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When Best Practices Go Bad:

# New Rules for Sales and Marketing Management

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## Introduction

Just as generals always prepare to fight the last war, "best practices" for marketing and sales can easily lag behind a fast-changing reality. Policies that made sense even a few years ago may be harmful when applied in current conditions. This paper will explore how fundamental changes in the business environment require a fundamental rethinking of how sales and marketing should work together. New rules must replace the old rules for your company to thrive in the years ahead.

We'll start with changes in the underlying business conditions, followed by the changes they imply for sales and marketing organizations. Then we can see how traditional best practices align with the new organization and propose new alternatives when necessary.

## Changes in Business Conditions

- **Buyers have more information.** Yes it's a cliché, but the Internet really has put buyers in control of the purchase process. It's not just that they can easily get information from your Web site without talking to a salesperson. They can also find your competitors much more easily, meaning there are fewer uncontested sales opportunities. And they get information about you from sources you don't control, including product review sites, industry bloggers, and, most trusted of all, peers in online and offline social networks.

  The net result is that marketers can no longer limit the amount of public information about their company. They traditionally did this so they could barter more detailed information about the company for information about the buyers themselves, opening the opportunity for a sales contact. Many still do this to the minimal extent of requiring Web site registration for information downloads.

  But a company that tried to impose more severe information requirements would simply drive annoyed prospects into the arms of more open competitors. It would also create an information vacuum to be filled by other sources that were less reliable and sometimes actively hostile. So today's marketers provide great volumes of information directly, deferring the involvement of sales until later in the purchase cycle – often letting the newly-empowered prospects decide for themselves when it's time.

- **Companies have more information.** The same technologies that let prospects gather more information about companies also let companies gather information about the prospects. In addition to online forms and surveys that the prospects fill out voluntarily, technology lets marketers track page views and email response of anonymous individuals and identify their company based on IP address. This can be further supplemented by matching against external sources of company and individual information, including compiled databases and social media.

  The result is that marketers can build a detailed view of each prospect's behavior over time, giving a much clearer view of their interests and engagement level. This means that instead of deciding immediately what to do with a new lead, based solely the information captured during the initial contact, marketers can evaluate them over time as new information accrues. Again, this defers the involvement of sales: marginal leads can now safely be held back pending additional information, rather than rushing them to sales just in case they are worthwhile.

The new abundance of information also means that marketers need to summarize it so that sales is not overwhelmed with details. This is a particularly sharp contrast to the days so little information was available that gathering every bit of it was a mark of excellence.

- **Selling is harder.** Companies interact with more prospects, more often, starting earlier in the purchase process. This alone increases the number and variety of responses they must provide. Adding to the challenge, those prospects have been trained in their lives as consumers to expect near-immediate, near-perfect service, and will quickly move on to a competitor if they don't get it. Handling each request manually would be impossibly expensive. Sales can only focus on high-priority prospects, but, even for them, it cannot always respond immediately or manage interactions such as Web site visits.

  Automation can help, but predefined contact streams such as a classic "drip marketing" program are not attuned to individual needs. Instead, systems should monitor each prospect and tailor responses to the situation. This applies regardless of whether the lead is currently "owned" by marketing or sales. In fact, since salespeople are constantly adjusting priorities in response to new information, they may decide at any moment that a particular lead is no longer worth direct attention. Thus, companies should move towards systems that react automatically to every event, while preserving an option for sales to intervene when it wishes.

- **Technology is more powerful.** Companies have many more ways to interact with customers, more data to guide those interactions, more ways to coordinate between marketing and sales, and more ways to analyze results. This opens new opportunities to be more effective but also makes possible more very serious mistakes. One particular concern is that low cost systems now allow individuals or departments to execute projects that would previously have required corporate support, such as email campaigns, newsletters or elaborate Web sites. These can easily conflict with more comprehensive company efforts.

  Companies need technical skills and discipline to select the right systems, design effective processes, create appropriate content, deploy programs efficiently, and then continuously evaluate results to understand what's working and find opportunities for improvement. These skills are foreign to many marketing and sales organizations, yet the sheer variety of choices available makes a systematic approach imperative if resources are to be deployed effectively.

## Changes in Marketing and Sales Relationships

The business changes outlined above point to a fundamental transformation in the relationship between marketing and sales. The traditional approach assigned a distinct task to each department: marketing produced leads, and sales sold to them. Relations between the two groups tended to be formal, if not frosty. At any given moment, each lead belonged to one group or the other. The transfer process was just slightly less structured than a Cold War prisoner exchange, and the subject of equally intense negotiations. The relationship was often tense, but at least it was clearly understood.

The new relationship is much more fluid. The buyers themselves are in control, and will interact as they please with both sales and marketing throughout the purchase cycle. Even the most advanced organizations are still working to adjust, but it's clear that sales and marketing must learn to share responsibility for each lead, relying on each other to treat each interaction correctly. Without this confidence, sales and marketing will build separate systems that duplicate their efforts in some situations and leaving buyer needs unmet in others. Neither result is acceptable.

On a practical level, the new relationship means that marketing stays engaged with leads much further into the purchase cycle, turning them over to sales only when they need personal attention that marketing's automated systems cannot provide. But the hand-off is now far less final. Marketing will still track those leads, respond to their requests, enroll them in nurturing programs, and provide other services that sales cannot execute efficiently.

The hand-off is also now reversible: sales may transfer primary responsibility for a lead back to marketing if it isn't close enough to making a purchase. This is a fundamental change in attitude: "leaks" from the sales funnel are not discarded as waste, but captured for recycling. Like any recycling program, it requires new connections between different parts of the process to function smoothly.

These changes are essential to freeing the sales department to focus on what it does best – building personal relationships and, ultimately, closing – while still ensuring that other buyer needs are still met. But building a more cooperative, integrated sales and marketing relationship requires changes in every aspect of the organization. Systems must exchange data on a real-time basis. Analytics must correlate data from lead acquisition through final sales. Performance measures and incentives must be based on sales results even though responsibilities for these are shared.

Above all, sales and marketing must be able to trust that the other department will handle each situation appropriately. This means the two groups must jointly define the appropriate treatments, understand precisely how each will deliver the treatments, and open up their systems so each can monitor the other's actual performance. The old Cold War mantra "trust but verify" still very much applies.

## Old vs. New Best Practices

One way to illustrate the depth of the change in sales and marketing relationships is to measure the impact on best practices. Advice that was perfectly sound several years ago is fast becoming obsolete. The new best practices are often radically different.

- ***Old best practice: Gather information about prospects as soon as they contact you****. Score them immediately to decide whether to send them to sales.* Today, you can accrue information slowly over time. Asking too many questions at the start can drive away prospects; nor are they likely to provide accurate responses before they know whether they really want to engage with you. ***New best practice: Gather information slowly and continuously rescore prospects to determine when to send them to sales. If possible, let them decide to request a sales contact.***

- ***Old best practice: Build nurturing campaigns that deliver a fixed sequence of messages to prospects who are not yet ready to buy.*** This made sense when you had little information to guide your messages. But today, an active prospect is likely to visit many times, so you have a more complete understanding of her evolving needs. ***New best practice: dynamically tailor messages based on the known and inferred needs of each prospect****.*

- ***Old best practice: Have marketing and sales agree on the definition of a "sales ready" lead. Otherwise, let each run its own operation independently.*** This was a best practice because the more common alternative was for marketing and sales not to talk at all. Today, marketing and sales need to cooperate on a broad range of activities. So although it's still essential to agree what will trigger an alert to sales, settling on just that one definition is no longer enough. ***New best practice: Have marketing and sales jointly define treatments and assign responsibilities for***

***all prospect interactions. Allow each to monitor the others' activities to ensure they are performing as expected.***

- ***Old best practice: Define structured processes to send leads from marketing to sales, to ensure no lead gets lost in the transition. Once a lead is sent to sales, marketing has no further involvement.*** Since a lead clearly belonged to either marketing or sales, a dropped hand-off left it in a no-man's land where it remained lost forever. Thus a fail-safe transfer process was essential. Today, marketing and sales are involved with each lead throughout the purchase cycle. A formal transfer process is less important than giving each group the ability to provide each lead with the appropriate treatments. ***New best practice: Give both marketing and sales visibility into the entire lead pool. Make it easy to adjust when sales starts its involvement and for marketing to remain engaged.***

- ***Old best practice: Judge marketing on its ability to deliver sales ready leads, and judge sales on its ability to convert those leads into buyers.*** These simple measures made sense when the roles of the two departments were clearly separate. But they are now so closely intertwined that both departments must be measured against more complex standards, and they must be made jointly responsible for the final result. ***New best practice: Judge marketing and sales by a single measure that compares total sales and marketing costs with total revenue. Supplement this with specific performance measures for individual tasks controlled by one department or the other.***

- ***Old best practice: Define a sales funnel that begins with acceptance of a lead and ends with a purchase. Discard leads that will "leak" from the funnel.*** Effective salespeople still focus on leads that will close in the near future. But the others can now be recycled back to marketing rather than simply discarded. ***New best practice: Recapture leads that "leak" from the sales funnel by having sales send them back to marketing for further treatment.***

- ***Old best practice: Research and review all available information about a prospect before making a sales contact.*** When information about individual leads was hard to find, a good salesperson could distinguish herself with thorough research. Today, the more common problem is information overload. Automated systems can assemble information from the company's own systems, external databases, news feeds, and social media. The challenge is condensing this information and highlighting the useful bits. ***New best practice: Consolidate information about a prospect and present a summary to sales.***

- ***Old best practice: Let marketing and sales run on separate systems, each tailored to its own needs.*** When marketing and sales activities were rigidly separated, there was little reason to share a computer system, especially since their needs were quite distinct. But the tight operational integration of the new relationship requires close synchronization, either by working on the same platform or by having separate platforms that share information more-or-less instantly. ***New best practice: Have marketing and sales work on the same or tightly integrated systems.***

## Summary

In today's business environment, buyers are in control. The buyer expects excellent, consistent treatment in every interaction from their first Web site visit to the final contract signing and beyond. The traditional wall between your marketing and sales operations is an obstacle to this treatment and, as a result, must be torn down. In its place you'll build an interchange that distributes information and delivers the right treatment in every situation, regardless of whether it comes from sales or marketing.

This is a fundamental change that requires rethinking of rules that supported the old process but obstruct the new one. Defining and mastering the new rules is the fundamental task facing today's marketing and sales organizations.

## About Raab Associates Inc.

Raab Associates Inc. helps marketers make the most of today's marketing technologies. Each engagement starts with a thorough assessment of your company's business situation. We then work with you to identify the solutions best suited to your unique combination of needs and resources. We continue to work with our clients through deployment to ensure that each project meets its objectives and lays the foundation for future growth.

Raab Associates draws on a combination of practical experience and technical knowledge. We continually scan the horizon for developments that can help our clients to gain competitive advantage. We combine an insatiable curiosity about new possibilities with a concrete understanding of the day-to-day business realities. This ensures that our clients receive sound advice and hands-on assistance with their toughest marketing technology issues.

David M. Raab has more than thirty years experience as a marketer, consultant, author and analyst. He has consulted with major firms in financial services, health care, telecommunications, publishing, consumer goods, technology and other industries. Mr. Raab has written hundreds of articles on marketing issues and addressed audiences in North America, Europe, Asia and Australia. He is author of the *Raab Guide to Demand Generation Systems* www.raabguide.com and *The Marketing Performance Measurement Toolkit,* available at www.racombooks.com

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## About Genius.com Inc.

Genius.com is the creator of the Genius Pro email marketing and Genius Enterprise marketing automation solutions.  Genius' on-demand solutions focus on aligning Sales and Marketing, with an emphasis on automating lead nurturing while maintaining a high level of visibility for Sales teams into prospect interest and behavior.  Over 500 companies  worldwide , including BT, Cisco WebEx, and EasyLink,  use Genius.com's unique technology for marketing automation, email marketing and demand generation to quickly deliver the most qualified leads to frontline sales reps. With Genius, Sales can immediately prioritize their leads and follow up on their best opportunities based on prospects'  online behavior,

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