

“ **Companies that use a demand generation technology reported 181% higher average close rates.** ”



5 Five Core Principles for Empowering Sales Reps with Demand Generation Tools

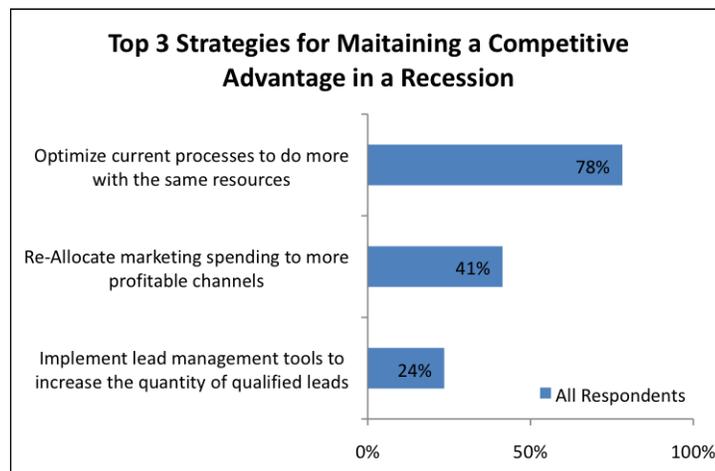
The crisis in the financial market rocked the foundation of modern business resulting in the worst economic fallout in recent history. B2B organizations across the globe are struggling to cope with longer sales cycles, fewer real opportunities, and increased competition. Marketing is under more pressure than ever to justify marketing spend and demonstrate measurable results. At the same time, sales leaders struggle to improve sales effectiveness and meet increasingly challenging revenue targets. But, there is light at the end of the tunnel. New research shows how hundreds of market leading B2B organizations are using best practices in demand generation to maintain a competitive advantage, regardless of the looming recession. Demand generation techniques, tactics, and practices are helping organizations align sales and marketing to work collaboratively towards business objectives.

A study from Research Corp. surveyed 547 sales and marketing leaders across multiple industries and company sizes to explore the state of lead generation programs in B2B organizations. This whitepaper will investigate key findings from this survey to demonstrate how some B2B market leaders maintain a competitive advantage by empowering sales reps with demand generation tools.

Automated demand generation tools are growing in popularity, and research suggests a direct correlation between top performing organizations and use of demand generation technology. Companies that use a demand generation technology reported 181% higher average close rates (over companies not using a demand generation technology) on leads that were sent from marketing to sales. Sixty-five percent of participants used or planned to use an automated demand generation tool.

Respondents were asked to select the top two strategies they would leverage to remain

competitive in the current economic downturn. Seventy-eight percent of respondents plan to improve existing processes to try to do more with the same resources—the number one strategy for maintaining a competitive advantage in the current economy. Forty-one percent of all respondents will re-allocate marketing budget to more profitable channels. Marketing channels like email, direct mail, and interactive online media offer predictable, measurable returns. But, unless leads can be captured, nurtured, and entered into the sales cycle efficiently and effectively, these re-allocated marketing dollars are wasted resources. For this reason adoption of demand generation technology is a top three strategy for B2B organizations in 2009. Market leading companies have finely tuned demand generation capabilities. These organizations use technology to create a seamless transition between marketing and sales to optimize the process of transitioning a prospect into a customer.



The benefits of automated demand generation or marketing automation are well documented for the marketing function. However, the specific benefits to sales, and the best practices for empowering reps with demand generation technologies have historically been somewhat less obvious, until now. Five core principles underscore how B2B market leaders maintain a competitive advantage across sales and marketing by using demand generation technology; even in the shadow of an economic recession.

Five Core Principles for Empowering Sales Reps with Demand Generation Tools

The competitive landscape requires a new breed of automated demand generation solutions. Demand generation tools need to empower sales and marketing through autonomy, repeatable best practices, and market insight to isolate real short-term opportunities while improving sale efficiency and sales effectiveness. The following guiding principles for empowering sales reps with demand generation technologies were derived from feedback and desires from 547 sales and marketing leaders at organizations of all sizes.

“Lead scoring and prioritization translates to **incredible cost savings in sales efficiency.**”

1. Increase Sales Effectiveness with Customized Lead Scores

Fifty-one percent of respondents that currently use a demand generation technology score leads based on a prospects interaction with the firm; eleven percent of respondents plan to use lead scoring in the future. Lead scoring is a critical component for market leading B2B organizations. Demand generation helps prioritize pipeline opportunities based on a prospects interaction with the company; the score helps dictate the priority of a lead relative to other prospects. Ideally, lead scoring should provide a real-time dynamically updated score which gives context around the prospects buying cycle. However, one of the biggest challenges with many lead management solutions stems from a lack of granularity around the factors that contributed to the lead score. How would a company differentiate between a student who visited the corporate website 10 times and received a score of '80' over a CEO that visited the site once, but filled out a form online and also received a score of '80'.

The data collected by demand generation technologies is of little value for sales reps unless they can find context about the uniqueness of each lead and the factors that contributed to a final lead score. Ideally, sales and marketing should contribute to developing the definition of a qualified lead. If sales can isolate the exact characteristics that make up a well qualified opportunity and create a custom score based on that criteria, demand generation tools become a personalized powerful tool for increasing sales effectiveness. Sales reps cannot, and will not, leverage lead scores unless the score helps the rep sell more effectively.

Lead scoring and prioritization translates to incredible cost savings in sales efficiency. Companies that used a demand generation solution were far more likely to indicate reps spent “little if any time per day” actively trying to qualify opportunities. Conversely, companies that did not leverage an automated demand generation solution indicated reps spent “2 to 5 hours per day” prospecting. Imagine how much time these organizations are wasting qualifying opportunities that will never become a sale.

Every sales rep is unique; unique selling styles, unique communication skills, unique domain knowledge, etc.. No matter how many formalized processes exist to make sales consistent and repeatable, at the end of the day, the sales force will still end up being segmented by A, B, and C performers. The goal is to empower A reps with the tools they need to continue being top producers while supporting B and C reps with repeatable best practices from top performers. Customized lead scoring allows reps to bake in their own unique sales strategies to prioritized opportunities. To date, very few technologies provide an intuitive interface for sales to manage or create custom scores. Custom lead scoring can guarantee the top of the pipeline is filled with a higher quantity of quality leads. This also leads to more accurate sales forecasts since reps can confidently forecast opportunities that align perfectly to their individual strengths.

“ Research shows that by **engaging** a prospect **within 2 hours...** reps have a **significantly higher chance** of engaging in a dialogue over the phone or email. ”

2. Deliver Demand Generation Data to Reps in the Tools they are Accustomed to Using

Integration between demand generation tools and CRM is a critical best practice for enabling sales reps in market leading companies. Most reps don't have the time or the inclination to learn another new application. It's hard enough getting reps to update CRM. Demand generation can actually enhance the CRM environment by delivering valuable information about qualified opportunities, individual prospect activity, and historical interaction between the firm and the prospect. The key is to deliver demand generation statistics, lead activity, lead scores, and profile information from within the vehicle reps are accustomed to using on a daily basis- CRM.

Top performing B2B organizations that currently integrate demand generation and CRM indicated the following elements provide the most compelling value for sales:

Table 1: Top Three Most Valuable Attributes to Integrate

Access in CRM by account	Currently have access	Plan to provide in future
Email Campaign History	62%	15%
Form Capture Data	59%	16%
Website Activity	46%	20%

Research Corp., January 2008

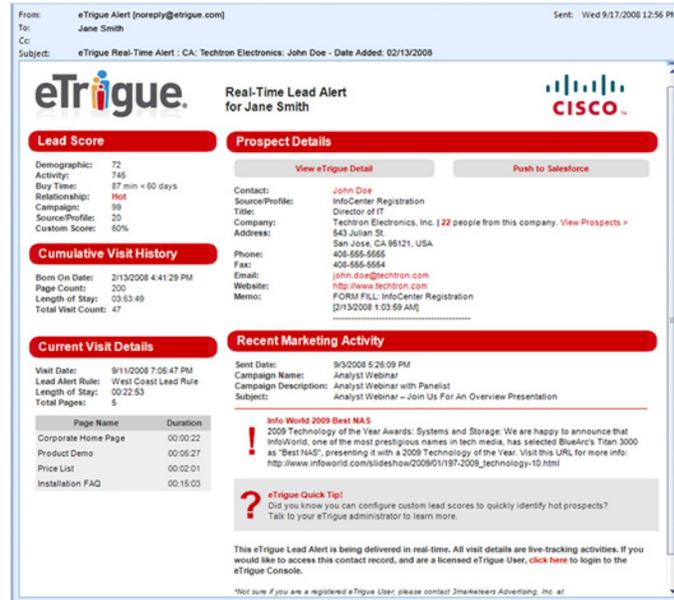
While integration between demand generation and CRM is essential for market leaders it is not the only means of delivering timely actionable data to reps.

3. Shorten the Sales Cycle by Using Instant Real-Time Lead Alerts

Market leaders maximize sales opportunities by taking advantage of timely interactions with prospects. Research shows that by engaging a prospect within 2 hours of the prospects interaction with a firm (a website visit, email click-through, or other buying cycle activity) reps have a significantly higher chance of engaging in a dialogue over the phone or email. Traditional lead management practices often track prospect activity, but fail to strike while the iron is hot to maximize the potential of engaging with a prospect.

Twenty-three percent of respondents delivered leads to sales manually on an "ad-hoc" basis. The ad-hoc approach prevents sales reps from immediately following up with prospects and diminishes the likelihood of engaging a prospect before they lose interest or forget they reached out. Respondents that were not using a demand generation solution indicated that on average 11% of leads that were passed from marketing to sales resulted in a closed sale (vs. 20% for companies that currently use demand generation). Reps need to be notified of prospect interaction in near real-time to maximize the potential for engaging with a prospect. Email alerts provide a rapid, real-time, notification over a vehicle that is readily accessible to sales 24x7.

Fifty-three percent of respondents indicated they used an email alert to notify sales about changes in qualified leads. These real-time email alerts become invaluable when they include rep specific lead scores and detailed information regarding the prospect engagement activity. When real-time email alerts contain custom lead scores developed by the sales team and links to the CRM records for historical analysis, reps are empowered with information that can be leveraged to sell more efficiently and effectively.



4. Give Reps Access to Tools that can Filter and Prospect the Customer Database

Market leaders provide sales reps with access to simple, intuitive tools that can be used to prospect the customer database for opportunities that align to the reps core sales strengths. The research shows that these tools are rarely the same tools that deliver demand generation capabilities. Ideally, analysis and delivery of information need to be seamlessly produced or linked directly from within CRM. Sixty-seven percent of all respondents indicated reps had access to tools that can segment or filter the customer database. Filtering tools should provide reps with ad-hoc analysis capabilities to query the customer database for opportunities that align to individual sales strengths.

Not all leads should be entered to the CRM system. Leads should be separated into prospects that are engaging with marketing during the customer "buying cycle" (where marketing is nurturing them and encouraging a call to action) and prospects that have graduated from the buying cycle (and are formally ready to enter the pipeline, the sales cycle, and the CRM solution). It's equally important to allow reps to query and prospect for leads that may not be in the CRM solution as sales opportunities. Once reps have found their secret sauce and baked this into customized lead scores, it's possible for sales to widen their net to prospect for opportunities that are have not been formally identified as pipeline opportunities.

“ Reporting capabilities help organizations identify how top performing reps consistently maintain superior performance. ”

Name	Title	City	State	Email	Phone	Last Visit Date	Visit Count	Page Count	Profile
Alex Wang	sales engineer	old bridge	NY		515.53.4152008	1	88		INFO C
Alex Wang	Sr. S&H Qualificat...	San Jose	CA		408.62.5112008	1	46		INFO C
Bradley West	Srang & Company	Network Administrat...	Pittsburgh	PA	412.96.3132008	1	43		WEB P
David Lee	800 State of Canada	Team Leader of Int...	Toronto	Other	416.67.3142008	1	41		SFDC
Matthew Collier	self	na	San Francisco	CA	408.49.582008	1	30		INFO C
William Zhu	h3c	engineer	Other		86.10.562008	1	29		INFO C
Yann Coats	Leclra	IT Architekt	Crestas	Other	+33 (0).482008	1	29		Contact
Diego Urbina	MSC S.r.l.	IT	Trissino (VI)	Other	349.94.5192008	1	28		INFO C
Eric Haines	Silicon Storage Tec...	Sr Manager, CHD-By...	summitvale	CA	408.52.562008	1	27		SALES
Glenn Aho	Blowing Shared Serv...	Global Network Acc...	WA		425.8.5142008	1	26		SALES
Jacques Massad	vmware	Network Adm...	sunnyvale	CA	504.8.5292008	1	25		SFDC
David Grimes	World Market Center	Network Manager	Las Vegas	NV	702.6.5202008	1	25		Contact
Jill	SAI	IT	WA		715.25.5122008	1	24		INFO C
Bassem Mustafa	nanhee Cambridge	Project Manager	montreal	QC	514.84.3192008	1	24		Contact
Jonathan Cordes	changing the Game i...	Helpdesk Manager	Vancouver	WA	360.8.4152008	1	23		SALES
Robert Mackay	ARM	Account Director	Paris	Other	+334.3172008	1	22		INFO C
Jeff Clark	Cisco	SE	CT		860.86.4202008	1	21		INFO C
Chris Alton	Credit Europe Bank	System Engineer	Amsterdam	Other	+3120.4242008	2	88		INFO C
Heather Leffler	Na	Director, PR	San Jose	CA	408.82.3092008	2	58		INFO C
Cherisse Tab	Altuvent Edge	Managing Director	Other		+012.442008	2	53		Contact
Joe Schuch	Air Industries	CEO	Providence	RH	407.45.4192008	2	42		INFO C
Richard Brink	ITA	Team Lead	Alexandria	VA	703.8.6252008	3	31		Info

5. Help Reps Meet Quota by Sharing the Techniques and Attributes of Top Performing Reps

Demand generation tools can track and monitor rep performance over time. Reporting capabilities help organizations identify how top performing reps consistently maintain superior performance. What leads do they peruse? What scoring attributes commonly lead to a sale? How do they engage prospects? When do they engage prospects? Periodic and systematic analysis of rep performance relative to the attributes and activities that are captured by demand generation tools and CRM can provide invaluable insights for struggling reps. In today's economy, organizations simply cannot afford to keep low performing resources on the payroll. But, if demand generation tools can be used to isolate the attributes that make up a top performing rep, as well as the attributes that make up the lowest performing rep, the entire sales function can benefit from this knowledge.

Key Takeaways

Demand generation tools are equally as valuable to sales as they are to marketing. Extensive research from 547 organizations revealed five core principles that drive market leadership with demand generation tools and capabilities. Organizations should empower sales reps with demand generation tools by:

1. Providing Custom Lead Scoring and Context on Lead Scores
2. Empowering reps with demand generation data from within CRM solutions
3. Delivering Instant Real-time Lead Alerts
4. Giving Reps Access to Tools that can Filter and Prospect the Customer Database
5. Helping Reps Meet Quota by Sharing the Techniques and Attributes of Top Performing Reps

The economic recession caused many organizations to explore new ways to extend the value of demand generation technology investments and empower both sales and marketing. Demand generation tools help organizations rapidly react to changes in the market and maintain a competitive advantage, even in a recession. Demand generation is an iterative process requiring constant optimization and buy-in from both sales and marketing functions. The economic downturn will force a Darwinian like evolution in lead management practices as the competitive landscape becomes tougher and tougher. Market leading competitors are already leveraging the benefits of demand generation technologies. The time to act is now.