

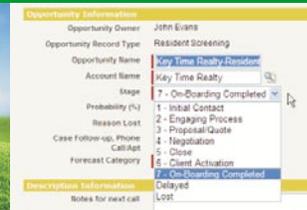


The Pursuit Group • Sales & Marketing Reinvention Series

MARKETING AUTOMATION

101

Seven
Steps
to Success



The Pursuit Group

Marketing Automation 101: Seven Steps to Success

For several good reasons, marketing automation is among the most significant initiatives in the marketing profession today. Yet, there remains considerable confusion about what marketing automation is and how to make it work.

In its original incarnation a few years ago, marketing automation was seen as a way to make enterprise marketing departments more efficient. The toolset usually included a database for managing digital assets (content, art, logos, etc.), a system for managing asset production and approvals, collaboration tools, a campaign calendar application and some e-mail and Web content management software.

But since then, buyers of almost everything—from consumer products to business-to-business equipment and services—have participated in a revolution that has forced marketers to address things like:

- **The fact that a growing number of potential buyers no longer reveal themselves** or invite personal interaction with vendors until they have researched and determined a solution, then settled on a short list;
- **The need to understand and respond to “digital body language”**—the online behavior of customers and prospects;
- **The rise of social media** as a tool for prospects to learn about solutions and customers to grade their own vendor experiences;

When Marketing Automation Meets Good Strategy

Businesses that successfully apply funnel management principles and technology:

- Have a **181% higher** average close rate
- Convert leads at a rate **2-4 times higher**
- Have a **200% higher** average revenue growth

- **The increasing demand**—fueled by the 2008 economic downturn—to measure the effectiveness of marketing investments

Marketing Automation Now Means Engaging With Prospects Throughout Their Entire Buying Process

Now—especially for SMB (small- and medium-sized businesses) and B-to-B companies—the term “marketing automation” revolves around what industry analyst Ian Michiels calls “customer engagement automation,” which focuses on how companies execute customer interaction across one or more channels. In

his own words, marketing automation “might include setting up an e-mail campaign, sending it out, and tracking performance; or creating a new landing page with a form capture element; or more importantly, managing communication with a prospect across multiple channels (e-mail, the Web site, microsites), and tracking their behavior to identify the relative propensity to purchase.”

And the marketplace is responding. In a June 2013 study of 200 companies by *BtoB Magazine*, 46% were currently using marketing technologies in some form, with another 20% evaluating their use. “We are seeing the marketing equivalent of the transition from horseless carriage to modern automobile,” said John DiStefano, BtoB research director.

Which leads to the question: Should your company embrace marketing automation?

Do You Need Marketing Automation?

Almost every B2B company out there has a leaky sales funnel. In many, only the hottest prospects and the clearly unqualified leads get the proper treatment; the rest of the funnel leaks like a sieve. The qualified—but not yet sales-ready—leads are routinely deferred, forgotten or ignored until they fade away. Yet, it is this last class of prospects that often can add a meaningful boost to overall sales. For example, in high technology, several studies have shown that over half of the people who demonstrated initial interest actually purchased a product in that category within two years. But in many cases the initial supplier they contacted didn’t keep in contact with them, so they ended up buying from another vendor.

Marketing automation has a dramatic impact on the leaky sales funnel thanks to two important abilities:

1.) It individually tailors interaction with qualified prospects throughout their buying process, and does so without involving valuable sales talent in the process;

2.) It associates real-time, dynamic “scores” to leads and customers based on both their “fit” (e.g., industry, size, title, etc.) and behavior (e.g., online and offline activities); optimizing the ability to get the right interaction to the right person, at the right time.

Even if this was all an automated marketing/sales funnel could do, it would be valuable to most companies. But that’s just the start; the role of marketing automation is not only to prevent prospects from falling through the cracks, but to:

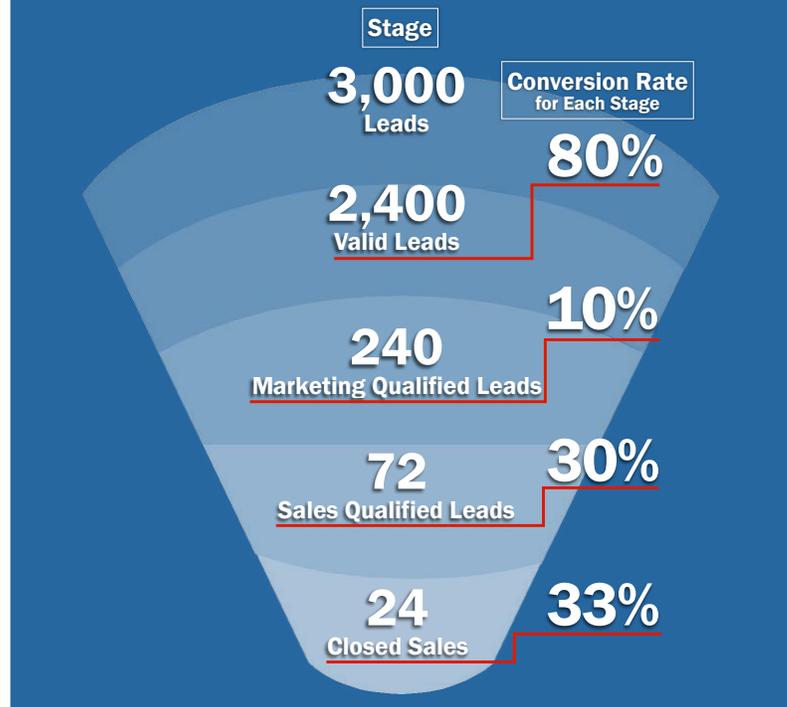
- **Generate and nurture leads** by engaging immediately with prospects who now start their buying process online (which is nearly all of them!);
- **Align Marketing and Sales by delivering sales-ready leads**, and a seamless and visible flow of information that accelerates and improves the success of selling efforts;
- **Provide much-needed insight about the marketing programs that are working and the ones that aren’t**, delivering the real-time metrics needed to truly manage marketing’s impact on revenue

The promise of marketing automation is nothing short of transforming your sales process and dramatically increasing your sales performance and revenue. Consider the research from Aberdeen Group that shows companies with the highest performance in annual revenue and return on marketing investment were four

Funnel Math

Marketing automation helps you convert leads at the top of your sales funnel into qualified and then sales-ready leads.

By giving you a clear view of all leads in your funnel, marketing automation shows you how many prospects are in each stage of your sales process, and provides you with an efficient means for moving these prospects to their final buying decision.



Marketing Automation is Not a Set-and-Forget Tool



Implementing a marketing automation system requires careful planning, and creating content to give prospects the right information when they need it.

However, marketing automation can be transformational, helping your company sell to prospects the way they want to buy from you today.

times more likely than peers to automate customer engagement with a marketing automation solution.

But it doesn't come easily.

Yes, It's Technology, But That's Not the Place to Start

To say that marketing automation is now a key initiative for many companies is an understatement.

"Not implementing a marketing automation solution may be the ultimate career-limiting move for today's marketers," suggests global technology research company IDC.

Companies are acquiring marketing automation capabilities to maximize their ability to move prospects through extended sales cycles, and optimize their marketing and sales resources.

Unfortunately, many of those companies will focus on the technology and overlook the steps necessary to successfully launch and sustain a marketing automation program. A recent

study showed that only a quarter of respondents get full value from their investment in marketing automation—results that parallel the early days of CRM implementations.

And that's not good enough. Particularly when you consider that doing just a few things right will significantly improve the likelihood your investment will yield higher sales and more cost-effective marketing.

The Other Three Pillars of Marketing Automation Success

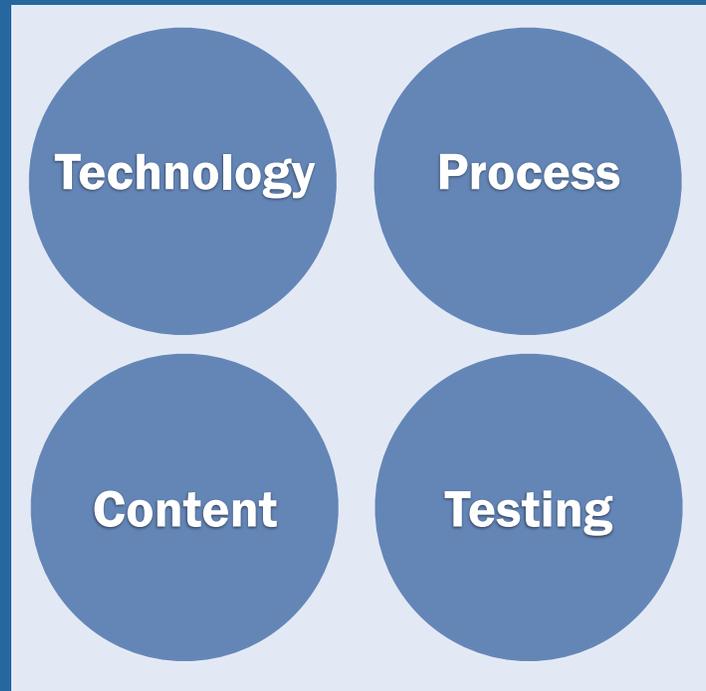
Getting marketing automation right starts with a wider definition than simply an investment in new technology. In fact, **technology** is just one leg of a four-pillar

foundation: Technology, Process, Content and Testing:

- **Process** is an efficient routine for every step and stage in the marketing/sales cycle; technology schedules and oversees the actions and reactions in a pre-designed workflow;
- **Content** is the substance of every outbound and inbound communication between you and your prospects; technology houses and deploys the right content at the right time;
- **Testing** is the basis from which your marketing automation delivers increasingly more-effective performance. Technology measures everything – from offers to design to frequency to audience segments and more – enabling you to analyze and tweak for continuous improvement.

So, prior to buying a marketing automation solution, or even looking for one, you will be well-served to prepare the right foundation to succeed.

The Four Pillars of Marketing Automation



Every successful marketing automation implementation requires **technology** to coordinate interactions with prospects, an efficient **process** for every step and stage in your sales cycle, **content** as the substance for every interaction with prospects, and **testing** to analyze and tweak for continuous improvement.

Seven Steps to Success With Marketing Automation

Here's a checklist of best practices that can help you get your marketing automation initiative off to a great start— and keep it going for the long haul:

In-House vs. Outsourced?

Factors to consider:

- ***In-house: Requires major staff resources to manage***
- ***Outsource: Vendors assume responsibility for operation, but still requires management at strategic and prospect handoff points***

1.) Know the Issues That Can Trip You Up

For most companies, marketing automation is a major undertaking. The key challenges you should understand include:

- **The marketing automation system will involve multiple departments** with incompatible, often conflicting agendas. The people in these departments will need to learn new ways to interact and collaborate;
- **The strategic lifting required to simultaneously manage multiple, complex, extended selling situations** (the kind applicable to most B-to-B companies) can get heavy. Your participants will need to grasp both the big picture concepts and the granular detail of nurturing in order to execute effectively;
- **Since marketing automation creates a series of customized nurture contacts**—many of which supersede those traditionally done by salespeople—far more content must be available. This is the area where more companies underestimate their needs than any other factor;
- **The technology itself will have a learning curve**, particularly for the key system administrators, with shorter ones for others (e.g., sales, executives).

2.) Decide on In-House or Outsource

In the recent first wave of marketing automation, nearly all users “owned” the technology, and built and operated the marketing processes in-house. But with the growth of the technology and the recognition that many companies that could benefit from marketing automation did not have or could not devote the internal resources to make it work, a handful of outsourcing options have become available (*disclosure note: The Pursuit Group offers this type of marketing automation outsourcing service*). These turnkey service providers offer a third-party home for the technology, and support your strategy, content and process needs. There are advantages to each:

- **An in-house system puts everything under your direct control**, but requires significant staff resources to manage, support, and sustain it;

- **Outsourced vendors can accelerate success and make sure the program is sustainable**, but you will still be responsible for working at a strategic level with the vendor

Whether you choose to operate marketing automation in-house or outsource it, you'll have many options—some clearly better suited for you than others. If outsourcing, your partner should be able to help you with the remaining items on this list.

Preparing for Marketing Automation:

- ***Gather, clean, and organize prospect lists***
- ***Define who is a qualified prospect***
- ***Include and assess current customers as key additional revenue source***

3.) Get Everyone on the Same Page

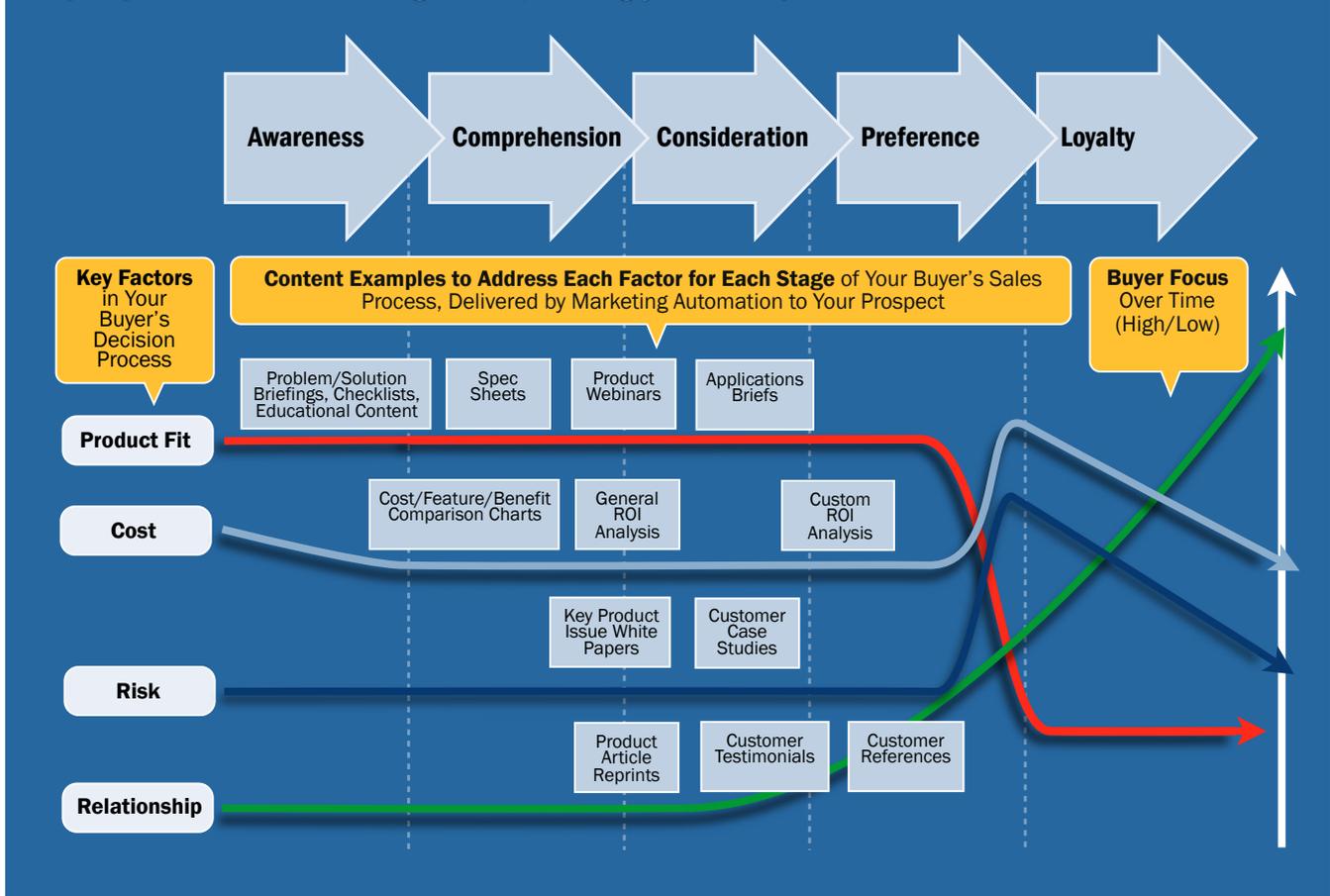
In this important stage, you'll want to identify clear and measurable roles, communication channels and handoff points for those who participate in the marketing automation program. This can include (but is not limited to): Salespeople and sales management, marketers, customer service, the marketing automation vendor, IT, system administrators, the ad agency...anyone who is going to use the system, prepare content for it, administer the process, or get notifications from it. Be sure to:

- **Get Marketing and Sales to a common understanding of target audiences, buyer personas, sales stages, and the steps prospects take** to move from one stage to the other. Get them to agree on definitions for terms like prospect, marketing-qualified lead, and sales-qualified lead. Traditionally, Marketing considers sales-ready to be a representative from a company that met pre-determined demographic criteria and expressed an interest, while sales considers it to be a decision-maker with a defined problem, an understanding of the value of a solution, an approved budget and a deadline (no wonder sales tends to discount the value of most marketing-generated leads);
- **Review what happens to sales-ready leads that delay their purchase decision**, and bake that into the process;
- **Identify nurturing content to replace what was classically a selling role** (now usurped by the Internet, at least in the early stages of the buying cycle). In the past, individual sales reps may have been the only ones producing this type of content, so this may be a learning curve for marketers;

Your Buyer's Purchase Decision Process

As prospects move through their buying process—from early awareness to final purchase, key factors, such as product fit, cost, and risk influence their decision. Buyers shift their focus from one factor to another during their buying process, as certain key issues become resolved (e.g., product fit) or increase in importance (e.g., relationship) over time.

By providing content that addresses these key prospect concerns, targeted to each of these stages over the sales cycle, marketing automation helps your sales team address the right prospect concerns at the right time, making your sales process more effective.



- **Determine the hand-off point between Marketing, Sales and Customer Service, even agreeing on specific actions** that can be programmed into the workflow and lead scoring.
- **Identify the procedures and people for campaign design, content development,** graphic design, approvals, database maintenance, internal communication, reporting, analysis and other essential functions.

4.) Get Your Arms Around Your Lists

Lists of contacts will be needed to start using your marketing automation system, and most companies have more lists than they think. That's par for the course in marketing and sales, where efforts are often dispersed, disjointed, or even dysfunctional. How are the lists you have in each of these categories?

- **Leads:** Most organizations get leads from a variety of sources: trade media, the company Web site, tradeshow, salespeople, etc. Are yours organized with separate fields for first name, last name, phone, address? Do you have e-mail addresses for your leads? What qualifying information do you have about them, and is each information element in an individual field?
- **Prospects:** Because most companies don't have a nurture cycle for not-yet-ready-to-buy prospects, these tend to be lumped in with all other leads. What do you know about your interaction with them? These may be your greatest source for future sales;
- **Customers:** They often disappear from the marketing radar once they come on board, but current customers will also be a major source of new marketing opportunity. What information do you have about them (revenue, purchase cycles, types of products, services, etc.) and their people? Is it organized effectively?

Don't worry about what to do with these lists just yet. At this point, you need to know they're there, and how to get them organized properly.

5.) Review Your Content

Thanks to the Web and Google, buyers today want at least part of their connection to you to be electronic, Web-based and self-serve. Which makes content the fuel that keeps the marketing automation engine running. Put simply, content is a must-have for consistent lead generation and nurturing.

Most companies have a substantial amount of content that can be sliced up, repurposed and repackaged in a way that prospects want to absorb throughout their buying cycle. So a good place to start is to assemble any existing articles, blog posts,

Content Drives Marketing Automation

Use marketing automation to enable self-serve content access by prospects:

- *Product articles and reviews*
- *White papers*
- *Case studies*
- *Technical sheets*

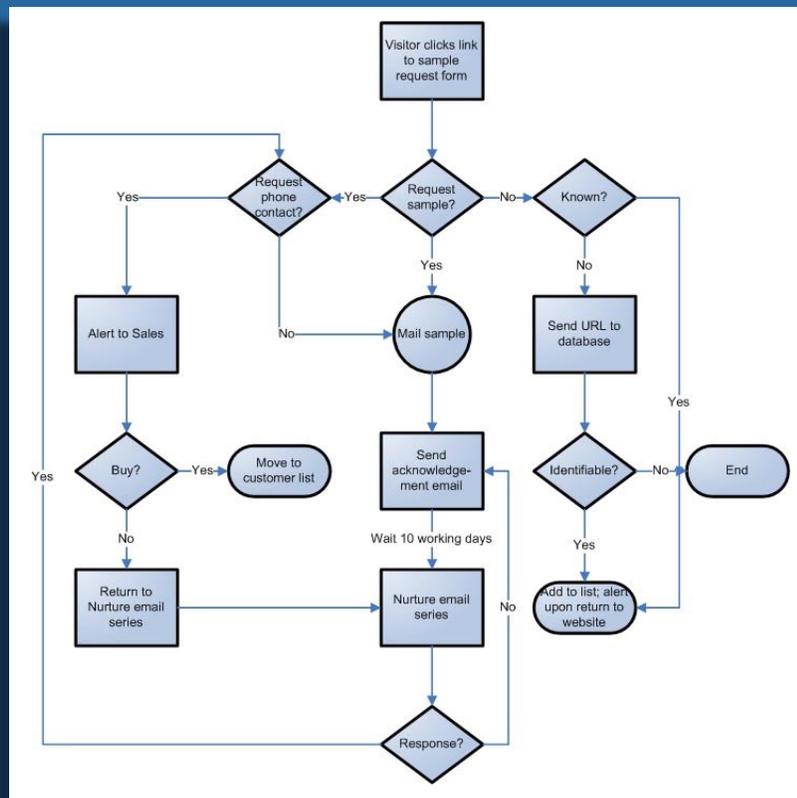
Marketing Automation Workflow

This diagram represents a typical process for interacting with prospects using a marketing automation system.

Boxes represent marketing activities for leads: Sending e-mails, creating landing pages and making content available to these leads.

Diamonds represent options that a prospect has, such as opening an e-mail, visiting a landing page, or filling in a Web form. Each of these yes/no decisions generates new potential options to plan for in your marketing automation system.

For your salespeople, the most important boxes in a workflow are the notifications or alerts generated by the marketing automation system, which indicate when the prospect is ready to buy, and needs person-to-person contact.



reviews, independent tests, white papers, videos, presentations, configurators, technical sheets and the like.

Then, use your definitions from item 3 above (e.g., defining your buyer’s decision-making process and the meaning of “sales ready”) to map your existing content to each stage.

6.) Understand How Workflow Works

Unlike the casual people-dependent workflow that exists in most marketing and sales efforts, in an automated workflow, every single action, every option, every reaction is coded into a complex process designed to move a lead or prospect closer to sales-ready. And every interaction contributes to a score that signals readiness to buy. It is this discipline that enables you to not only know that 3% of leads end up buying from you, but what happened to the other 97% along the way.

Trackable prospect activities include opening an e-mail, clicking a link in an e-mail, visiting (and wandering around) your Web site, filling out a form, downloading a document, even offline activity (e.g., sales rep conversations) documented in your CRM system. Reactions to those activities can include:

- **Dynamically re-scoring every prospect activity**, using lead scoring, and—based on the new score—create another “touch” with the prospect;
- **Using information from Web forms to customize responses**, based on specific interests or needs;
- **Increasing the frequency of outbound communications** for prospects that are deep into their buying cycle;
- **Triggering a sales alert when a prospect takes specific actions** (such as visiting a price list or configurator) or reaches a “buy-threshold” score

Every single option—including segmentation—must be specifically coded into the workflow and linked to a list of targets, an inventory of content, and a flexible timetable for delivering this content. This ensures the process operates effectively, automatically responding to prospects in an individually-tailored manner with little or no human intervention.

7.) Scope A Bite-Sized Launch

The best-of-breed marketing automation systems can manage a host of tasks, including:

- **Outbound marketing** (e-mails, list management, online ads);
- **Inbound marketing** (Web site data capture and landing pages, including those for off-line marketing);
- **Content creation**, loading and management;
- **Segmentation** by market, product (or product line), audience, industry, or any combination;

Keep Your Launch Goals Modest

Keys to launching a sustainable marketing automation process:

- **Start immediately with small, high opportunity projects**
- **Develop workflows for your most promising prospect segments**
- **Don't try to “boil the ocean” at launch**

Benefits of Marketing Automation

- *Faster prospect-to-customer conversion in the sales process*
- *Dramatically improve sales team efficiency*
- *Higher ROI on marketing cost*

- **Linkage to CRM systems** such as Salesforce.com and Microsoft Dynamics CRM;
- **Specialized support**, such as social media integration

While you should understand how your ultimate marketing automation system will function, few companies front-load everything into their launch. It's just too overwhelming, particularly for resource-limited companies.

To organize your implementation effort, make a two-column list . . . Column 1 is what you want to happen on day one; Column 2 is everything else. For example, you may choose to include only outbound e-mail, Web capture and landing pages in Column 1, along with critical audience or market segmentations.

Even a modest launch is a major initiative for most organizations. Take segmentation, for example—two markets, two products in each, three campaigns a year with a four-e-mail series in each (and customer landing pages with different downloadable document)—you are approaching 150 different documents, not to mention coding the workflow rules for each campaign. The strain on existing resources could sink your plans even before the launch date.

The moral: don't try to “boil the ocean” at launch, just start with what you can get going, first picking off those tasks that yield the easiest wins. The momentum you get from even small victories will help you expand the scope as you look ahead.

A decade ago—in the early stages of the CRM software boom—pundits estimated that as many as three-quarters of all installations failed to reach their goals. The primary reasons then are the same dangers we see in marketing automation today: Underestimating the amount of work it really takes, an inability to sustain consistent processes, and the traditional barriers between corporate functions—especially marketing and sales.

But there is great promise in marketing automation: to serve the new ways prospects buy, to patch all the cracks in the revenue-generation funnel, to get marketing and sales pulling together, and to accelerate growth to unimagined levels. It just requires the right commitment and expertise.

And once you get there, you'll look back and agree that it was worth the effort. Time to get started.



The Pursuit Group

Optimize the business-to-business sales cycle

About The Pursuit Group

The Pursuit Group combines marketing and sales expertise with advanced technology to help companies get more new prospects and convert these prospects to customers, faster and more often.

We solve the challenges companies have implementing and sustaining effective content marketing and marketing automation programs on their own, with customized, service bureau solutions that help them take advantage of their particular marketplace opportunities. Our turnkey solution is faster, more effective, and less costly than “piecemeal” or “go it alone” approaches.

Our services include:

- **Lead Generation:** Management and execution of integrated lead generation programs;
- **Sales Funnel Management:** Lead development and nurturing using marketing automation;
- **Content Development:** Development of targeted content for sales lead generation and lead development;
- **Sales Process Management and Measurement:** Process development and integration with CRM systems for maximum efficiency in prospect-to-customer conversion and the ability to measure marketing and sales ROI

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