

Introduction to the Revenue Marketing™ Center of Excellence

Model for Building a Revenue Marketing™ Center of Excellence
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Executive Summary

As the consumer continues to evolve, the role of marketing must follow suit or suffer the consequence of becoming nearly obsolete. Remember, “a Kodak moment?” What ever happened to Kodak? In the mid '90s, digital photography emerged in the market with force. Put simply, Kodak failed to adapt to evolving consumer interests and the changing context of their business, and over the following decade, their revenues dropped consistently. In 2012, Kodak filed for bankruptcy. The following year, they sold off nearly \$525 million in patents to stay afloat.

So, what exactly does that have to do with Revenue Marketing? Two major technologies have taken hold of our business environment in the last 20 years: 1. Mainstream utilization of the internet to find anything and everything consumers need quickly and easily and 2. The introduction of Marketing Automation Platforms (MAP). We know that consumer behavior has evolved; this applies to both B2B and B2C purchases. With the introduction of MAPs, marketing has a digital lens that allows us to record and very closely examine the new consumer behavior. We can now meet our buyers where they are and customize

our messages to resonate with them in the right place, at the right time, using the right medium. As a result, most marketing organizations have shifted their go-to-market strategy to become more digital and more customer centric. Failure to adapt to the changing consumer landscape will force traditional marketing into a “Kodak moment” of their own. What we are seeing in the market today is many organizations working to evolve from a traditional marketing cost center into a digital marketing revenue center. To evolve, a new organizational strategy and a new structure are required if one is to achieve the desired business outcomes.

With that in mind, we are often asked what the right structure is for a given organization. We believe that the Revenue Marketing Center of Excellence (RMCoe) is an enterprise organizational structure that supports, enables and drives the practice of Revenue Marketing. Building an RMCoe is the job of the CMO; it is a strategic initiative involving executives, sales and marketing.

A Revenue Marketing Center of Excellence is comprised at a minimum of three parts: a Demand Generation group, a Digital and Content team and a Marketing Operations group.

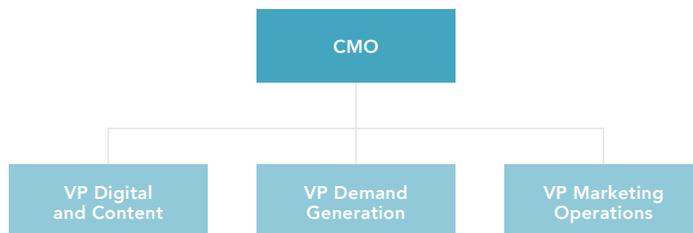


Figure 1. Revenue Marketing Center of Excellence

The **Demand Generation Group** comprises people skilled in ideating; creating; building; and launching complex, omni-channel, multi-step inbound and outbound campaigns, which are designed to streamline customer acquisition, increase the number of new customers, accelerate time to deal close and fill the sales funnel. They may also further qualify leads before passing them to the sales channel with a tele-qualification team.

The **Digital and Content Team** comprises people skilled in website construction, SEO/PPC, social and content creation. Inbound campaigns are typically managed here, but since they are so interwoven with outbound campaigns they may be originated and directed by Campaign Strategists in the Demand Generation Center.

The **Marketing Operations Center** comprises people skilled in marketing technology; Software as a Service (SaaS); data management; vendor management; process innovation and optimization; and metrics, reporting and analysis. They provide the infrastructure, processes and reporting that power the Revenue Marketing Center of Excellence. Frequently this group also manages the training and education services for marketing. This group is not only expert in the technology execution, but in best practices governance that should be followed, ensuring a cohesive customer experience of brand through all outbound and inbound campaigns.

Large enterprises, as they move from traditional outbound marketing methods to revenue marketing, will evolve their organizations toward the Revenue Marketing model shown above over a period of 2 - 3 years. Initially some functions will be outsourced and new skills will need to be acquired. Some functions will retain their existing reporting structure (SEM team or creative services) whilst others will be built new from the ground up.

Revenue Marketing is not an overnight transformation of marketing. It is a journey. The roadmap includes changes in strategy, people, processes, customer focus, technology and metrics. For those organizations who commit to the journey, the reward is a marketing organization that is accountable for revenue and whose influence on the bottom line is measurable, repeatable and predictable.

Introduction

This paper outlines an organizational structure and provides important recommendations the CMO will need to embark on this organizational change. The Revenue Marketing Center of Excellence is an enterprise organizational structure that supports, enables and drives the practice of Revenue Marketing.

Traditional Marketing Organization Models From the 1990s Don't Work

For many global organizations in the early 1990s, their marketing organization looked something like this:

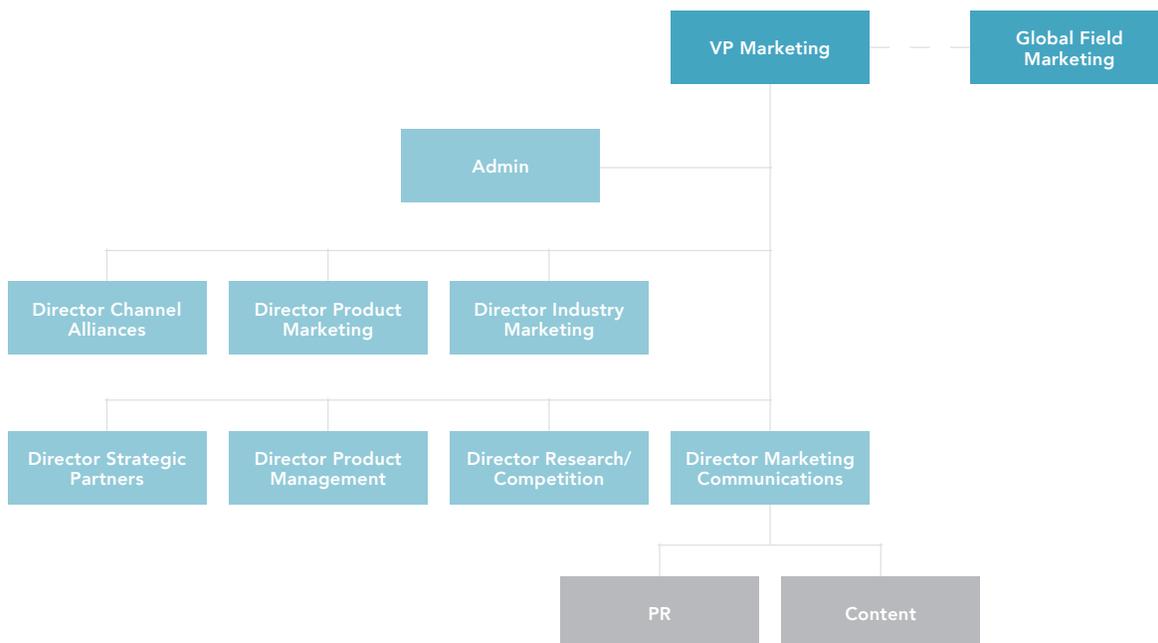


Figure 2. Typical Global Marketing Organization in the 1990s

“Traditional” marketing organization focused on activities like advertising, PR and tradeshows, with an emphasis on producing brochures and sales collateral. They were measured in terms of outbound activity, constantly analyzing “spend” and, as a result, were viewed as a cost center. While many of these ‘traditional’ marketing organizations still exist today, most marketing organizations have begun to shift into lead generation mode and then on to demand generating machine over the last 20 years. They are moving from product-centric marketing to customer-centric marketing with a laser focus on only investing in marketing tactics that can be directly linked to revenue growth.

The Revenue Marketing Journey™

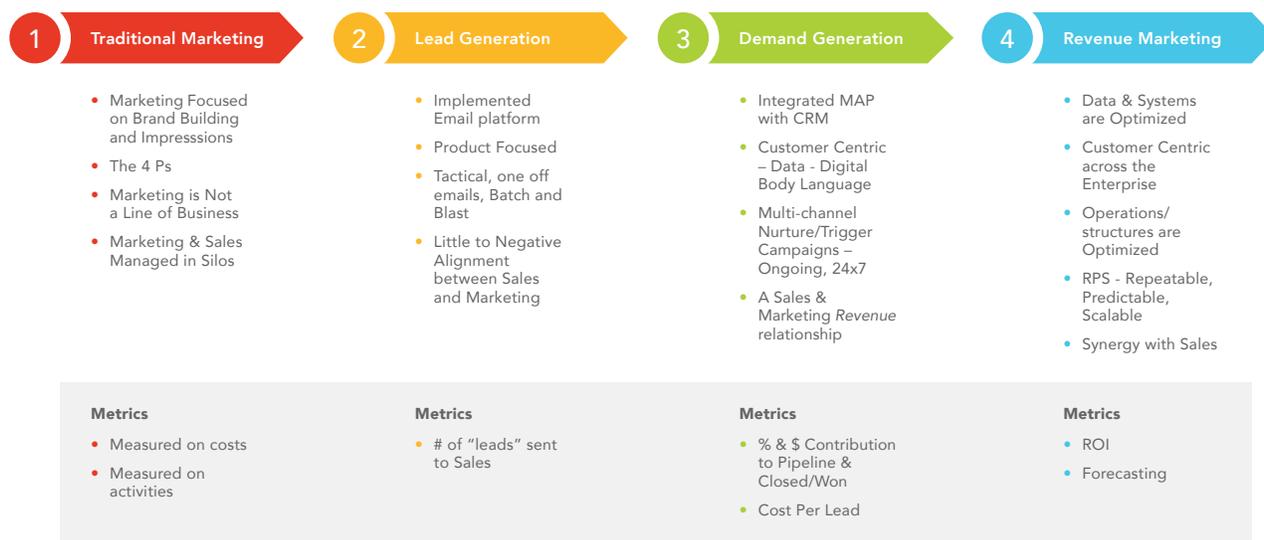


Figure 3. Transformation Journey from Traditional Marketing to Revenue Marketing

Organizations in the Lead Generation stage uncover new prospects to pass to the sales organization. These “leads” often have minimal information, but fulfill the measurements of how many, clicked, opened, had web page visits and so on. These activities are more measurable, but do not change the perception that marketing is “only” a cost center where “number of leads” kicked over to sales is a common metric.

Those organizations that have progressed to the Demand Generation stage are more strategically and technologically advanced. They are aligned with the sales team’s goals and have a Marketing Automation platform that is fully integrated with CRM. They have visibility into the pipeline, monitor conversion metrics and can attribute revenue to marketing. These teams have moved away from being a cost center and can prove “attribution:” the primary ingredient to being a revenue contributor.

The ultimate stage, Revenue Marketing, is similar to that of Demand Generation from a technology standpoint. However, these teams have implemented strategies, processes and best practices so their measurements and contribution are repeatable, predictable and scalable. Similar to sales forecasting, Revenue Marketers are able to forecast marketing contribution to pipeline and revenue.

The difference between Traditional Marketing and Revenue Marketing drives the need for a different organization.

	Traditional Marketing	Revenue Marketing
Focus	Focus on outbound touches	Focus on revenue contribution that is measureable, repeatable, predictable, and scalable by driving meaningful omni-channel interactions with prospects and customers.
Process	Informal, minimal processes for handing off leads to sales and improving operational efficiency for the marketing business	Formal and efficient processes, reinforced with technology, constantly refined and supported with SLAs
People	Leaning toward creative	Balance of analytical, creative and technologically savvy
Content	Design for print, leave behinds	Designed to drive engagement in an entertaining format, content is repackaged in multiple media formats
Metrics/ Results	Impressions, new leads, attendance	Revenue attribution, funnel velocity and volume
Global Marketing	Isolated, translates collateral, helps close deals	Integrated with HQ, leverage HQ campaigns and Best Practices to drive local demand
Sales Cycle	Buying cycle and Selling Cycle start at the same time	Buying cycle starts long before the selling cycle – the challenge is to capture/influence the digital footprints
Lead Generation	Largely events, list rental for direct mail	Online capture of visitors from many sources
Nurturing	Sales calls and direct mail	Social Media, nurture campaigns, educational events, newsletters, user groups, etc.
Media	Direct mail, telephone, PR	Direct Mail, Telephone, PR, Website, Syndication sites, Online advertising, Social Media, IMS, Chat, Email
Technology	Printers and phones, marketing database	Phone, websites, search tools, Marketing Automation, marketing resource management, data management tools, Business Intelligence, social media tools, content management tools and 3000 more!

Table 1. Differences between Traditional Marketing and Revenue Marketing

The move to Revenue Marketing, wherein marketing is accountable for hitting revenue targets, requires a new organization: one that leverages technology to make revenue attribution possible, one that focuses not simply on measuring activities, but rather on measuring results.

Spawning new groups in marketing to deal with new technologies or skill sets is not a good long-term solution (a website group, an SEM group, an analytics group, a database group, a content group etc.) **We build the most successful organizations by aligning people at the lowest level with goals at the highest level.** To be successful in marketing now we will be well served by having a Revenue Marketing Center of Excellence. This group reporting into the CMO whose number one goal, in the words of Theodore Levitt, is to “create and retain customers.” (I.e. they are goaled on creating and accelerating warm qualified leads in the funnel that lead to opportunities; they are goaled on customer loyalty; they are goaled on revenue results. They are Revenue Marketers.)

A Revenue Marketing Organization Model for the Next Five Years

There are some parts of the marketing organization that continue in the same form from the '90s to the '10s including product marketing, public relations and brand. The elements that need to evolve, merge

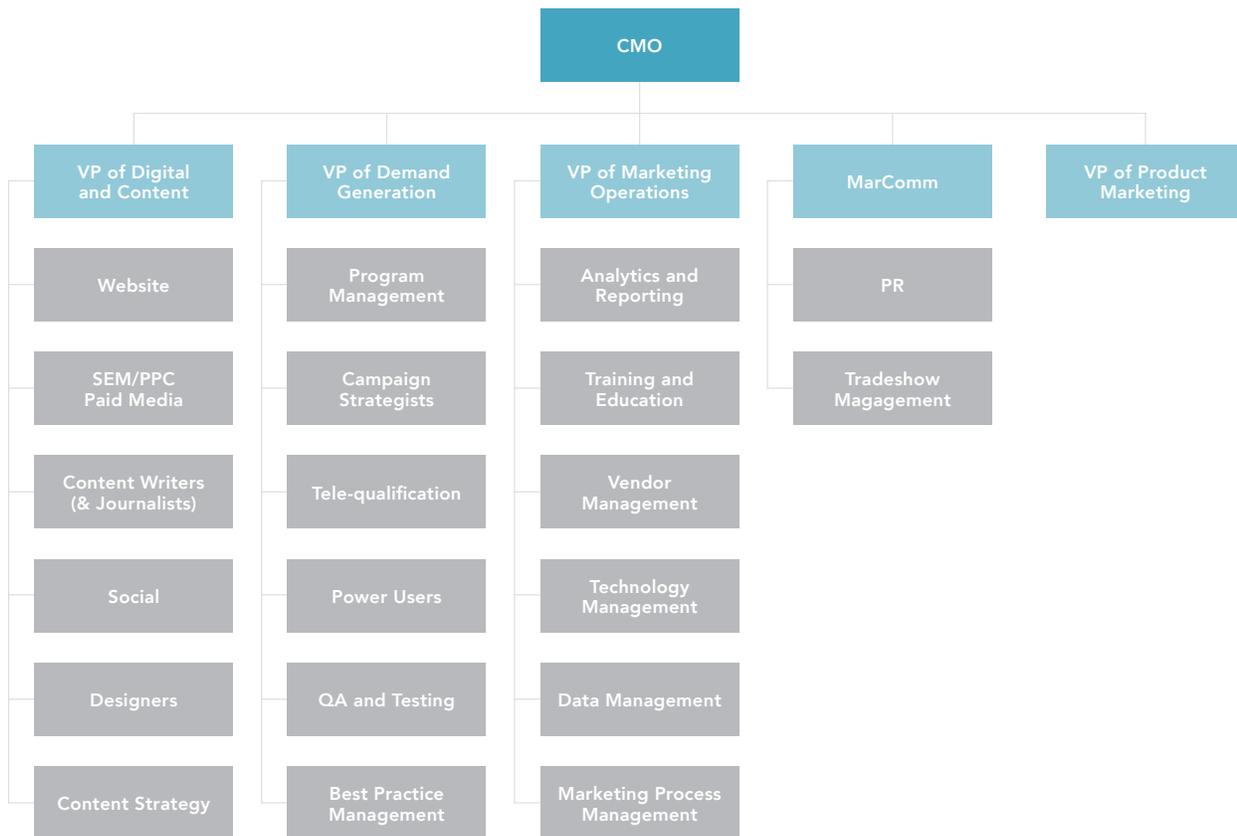


Figure 4. Idealized Global Marketing Organization in the 2010's

and reform under a single Revenue Marketing goal are the groups responsible for interacting with prospects and customers, generating and nurturing leads, creating content and assets/offers, and field marketing. In addition, enterprise marketing organizations will require a Marketing Operations group that focuses on reporting and analytics, managing the marketing technology and vendors, managing data, and optimizing processes.

It is unlikely that any large enterprise will be able to transform overnight into the organization shown above; this would cause too much upheaval. It is more likely that the existing organization will transform from Traditional Marketing to a Lead Generation group, and perhaps even to a Demand Generation group over 2-3 years. During this process they add a website team (not just one person) and an inbound marketing team, expand their creative and content management capabilities, and add social media expertise. Ideally, these teams would be reformed under the Digital and Content Team as shown above. A more likely organization as a first step towards Revenue Marketing is shown below.

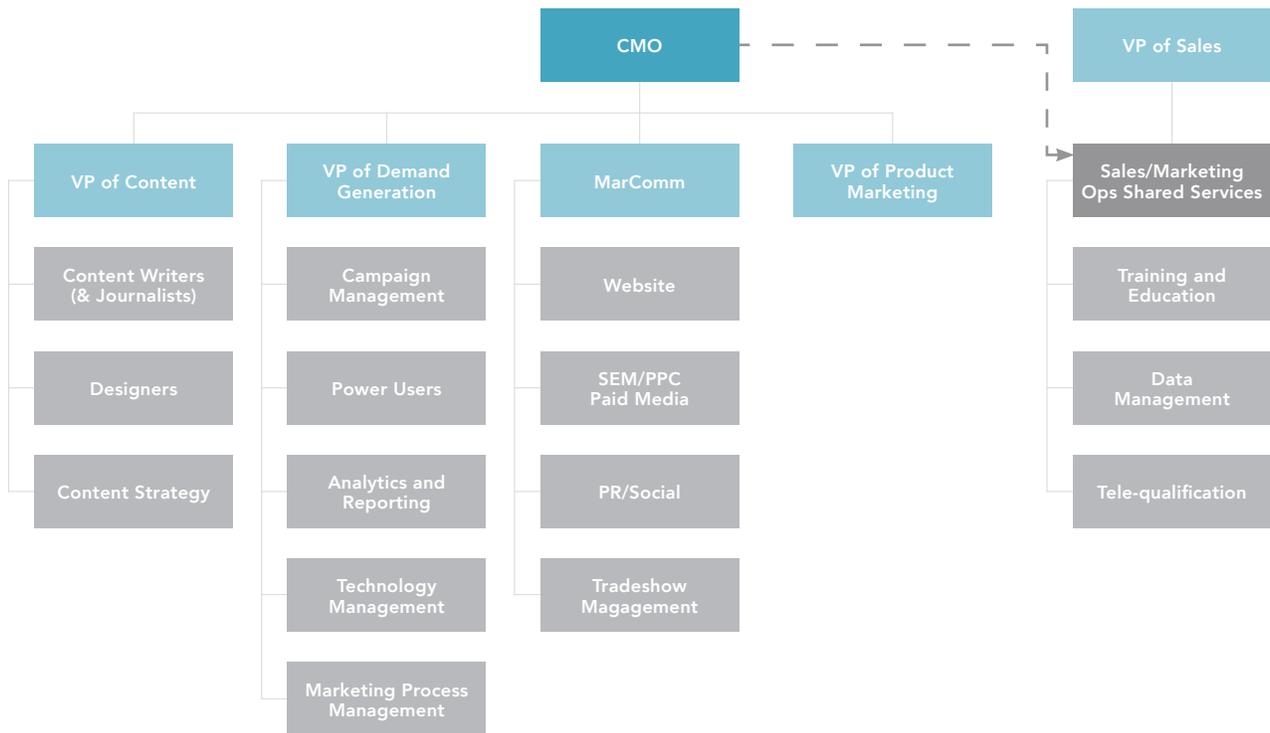


Figure 5. Best First Step Revenue Marketing Organization

In this “Best First Step” model (Figure 5.), we assume that the existing teams remain where they are, including content, creative, Marketing Operations and MarComm (website, PR and social media) teams. In addition, many of the functions that have historically been the responsibility of sales ops (data management and tele-qualification, for example) stay under the umbrella of sales, but now have a dotted line accountability to the CMO. Adding Revenue Marketing means taking any existing email marketing team and expanding their role and refocusing them on creating revenue. In particular, they will need some creative services of their own to deal with forms, html emails, landing pages, microsites, etc. They will need campaign managers, marketing automation power users and business analysts.

Another important part of the “Best First Step” is with regard to the division of marketing responsibilities between the corporate entity and the field structure. We will discuss this more in the section below titled, “Team Locations.”

For the sake of simplicity, let us consider the roles described above in the context of the idealized model.

The Idealized Revenue Marketing Center of Excellence

For the sake of discussion, we will delve more into the roles and responsibilities of the groups as described in the idealized Revenue Marketing Center of Excellence. The Center of Excellence functions are divided into three groups, each lead by a director or VP, all of which report into the CMO.

1. Demand Generation Group
2. Digital and Content Team
3. Marketing Operations Group

The RMCoE is led by a VP of Revenue Marketing (other titles might include a VP of Demand Generation or VP of Acquisition Marketing). This person reports into a CMO or EVP Marketing, or EVP of Marketing and Sales. The VP of Revenue Marketing is responsible for the ever-evolving impact marketing makes on revenue, best practices optimization and the building of proper alignment among executive stakeholders in the company. Revenue Marketing will not work without this top-line alignment in place as it requires substantive change management across the organization.

The VP of Revenue Marketing has the following responsibilities:

- Set the vision and direction for the Revenue Marketing Center of Excellence – both the Demand Generation team and the Digital and Content team
- Create and execute the Revenue Marketing Roadmap
- Work in parallel to the sales executive to drive revenue into the business
- Provide a quarterly and annual revenue forecast and achieve that number
- Establish best practices, standards for Demand Generation and optimization of marketing productivity through the use of people, process and technology
- Integrate tightly with Field Marketing
- Proactively manage change for the ever-evolving role of marketing in revenue production
- Manage a team of program managers, campaign managers, power users, business analysts and process experts

The division of functions between Marketing Operations and Demand Generation marketing is very clear in some cases and less clear in others. The guiding principal for determining where a team should live is based on whether they offer a service that is more infrastructural and supportive, or more day-to-day customer and prospect engagement related. Technology, data management, process and reporting/ analytics are more infrastructure and support related rather than day-to-day engagement-program related, and therefore belong in Marketing Operations.

Program and Campaign Management, utilization of technology, and QA & Testing are tied to day-to-day Demand Generation activities - and therefore sit squarely in the Demand Generation group. Campaign Services includes the left brain, technology power users who login to a technology every day to do their work. They could be part of Operations if they also took on the technology admin functions, but if their role is primarily implementation of programs and campaigns, they are more closely tied to day-to-day Demand Generation. They are a resource used by field marketing and campaign management, and depend on the creative services team for content. These functions also interact with sales, field marketing, Digital and Content team, and Marketing Operations on a daily basis.

The Digital and Content team is one step back from interacting with the field and get their direction from the Demand Generation team and the program/campaign managers. They lean more toward the Demand Generation Group than Marketing Ops since their work is not infrastructure related.

Conclusion

Marketing has gone through some tremendous changes in the past 25 years. New media have reshaped the buying process, which requires us to reshape the selling and marketing processes. Successful sellers are learning how to interact with prospects earlier in the buying cycle by offering relevant information.

Our ability to execute relevant interactions requires technology, clean data, optimized processes and constant feedback from prior interactions. As a result of changing how we interact with prospects, firms recognize increased revenues and gain the ability to measure the marketing influence on sales results. Revenue Marketing is born.

Adapting marketing organizations to become Revenue Marketers is a multi-year journey that requires changes to technology, data, processes, people, strategies and measurement systems. In the marketing roadmap that guides these changes, the people dimension requires a focus on training, adoption, compensation and organizational structure.

Marketing organizations will be well served in building a Revenue Marketing Center of Excellence (RMCoE) whose sole focus is on creating and retaining customers and primary metrics are contribution to pipeline and revenue.

The RMCoE has the expertise to leverage the new media and technologies, engage customers and prospects in a meaningful and relevant way, drive the process and data changes, adapt to the ever-changing buying cycle, and finally bridge the gap with sales by becoming jointly responsible for hitting revenue targets.

Read More

This document is one part in a four-part series. If you valued the content in this document, please take this opportunity to read more of the series. Links to the documents below:

[Revenue Marketing Center of Excellence Part 2 – Marketing Operations Group](#)

[Revenue Marketing Center of Excellence Part 3 – Demand Generation Group](#)

[Revenue Marketing Center of Excellence Part 4 – Digital and Content Group](#)

The Pedowitz Group – The Revenue Marketing™ Agency, is an Inc. 500 company, two time Pacesetter winner, and three time Marketo Partner of the Year. With more than 500 successful engagements completed, The Pedowitz Group helps global clients transform their marketing organizations from cost centers to revenue centers and achieve superior ROI for their enterprise marketing investments.

