-term planning or formal assessment of	• marketing and sales have a shared planning process for lead quantities, etc. • alignment projects are selected based on	• marketing and sales have formal processes to build shared understanding of customers and each other • marketing and sales have a shared model of the	• the company has a long term roadmap for future alignment projects • the roadmap identifies new resource needed to support future projects

Marketing and Sales Alignment Maturity Model			
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project value • marketing and sales plan their programs independently	expected value • project decisions are based on data analysis	customer buying process • alignment projects are selected based on analysis of buying process metrics • alignment projects are built into departmental operating plans • alignment decisions based on data analysis and tests	• alignment projects are selected based on expected value impact
Staffing			
• staff is selected separately for each project, based on availability and expertise • team leader is expert in project topic	• staff is selected based on expertise and previous alignment experience • analytical resources are available to help guide project decisions • project is supervised by senior department manager	• staff is formally assigned to an alignment team that oversees all projects • project teams include subject experts, led by an alignment team member • alignment project results are part of formal employee evaluations • senior managers regularly review alignment projects and results	• staff is formally assigned to an alignment team that oversees all projects • project teams include subject experts, led by an alignment team member • analysts are formally assigned to assess alignment projects and opportunities
Systems			
• projects rely on existing systems with minimal change • scope is limited to marketing automation and CRM systems	• technical resources are available for changes to support alignment • scope is limited to marketing automation and CRM systems	• alignment projects may include acquisition of new systems • project scope may include Web site, call center, and other systems	• alignment capabilities considered in acquisition of all new systems • analytical systems allow team members to analyze projects in depth
Metrics			
• metrics focus on activities, such as compliance with agreed service levels • metrics are delivered in reports that show current period information	• metrics focus on outcomes, such as number of qualified leads • metrics are delivered in a dashboard that shows goals, trends, exceptions, etc.	• metrics focus on project value delivered, such as changes in revenue or costs • management reports include value and status of alignment projects	• metrics include trends in alignment project value and efficiency over time • metrics include estimated costs of misalignment (wasted time, etc.) • management reports show trends in high-level alignment metrics (marketing spend per accepted lead, etc.) • management reports include value and status of alignment projects

Conclusion

Sales and Marketing alignment is more than a tactic but less than a religion: it is a business goal like any other, with values that can measured and weighed against other corporate investments. Alignment opportunities occur at every stage in the buying process and extend to post-purchase activities as well. Although the costs and benefits of each alignment opportunity can be assessed independently, all draw on the same foundation of shared understanding and should be overseen by an interdepartmental team. This ensures that alignment projects are coordinated, prioritized, and ultimately placed in the larger context of creating a better customer experience.

About Raab Associates Inc.

Raab Associates Inc. is a consultancy specializing in marketing technology and analytics. Typical engagements include business needs assessment, technology audits, vendor selection, results analysis, and dashboard development. The company also consults with industry vendors on products and marketing strategy. It publishes the B2B Marketing Automation Vendor Selection Tool (VEST), the industry's most comprehensive independent guide to B2B marketing automation systems.

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