

Begin Your Revenue Marketing Journey

**FOUR STEPS TO MOVE FROM TRADITIONAL
MARKETING TO REVENUE MARKETING**

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The role of the B2B marketer is changing.

Just five years ago, most marketers were not accountable for revenue. Today, more than half are expected to make a measurable revenue impact on their organization. The Revenue Marketing Journey is a proven model to move traditional marketers to revenue marketers who make a measurable, repeatable, and scalable contribution to top-line growth. Assess where you are today in your journey to revenue marketing and create a vision for where you need to be.

Why Now?

What has changed so much about B2B marketing in the last few years that we're now using a term like revenue marketing? In a nutshell: accountability. Ask yourself these two questions:

- Do you currently have any kind of revenue accountability?
- If you don't have revenue accountability today, will you be held accountable in the next 12 months?

If you answered "yes" to either of the above questions, this is a valuable white paper for you to read. B2B marketers are in a period of extreme transformation.

Roughly 50% of all B2B marketers currently have direct revenue accountability as part of their job and that number is growing quickly. The pressure to more directly connect marketing to revenue is coming at the marketer from all parts of the organization.

Today's CEO is asking, *"How can marketing more effectively help grow our company in markets with ever-increasing competition?"*

Today's CFO is asking, *"What revenue impact is marketing making and what's the ROI?"*

Today's COO is asking, *"How can marketing help increase operational efficiency and effectiveness in the marketing and sales process?"*

Today's VP of sales is asking, *"How can marketing help us find substantially more sales-ready leads faster than the competition and get them through the sales funnel more quickly?"*

All of this pressure to produce is rolling downhill to the CMO or VP of marketing, who can then look at the situation in one of two ways: 1) the sky is falling (disaster) or 2) there is a silver lining to this cloud (opportunity).

Let's take the silver lining approach because, for most B2B marketers, this environment of transformation represents one of the best periods for career and contribution potential in the history of the field.



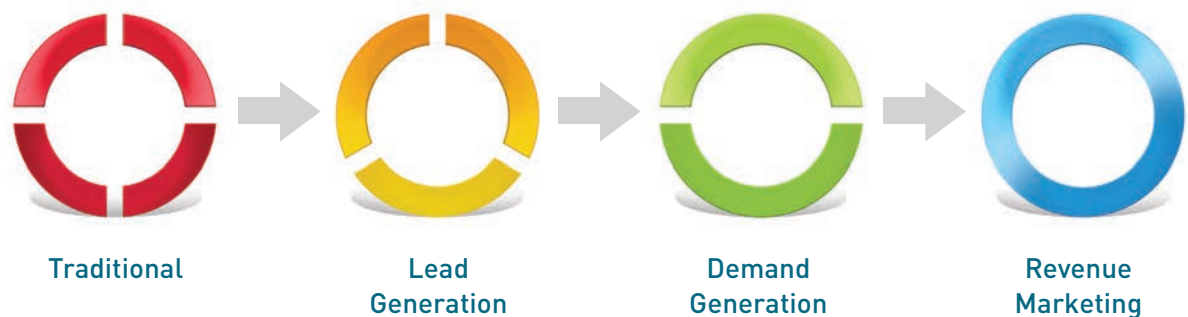
What Is Revenue Marketing?

Revenue marketing is the combined set of strategies, processes, people, technologies, content, and results that does the following:

- Drops sales-ready leads into the top of the funnel
- Accelerates sales opportunities through the sales pipeline
- Measures marketing based on the repeatable, predictable, and scalable contribution to pipeline and revenue
- Improves the ROI of the sales and marketing continuum

The Model

TPG created the Revenue Marketing Journey, a simple model to help marketers understand this new landscape and identify where they are today and where they need to be. It presents four distinct stages to achieving revenue marketing status: Traditional, Lead Generation, Demand Generation, and Revenue Marketing, the final stage in which marketing directly connects to revenue in a repeatable, predictable, and scalable manner.



Since its introduction in early 2011, the model has been tested with thousands of marketers and has proven to be an easy way to set a course for any marketing organization to more concretely connect with revenue.

There are millions of marketers at this stage of the journey.



STEP 1:

Traditional Marketing

Characterized by the Four P's – Product, Promotion, Placement, and Price – traditional marketing is what is still being taught in school and what most marketers experience every day. For many B2B marketing organizations at this stage, marketing has little political clout, doesn't have a seat at the revenue table, and is seen as the "make it pretty" department. Senior executives in this organization don't realize the revenue impact marketing could make on the company.

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.

What we're talking about is moving away from these traditional marketing activities to a more relevant and effective way of marketing, one that eventually earns marketing a seat at the revenue table. These next three phases include defining characteristics and specific metrics because understanding what you are measuring gives you better insight into what your business is really all about.





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STEP 2:

Lead Generation

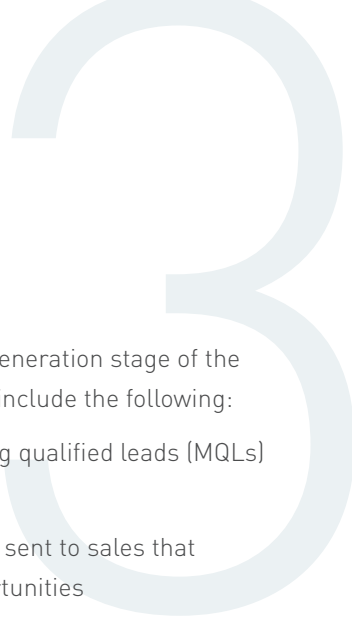
The first big step toward revenue marketing is making the transition from traditional marketing to lead generation marketing.

At this stage of the Revenue Marketing Journey, it is marketing's responsibility to give as many leads as possible to sales. Many organizations 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 thought process here is that sales can either cold call or call someone who has filled out a form or downloaded a white paper.

These leads typically come from tradeshows, website visits, or general forms and are passed on to sales for follow-up. If the lead closes, that's great. But if the lead does not close, it typically gets lost and marketing may buy that lead again in the future just to begin this process all over again.

Most companies at this stage have an email system in place, but their lead generation practice is very 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 center to the organization.



STEP 3:

Demand Generation

The move from lead generation to demand generation is a gigantic leap for most organizations. Demand generation is defined as the combined set of activities across both sales and marketing that

- 1) puts high-quality leads (sales ready) into the top of the sales funnel and
- 2) 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 developing. Companies moving into demand generation have typically invested in a marketing automation system that is integrated with their CRM. The metrics tracked in this phase 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 organizations.

Key metrics in the demand generation stage of the Revenue Marketing Journey include the following:

- 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

This stage is characterized by developing processes that will eventually lead to a revenue contribution from marketing that is repeatable, predictable, and scalable. They are now reporting on what they accomplished in the past in a meaningful way to the business. During this stage, senior executives are beginning to realize the ultimate contribution marketing can make.

There are approximately
8,000 organizations at
this stage of the journey.



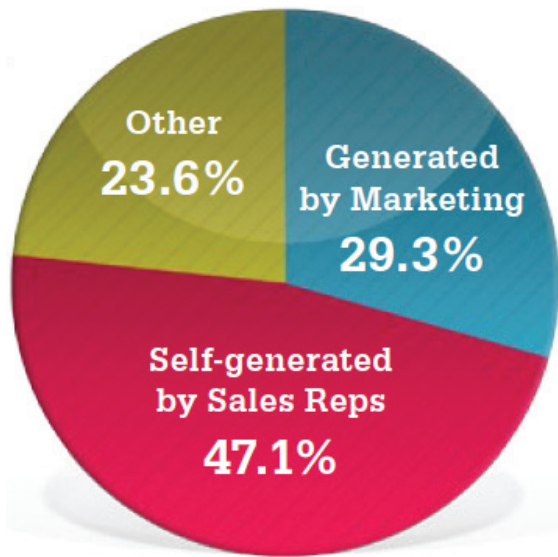
There are
maybe **300**
organizations
at this stage
of the journey.



STEP 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 VP of sales, revenue marketers can walk into a CEO'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 center.



LEAD GENERATION ANALYSIS

The Word from Sales

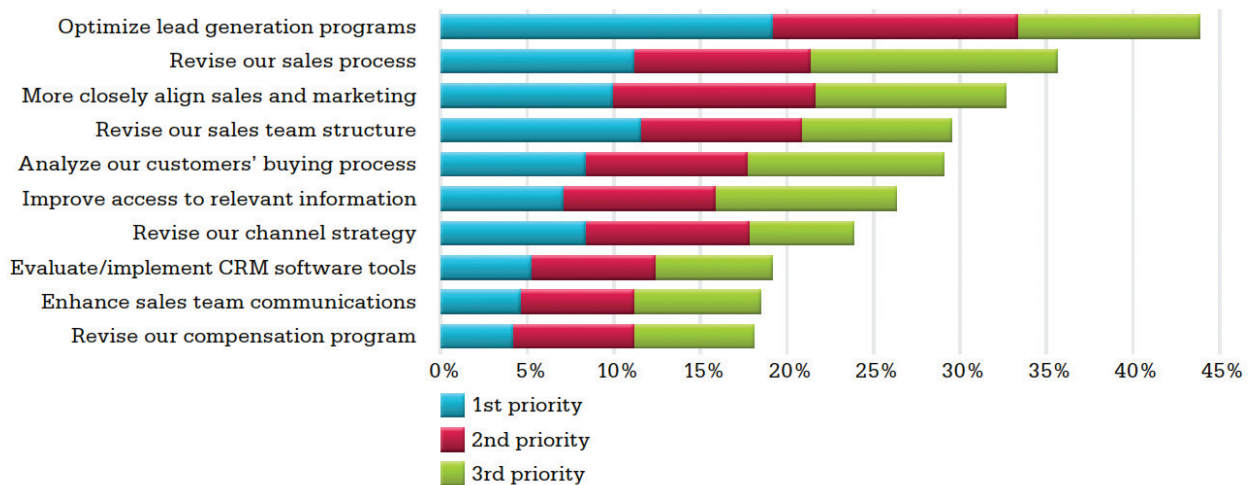
Although today's B2B marketer has pressure from many sources, most comes from sales. Sales is also undergoing a transformation as prospects are typically 70% through their buying process before a salesperson is even aware of a prospect's interest.

Sales is struggling to win in this new digital world and turns to marketing for help! According to a recent study published by CSO Insights, marketing generates only 29.3% of all sales leads. As a result, in many sales organizations today, the sales team itself is still generating about 50% of the leads they work!

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.

In the same study, when VPs of sales were asked what they most wanted to improve in sales effectiveness, the number one response (48.9%) was "revising and enhancing lead generation programs." The second most-cited initiative was "more closely aligning sales and marketing" (39.6%).

YOUR CUSTOMER NEEDS: INITIATIVE AND PRIORITIES



Clearly, there is a need.

VPs of sales have named it their number one initiative and CXOs are turning to marketers for help with revenue. Now it is up to marketers to respond. The technology is available and the need is apparent – the time for the revenue marketer is here and now. But what exactly does it mean to be a revenue marketer?

The Face of the Revenue Marketer

A revenue marketer has revenue or revenue-related accountability through their campaigns, communications, and digital interactions. Revenue marketers are responsible for the top of the sales funnel, interacting with and nurturing leads until they are sales ready, then helping them to accelerate opportunity.

All revenue marketers use some type of marketing automation platform integrated with CRM to power their revenue marketing practice so that they can achieve repeatable, predictable, and scalable revenue results.

So, what are you going to do about revenue? If you haven't yet been asked this question, you will be soon. And if you haven't begun your Revenue Marketing Journey, ask yourself, why not? Where are you today and where do you need to be for your organization?



Debbie Qaqish is the chief revenue marketing officer and principal partner at The Pedowitz Group, the world's largest and most experienced revenue marketing agency. Debbie is a recognized thought leader in the revenue marketing space and a nationally sought after public speaker regarding demand and revenue generation topic.