

GETTING YOUR **D**

How well aligned is sales and marketing in your organisation? Asks SIMON KELLY

In this feature I will consider the issues that get in the way of effective sales and marketing alignment with the customer. I will draw on my experience of 35 years as a marketing and sales practitioner, as well as my recent academic and commercial research, to give an up-to-date picture of the state of alignment. I will suggest how to get better alignment around the most important facet of B2B sales and marketing, customer value propositions. Much of the advice provided here builds on my co-authored book *Value-Ology: Aligning Sales and Marketing to Shape and Deliver Profitable Value Propositions* (Kelly, Johnston, Danheiser, 2017).

So, how well aligned is sales and marketing in your organisation, not just with each other but with the customer? Judging by what the majority of the credible commercial and academic research says, things are still not looking good, and this at a time when alignment matters more than ever.

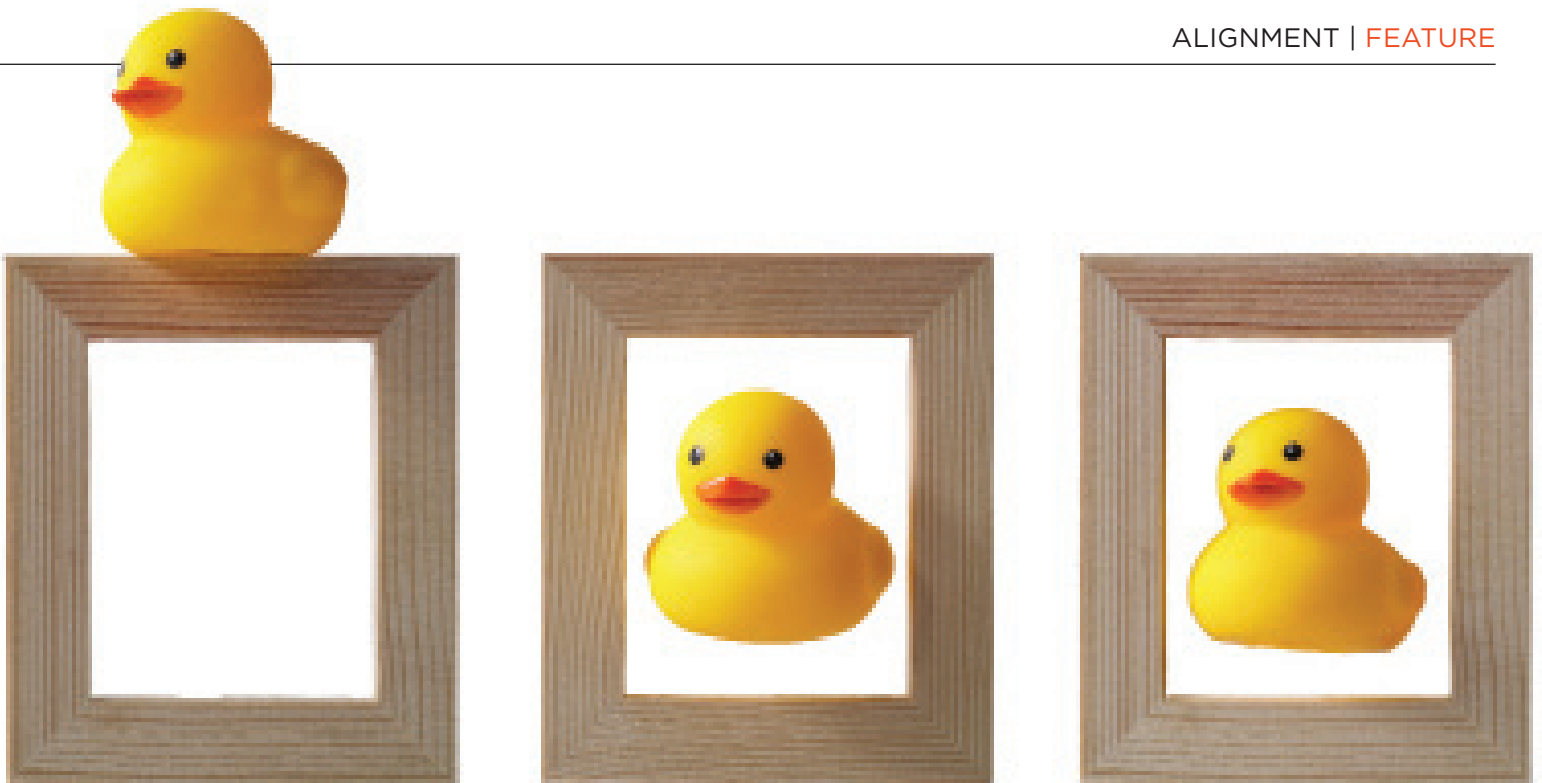
THE CASE FOR ALIGNMENT

The case for alignment is compelling. Recent Aberdeen Group research shows that well-aligned organisations typically grow in excess of 20% in revenue compared with a 7% decline for those less

well aligned. Sirius Decisions research reveals that B2B organisations with tightly aligned sales and marketing operations achieve a 24% faster three-year revenue growth and 27% faster profit growth.

In this omnichannel world, customers can be an average of 60% of the way through the buying process before they contact a salesperson (CEB research), by which time 67% of them have a clear picture of the solution they want (Sirius Decisions). This means that the marketing content that the customer receives must resonate with them and be consistent with sales messages throughout the customer journey. It is strange, therefore, that 94% of customers claim to have disengaged with organisations because they are being sent irrelevant content that gives them no value (CEB research). Maybe the most telling statistic is that 58% of sales deals end in no deal because the customer has not been convinced of the value in signing the deal (Qvidian Sales Execution research).

In a recent study performed by Televerde, 47% of B2B salespeople say that the major reason they lost a deal was because the product or service's value had not been adequately conveyed to the prospect. Little wonder that 46% of salespeople say the asset they most want from marketing is "value



DUCKS IN A ROW

proposition”. In *Aligning Strategy and Sales*, Harvard’s Professor Frank Cespedes reminds us that, “Studies indicate that less than 40% of firms believe sales and marketing are aligned with what their customers want” – the very reason for alignment.

Nothing much seems to have changed at the sales and marketing interface (SMI) since the seminal *Harvard Business Review* article “Ending the war between sales and marketing” (Kotler, Rackham and Kirshnaswamy, 2007), despite the heightened significance of the consequences of misalignment.

From research results, it appears that marketing and sales alignment is proving difficult to achieve in practice. As my old managing director at BT, Danny McLaughlin, used to say: “It sounds simple, but it ain’t easy.” So what’s getting in the way of alignment?

GETTING TO GRRIPS WITH ALIGNMENT

My colleagues and I spend a lot of time talking with sales and marketing professionals about alignment in general, and specifically around the issue of value propositions. If we add our findings to the major themes that come from our credible research sources, they roll up to our GRRIPS framework, as shown in the diagram on page 28.

So, let’s get to GRRIPS with what we find gets in

the way of alignment, using some quotes from our practitioner interviews to illustrate the issues.

GOAL ALIGNMENT: ENABLER OR TENSION POINT?

A good starting point would be for marketing and sales goals to be in sync, so it is somewhat surprising that Green Hat’s B2B Marketing Research BMR Report 2017 finds that only 45% of sales and marketing people have shared goals. This seems especially odd as the practitioners we speak to see

goal alignment as a key enabler. In the words of an SVP sales for a global technology company: “I think shared goals are a big enabler. You know shared objectives that are

tied to compensation. If sales and a marketing people have the same objective, leading to similar compensation, that is a big enabler in our business.”

When sales and marketing do not align goals this can become what the president of a global hi-tech company articulately calls a ‘tension point’.

Sometimes marketers are overtly focused on goals related to the broad end of the sales funnel, such as ‘awareness’ and ‘interest’. At a campaign level this can lead to too much emphasis being placed on leads that were generated and passed to sales, often referred to as MQLs (marketing-qualified leads) >

“Marketing and sales alignment is proving difficult to achieve in practice... It sounds simple, but it ain’t easy”

< or SQLs (sales-qualified leads). This can lead to finger-pointing as sales throws doubt on lead quality while marketing accuses sales of ‘dropping the ball’ or not having the ability “to close our awesome leads”. On the other hand, you cannot expect to drive sales immediately to the 80% of the customer base that does not yet know who you are.

Tip: Set common strategic goals for marketing and sales. Integrate tactical goals that complement strategic goals.

“The marketing team must develop the ingredients and the sales teams must work on a unique recipe for each client”

ROLE CLARITY

In large organisations there are many different flavours of marketers performing different roles, which can present challenges getting agreement on how value propositions are developed. In *Value-Ology* our ‘Value Proposition Stack’ is a simple model designed to help role clarity, and ultimately provide salespeople with numeric value propositions for individual customers (see diagram below).

From the perspective of the CMO, the first step should be to understand the key customer issues and use these to focus on key themes that are important

to customers like ‘productivity’, ‘agility’ or ‘security’. The CMO should also lead the effort to align products and services to the chosen themes.

Many B2B organisations split their customers into industry sectors. It should then be the job of the ‘industry marketing leader’ to take the value themes and develop them for their specific sector. For example, what productivity or security issues do

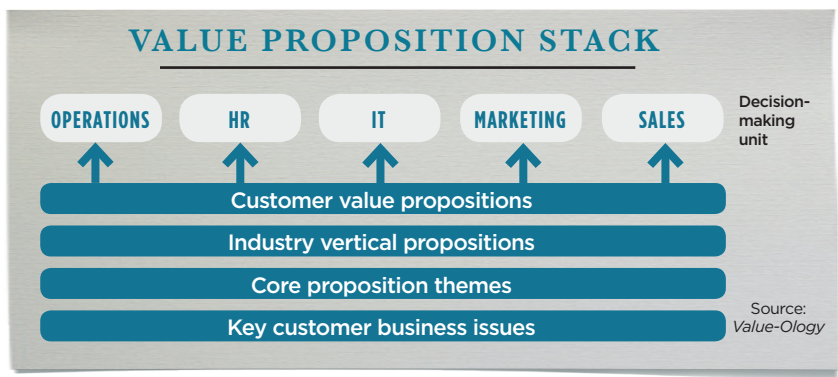
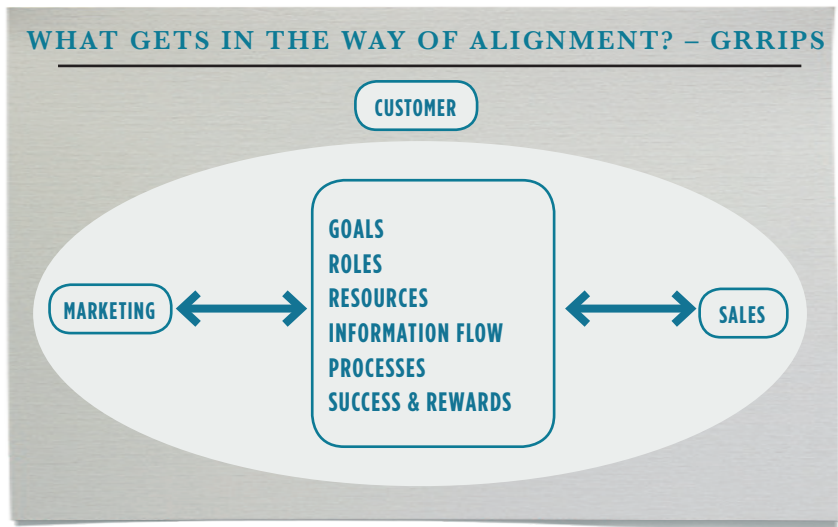
financial services customers face? How can we address these issues? Answering these questions in detail should lead to the ‘productivity or security value proposition for banks’.

Here, things can become problematic, because it is the point of handover between marketing and sales. Now the salesperson has to develop value propositions relevant for their customer that should align to the themes to help develop the overall company brand. There is often a chasm at this marketing-sales handover point that a former SVP of sales colleague of mine insightfully called the ‘sophistication gap’ as often the material that comes from marketing is too generic:

“I think that generally speaking there is a sophistication gap and certainly you’ll hear from sales that ‘I need use cases, I need references, and I need a translation of your insights into actionable discussions’. And I think the argument is about whose responsibility it is to create those actionable discussions. And I think it’s a joint responsibility.”

Building on this, Tim Chapman, managing partner at Sales EQ, has said: “Sometimes salespeople are looking for the ‘silver bullet point’! The reality is that it is a joint responsibility. Sales and marketing need to work together effectively, or it simply falls down the ‘sophistication gap’. The marketing team must develop the ingredients and the sales teams must work on a unique recipe for each client. The sales focus needs to be on listening and tailoring messages to specific customer business challenges. Or developing insights the customer should be thinking about...”

While the Value Proposition Stack provides a great framework for alignment, it does place emphasis on the ability of both sales and marketing to ‘contextualise’ at each layer of the stack. I asked a marketing manager responsible for account based marketing (ABM) at a technology company, who was praising the benefits of ABM for fostering alignment, “What sets your company apart?” His answer was, “Nothing, we are in a commodity industry.” A marketer needs to be able to provide context for what sets the company apart at the ‘5,000ft-level’ and give sales the tools to develop numeric value propositions at a customer level – “From stratospheric to numeric”, is how I would



put it. For salespeople, the key is to be able to put things in the customer context, culminating in numeric value propositions that demonstrate the benefits of working with you outweigh costs. There needs to be enough insight coming from marketing to provide the basis for that numeric calculation.

Tip: *Align roles at each layer of the value stack to bridge the sophistication gap.*

RESOURCES

This begins with budget allocation. With resources scarce, not all marketing and sales activity desires will get fully funded. There can be tension around the need for more marketing spend versus more ‘feet on the street’ account managers. Interestingly, quite a few of the salespeople we speak to say they do not have enough marketing people to deliver what they need. Developing a mechanism for jointly sharing the ‘asks’ for more resource is difficult, but a good place to get to. Reaching a joint understanding of what marketing and sales need to do together to deliver for the customer is key here.

Tip: *Develop joint requests for budget and resources to develop value propositions.*

INFORMATION AND CONVERSATION

As a salesperson, how often do you get asked by marketing what is important to customers? In a survey, we found that only one in five salespeople felt they were ever asked this question. In our in-depth interviews, salespeople felt that marketing generally only spoke with them when a product was being launched. On the other hand, marketers felt sales often just came to them with tactical requests for events, or “golf balls and umbrellas”.

In developing a value proposition, there must be a focus on discussing customer value. In *Value-Ology* we call it the cohesive loop. Simply put, marketing must ask sales what is happening at the customer interface, on top of any direct customer research. Salespeople must make time to engage in these conversations, and maybe this should be a more formal part of a sales job description.

Tip: *Agree information and conversation flow for customer alignment.*

PROCESSES FOR VALUE PROPOSITION ALIGNMENT

Agreeing on the top five processes that need to be developed for effective alignment could be a great starting point here. Once this has been done, these processes can be mapped out with clear roles and responsibilities. We have already taken a look at how the Value Proposition Stack can be the basis for a process for developing value propositions ‘from stratospheric to numeric’. At a tactical level, a good place to start is to develop clear definitions for what makes a good lead, along with a clear process for passing leads to sales. Green Hat’s research showed

GRRIPS ALIGNMENT SUMMARY

Issues	Action
Goals	Set common ‘strategic goals’ for marketing and sales. Integrate tactical goals that complement strategic goals
Role clarity	Align roles at each layer of the value stack and to bridge the sophistication gap
Resources	Develop joint requests for budget and resources to develop value propositions
Information and conversation	Agree information and conversation flow for customer alignment
Processes	Agree five key processes for alignment – mind your language!
Success & rewards	Agree what success looks like. Measure against the strategic goals. Make sure all top-level scorecards are the same colour!

that only 44% of B2B organisations surveyed are getting satisfactory lead follow-up, while a meagre 25% have any plans for sales enablement. In the words of a director of campaign management for a global company: “If we’re going to invest in generating leads we need a formal commitment from sales to work with us and pick up these leads within a certain timeframe.”

A crucial element of what is being said here is about developing a common language – in this case, what is a lead? What does a good lead look like? The starting point for the five processes you select should be agreeing a common language. In *Value-Ology* we devote the first two chapters to getting common definitions for what a value proposition is, along with some war stories for what can happen if you do not agree them.

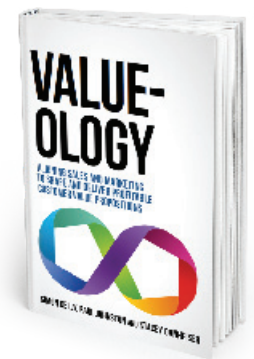
Tip: *Agree five key processes for alignment – mind your language!*

SUCCESS AND REWARDS

Defining what success looks like will help you set strategic goals and drive them down into both marketing and sales organisations. Measurement of performance must reflect this, as must reward. At the executive level, goals and scorecards must be aligned, unlike the case of a divisional sales president for a global company, who said: “I have inherited a situation where all my scorecards are red but the marketing scorecards are green. That cannot be right.”

A sense of shared reward can be usefully nurtured here. If all the strategic goals are green, there has to be a mechanism for ensuring all marketing and sales scorecards are green too, so people feel the benefit.

Tip: *Agree what success looks like. Measure against the strategic goals. Make sure all scorecards are the same colour!*



DR SIMON KELLY is an honorary Fellow of the ISM. He is senior lecturer in sales and marketing at Sheffield Hallam University, having previously spent 35 years in industry. He is also a consultant in sales and marketing, describing himself as a ‘pracademic’. He is co-author of *Value-Ology: Aligning Sales and Marketing to Shape and Deliver Profitable Value Propositions*, published by Palgrave Macmillan in 2017, available on Amazon, and reviewed in *Winning Edge* No1 2018. Take the alignment survey at www.shakemktg.com or email simon@shakemktg.com