ASCEnt
Demand Generation Program

Program Sponsor:

ASCEnt
Demand Generation Program

FINAL WRAP-UP
2015-12-03

Agenda

1. Recap & Overview
2. Lead Nurturing
3. Measurement
4. What's Next????

RECAP & OVERVIEW

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Feedback….

- Takeaways?

- What have you implemented?

- Any sales?

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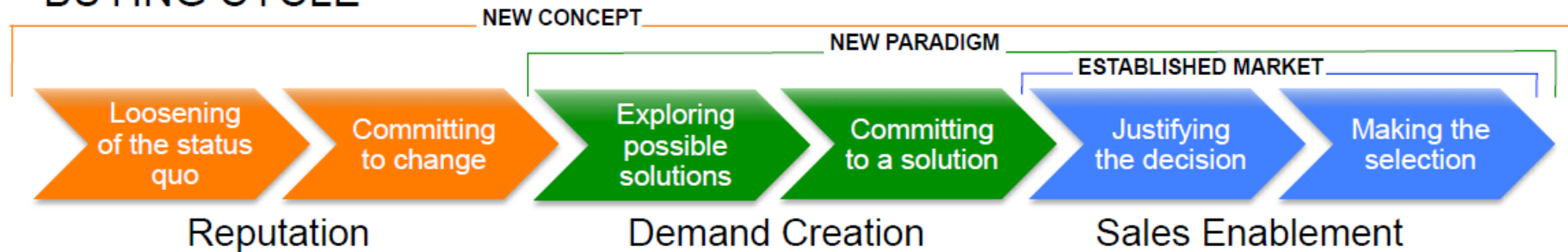sales • marketing • research

Common Themes…..

- TARGETED….
  - Audience
  - Messaging
- Right message to the right person at the right time
- Positioning
- Pre-emptively Handling Objections
- Sales Outreach
- Focus/Efficiency
- http://www.virtualcauseway.com/demandgen/
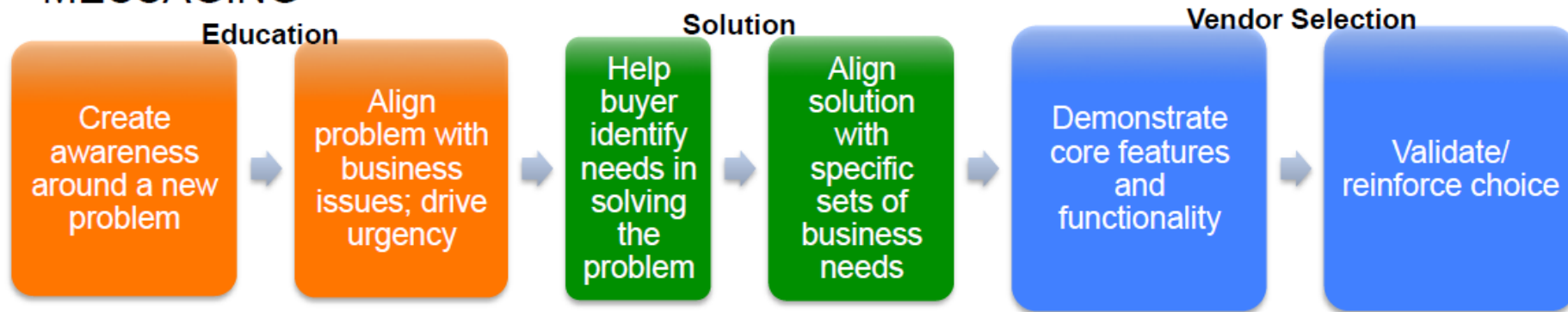
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Marketing and Sales Alignment

Education>Evaluation>Selection
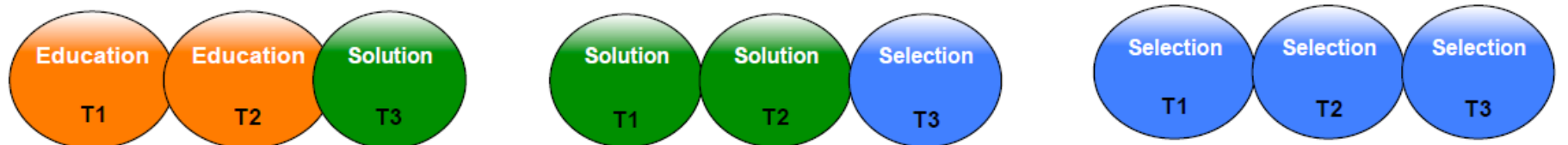
Source: SiriusDecisions

LEAD NURTURING

Marketing and Sales Working Together

Don't Ignore Nurturing

70% of the qualified leads **that make it to sales get** Disqualified or discarded…

Often because they just are not ready to buy now.

It's All About Relationships

But 80% **of those "bad" leads** will ultimately go on to buy from you within 24 months…

Or from a competitor.

Plugging the Leak

- Identify your buyer and understand the buying journey

- Map sales and marketing practices to the buying journey

- Use marketing automation integrated with CRM to deliver the right content to your buyer at the right time

- Create lead scoring and nurturing programs that enable you to hand off warmer leads to sales

- Measure and adapt based on testing

What is Lead Nurturing?

"The process of building relationships with qualified prospects, regardless of their timing to buy, with the goal of earning their business when they are ready."

This is NOT lead nurturing:

- Sending out emails whenever you have the chance

- Sending out guides at irregular times, or developing a new case study and promoting it immediately

- Sending frequent newsletters promoting products and offers

- Writing news and updates so people know you're doing stuff

What is Lead Scoring?

According to SiriusDecisions:

"...a methodology used to rank prospects against a scale that represents the perceived value each lead represents to the organization. The resulting score is used to determine which leads...will be engaged, in order of priority"

The main benefits are:

- Increased sales efficiency and effectiveness

- Increased marketing effectiveness

- Tighter marketing and sales alignment

The Changing B2B Buyer

- Buyers are seeking and finding more information on their own—they're in control

- There is an information abundance and we have to be heard through the noise

- To drive revenue, marketers must become more adept at identifying sales-ready leads and nurturing the remainder

- Companies need to interact with prospects early in the sales process, by providing relevant information in the early stages of the buying process

A recent report from Forrester found:

"Buyers seek out 3 pieces of content about a vendor for every 1 piece sent by a marketer, and for every 1 piece sent from sales"

FORRESTER®

Do You Have Messaging That Addresses the Pain Points of Each Phase of the Buying Cycle?

Information Gathering
Consideration
Competitive Analysis
ROI Analysis
Final Solution Choice

More Qualified Leads with Lead Nurturing

Goal: Increase the number of sales opportunities & deal size and reduce cost per qualified lead

- "79% of marketing leads never convert into sales. Lack of nurturing is the common cause of this poor performance"—MarketingSherpa

- "Done right, lead nurturing can result in 50% more sales qualified leads at a 33% lower cost"—Marketo Email Benchmark

"Nurtured leads produce, on average, a 20% increase in sales opportunities versus non-nurtured leads"

DEMANDGEN REPORT
THE SCORECARD FOR SALES & MARKETING AUTOMATION

What is Marketing Automation?

The use of technology to generate, nurture, score and qualify leads

and drive sales

using customized, multi-touch marketing communications tailored for each contact's profile, level of interest, behavior or place in the buying cycle

Email Marketing
Landing Pages
Campaign Management
Marketing Programs
Lead Generation
Prediction/Scoring
Lead Management
CRM Integration
Social Marketing
Resource Management
Marketing Analytics

} **Marketing Automation**

The Value of Marketing Automation

Companies that use marketing automation source more pipeline from marketing, have more productive sales reps, and experience better revenue attainment.
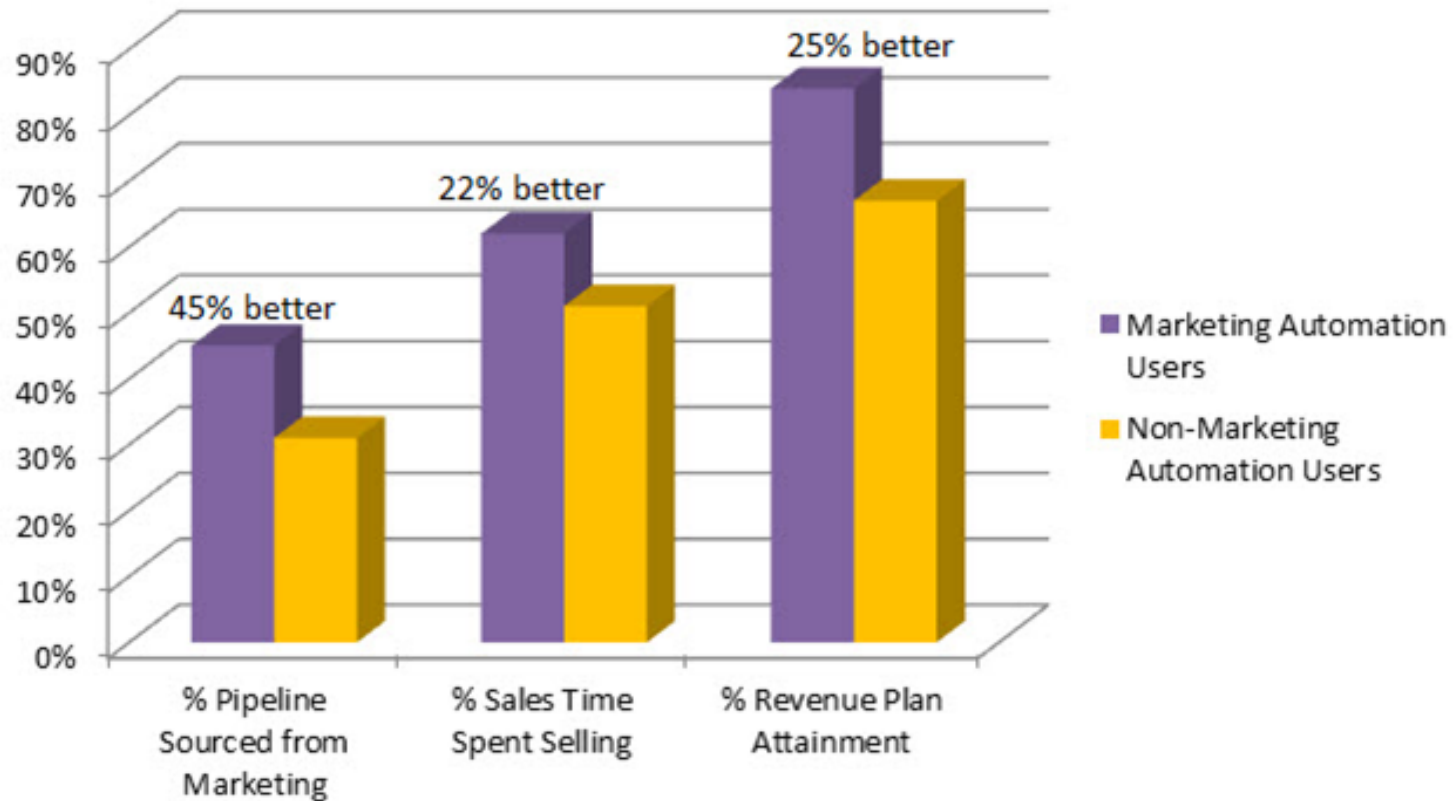
Source: Marketo Benchmark on Revenue Performance as of Sept 15, 2012 (N=489)

Why Does Marketing Automation Matter?

1. Improve Metrics and Increase Conversions
2. Increase Efficiency and Productivity
3. Go Multichannel
4. Grow and Leverage your Database
5. Nurture More Effectively
6. Boost Sales and Marketing Alignment
7. Send the Right Message at the Right Time
8. Recover Lost Opportunities
9. Increase Customer Satisfaction and Retention
10. Drive Revenue

MEASUREMENT

Benchmarks

- It's important to know how you rate vs others in your industry
- Benchmarks can help to identify problems
- Need to also have internal goals to compare results to
  - i.e. email open rates are important, but it may be more helpful to know how many deals resulted from the email campaign (and the size of the deal)
- It's important to benchmark against yourself as well – trends in your performance over time

Sales & Marketing
Metrics and Measurement

- What to measure

- 5 metrics that matter

- Tactical Metrics

  - Email, Social, Sales, etc

- Benchmarks

- Calculating lead targets

- Improving conversion rates

Why Measure?

- Accountability
- Measure the health of your funnel
- Identify any problem areas or issues
- Identify what's working and what's not
- Where to spend $$$$$$$!!!!

What do YOU measure today?

What to Measure

- Quality AND Quantity
- Inbound
- Outbound
- Conversion Rates

Benchmarks

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Five Metrics that Matter

- According to Sirius Decisions

Demand Metrics Waterfall

Inquiries
- Total number of hand raisers
- Unique metrics for current customers

Marketing Qualified Leads (MQLs)
- Definition through sales/marketing SLA
- Marketing deems ready for handoff

Sales Accepted Leads
- Basic qualification tenets met
- Sales agrees to work leads

Sales Qualified Leads (SQLs)
- Opportunity identified
- Now part of pipeline

Closed/Won Business
- Booked revenue
- IDs topline contribution

- Raw Responses
- Net new vs cross-sell/upsell campaign

- Marketing nurtures these inquiries to a level agreed upon by mktg/sales

- 24 hour follow-up
- Strive for 90% +acceptance

- SAL:SQL conversion rate
- Cumulative Size of Opps in the pipeline ($$ forecast)

- $1 marketing spend=$x sales

Lead Spectrum

There is a trend to offer not just one definition of a lead but rather a set of scoring parameters….

Level 1	A response from an individual to a marketing campaign, or someone who has taken proactive steps to demonstrate interest in your message, product or service.
Level 2	A meaningful interaction (via phone or email) with an individual meeting the requirements of a fully qualified company and audience.
Level 3	Level 2, plus the individual demonstrates a specific need for and interest in your product or service.
Level 4	Level 3, plus the individual is in the process of defining a requirement for your product or service.
Level 5	Level 4, plus the individual has the responsibility, budget and a defined timeline for purchase.

Social Media Metrics

- Useful for tracking over time, and around specific marketing activities.
  - i.e. during an event, Twitter followers and conversations may increase
- **Reach** – Total number of people engaging with your brand (i.e. Twitter followers, Facebook likes, LinkedIn group members, blog subscribers, etc)
- **Engagement** – Measure of the interactions (conversations, retweets, etc) on social media
- **Share of Voice** – Brand mentions for a keyword set vs that of competitors

Email Marketing Metrics

- Unique Open Rate – measured opened messages divided by total delivered
  - Average: 19.7%
  - Best in Class: 35.7%
- Click-Through Rate – the number of unique clicks on links in the email message divided by total delivered
  - Average: 3.6%
  - Best in Class: 8.8%

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Email Marketing Metrics

- Click to open rate (effective rate) – ratio of unique clicks to unique opens.
  - Average: 18%
  - Best in Class: 24.6%

- Unsubscribe Rates – it's best to watch this trend over time
  - Average: 0.25%
  - Best in Class: 0.03%

Website Metrics

- Traffic to Site – how much traffic your site is seeing and where is it coming from

- Average Page Views per visit – you want people to be visiting multiple pages on your site

- Bounce Rate – Number of visitors leaving after one page view

- Conversion Rate – how many website visitors download an article, fill out a form, opt-in for email?

Website Metrics - SEO

- Branded vs Unbranded traffic – organic search traffic that comes from brand related keywords vs generic, industry related

- Unique search terms driving traffic

- Inbound links – the number of link backs to your site from other sites.

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Sales Activity Metrics

- #of Dials per day
  - more dials = more quality conversations = more appointments = more conversions = more sales.
  - 56 calls/day average for Lead Gen Reps
  - 39 Calls/day average for Inside Sales Rep
- # Conversations per day
  - Average 9.5 per day per rep
- Attempts per prospect – average is 5.5 attempts

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Cost Metrics

Helps to understand the cost per lead from various channels so you can understand the most efficient lead source
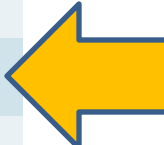
- Cost per lead – includes investment of time, resources, etc

- Cost per demo (or appointment, or other activity)

- Cost per order

List Health

- High rate of Bad # or NLE records can be an indicator of poor list health

- Bad data is expensive, identifying issues and fixing them will result in improved revenues

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The Cost of Bad Data

According to a report by SiriusDecisions ("The Impact of Bad Data on Demand Creation"), between 10 and 25% of B2B marketing database contacts contain critical errors. Those errors can cost you potential sales.

Prospect Database of 100,000 names	Average	Strong
Useable Records	75,000	90,000
Inquiries (2% response rate)	1,500	1800
Marketing Qualified Leads	59	88
Sales Accepted Leads	34	58
Sales Qualified Leads	17	28
Closed/Won Business	3.9	6.5
ASP: $50,000	$195,000	$325,000

An average prospect database is 25% inaccurate. Best in class organizations run at about 10%

Cleaner data leads to an increase in Marketing Qualified Leads

A strong database will lead to a 66% rise in revenue vs an "average" database

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Funnel Conversion Rates Benchmarks

- Looking at the sales funnel helps to identify the number and %win rates at each opportunity stages of the funnel.

- Help identify the weakest points in the sales process, and determine where reps lost he most opportunities

- Helps to understand the number of Inquiries/Qualified leads required to meet Closed/Won targets

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Funnel Conversion Rates Benchmarks

Inquiries

Marketing Qualified Leads (MQLs)

Sales Accepted Leads (SALs)

Sales Qualified Leads (SQLs)

Closed/Won Business

Inquiries to Marketing Qualified Leads (MQL)
- Average: 4.4%
- Best in Class: 9.3%

MQL to Sales Accepted Leads (SAL)
- Average: 66.6%
- Best in Class: 85.0%

SAL to Sales Qualified Leads (SQL)
- Average: 48.8%
- Best in Class: 61.7%

SQL to Closed/Won
- Average: 20.3%
- Best in Class: 35.1%

PERIODIC TABLE OF
INSIDE SALES METRICS

The Bridge Group

LEAD GENERATION

70% — LG Groups Report to Sales

1:4.3 — Ratio of LGR:Direct Reps

$47K — Average Base Salary

$72K — Average Total Comp

2.1 yrs — Average LGR Tenure

3.1 mo. — Average Ramp Time

56 calls — Daily Average

INSIDE SALES

$932K — Average Annual Quota

$53K — Average Base Salary

$94K — Average OTE

2.8 yrs — Average ISR Tenure

4.4 mo. — Average Ramp Time

39 calls — Daily Average

IS MANAGEMENT

$89K — Base Salary IS Manager

$107K — Base Salary Dir. IS

$135K — OTE IS Manager

$178K — OTE Dir. IS

LG MANAGEMENT

1:6.4 — Ratio Manager:LGRs

1:7 — Ratio Manager:ISRs

$85K — Base Salary LG Manager

$102K — Base Salary Dir. LG

$122K — OTE LG Manager

$148K — OTE Dir. LG

QUOTA & CONTRIBUTION

53% — Conversion LG Leads:Opps

7 — LG Monthly Quota (Opps.)

68% — % in a Given IS Group at Quota

19 — LG Monthly Quota (Appts.)

$35K — Average IS Order Size

38% — % IS Pipeline Sourced by Marketing

57% — % Pipeline Sourced by Marketing

INSIDE SALES FOR SAAS

$57K — Average Base Salary

$109K — Average OTE

$5.2K — Average MRR Quota

4.2 mo. — Average Ramp Time

$670K — Average ACV Quota

TOP CHALLENGES

#1 — Productivity/Performance

#2 — List & Data Sourcing
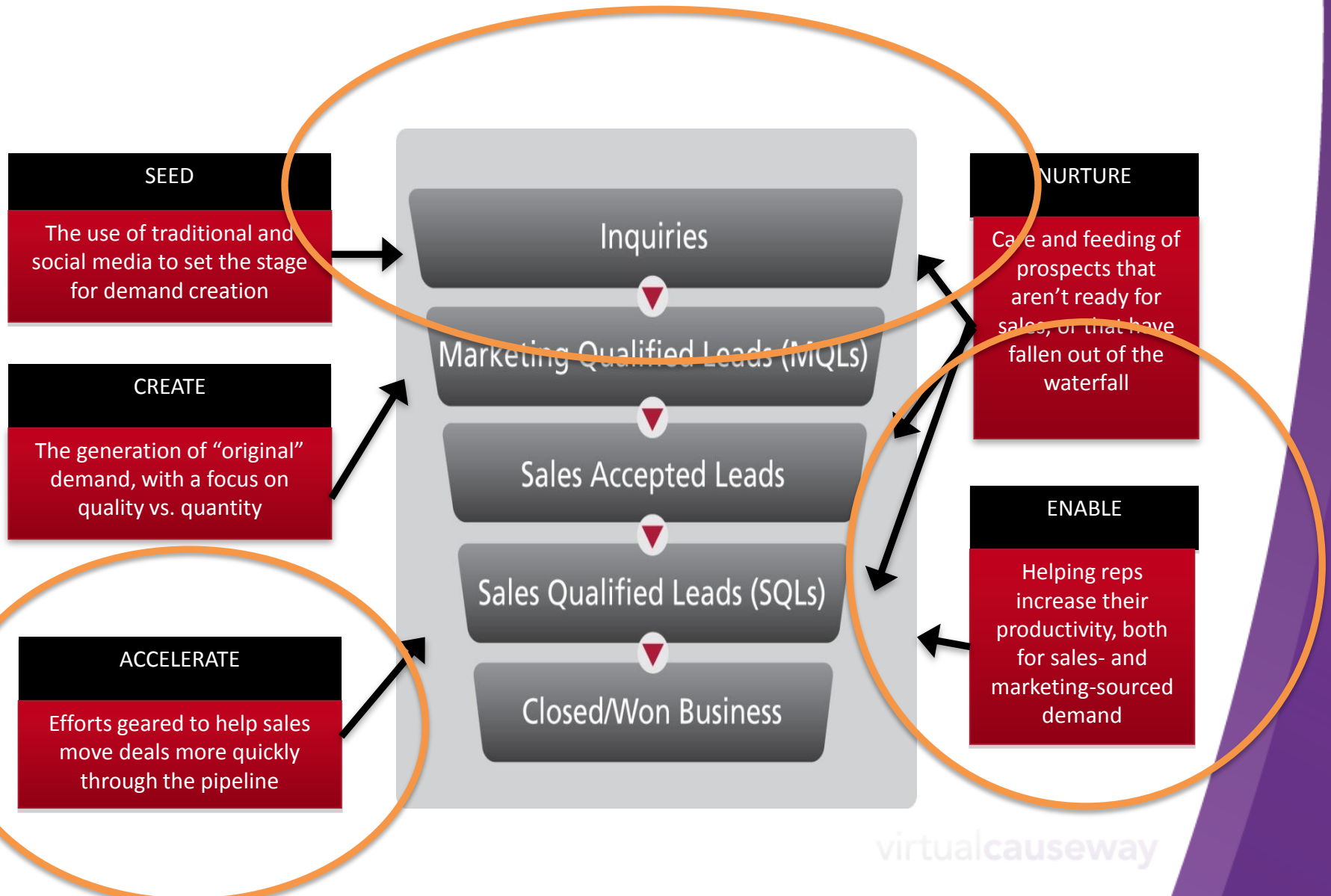
#3 — Forecast Accuracy

#4 — Hiring

#5 — Metrics/Reporting

Calculating Lead Quantity

- Work the demand waterfall from the bottom up

- Information you will need:
  - Average/benchmark conversion rates by stage
  - Average Selling Price (ASP)
  - Revenue Targets/Goals

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Areas for Improvement – Our Clients

SEED

The use of traditional and social media to set the stage for demand creation

CREATE

The generation of "original" demand, with a focus on quality vs. quantity

ACCELERATE

Efforts geared to help sales move deals more quickly through the pipeline

Inquiries

Marketing Qualified Leads (MQLs)

Sales Accepted Leads

Sales Qualified Leads (SQLs)

Closed/Won Business

NURTURE

Care and feeding of prospects that aren't ready for sales, or that have fallen out of the waterfall

ENABLE

Helping reps increase their productivity, both for sales- and marketing-sourced demand

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What's Next?

Bad News…..

Good News…..

Thank you!

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Archived presentations and materials
http://www.v-causeway.com/demandgen