

Guide to Revenue Marketing

Revenue Marketing

How-To Guide

A Transformation of Marketing

Revenue Marketing is the biggest shift in B2B marketing right now.

Revenue Marketing is when B2B marketing teams are responsible for directly connecting marketing to revenue and are measured by metrics such as percentage contribution to pipeline, or overall revenue contribution.

Traditional Marketing: Described by some as The “Colouring in” department and characterised by the Four P’s - product, price, place and promotion - is what is still being taught, and what most marketers experience every day.

Traditional marketers are focused on creating and implementing marketing strategies and tactics without good insight into the impact of those initiatives. They typically report on a host of activity-based metrics, such as number of ads and impressions. For many companies, this is largely a blind spend; represents a huge budget and provides metrics that key executives don’t care about.

For many B2B marketing organisations at this stage, marketing has little political clout; doesn’t have a seat at the revenue table and is quite wrongly viewed as the “colouring in” department. Senior management in organisations who operate this way don’t realise the revenue impact that marketing **could** make on the company.

What we’re talking about is moving beyond these traditional marketing activities to include a more relevant and effective way of marketing, one that eventually earns marketing a seat at the boardroom table.

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The Effect On Sales Teams

At the same time that marketing is transforming, sales is engaging in a similar transformation. Today's buyer is typically 70 percent through their buying process before a salesperson is even aware of a prospect's interest. Prospects go online and mine much of the information they need, and in this process, sales is disintermediated—left out in the cold.

Sales teams are struggling to win in this new digital world and are turning to the marketing department for help. On average, a high-performing marketing team provides 30 percent of the pipeline opportunities. In low-performing companies, this number is much smaller. The result is that many sales organisations are still cold-calling and are largely responsible for their own lead flow. Ideally, marketing should be responsible for filling the top of the funnel, leaving the sales team to work qualified opportunities that are more likely to result in closed business.

For the last five years we have noticed this shift and have such, dug deeply into the sales and marketing relationship. What we have witnessed from within the best-performing sales and marketing companies is a real appetite for sales to more closely align with marketing, in order to enhance the lead-flow and opportunity pipeline.

Clearly, there is a need. Sales leaders have named the alignment of sales and marketing as their No. 1 initiative and are turning to marketers for help with revenue. Now it's up to marketers to respond. The technology is available and the need is apparent - the time for the revenue marketer is here and now.

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The 4 Key Stages of the Revenue Marketing Journey

Stage 1: Traditional

Traditional marketing organisations focus on activities like advertising, PR, and tradeshows, with an emphasis on producing brochures and sales collateral. They are measured in terms of activity, constantly analyse “spend,” and are viewed as a cost centre as a result. In other words, they are often a prime target for budget cuts.

Stage 2: Lead Generation

The first big step toward revenue marketing is making the transition from traditional marketing to lead-generation marketing. At this stage, it is marketing’s responsibility to provide as many leads as possible to sales. Many organisations have had a lead-generation strategy for years, but the leads they turn over are not fully developed, meaning they are not sales-ready. The reason leads are passed to sales before they are ready is that sales people need to make calls—it’s their job. They can either cold-call or call someone who has filled out a form or downloaded a white paper.

These leads typically come from trade shows, website visits or general forms and are passed to sales for follow-up. If the lead closes, that’s great. But if the lead does not close, it typically gets lost or marketing may buy that lead again and start the process all over again.

Most companies at this stage have an email system in place, but their lead-generation practice is often one-dimensional and there are many manual processes on the backend to get bad-leads to sales more quickly. Metrics tracked at the lead-generation stage generally include number of emails sent, open rate, click-through rate, number of forms submitted, percentage of forms completed and number of leads sent to sales. Once a lead is passed to sales, marketing’s job is finished.

A marketing group at this stage is moving in the right direction but is still viewed as a cost centre to the organisation.

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Stage 3: Demand Generation

The move from lead generation to demand generation is a gigantic leap for most organisations. Demand generation is defined as the combined set of activities across both sales and marketing that puts high-quality leads (sales-ready) into the top of the sales funnel and accelerates opportunities through the pipeline.

Marketers at this stage are focused less on quantity and more on handing over quality leads to sales. The synergy and co-dependence between sales and marketing is beginning to develop. Companies moving into demand generation have typically invested in a marketing automation system that is integrated with their CRM. The metrics tracked are also significantly different from prior stages in that they change from being activity-based metrics to revenue-performance metrics. This is a big change for many marketing organisations.

Key metrics in the demand-generation stage include:

- The number of marketing qualified leads (MQLs) sent to sales
- The percentage of MQLs sent to sales that actually convert to opportunities
- The percentage of those opportunities that convert to close
- Marketing's contribution to the overall pipeline
- The average number of days to close

The demand-generation stage is characterised by developing processes that will eventually lead to an ongoing and predictable revenue contribution from marketing. Marketing is now reporting on what it has accomplished in a meaningful way to the business, so senior executives begin to realise the ultimate contribution marketing can make.

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Stage 4: Revenue Marketing

The revenue-marketing stage includes everything in the demand-generation stage with one major difference: The revenue generated and attributed to marketing is now repeatable, predictable and scalable. Revenue marketers use marketing automation technology integrated with CRM to determine how many MQLs are sent to sales and are able to forecast their overall conversion rate. Just like a Sales Director, revenue marketers can walk into their MD's office with a forecast that aligns tightly with sales, all the way through the lead funnel.

At this stage, not only can you report on what you did last quarter - as far as your contribution to pipeline and sales - but you can also predict future contribution. Marketers at this stage are seen as a revenue investment and marketing as a revenue centre. The role of marketing in the organisation has fully transformed from being a cost centre to a revenue centre.

	Traditional	Lead Generation	Demand Generation	Revenue Marketing
Activities	Branding, Marcom	'Leads' to sales	Sales Qualified Leads	Predictable, Saleable
Metrics	#Ads, #Impressions	#Clicks, #Leads	Opportunities £Pipe	Rev Accountability
Financial View	Cost Centre Investment	Cost Centre (CPL)	Revenue Source	Revenue

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The 6 Stage Model – Strategy into Action

The Revenue Marketing journey below provides you with a macro-snapshot of where you are, and also allows you to begin to visualise where you need to be. The 6-step process provides a more micro-snapshot of where you are and a tested methodology for mapping your unique journey, from strategy, into action.

- 1. Strategy** includes growth plans, a change management plan and strong communication
- 2. People** includes key stakeholder alignment across marketing and sales teams, and defining the roles, skills, and competencies required for a successful Revenue Marketing process. This includes providing training and development, defining a potentially new organisational structure, and empowering sales with new tools and processes.
- 3. Process** involves defining the “as-is” and “to-be” states, and developing tactics for achieving the “to-be” state. Key processes include the entire prospect/customer lifecycle, nurturing, lead and funnel management, contact and data management, testing, QA, and measurement.
- 4. Technology** is a comprehensive term to describe the entire marketing operations stack that supports and drives revenue marketing transformation.
- 5. Content** is the fuel for the revenue marketing journey. Creating a content blueprint aligned with the client’s buying cycle and buyer personas is required. Creating specific messaging for all programmes, identifying the content operations structure, and measuring content results are all elements of creating your unique journey. Our Content Marketing framework can help you here.
- 6. Results** is the final control and also represents the outcome of the holistic strategy. Ultimately, it is attribution to revenue, delivery of ROI, and the ability to drive revenue in a repeatable, predictable, and scalable manner that defines a successful Revenue Marketing transformation.

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Bottom Line

Becoming accountable for revenue is no longer an option for B2B marketers.

As a Revenue Marketer your job is to contribute to the top-line revenue growth of your organisation but are you optimising your efforts in pursuit of this goal? Are you actually transforming your marketing department into a revenue centre? If you are driven in this direction, how does this transformation actually happen?

To stay relevant and employed in this new era of marketing accountability, spend some time learning how you can truly transition your organisation from the traditional cost-centre to a revenue centre.

Action Plan

Stage 1: Get Familiar With the New Territory

1 Get Familiar With the New Territory

2 Take the Self-Assessment

Get to Know Your ROI Metrics and Be Accountable

- In a recent study from IBM, ROI was reported as the number one required metric for gauging marketing success. But nearly half of all Marketing Managers surveyed reported that they feel insufficiently prepared to provide hard numbers.
- 63% of Marketing Managers believe ROI on marketing spend will be the most important measure of their success, but only 44% said they felt fully prepared to be held accountable for marketing, ROI.
- Some 79% interviewed said they expect a “high” to “very high” level of complexity in managing marketing and 31% said they do not feel prepared to handle this level of complexity.

Action Plan

Stage 2: Take the Self Assessment

1

Get Familiar With the New Territory

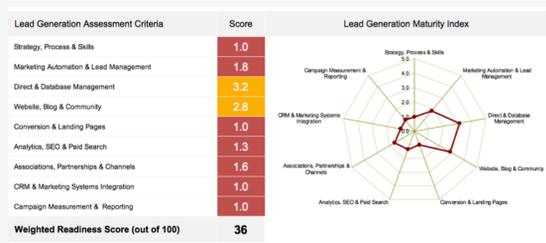
2

Take the Self Assessment

Undertake a Lead Generation Audit

- Moving to a Revenue Generation model is the ultimate goal, but first you need to assess the maturity levels of your current Lead Generation activities. Conduct a Lead Generation Audit to assess where you are today, and at what stage you would like to be in the next 12 months.
- This audit tool will help you to measure your compliance with Lead Generation best practices using a ranking scale. It will also calculate your overall Lead Generation readiness score, out of 100. This is a great way to identify what is working well in your organisation in terms of Lead Generation and to get recommendations on how to improve.

Lead Generation Audit



TOOLKIT RESOURCE

About **Studiowide Academy**

Successful businesses recognise the need to have their own internal marketing capability. Those who have invested in this area are making strides above and beyond their competitors. Those who haven't are getting left behind.

Our Studiowide Academy supports Marketing teams to get stuff done, with practical tools and on-the-job coaching.

Our Chartered Marketing specialists identify best practices from peer groups and fast-growing companies, to put together Frameworks & Toolkits, Guides & Reports, Training Courses, and Project Templates.

While we do love sharing our marketing wisdom, we're not just doing this to show-off. Our goal is to help you optimise your processes, add structure to your department and get your team punching above their weight.

Please contact us to see how we can help! Visit www.studiowide.co.uk





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