

WHITEPAPER:

Make Marketing Matter

How to Build a Rock-Solid Demand
Factory in Your Organization



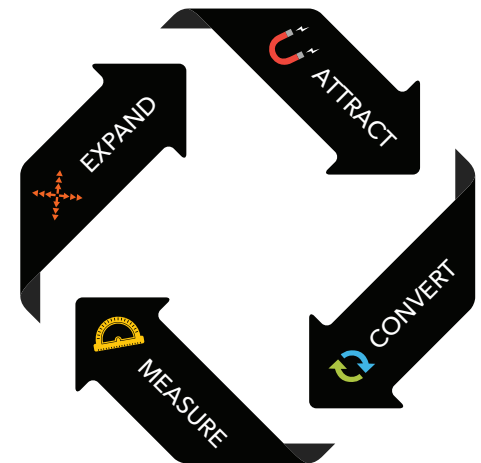
Marketing has been undergoing a transformation. Success in marketing today has moved beyond aligning sales and marketing, or aligning various marketing groups. Today marketing is at the epicenter of the organization. Gone are the days in which innovative products and great people were sufficient for success; now you must transform your entire organization into a Demand Factory in which marketing is at the core. Simply aligning sales and marketing organizations is too narrow a vision—you must bring together people, products, sales and marketing for results. In fact, the Demand Factory extends beyond demand generation to include your installed customer base, with activities that inspire and nurture customer loyalty.

In this paper we'll take a look at the Demand Factory and the elements it takes to build and maintain one that won't succumb to market instability or competitive pressures.

ELEMENTS OF A ROCK-SOLID DEMAND FACTORY

The concept of "Demand Factory" can be explained by metaphor: imagine an actual building supported by four pillars—A, C, M, and E. Of course, this creates an acronym for Attract, Convert, Measure and Expand (ACME):

- 1. Attract** - How does your marketing department go about attracting new prospects to your products and services? Attracting customers should not be done by "batching and blasting," or "spraying and praying." Instead, fill the top of your funnel using automation and by creating omnichannel programs. This is where technology comes in.
- 2. Convert** - How does your organization convert qualified leads to new customers? This conversion should consist of a well-defined, operationalized process through which sales and marketing are aligned.
- 3. Measure** - Measuring the impact of your marketing is really the cornerstone of your Demand Factory. You must have core metrics and KPIs so you can evaluate how you are doing as an organization.
- 4. Expand** - Expansion involves getting the most value for every client. This pillar is often the last one built, because companies tend to focus more on lead generation. But there is much opportunity in your existing customer base. Mining additional revenue from existing business is essential and should not be overlooked.



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With these pillars in place, your marketing organization becomes more than a cost center or revenue generator; it becomes a high-performance marketing machine that works to maximize the value of every customer.

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ROME WASN'T BUILT IN A DAY

There are three phases to building the Demand Factory:

1. build
2. automate
3. evaluate and optimize

Keep in mind these phases will not be completed overnight and require you to remain agile while building them. By being agile, I mean you must continue to nurture customer relationships while you build your solution, rather than building it in isolation from your customer base.

Begin the building phase with a thorough assessment that includes your entire team, not just marketing folks, and determine where you are and where you want to be. This assessment will allow you to map out strategic initiatives, which will serve as your marketing plan. Take the least experienced people in your group and make them leaders for a day, and you'll get a fresh perspective on how your organization looks. As part of the assessment process, ask yourself, "how would my kids draw your organization?" This will help make your plan simple and efficient.

Next, make a goal for revenue and lay out a path to get there. Is there a well-documented lead management process written and created by marketing and sales, and has it been operationalized and shared? An operationalized process is able to move with speed and agility, stay current as markets change, and sync up with sales through a rapid and efficient exchange of information.

Other tasks involved with the assessment include:

- Address team resource issues.
- Align sales and marketing goals and processes.
- Fix database hygiene issues.
- Determine key performance indicators for marketing.
- Make a plan to increase customer lifetime value.

Perform this assessment annually, or more frequently, so you can be proactive instead of having to put out fires after the fact, as happens all too often in marketing.

GOING UP? EXPLORING THE FLOORS OF YOUR FACTORY

Your strategic initiatives should consist of how to get the best people, programs, processes, data, reporting strategies and technology into place, and working together in an optimized way. These elements represent the floors in the metaphorical construction of your Demand Factory, and will help you to meet your goals. Let's look at these in greater detail.

People

Your factory won't operate without qualified people. Start by identifying the key roles you need to fill. Approach this process by developing an accountability chart, rather than an organizational chart. An accountability chart is a heat map that helps you



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identify where you most need resources in the company. If you use an organization chart, you will make the mistake of prioritizing the personnel resources that you have at your disposal, instead of focusing on the roles you need to fill. As you develop the accountability chart, pay special attention to key roles and realize that all the departments within your organization are connected to each other and to your marketing department.



Programs

It's important to take an omnichannel approach to programs. Instead of only using emails and your website to batch and blast your communications, use a variety of channels to reach your customers, such as conferences and social media. Take advantage of the best technologies and tools to simplify broadcasting your message across channels.

Process

For many marketing organizations, process isn't a strong point; marketing folks tend to work *IN* the business not *ON* the business. Your marketing group isn't involved in developing product; they focus instead on the programs and activities that will promote it.

However, without strong processes, you run the risk of losing track of demands and how you are meeting them, the value of each lead, how well you are engaging and

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retaining customers and how you can collaborate with your sales team to address shortcomings in these areas.

Here are four key processes to implement as you design and build your Demand Factory:

1. Operationalizing the demand funnel - Why is this process important? It enables you to inventory what is in your Demand Factory. Your inventory is made up of inquiries, marketing qualified leads (MQLs) and other data. Operationalizing the demand funnel will enable you to understand and document that balance and movement of what is in that inventory.

2. Lead scoring - Lead scoring is used to predict the fit and probability of each lead. If the sales team is telling you none of your leads have value, they probably don't. Without lead scoring, it's impossible to know. Even if you have a lead scoring system in place, it's only effective if your sales force is using it; be sure your lead scoring system is integrated into your customer relationship management (CRM) system so sales can access it easily.

3. Lead nurturing - Lead nurturing can be automated to improve engagement, but don't make the mistake of "setting it and forgetting it." Instead, go back and look how your lead nurturing program is performing, then optimize the content based on your results. A good lead nurturing program should:

- Have engagement programs in the lower funnel and onboarding programs for new clients.
- Automate your net promoter scores, which tell you how likely your customers are to repurchase or refer.
- Include upselling and cross selling campaigns.

It is critical that your lead nurture program is well-understood by sales, and this requires clear and frequent—preferably automated—communication.

4. Sales alignment - This is the process by which you collaborate with your sales team. Use your CRM system as a tool for sales enablement. These tools can be used not just for sales deployment but for training so that sales are a part of the Demand Factory, as well.

Forget about impressions - data is king!

Within the new vision of the Demand Factory, impressions no longer matter. Today's technological tools enable us to take different pieces of information and find people out there, enabling a more proactive approach to demand generation. We now have the ability to do targeted marketing. There is a lot of information about customers out there; the trick is using it to gain actionable insights so you can use it in the best possible way. Software platforms such as Marketo and Eloqua are able to capture much of this information, and as technology evolves, systems that provide human predictability will be the next hot marketing tool.

Data is critical to marketing, so your group needs to become exceptional at managing it. Don't store your data like a hoarder, without any organization or thought

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to how you will make it work for you. Instead, leverage the expertise of a data scientist who can look at the data and help you gain the insight you need to make correlations between various events. While you are putting together your accountability chart, give some very serious thought to adding a data scientist. This is the person who will look at streams of information about markets and drill down to the most important pieces that will result in the best leads, the greatest demand, and the most finely targeted marketing approaches.

Reporting

Reporting is not measurement; it's a management tool. Reporting allows you to uncover which processes are working and which are not. There are no hard and fast rules about reporting, so it's important to figure out what matters to stakeholders and report on that. Ask yourself the four "Cs":

1. What counts (or matters)?
2. Can you count on it (is it accurate)?
3. Can you calculate it (to demonstrate success)?
4. Can you communicate about it (to C suite and other stakeholders)?

Answering these questions will help you decide which metrics are the most important to the organization.

Technology

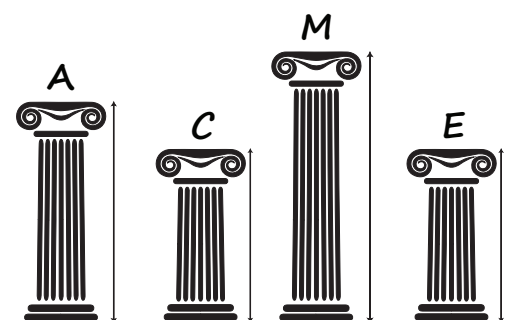
Technology is the underground lair of the Demand Factory, yet it should be built last. When you're formulating a demand generation strategy, there's no shortage of vendors itching to demo the latest and greatest technology tools and toys. In reality, you only need technology to fill in the gaps between the four pillars of your demand factory. Don't over-invest, then discover you have a bunch of bells and whistles that are simply decorative and not bolstering the pillars of your factory. In other words, before you invest in technology, think about how it will be used and how it will work for you, or it will end up sitting idle without contributing to the bottom line.

TIME TO GET THE DEMAND FACTORY HUMMING!

You now have, at your disposal, all of the tools to build a Demand Factory for the 21st Century. You'll succeed by constructing the strong pillars that support the foundation of your marketing group, including attracting new customers, converting qualified leads to new customers, measuring the success of your marketing programs and expanding your current customer base.

"Don't count the people you can reach, reach the people you can count"

- David Ogilvy



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