RISE OF THE REVENUE MARKETER
AN EXECUTIVE PLAYBOOK
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The Pedowitz Group
REVENUE MARKETING IS THE STRATEGY THAT TRANSFORMS MARKETING FROM A COST CENTER TO A REVENUE CENTER.
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The thing that I find most important in all of this is sales and marketing alignment. It doesn’t matter what we do on the marketing side—if sales isn’t bought in and fully integrated with us, it doesn’t work. It’s just a marketing engine then, not a revenue marketing engine.

– Amy Hawthorne, B2B Revenue Marketing Leader at Rackspace

It is so scientific now (revenue marketing) that if we don’t do it right, we feel like we’ve let each other down. There’s no finger pointing, but we work together to figure out where improvements need to be made. This is a total transformation from years past.

– Liz McClellan, VP Field Marketing, PGi

Part of the challenge with alignment may be vocabulary. The phrase ‘Sales and Marketing’ implies separate missions and functions. Today, the alignment must be seamless and interoperable since many roles are dynamic and symbiotic across the entire revenue generation team.

– Jim Kanir, VP of Sales and Marketing, Billtrust
Revenue marketing will not happen without sales alignment—period. Across all the companies we’ve worked with and most recently from all the interviews I conducted for this book, alignment with sales continues to be the strongest, most persistent, and most stressed condition for success. Further, marketing leadership takes responsibility for this alignment and makes it a top priority.

“Sales alignment” is the term most often used to describe this pivotal relationship, but if you closely examine it in the environment of successful revenue marketing, a more appropriate term is “synergy.” Let’s look at the definition of each term and then more fully examine this critical relationship for all revenue marketers.

- **Alignment**: 1. Linear or orderly arrangement, 2. Positioning of something for proper performance, 3. Support or alliance.

- **Synergy**: Synergy comes from the Greek word *synergia*, meaning joint work and cooperative action. 1. Synergy is when the result is greater than the sum of the parts. Synergy is created when things work in concert together to create an outcome that is in some way of more value than the total of what the individual inputs are.

Which definition sounds more like a model for relationship success and for revenue marketing success? Of course, it’s synergy! Synergy is the end-state
description of your relationship with sales, so let’s further explore what this relationship looks like.

WHAT IS A SYNERGISTIC RELATIONSHIP?

So, what does synergy look like? More specifically, what are the behaviors we can observe that characterize a synergistic marketing and sales relationship? Here are five characteristics I see in successful revenue marketing organizations. As you read them, ask yourself if this describes your relationship with sales.

1. Both marketing and sales use a common revenue language.
2. Both marketing and sales are vested in each other’s success.
3. Both marketing and sales are proactive in their relationship.
4. Both marketing and sales work together as one revenue team towards achieving shared, revenue-oriented goals.
5. Both marketing and sales have goals and compensation tied to shared revenue metrics.

In this chapter we will look at a model for how to create a synergistic relationship with sales (the Marketing and Sales Synergy Model, see fig. 7.2). Inherent in this model is the need for change management, so to further our understanding of marketing and sales synergy, we will spend the second half of the chapter tying this all together with the Revenue Marketing Change Management model from Chapter 6.

RELATIONSHIP WITH SALES

The character of your relationship with sales correlates to where you are on the revenue marketing journey, as represented in Figure 7.1. As I walk you through the progression of the relationship, ask yourself where you are and where you need to be. There is no good or bad. There is just a beginning point in time and an understanding of where you need to be and why.
# Sales Relationship on the Revenue Marketing Journey

## Two, Disparate Processes
- Marketing and sales managed in silos - "Sales who?"
- The MarCom Group
- Focused on brand building and impressions
- No B2B lead generation

**Metrics:** Accountable for costs and activity

## Linear Processes
- Little alignment with sales - "Hey, here's a lead."
- E-mail
- Tactical
- One-off e-mails focused on generating leads
- Focused on the cost of lead acquisition

**Metrics:** Accountable for costs and activity

## Aligned Processes
- Aligned with sales on goals and compensation - "Here is what we agreed on."
- Marketing automation + CRM
- Language of Revenue
- Nurture/MQLs/SALs/SQLs/Opportunities

**Metrics:** Accountable for costs and revenue

## Synergistic Processes
- "Wow, look at what we did together!"
- Sales and marketing are THE revenue team
- Repeatable, Predictable, Scalable (RPS) processes
- Mirror organizations
- Systems optimized

**Metrics:** Accountable for forecasting revenue and ROI

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![Figure 7.1](image-url)

**Figure 7.1**
THE MARKETING AND SALES SYNERGY MODEL

We now know what a synergistic relationship looks like, and we’ve used the revenue marketing journey as a model for you to assess your current state—and future relationship—with sales. Let’s now look at how to create a synergistic relationship with sales. This Playbook is a simple model we have developed based on our interactions with over 1,100 marketing and sales groups.

THE PEDOWITZ GROUP
MARKETING AND SALES SYNERGY MODEL

Education
- Goals
- Initiatives
- Sales Process
- Team
- Pipeline
- Meetings/Calls

Revenue Language
- Quota
- Acquisition
- Opportunities
- Average Deal Size
- Revenue

Communication
- Create a Vision
- Create a Shared Game Plan
- WIIFM
- Communicate, Communicate, Communicate

Shared Goals
- Goals
- Compensation
- Structure

Figure 7.2
The first step in creating any relationship with sales is to educate yourself and your team on all things related to sales. Trying to create a relationship with sales without understanding their world simply does not work. More specifically, you need to understand the sales goals, be a part of sales initiatives, understand the sales process, know the sales team, and educate yourself on the pipeline. The only real way to do this is to meet with sales, join sales meetings, and go on calls with them. If you haven’t done any of these activities before, you might be surprised how receptive sales may be to your participation.

Take a step back and honestly assess yourself and your team on your current level of sales understanding and insight. If it is not where it needs to be, make this your top priority.

While you are educating yourself in the world of sales, you are also educating sales into a new world of possibilities of a relationship with marketing. A common characteristic of successful revenue marketers is that they take this journey with sales…from the very beginning.

Read how this happened at Pinstripe and PGi.
Beginning the Journey Together

– Kristen Wright, VP Marketing, Pinstripe

While the leadership team at Pinstripe was 100 percent on board with revenue marketing, sales buy-in was critical to really make it work. Marketing included sales early in the process, beginning with the selection of a marketing automation system.

“Two of our key industry verticals were represented on our SME team to evaluate options—not only from a program or solutions standpoint, but also from a technology standpoint,” said Kristen Wright, Pinstripe’s VP of marketing. “These sales VPs were involved at the ground floor, viewing demos and understanding not only what it could do for us in marketing, but also for them in sales.”

Sales remained involved throughout the entire process—helping to prioritize the various industry verticals and target audiences, cleaning up the database, reviewing and providing input on content, and even designing the lead scoring model.

“We had sales buy-in from the start because they helped create the model for Pinstripe,” said Kristen. “Along with accountability, we gave them a forum to provide feedback throughout, which would not only make them better at their jobs, but would enable us to deliver more qualified leads at the right time.”
REVENUE LANGUAGE

Like sales, revenue marketers must begin embracing the language of revenue. Typical revenue marketers don’t talk to sales about pretty fonts or newsletters; they talk to sales about opportunity pipeline, quota, and revenue. They ask sales questions like, “What number do you need to hit for your new acquisition target? What does your current opportunity pipeline look like, and how can we help? What is your average deal size, and how can we help grow that? Where are you opportunities not closing, and how can we help?”

Tour of Duty
– Liz McClellan, VP of Field Marketing for PGi

“Marketing and sales don’t sit on opposite sides of the room during workshops anymore, and meetings feel incomplete until both are in the room together. Marketing now sits in on every sales leadership call and is an integral part of the team.

In addition, we implemented a Tour of Duty as part of marketing’s goals. Every marketer has to be in the field, on sales calls, and listening to what customers and reps are saying. We need to understand where we can really make a difference, and we can’t be successful at this unless we’re in the field.”
In a revenue marketing organization, you’ll also observe that sales, marketing, and the executive team all use the same revenue language. They share a grounded understanding of revenue terms and use these terms consistently, specifically, and deliberately. If the CEO is listening to a quarterly update from marketing and sales, she understands the meaning of terms such as marketing qualified lead (MQL), sales accepted lead (SAL), and sales qualified lead (SQL). The CEO also understands the language of funnel conversion for marketing, as well as for sales. And, when marketing claims a direct contribution to pipeline of 43 percent, the CEO and VP of sales understand and accept the validity of this number.

Are you educated about sales, and are you involved in meetings? Are you beginning to embrace a revenue language? If not, go out and talk to sales, learn their language, and then work together to create a common language—the language of revenue marketing!

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Sales Gaps

– Sally Lowery, Senior Director of Marketing for Appia

“Marketing often has a tendency to fall short of understanding the actual sales cycle from what a prospect looks like all the way through to close. Understanding the sales cycle is critical because it helps you build your strategy and see where the gaps are in your marketing programs.”
COMMUNICATION

As a leader, to be ready for revenue marketing and to engage in a relationship, you need an effective vision and a game plan. It is up to you to set the vision, create and communicate the game plan, collaborate on the game plan, and get buy-in to the game plan.

As a revenue marketer, you are a change agent. Actively engaging with sales, having a vision, and having a game plan all demonstrate your commitment, understanding, and leadership for this transformation. It also helps gain the collaboration you’ll need by clearly articulating the “What’s in it for me?” for each key stakeholder group.

Creating and gaining commitment to a jointly-developed game plan takes time and repetition. You can’t just walk into a meeting and expect sales to “get it” in a thirty-minute presentation. After all, you’ve probably spent months attending conferences, reading white papers, and educating yourself about the benefits of revenue marketing. You’ll need to plan for multiple communication methods, meetings, and events to share your vision and craft the ultimate game plan.

Here are a few ideas I’ve seen work well to develop and communicate your plan:

- Involve sales and executives from the very beginning of your journey.
- Build a persona for each role for which you need buy-in and put together a mini campaign using e-mail, face-to-face meetings, and pre-scheduled meetings.
- Set up more informal face-to-face meetings with key decision-makers and influencers to share what you know and to get their advice on shaping this initiative.
- Set up “Revenue Marketing Briefs” in pre-scheduled meetings:
  - during the weekly, monthly, and quarterly sales meetings, provide education and updates. Share the value of revenue marketing by
distributing case studies from other companies. Make sure you get all views represented—marketing, sales, and executives;

- during regularly-scheduled senior management team meetings;
  and

- during regularly-scheduled company meetings.

Not everyone or every organization is as ready as NAVEX Global to embark on the Revenue Marketing Journey.

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**My Playbook Earned Support**

- Ken Robinson, VP of Revenue Marketing at NAVEX Global

“'I came in with a playbook and presented a vision with the people, process, programs, and technology to drive results. I explained the way things should be and how we were going to get there. I think it was sort of a breath of fresh air for the sales leadership—no one had talked to them this way before! But they supported me because people said, Ken can deliver on these promises. He's got a vision, he knows where he is going, he knows how to get there, and he will deliver results along the way.’’
SHARED GOALS

I can’t emphasize strongly enough the importance of sales and marketing having shared goals, aligned compensation, and complementary organizational structures. In the world of sales, no revenue accountability for marketing means zero respect from sales. When we take a look at the most successful revenue marketing machines, we see that marketing has the same kinds of goals as sales. If sales has a number tied to new account acquisition, so does marketing. If sales has a number for enterprise accounts, so does marketing. If sales has a number for a new product, so does marketing.

Marketing needs to have revenue marketing accountability, meaning that, just like sales, they are tied to and incented on a number. This is a huge change for marketing that has been fully driven by the change in technologies and buyer behaviors. When revenue misalignment occurs, it can be both costly and demoralizing. Read about how this can happen.

A REVENUE MISALIGNMENT STORY

It’s 2010 and I am in New York City meeting with the sales and marketing teams of a global services company. Marketing at this company is changing rapidly and needs to be accountable for revenue. They want to be a revenue marketing organization, and they are taking the first steps on their journey.

We’re running a two-day workshop designed to map the lead management process, identify roles and responsibilities across sales and marketing in that process, clarify how automation can be used, and establish a common lead nomenclature.

Prior to the workshop, we conducted twenty-six interviews with field sales and marketing team members around the world. During these interviews, we identified the first broken process: misalignment of revenue goals.
Sales, we discovered, was spending the majority of its time on existing customers because this was the easiest place to generate revenue and meet quota. Marketing, on the other hand, was focused on generating leads with non-customers, a much harder and longer sales cycle. Sourcing net new leads was also a much more costly endeavor for marketing in terms of time and resources. So marketing was sending to sales leads that they did not want to follow-up on. As a result, salespeople focused their time working the customer base and largely ignored leads for new business.

Once this discrepancy was identified, the company’s marketing team changed its focus. It moved customer renewals away from the sales team and encouraged online renewals instead. This allowed sales to still earn a commission while giving them more time to work new business leads being generated from marketing.

The point is this: If marketing and sales are not on the same page around revenue goals, the cost to the organization can be quite high. If marketing is to play a key role in revenue, it requires a synergistic alignment around revenue goals, and that alignment has to begin and be advocated across senior management to have a chance at success. Finally, nothing drives home a behavior change like aligning both goals and compensation structures. Read how this happens on Jim Kanir’s team at Billtrust.
As you begin the revenue marketing journey, it may not be realistic to have shared goals based on numbers, but you can start by aligning your activities more specifically to support sales initiatives.

Another common attribute of marketing and sales synergy is organizational structures that align or mirror one another. Patty Foley-Reid, from Iron Mountain, provides an excellent example.

**Marketing is Bonused on the Sale**

- Jim Kanir, SVP of Sales and Marketing at Billtrust

“About 78 percent of all sales have our marketing touch all over them, and our marketing team is actually paid bonus on Sales Accepted Leads (SALs). When a lead converts from a Marketing Qualified Lead (MQL) to a Sales Qualified Lead (SQL), we are only halfway there. We don’t get anything for that. But when a salesperson takes that SQL and converts it to an opportunity, our marketing team is bonused on that sale. So, sales is actually controlling part of the paycheck for marketing. It was marketing who came up with this compensation plan. And marketing actually drives when it is time to hire more salespeople, based on the number of qualified leads.”
Marketing Mirrors Sales... Goals, Structure, and Compensation

– Patty Foley-Reid, Director of Inbound and Content Marketing at Iron Mountain

“A big part of reaching the revenue marketing goal lies in the close relationship between sales and marketing. Our two organizations work together continually to ensure marketing’s activities are directly aligned to sales efforts,” said Patty Foley-Reid, director of inbound and content marketing at Iron Mountain.

Marketing mirrors the sales organization’s every move. If sales reorganizes to focus on a specific product or vertical, marketing will reflect that change. If a business group has a quota with a specific service, marketing supports that effort by promoting the service that is the highest priority.

“We align ourselves with the way sales is structured to make sure we focus on shared goals,” Patty said.

This includes marketing compensation to ensure that their efforts are directly tied to the sales quota. If sales gets paid more on Service A than Service B, for example, then marketing has an incentive bonus based on those same goals.

“We call it mix matters,” said Patty. “We can hit our number and overachieve on quota, but we haven’t done our job unless the product revenue mix is right. For instance, if sales has an 80 percent goal for Product A, then 80 percent of our marketing revenue should come from Product A.”

The approach is working. Marketing has earned variable bonuses since the program began.
HOW ALIGNED ARE YOU WITH YOUR ORGANIZATION’S REVENUE GOALS?

Take a quick mini-assessment. How would you answer the following questions?

- Is your company looking for top-line revenue growth? If so, by how much?
- How will your company ensure this growth, and what is the role of marketing?
- Does marketing participate in the annual revenue discussion? How? As a wallflower or a vibrant and respected contributor to the revenue discussion?
- For what percentage of growth will marketing be responsible?

How did you do? If you have trouble answering these questions about your organization’s marketing strategies and sales goals, you are not as aligned with revenue as you should be!

APPLYING CHANGE MANAGEMENT TO CREATE MARKETING AND SALES SYNERGY

Creating a synergistic relationship with sales takes time and effort but results in a big payoff. The marketing and sales synergy model will provide the high-level guidance you need. Once you are ready to fully tackle creating that long-term synergistic relationship with sales, you will become a catalyst of change in your company.
Recognizing the role of change management (in a revenue marketing context) to improve the sales and marketing relationship will help you expedite the process. Using our change management model from Chapter 6, let’s look at how to most effectively optimize your relationship with sales.

Change Step #1: Sales Disruption

In my experience working with marketing organizations, I find that building a relationship with sales will be much faster and easier if there is some type of disruption affecting sales and/or the company. If that disruption is not there, change may still come, but it will be at a slower pace and feel like you are swimming through peanut butter. The first thing you need to do is to find that disruption around sales (this may require some digging) and attach to it.

FIND AND ATTACH

I was recently working with a company whose sales numbers were great. The VP of marketing wanted to begin the transformation to revenue marketing, but everyone seemed content with the job sales was doing, and there was no obvious disruption or driver for change. In other words, senior leadership did not see a compelling reason to change.

I sat down and had a conversation with the VP of sales. It turns out that 25 percent of the reps were driving 80 percent of the quota. In the meantime, a large number of salespeople were turning over and not meeting quota, resulting
in a huge cost to the company. Here was the disruption—a problem that needed solving and one that could be addressed by revenue marketing.

My recommendation to marketing was to create a business case for revenue marketing that specifically addressed getting new reps to quota quicker and having a better chance at quota success by executing specific campaigns by reps to help build their pipeline. The VP of sales loved it, and they ultimately adopted this strategy. This became some of the first campaigns run by marketing as they executed their revenue marketing strategy.

The lesson learned is that sales disruption may not always be obvious to marketing, so taking the time to fully understand what is going on in sales can have a big payoff. In addition, sales may have an issue that they have no idea you can help them solve. Because revenue marketing is an initiative that can help you improve revenue, find out what is going on in the sales organization. Is everyone meeting quota? What is your competition doing? Are they eating you for lunch? What has changed in the market conditions? And finally, talk about the shareholders and what expectations they have. Are you meeting these expectations?

If you are going to be an effective leader and agent of change, you must participate in the revenue conversation at the executive level and show them a new way to solve age-old revenue challenges.

Change Step #2: Sales Resistance

**STAGES OF REVENUE MARKETING CHANGE**

- Disruption
- Resistance
- Acceptance
- Adoption
- Advocacy
As with any major change, some people are going to say “no!” This will happen with some or all of your sales team—I promise! But resistance from sales is something for which you can actually plan.

It all comes down to knowing your audience. Confer with the sales team. Communicate with them and get them involved. Talk to them about what’s in it for them. Then, write it down. Be able to show them how you can change their lives, what it will look like, and what they will get out of it. This is how Jim Kanir, SVP of sales and marketing at Billtrust, worked with his sales team to

**What Salespeople Want**

- Jeff Ramminger, Senior Vice President of Field Marketing & Client Consulting at TechTarget

“As an industry, we’re still not doing the complete job of delivering intelligence to salespeople in ways that they are comfortable interacting with it and using it. For marketers to be successful, I believe in my heart that they are going to have to sell the salespeople on the value of prospect intelligence. They are going to have to come up with solutions that are cool and usable enough that the salespeople look at them and think, *Where have you been all my life? This is exactly what I needed.*"