



## Driving Effectiveness - From Offer to Order

**Cloud computing enables software companies to leverage marketing automation and grow their business.**

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Cloud Computing continues to generate new and innovative business opportunities - not to mention, a great deal of enthusiasm. I was amazed that more than 19,000 people attended Salesforce.com's Dreamforce conference last month, packing the aisles of the event floor. One of the topics drawing the most attendees was marketing automation with system Integrators demonstrating one-click synchronization of marketing and sales processes and lead data.

As a business consultant who has worked with several of these solutions, I have been excited about the benefits they deliver when integrated with CRM systems. The buzz at Dreamforce validated my beliefs that marketing automation, as a Cloud-based solution, will deliver significant business value throughout the organization. In particular, it will allow executives to better manage the business from "Offer to Order." Here are several ways in which marketing automation solutions, with analytics, can improve business efficiencies for CEOs, Sales VPs, CMOs, CFOs, and CIOs.

### **CEOs**

Most CEOs would agree that the main focus in the organization is sales. They may be somewhat aware that marketing automation solutions can help generate higher conversion rates, more qualified leads, and shorten sales cycles. This is all good. Yet, they are more likely interested in whether the company is going to hit its quarterly targets and in keeping operating costs in line. They want to improve efficiencies and need better ways to manage, track and analyze how the business is doing and how it will grow.

By integrating sales and marketing systems, with advanced analytics capabilities, they can now monitor end-to-end process flows from Offer to Order. This means CEOs (and COOs) can track the business from when marketing defines a strategy, creates a campaign, captures a name, qualifies it as a prospect, turns it over to sales as a lead, and then how sales moves it through the pipeline to the quote stage and then to an order and new customer (as well as afterwards through service and support). The benefit of this visibility is that business is more predictable, cost versus revenue is more measurable, departments are more accountable, and customer data is richer than ever before.

### **Sales VPs**

Traditionally, lead management in the CRM system starts when a sales rep is assigned a lead. There is an age-old dialog between sales and marketing about how well qualified the lead is - and sales often will reject (read: won't call) the leads they don't think are good, and instead, ask for more. Based on the lack of marketing's ability to really target and pre-qualify a prospect this is understandable; in order to meet their numbers, sales reps have to focus on the leads with the highest probability to move to a sale. There is also the question of who gets the mildly warm leads to qualify - Telemarketing, Inside Sales, Direct Reps or Channel Partners?

Now, with one-click integration of marketing automation with the CRM systems, sales can have up- to-the-minute information about the prospect as well as richer lead data. Marketing teams gather, pre-qualify and nurture leads and provide sales with vital updates on the behavior, interests, and intent of prospects, in real-time. Now, processes can be tracked from the beginning including the campaign strategy and prospect profile. And these systems can automate, based on the level of pre-qualification, where the lead gets routed for follow up.

How does this help sales management? Everyone understands how sales opportunities are qualified, distributed and cultivated. The process flows much easier. Better qualified leads mean fewer leads go untouched. Sales reps are more productive because they focused on the most highly-qualified prospects. Sales funnels and pipeline analysis is much easier and revenue forecasting is more predictable, which makes executive staff and board meetings run smoother as well. Communication with the CMO and the product management team is enhanced as more data about preferences, requirements, and behavior can be shared by all.

### **CMOs**

As a former CMO, and VP of Marketing, I understand how hard it is to justify marketing spend and track program effectiveness, as well as where the inherent disconnects are between marketing and sales. Historically, most tech companies were engineering driven. They soon understood the importance of investing in sales.

Marketing - or what little there was of it in the early days - was viewed primarily as a cost center whose goal was to collect names for sales people to call. Lead generation is critical of course, but there are many other strategic components to the marketing function, such as branding, messaging, and market segmentation, and target market analysis that require longer-term vision and execution.

Conversely, sales management and CEOs are understandably focused on hitting monthly and quarterly targets. It is with this short-term mindset that marketing was evaluated. And, with very little real data about marketing it was, in fact, challenging to justify exactly what marketing was really contributing.

Now, with integrated sales and marketing systems, businesses can capture data for both tactical and strategic initiatives. CMOs can better analyze program effectiveness, gain operational efficiencies, and target offers to prospects and customers more easily. As a result, marketing is turning over more highly-qualified leads that convert to sales faster. Marketing can now be viewed as a revenue generator rather than as a cost center, as it is directly impacting revenue and higher close rates.

One note of caution here is that there is a lot of system and process work that is required for these solutions to deliver the full value they are capable of returning. For example, simply getting a centralized contact database created that includes both prospects and customers across the regions is a monumental task and is often bypassed in favor of expediency. Marketing automation can dramatically increase the ability to up sell to the current installed base, and unless these systems and processes are more integrated, this will still be a difficult challenge.

### **CFOs**

CFOs, of course, have traditionally been chartered with managing the P&L for the business, as well as preparing all of the financial statements for the organization. They rely on the data from the CRM systems to predict revenue and to capture many business metrics.

Today, more and more CFOs are being asked to drive operational efficiencies and improve process flows. Based on conversations I have had, they are very bullish on the promise of integrated sales and marketing information in the CRM system. They also want to find ways to ensure that these systems are, in fact, being used and that the data is reliable.

A big complaint from CFOs is the lack of visibility into how marketing spend is translated into actual revenue. They want to be able to track how long it takes for a lead to get into the pipeline and to convert to an order. Predictability and accountability is what CFOs need, and integrated marketing and sales systems can give them valuable, granular information to better run the business. Now, if marketing budgets are being cut or if sales staff are hired or fired, the data in the system will help them evaluate the impact of these decisions and they can adjust plans accordingly.

### **CIOs**

CIOs are not only responsible for all of the systems in the organization but are frequently tasked with improving business and system alignment. They often create panels or process teams that function as the go-between between the business units and the IT department to ensure the applications are delivering what the business needs.

CIOs are under pressure to keep costs in line. They have historically focused the CRM system roadmap based on what the sales teams need and have been less concerned with marketing's needs. This is understandable, particularly when the on-premise marketing systems were expensive to purchase and maintain and integration with other systems was difficult. Now, with more and more SaaS options and the ability to more easily integrate sales and marketing solutions with each other as well as with the backend ERP systems, CIOs have more options to turn to with less risk. If these systems don't deliver the desired results, they simply discontinue the monthly service and try another option.

To be realistic, there are still many process and system challenges to work through which will require communication and negotiation with the business units - and the global regional offices. For example, getting consensus on terminology is a great first step at the tactical level - agreeing on what a "name" is, a "lead", a "suspect", a "prospect", a "customer", and which data fields to track, etc. But, the ability to have one central source for all prospects, contacts and customers - with their behavior, preferences and purchases - is easier than it has been ever before.

### **Process Alignment Required**

The good news is the technology is available to do some pretty amazing things with marketing automations systems. Cloud computing has made it much more accessible.

However, there is a caveat: Marketing and sales goals, processes and systems are frequently misaligned. We all know the challenges are more likely to lie in organizational structure, process disconnects and inefficiencies, and the difficulties in changing the way we do things: "We have always done it this way..." Therefore, the successful adoption of marketing automation requires not only a feature-rich solution and a good systems integrator, but system and process evaluation between the departments, regions, and with IT. And most importantly, executive-level sponsorship is essential to the success of these initiatives.

The tremendous benefits of marketing automation to executives at all levels of the organization confirm my belief that marketing automation is going to be the "next big thing." For successful implementations, communication is the key at both the executive level and in the trenches. I truly believe that if people take a "team" approach and everyone understands their role in the process of building the business, and systems are put in place to automate this, we will, in fact, be able to track the business from "Offer to Order."

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