CLASS 10

The Power of Smarketing

Professor: Chris LoDolce

Inbound Certification

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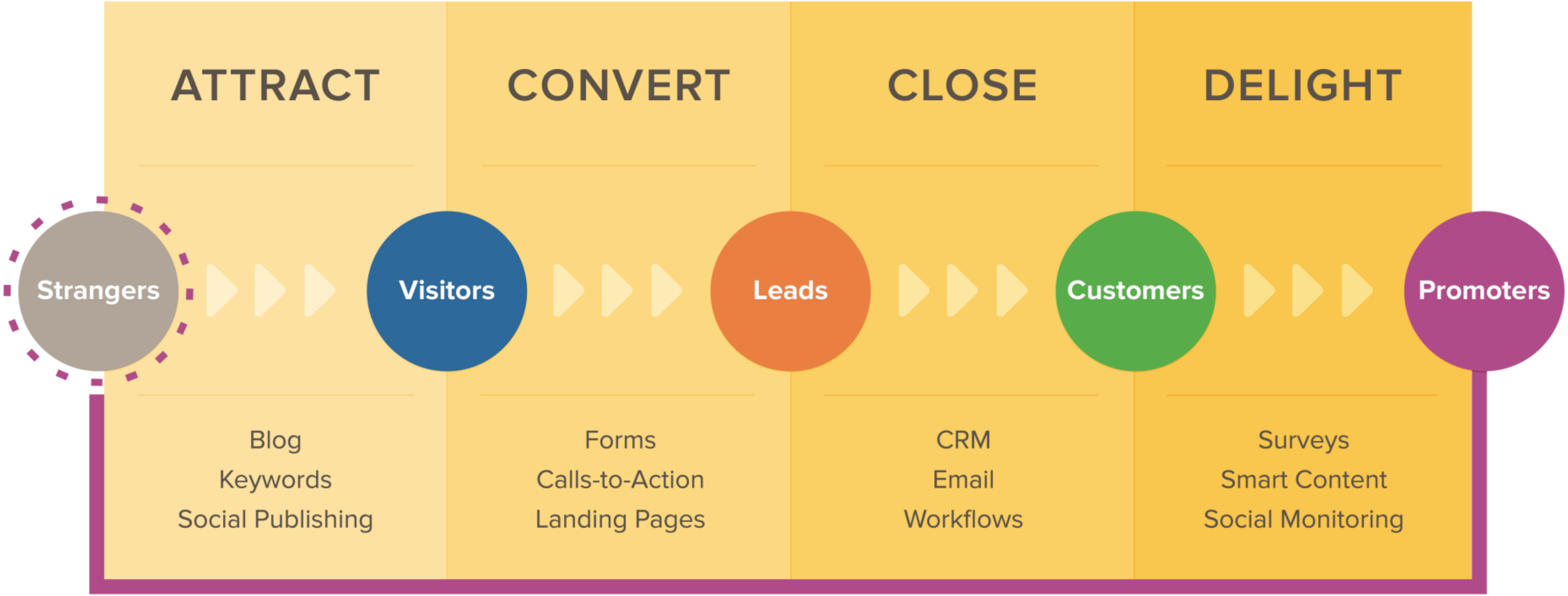
SALES + MARKETING =

SMARKETING.

Inbound Methodology



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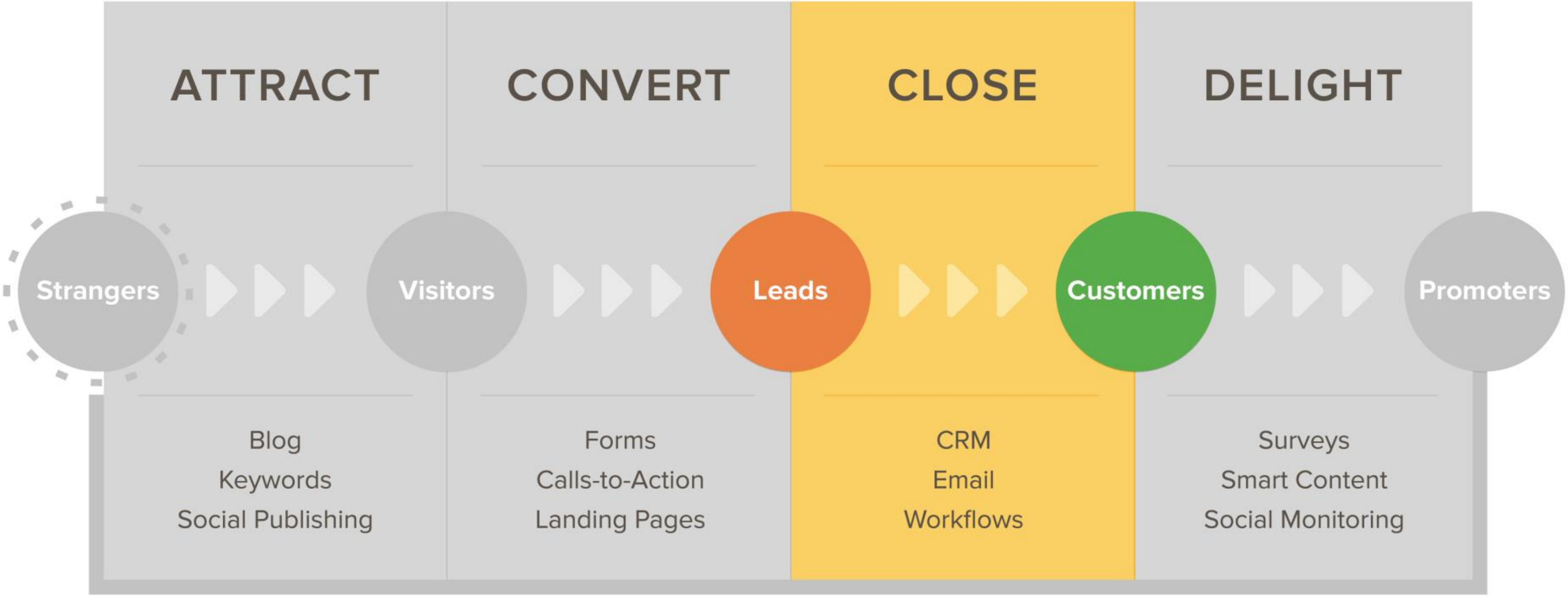
Inbound Methodology



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WHAT IS SMARKETING?

Smarketing is the process of aligning the sales and marketing teams around common goals within a business or organization, focused on improving revenue.

1 WHY IS SMARKETING CRITICAL TO INBOUND SUCCESS?

87%

of the terms sales & marketing use to describe each other are **negative.**

CORPORATE EXECUTIVE BOARD SURVEY: HTTP://BIT.LY/WQCZ4B

SALES

- “simple-minded”
- “incompetent”
- “lazy”

MARKETING

- “arts and crafts”
- “academics”
- “irrelevant”

CORPORATE EXECUTIVE BOARD SURVEY: HTTP://BIT.LY/WQCZ4B

Two halves of the same team:
Team Revenue

Companies with strong marketing & sales alignment get

20%

annual revenue growth.

2010 STUDY BY THE ABERDEEN GROUP, HTTP://BIT.LY/ZMIJQD

SALES + MARKETING =

SMARKETING.

2 HOW DOES SMARKETING RESULT IN ALIGNMENT?

SMARKETING BEST PRACTICES

- ☑ Both teams must have the same/interdependent organizational goals.
- ☑ The marketing pipeline should be tied to sales quotas.
- ☑ Visibility into each other’s goals.
- ☑ Compensation based on shared marketing and sales goals.
- ☑ Continual communication and education around personas.

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Get on the **same team.**

Align both marketing and sales around the same goal.

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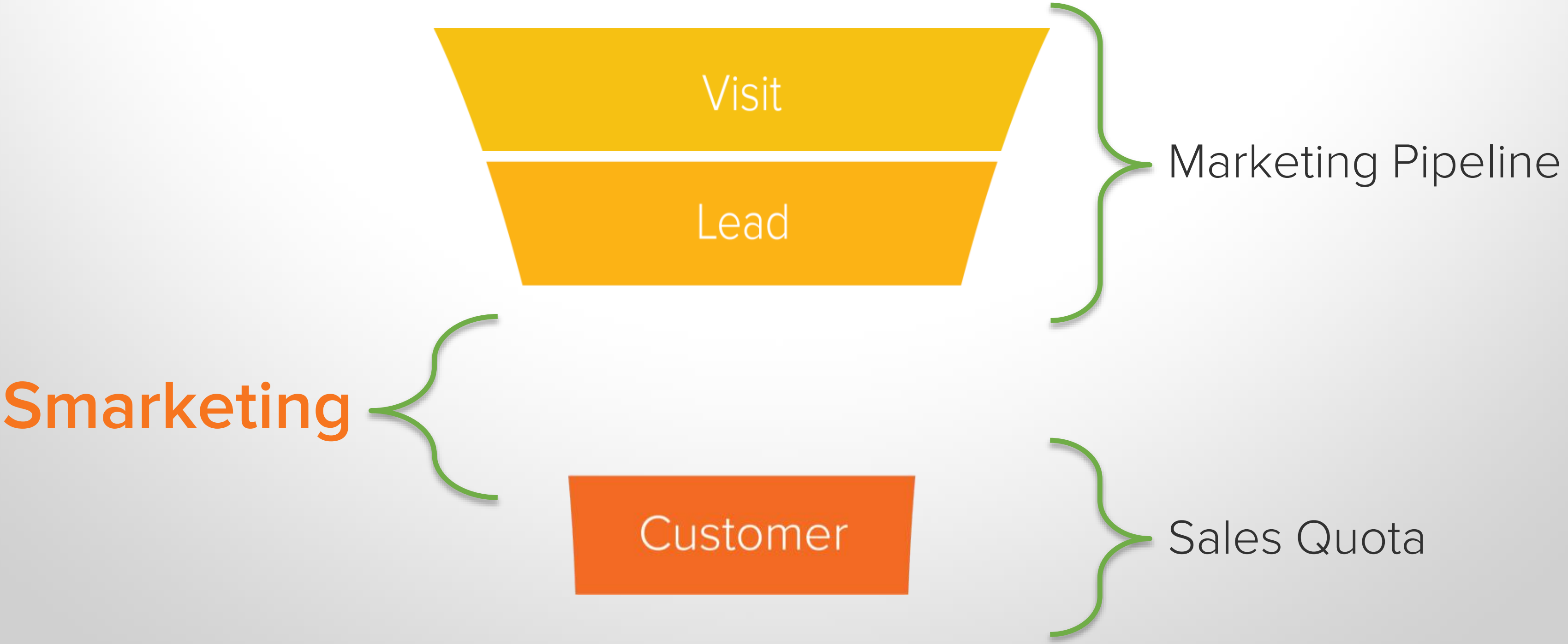
The **marketing pipeline** should be tied to **sales quotas.**



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Gain visibility into each other's **goals.**

Real-time information allows for real-time adjustments and improvements.

FLICKR USER DON BURKETT

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Compensation around goals

Money can be a valuable lever for jumpstarting organizational alignment

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Alignment around personas

helps you solve for those personas.

Marketing

Sales

Think about how your marketing and sales teams are organized and rewarded.

Is everyone awarded based on the same goal?

Smarketing can happen within any organization size.

FLICKER USER: MIKE LICHT FLICKR USER: JAKOB MONTRASIO

SMARKETING BEST PRACTICES

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BOTH TEAMS MUST SHARE THE SAME __________ FOR SMARKETING TO BE EFFECTIVE?

A. Manager

B. Organizational goals

C. Office

D. Commission check

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3 HOW DO YOU INTEGRATE SMARKETING INTO YOUR ORGANIZATION?

5 STEPS TO INTEGRATE SMARKETING

- Speak the same language.
- Implement a service level agreement.
- Set up closed-loop reporting.
- Rely on data.
- Maintain open communication.

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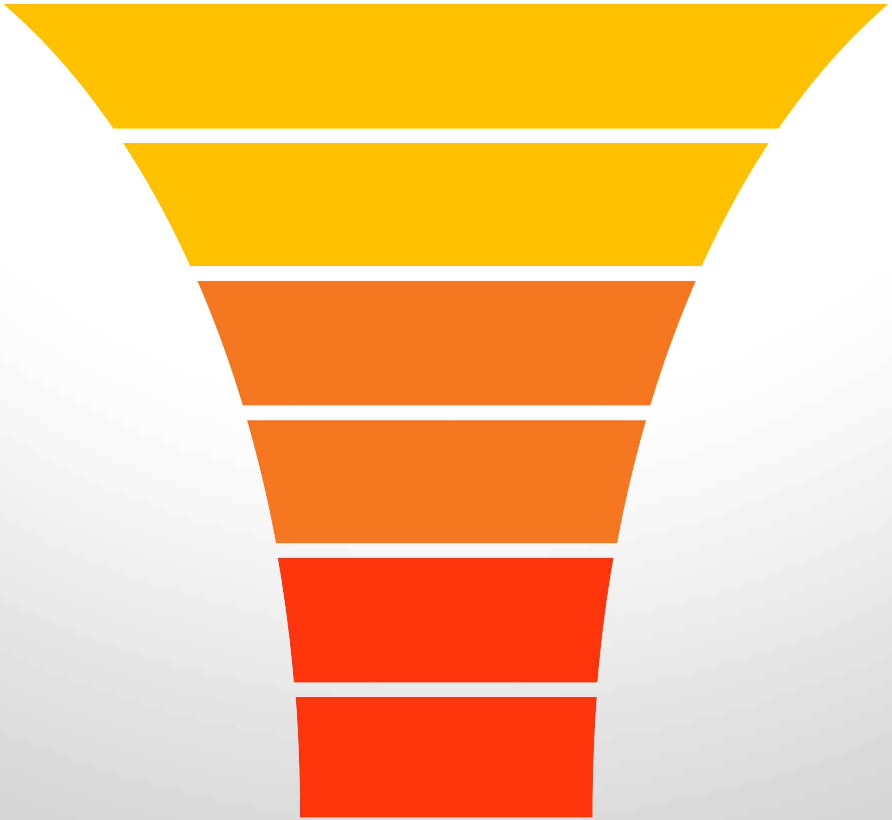
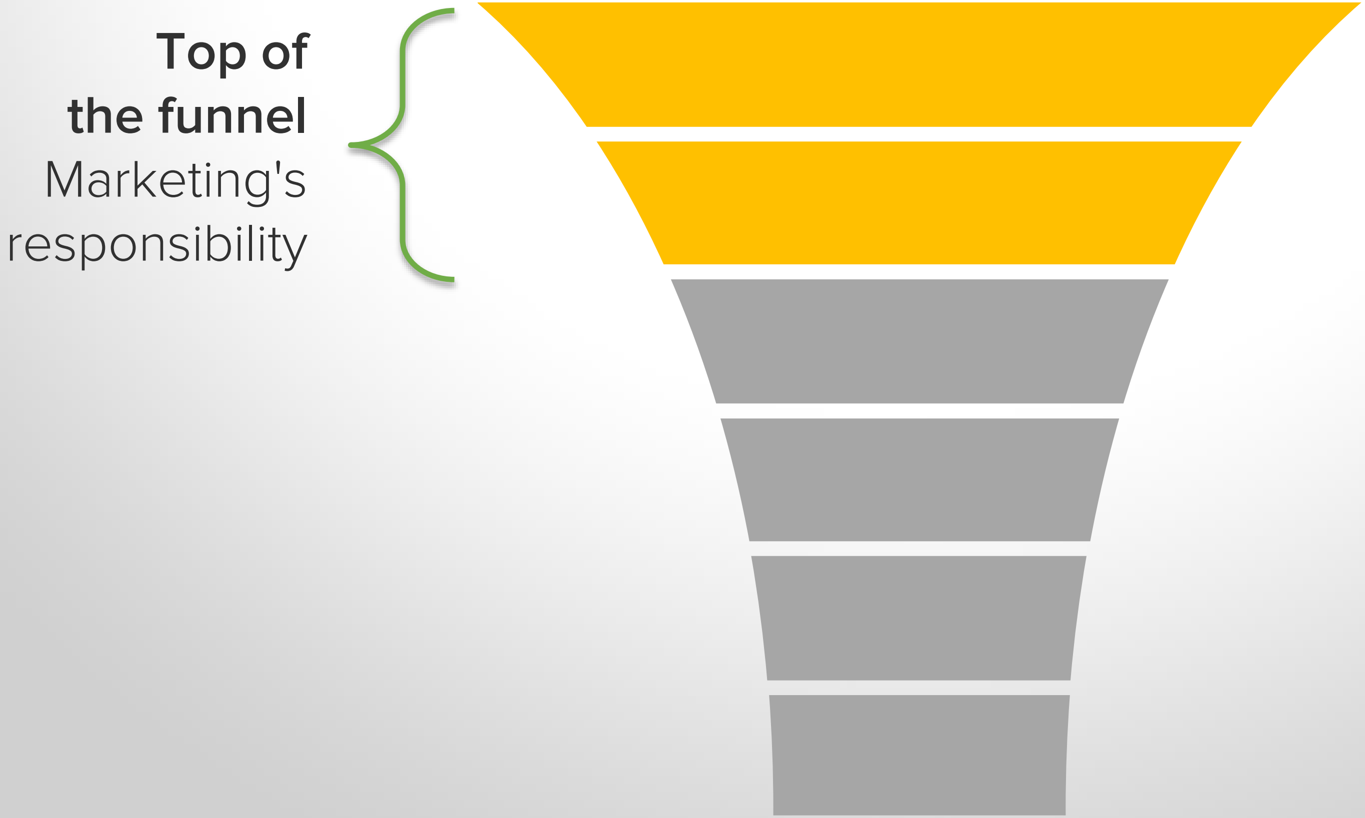
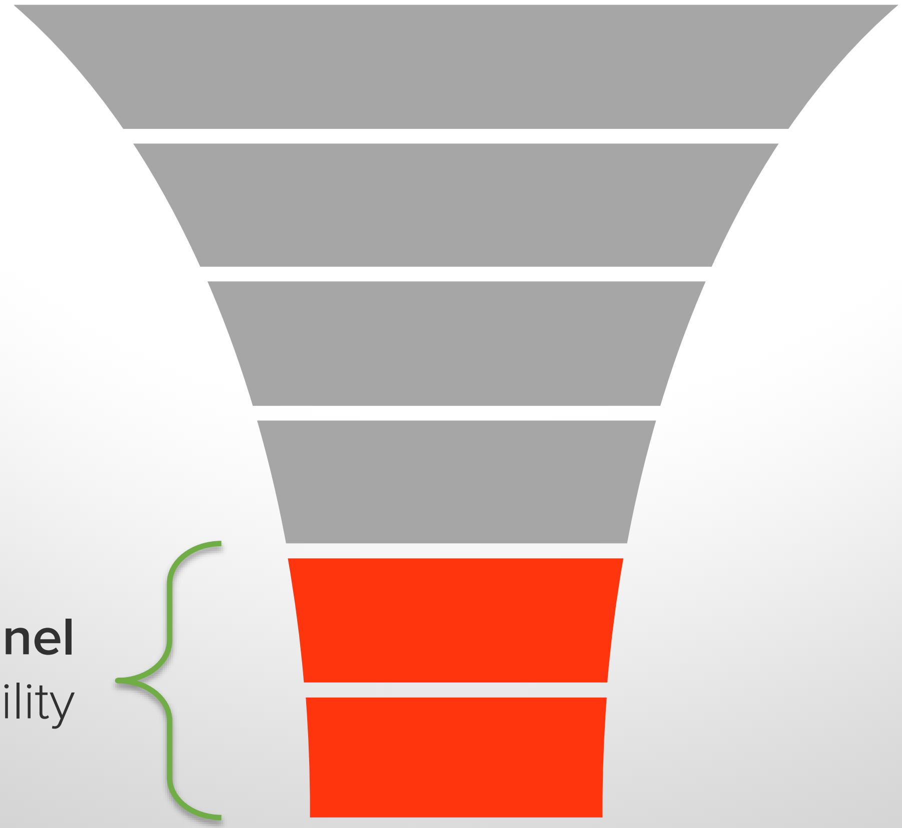
MARKETING & SALES FUNNEL



MARKETING & SALES FUNNEL



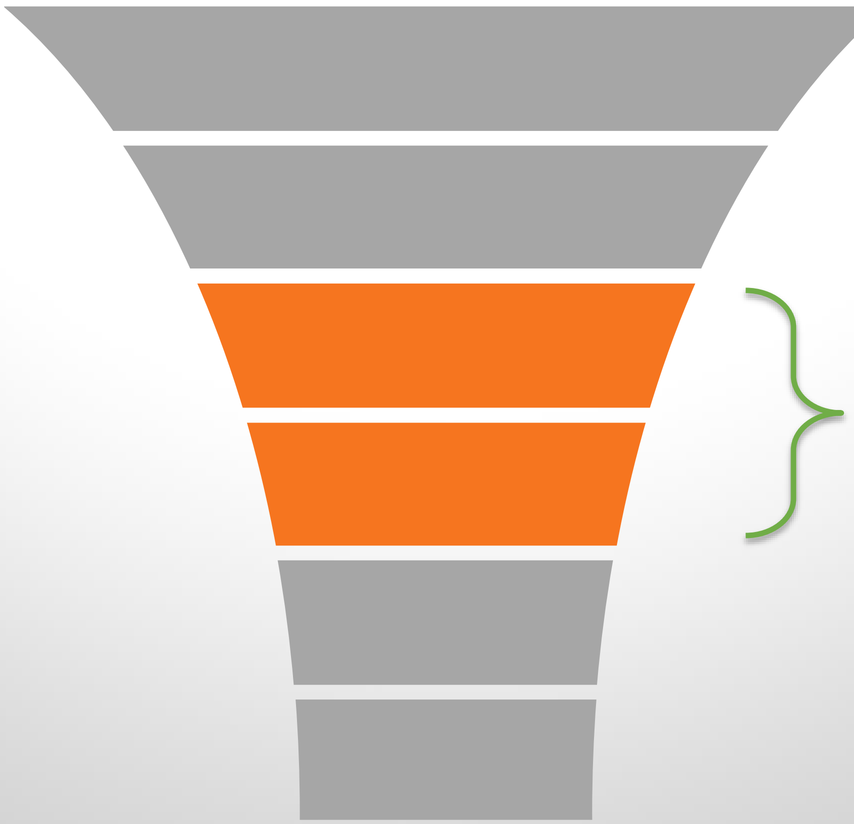
MARKETING & SALES FUNNEL



Bottom of the funnel

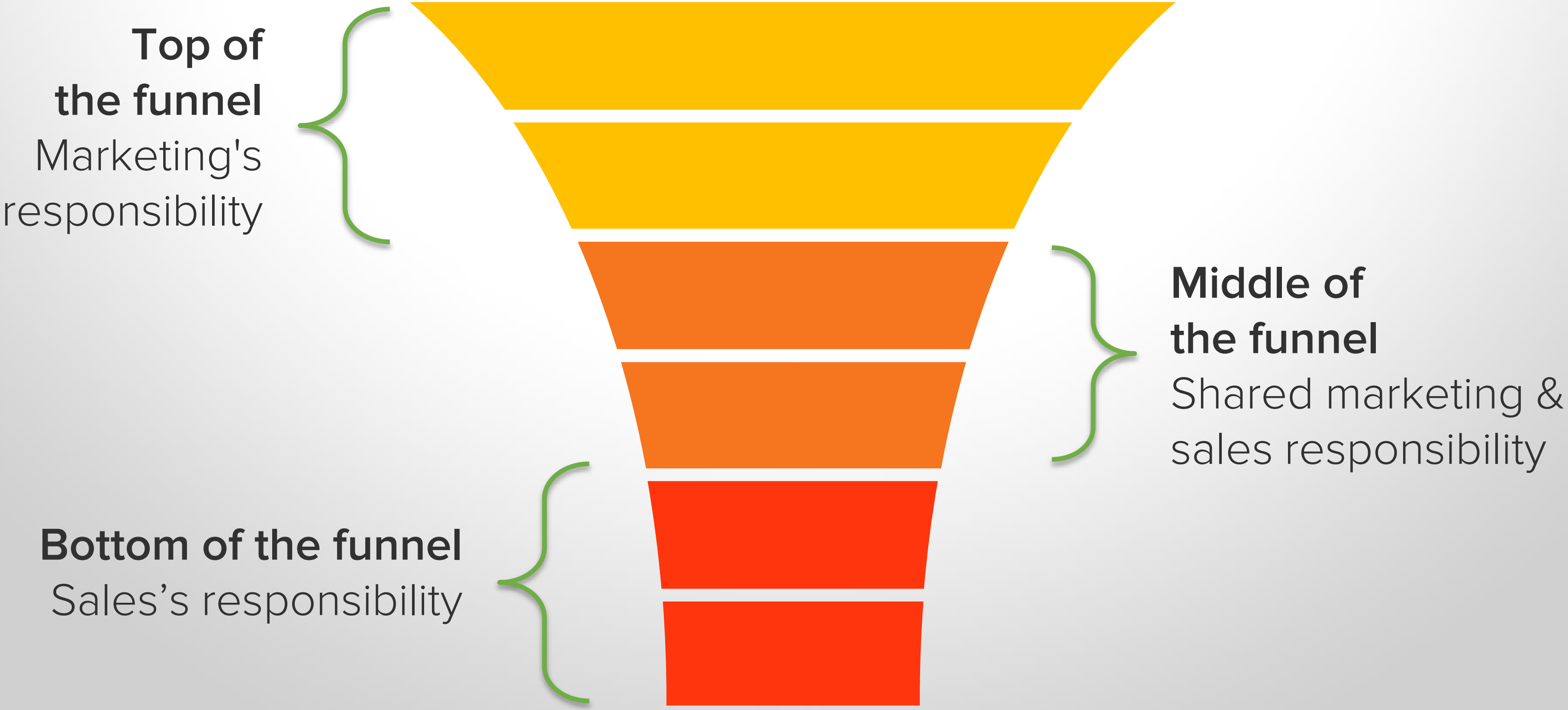
Sales's responsibility

MARKETING & SALES FUNNEL



Middle of the funnel
Shared marketing & sales responsibility

MARKETING & SALES FUNNEL

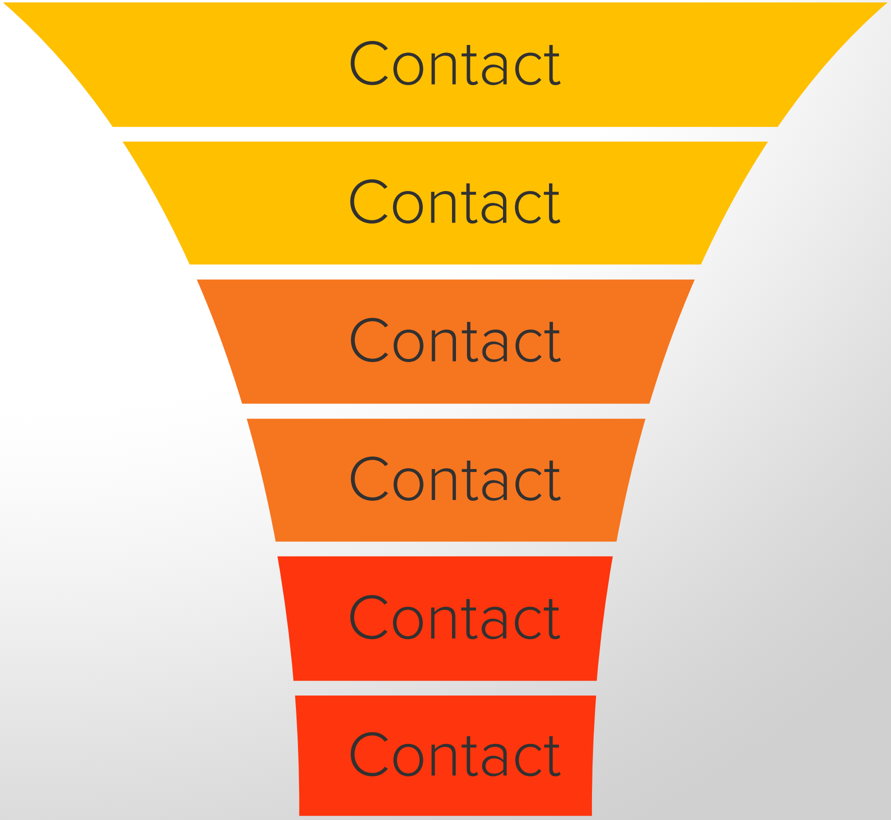


MARKETING & SALES FUNNEL

Defining the 6 stages of the marketing and sales funnel.

The most generic term for anyone in a marketing and sales funnel is a **contact.**

The term contact doesn't indicate which stage of the funnel they are in, just simply that they exist in the funnel.



MARKETING & SALES FUNNEL

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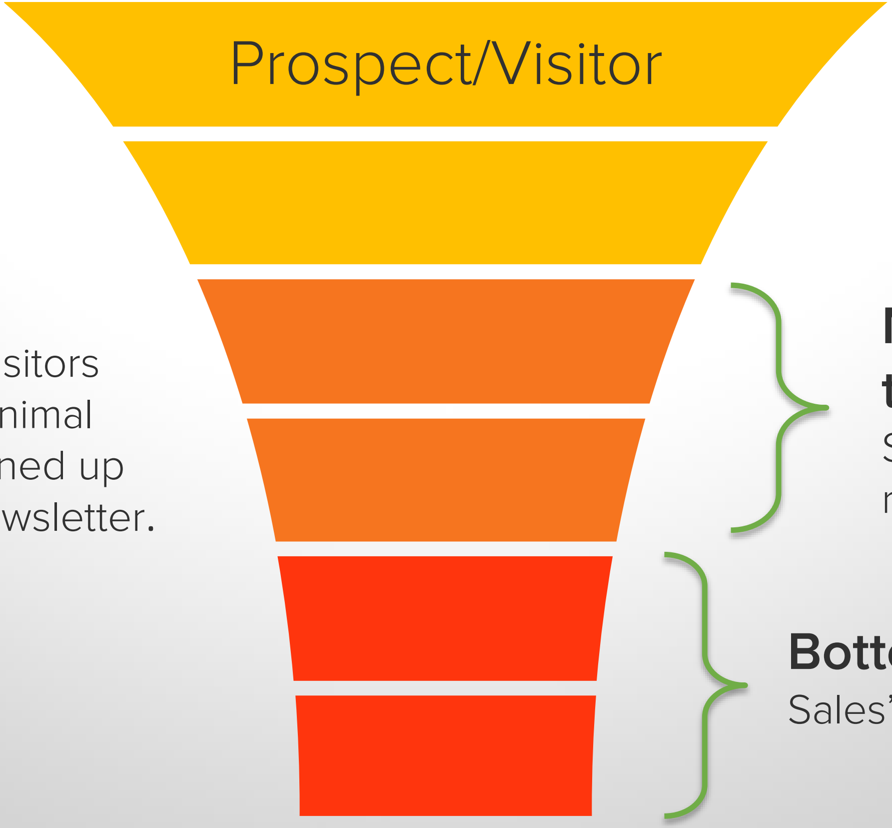


Top of the funnel
Marketing's responsibility

Middle of the funnel
Shared marketing & sales responsibility

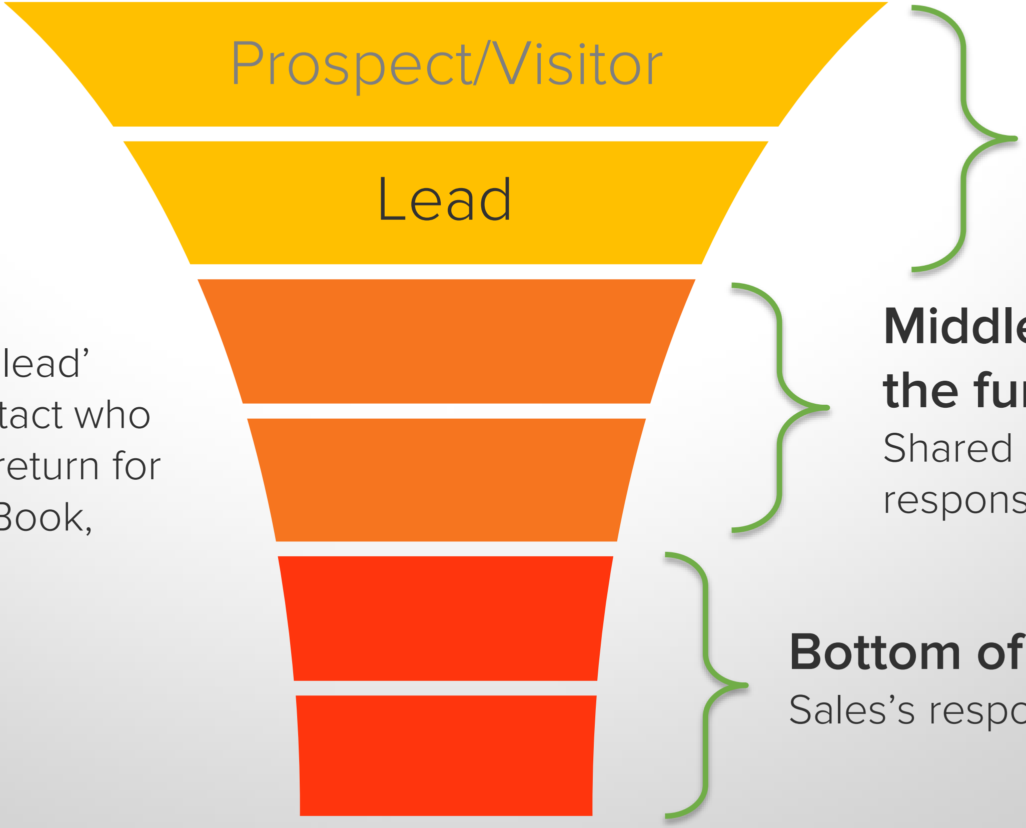
Bottom of the funnel
Sales's responsibility

Prospect:

Prospects are website visitors who you've gathered minimal data on or who have signed up for a blog or an email newsletter.

MARKETING & SALES FUNNEL

Defining the 6 stages of the marketing and sales funnel.



Top of the funnel
Marketing's responsibility

Middle of the funnel
Shared marketing & sales responsibility

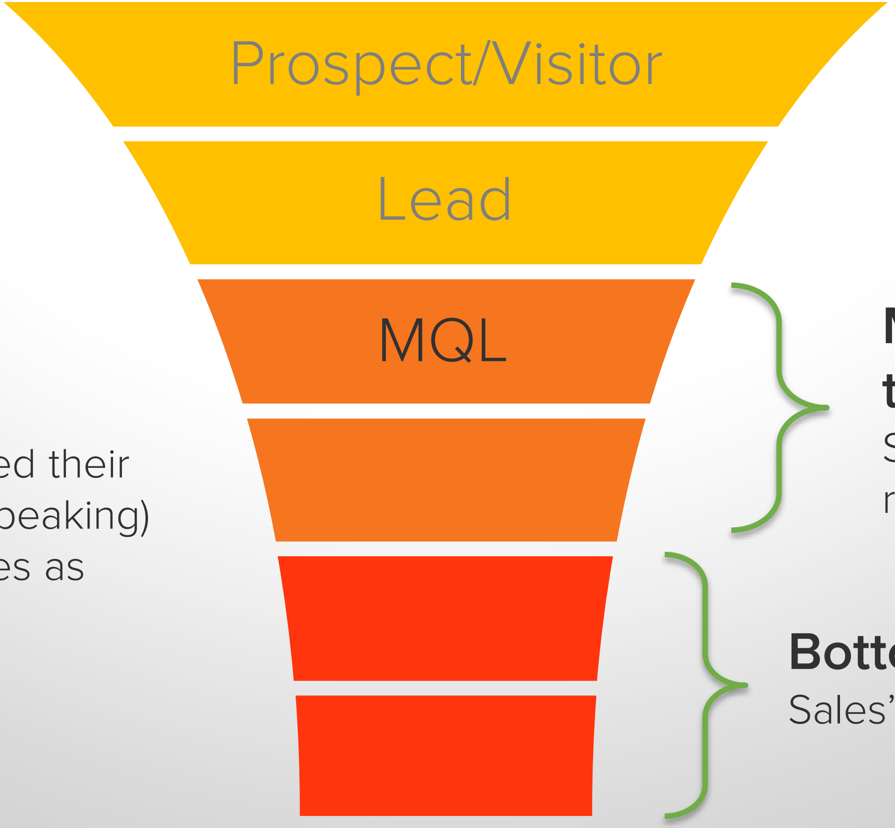
Bottom of the funnel
Sales's responsibility

Lead:

When you use the term 'lead' you're referring to a contact who has submitted a form in return for a content offer like an eBook, whitepaper, etc.

MARKETING & SALES FUNNEL

Defining the 6 stages of the marketing and sales funnel.



Top of the funnel
Marketing's responsibility

Middle of the funnel
Shared marketing & sales responsibility

Bottom of the funnel
Sales's responsibility

Marketing Qualified Lead (MQL):

Contacts who have raised their hands (metaphorically speaking) and identified themselves as more deeply engaged, sales-ready leads.

MARKETING & SALES FUNNEL

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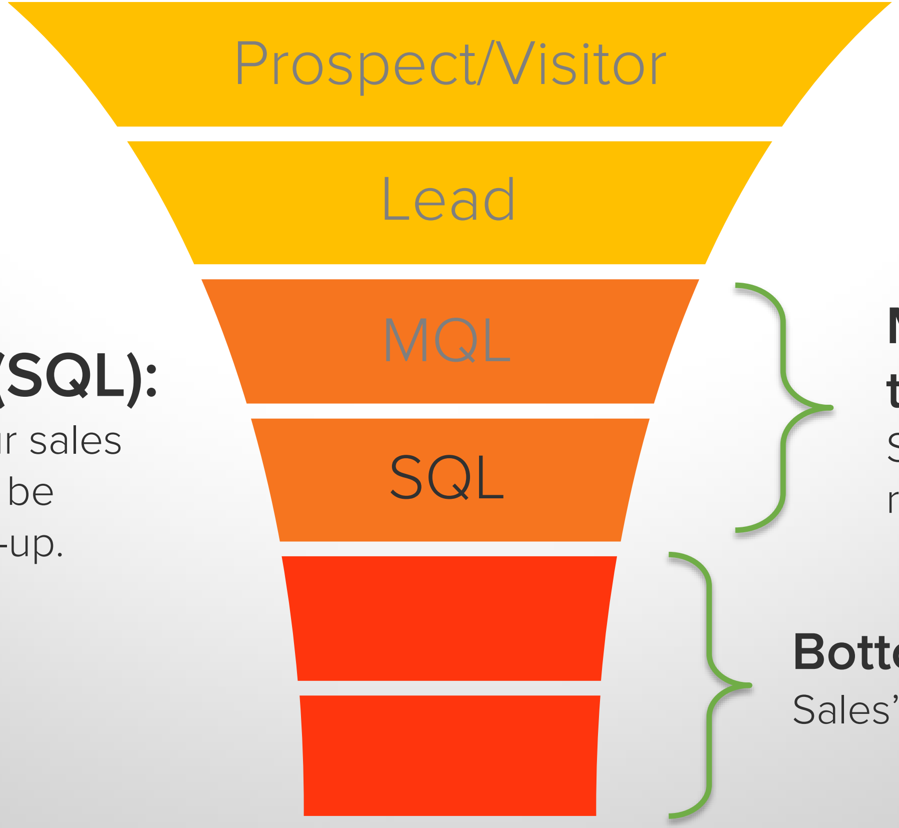


Top of the funnel

Marketing's responsibility

Middle of the funnel

Shared marketing & sales responsibility

Bottom of the funnel

Sales's responsibility

Sales Qualified Lead (SQL):

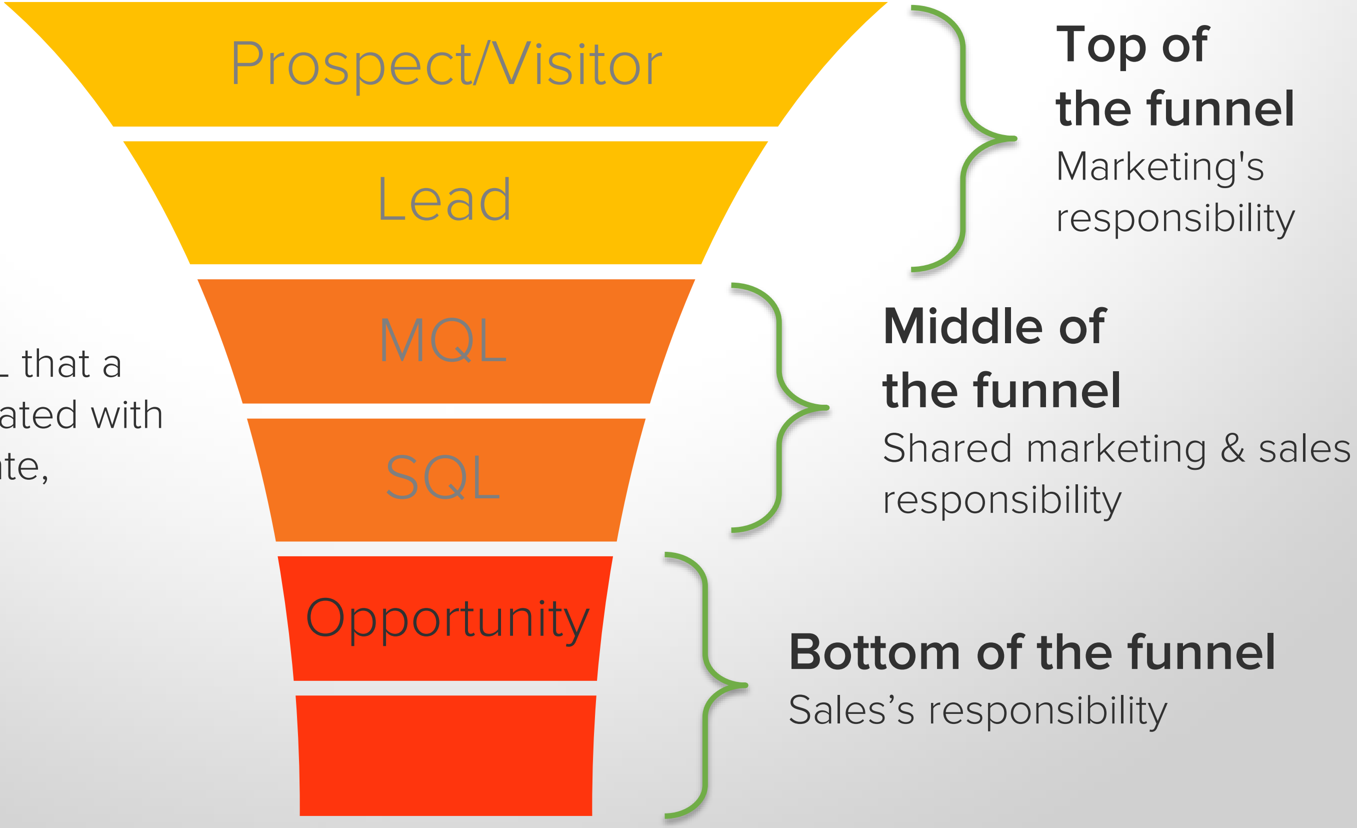
SQLs are MQLs that your sales team has determined to be worthy of a direct follow-up.

MARKETING & SALES FUNNEL

Defining the 6 stages of the marketing and sales funnel.

Opportunity:

An opportunity is an SQL that a sales rep has communicated with and logged as a legitimate, potential customer.



MARKETING & SALES FUNNEL

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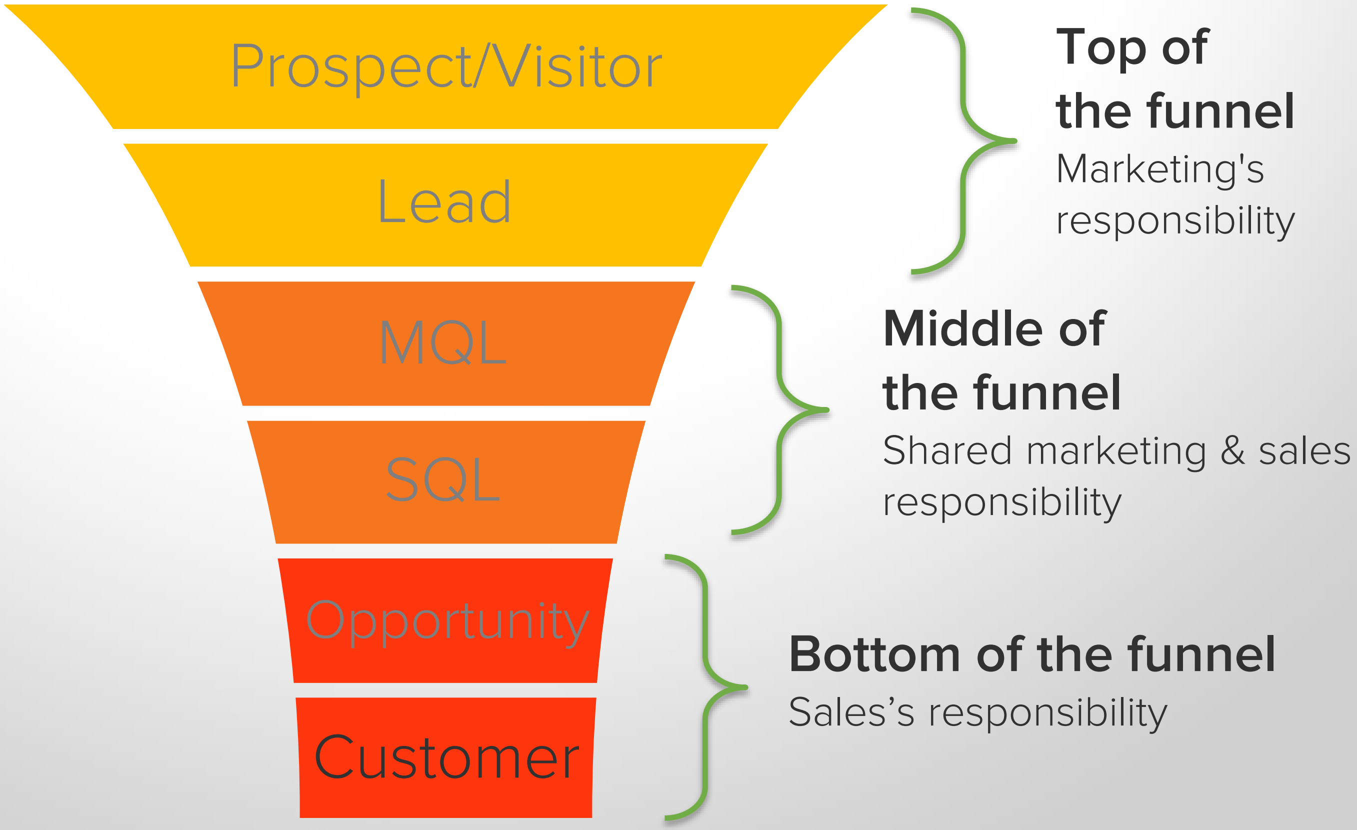
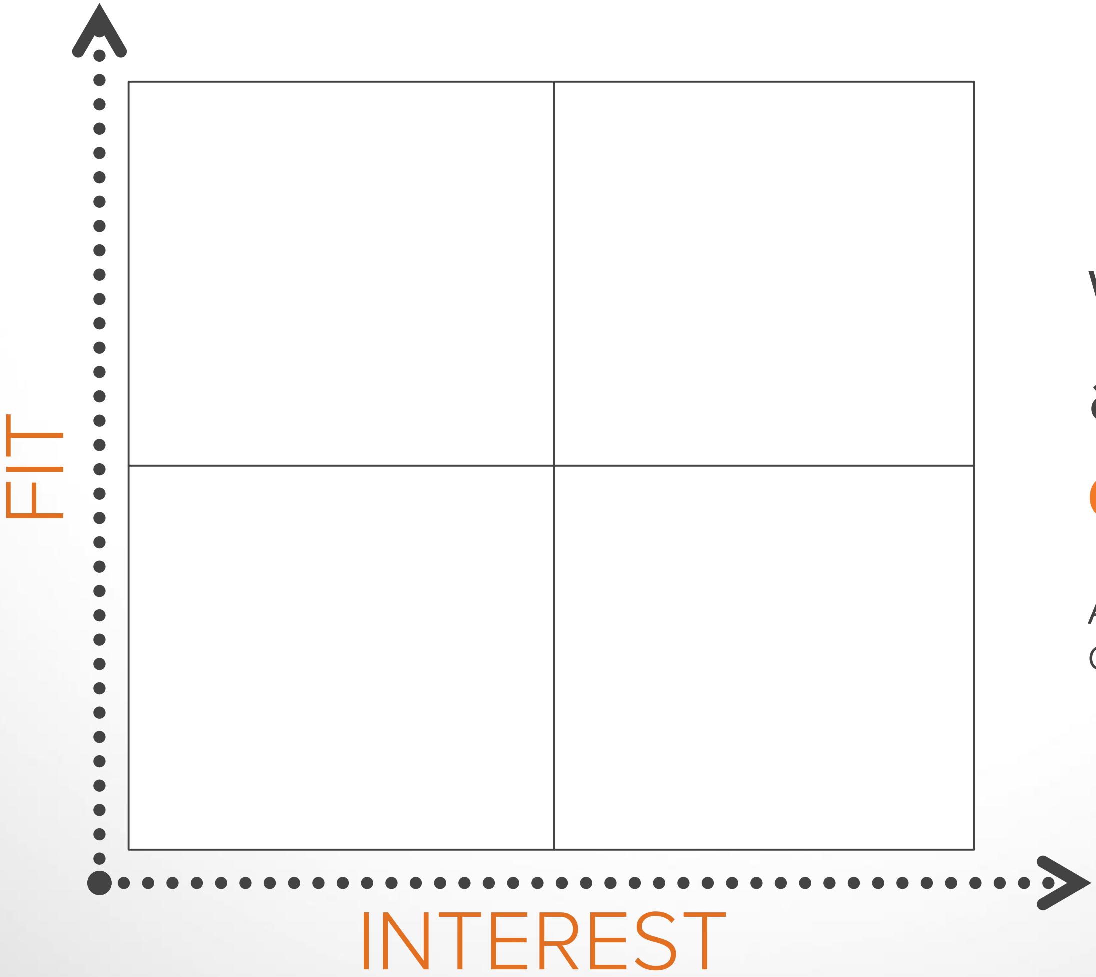
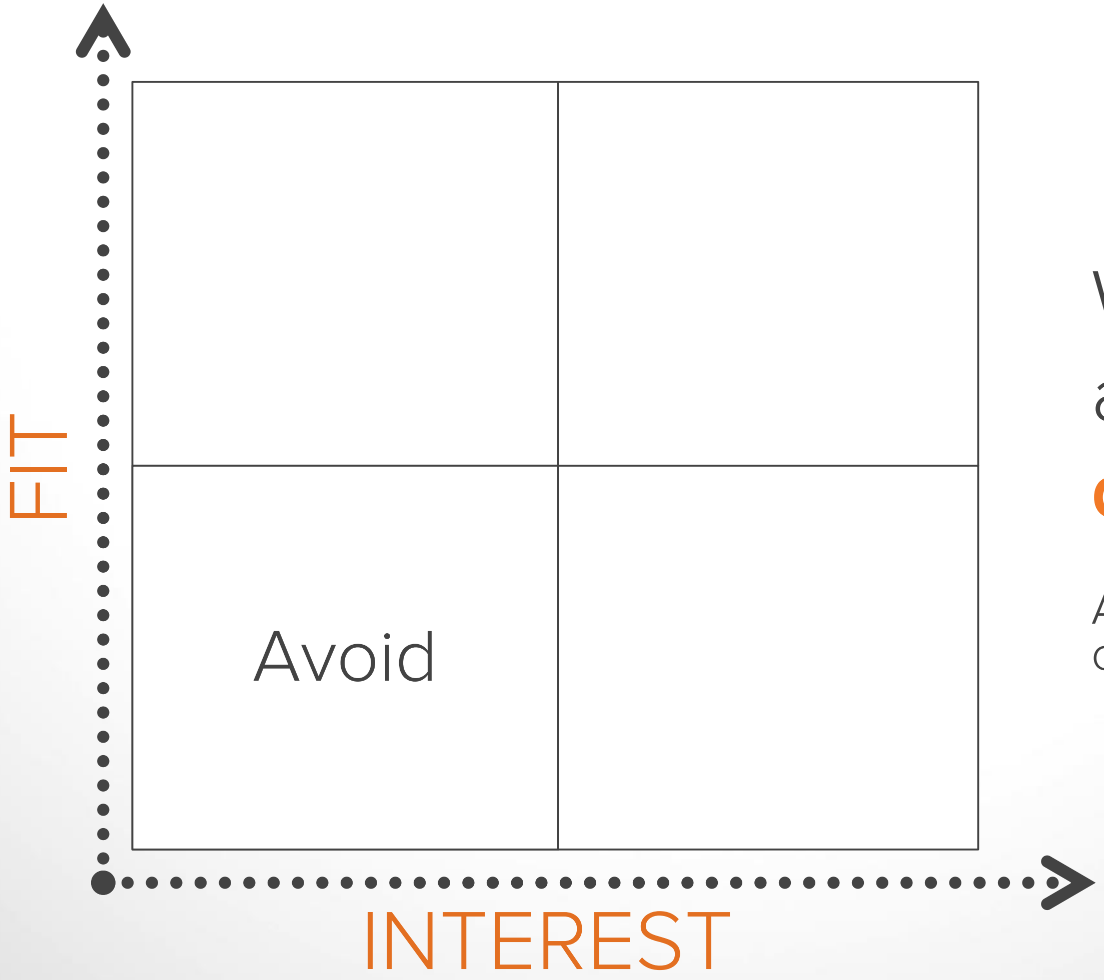




What constitutes a **marketing qualified lead?**

A great fit lead with high level of interest.



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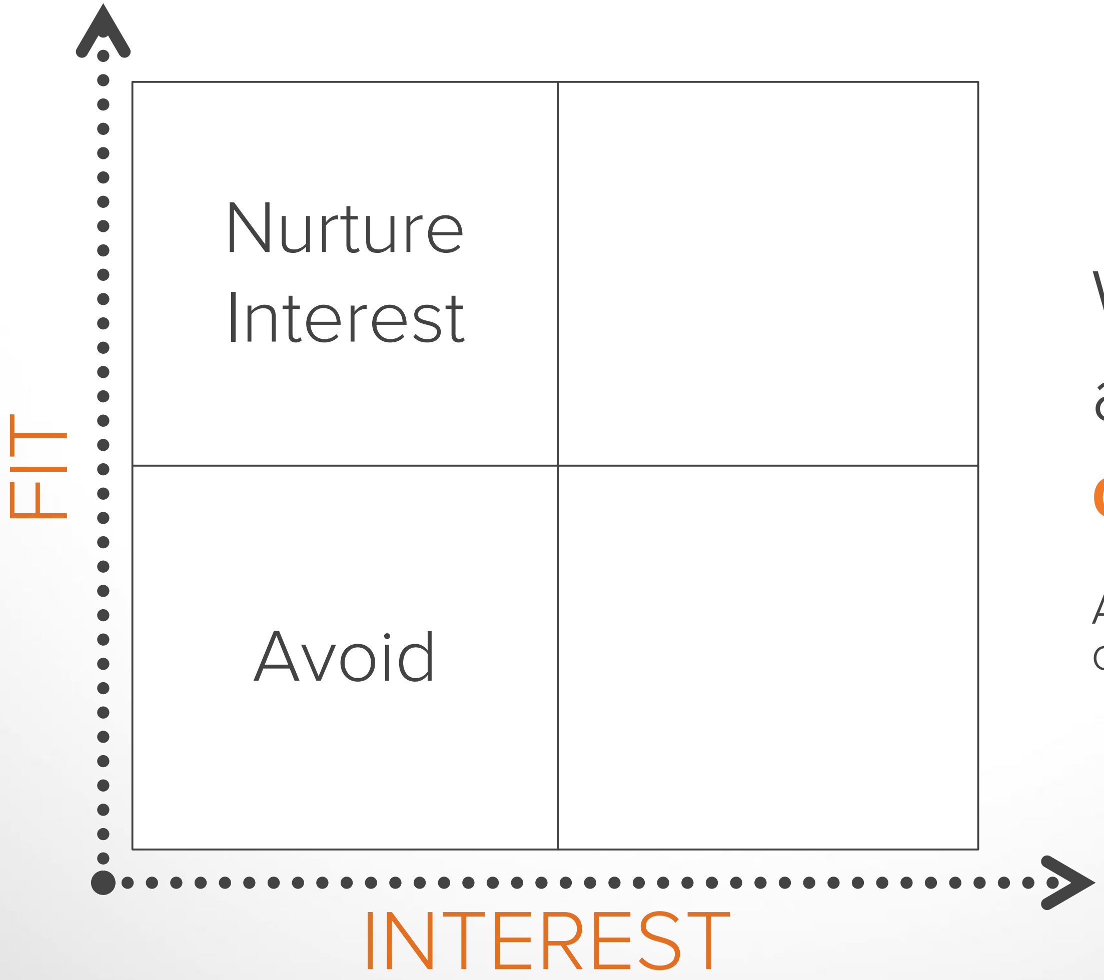

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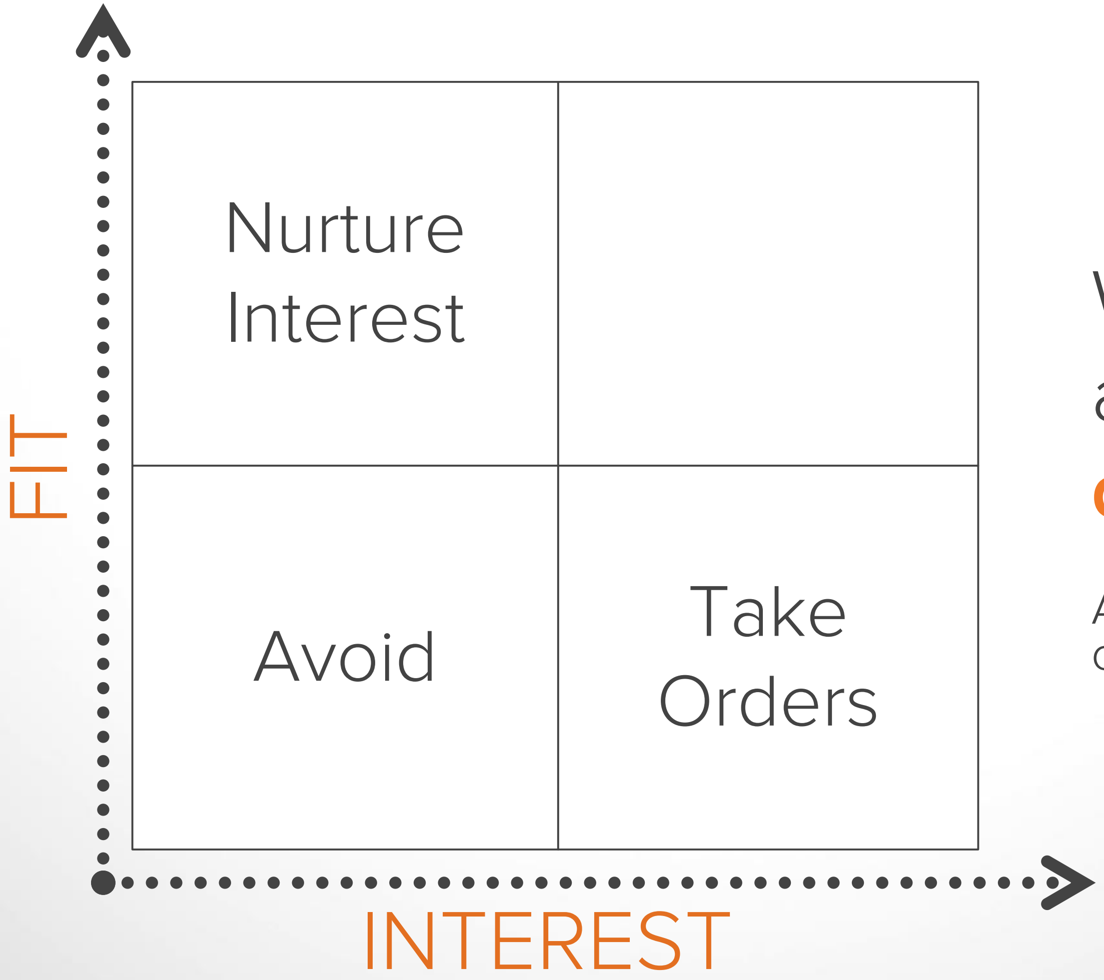

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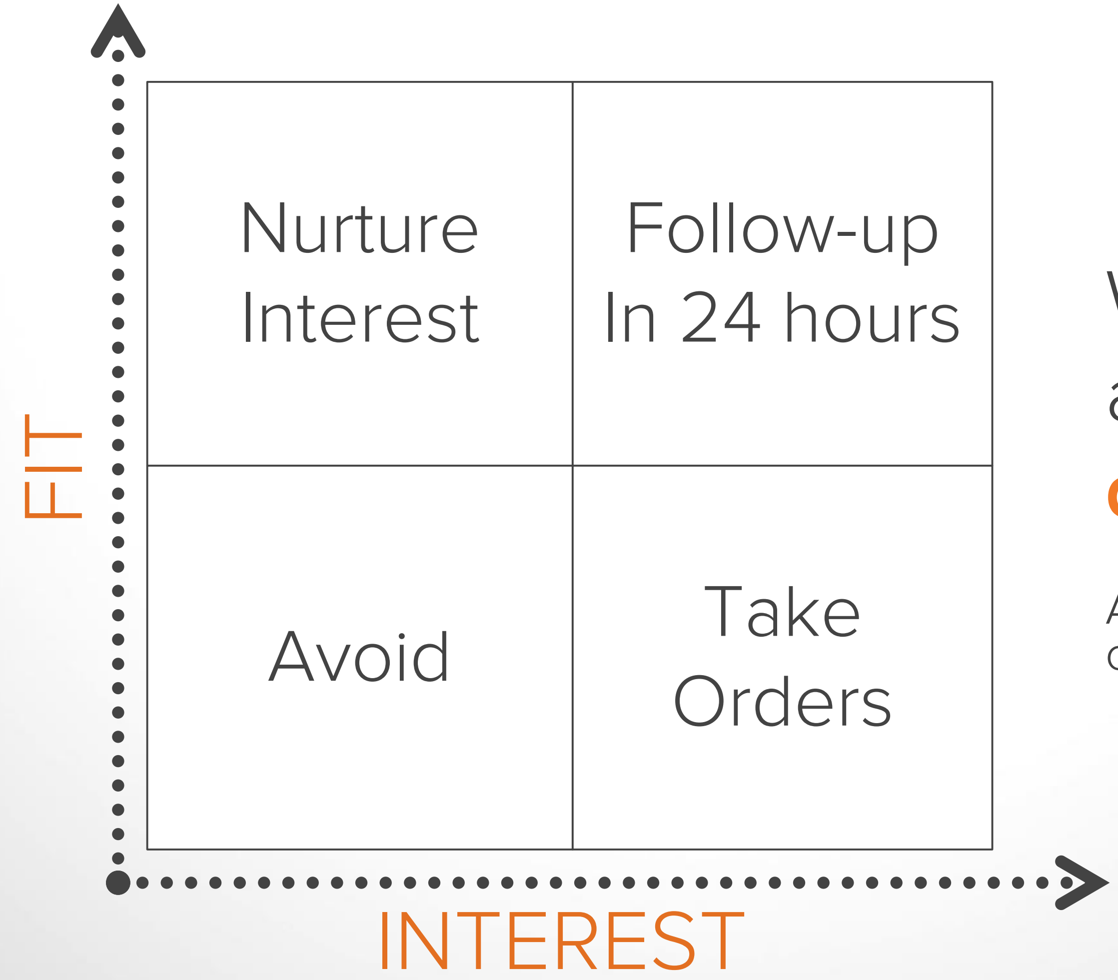

What constitutes a **marketing qualified lead?**

A great fit lead with high level of interest.

Sales reps that follow up with new contacts are

60x

more likely to qualify a lead than sales reps who wait 24 hours or longer.

SOURCE: HARVAND BUSINESS REVIEW, 2011

EXAMPLES OF MARKETING QUALIFIED LEADS

- Contact who **downloaded an eBook** on lead generation, company is 200,000 employees and in North America.
- A contact at a company whose role makes him/her a **decision maker,** e.g. a VP or Director.

Only

45%

of businesses have established a company-wide definition of a sales-ready lead.

2009 SURVEY BY MARKETINGSHERPA, HTTP://BIT.LY/ZL3SF0

SALES

"Marketing leads are terrible quality."

MARKETING

"Sales doesn't work our leads."

MARKETING & SALES FUNNEL

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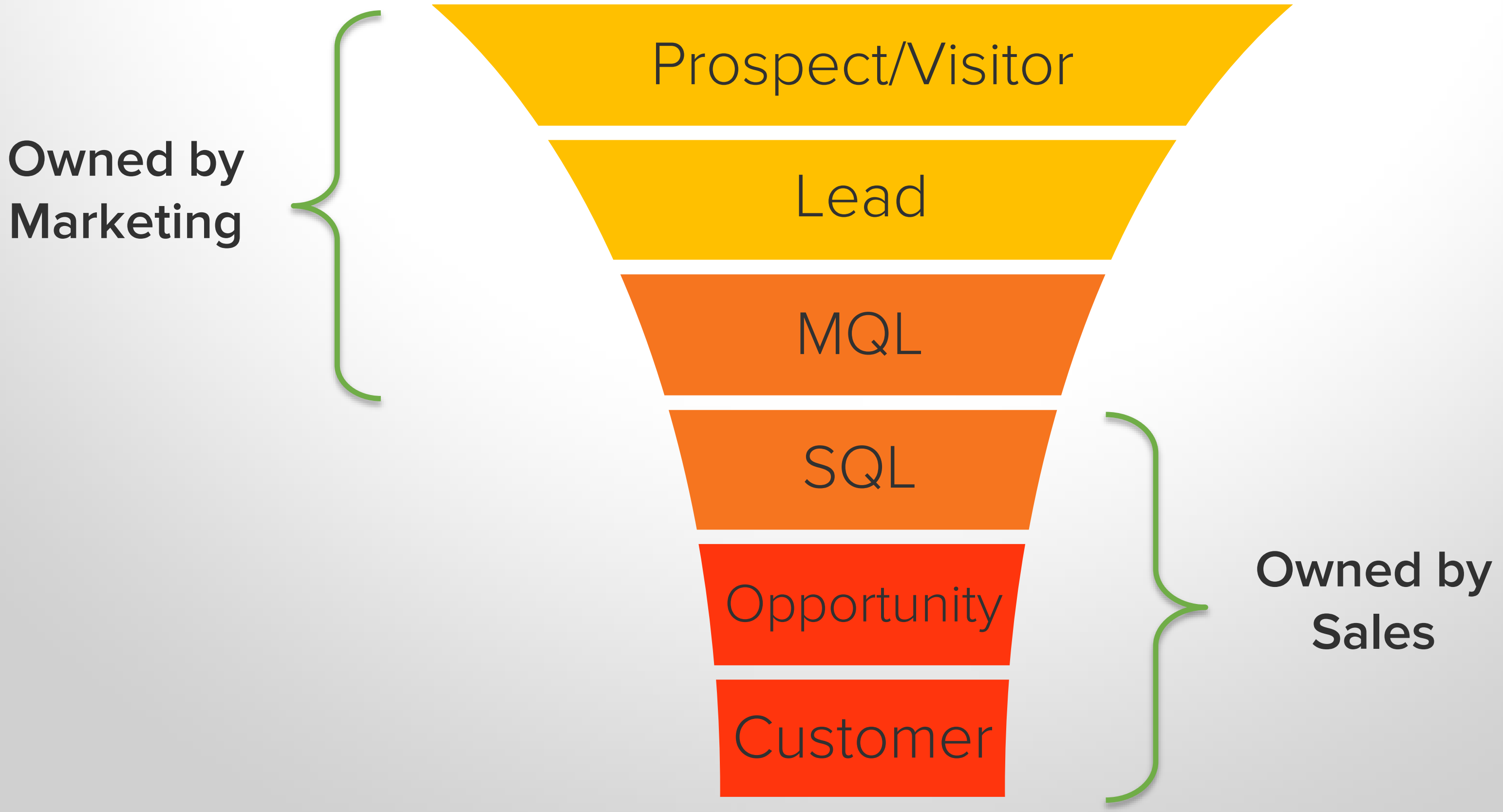

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DEFINITION OF A
SERVICE LEVEL AGREEMENT.

A Sales-Marketing SLA defines what each team commits to accomplishing in order to support the other in reaching the shared revenue goal(s).

An SLA crystalizes
the alignment around **goals.**

SLAs GO BOTH WAYS

MARKETING → SALES

Number and quality of leads required to hit company revenue goals.

SALES → MARKETING

Speed and depth of lead follow-up that makes economic sense.

CALCULATING THE SLA

MARKETING → SALES

How many leads of a certain quality does a sales rep need to make quota?

- Quota (revenue) / avg. revenue per customer = **# customers needed**
- Customers / avg. lead to customer close % = **# leads needed**
- May vary by type (quality) of lead

CALCULATING THE SLA

SALES → MARKETING

How many call/email attempts to engage should a sales rep make to every lead to not waste leads?

With **X** leads and **Y** hours/month, how many follow-up attempts should a sales rep be able to complete per lead?

EXAMPLE SLAs

- Marketing will deliver 100 leads per sales representative, per month.

- Sales will make 1 attempt to engage in 4 business hours,
  with 5 attempts in 14 days.

Determine the marketing and sales numbers

This is necessary for developing a useful Service Level Agreement (SLA)

Funnel Stage	Quantity
Prospects/Visitors	3200
Leads	1600
MQLs	800
SQLs	400
Opportunities	200
Customers	100

Revenue Goal

Shared Revenue Goal	**$100,000**
Average Deal Size	÷ $1000
Customers	100

In this example:
Timeframe: 1 year
Conversion rate between stages: 50%

Determine the marketing and sales numbers

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In this example:
Timeframe: 1 year
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Develop a Sales SLA.

Use the information you gathered from your Marketing SLA to inform the agreement.

Individual Sales Rep Weekly Capacity

Review	8	MQLs
Convert	4	MQLs to SQLs
Contact	4	SQLs
Convert		SQLs to Opportunities
Close		Customers

Sales SLA

MQLs needed to hit target revenue	
Working weeks in a year	÷ 48
MQLs to be reviewed each week	
Sales rep MQL review capacity	
Sales reps needed for target revenue	

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Individual Sales Rep Weekly Capacity

Review	8	MQLs
Convert	4	MQLs to SQLs
Contact	4	SQLs
Convert	2	SQLs to Opportunities
Close	1-2	Customers

Sales SLA

MQLs needed to hit target revenue	800
Working weeks in a year	÷ 48
MQLs to be reviewed each week	~ 16
Sales rep MQL review capacity	÷ 8
Sales reps needed for target revenue	**2**

Based on our revenue target, we'd need 2 sales reps, each reviewing 8 MQLs a week, identifying 4 SQLs, and closing 1-2 opportunities into customers.

5 STEPS TO INTEGRATE SMARKETING

- ☑ Speak the same language.
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CLOSED-LOOP REPORTING

Completes the feedback loop between Marketing and Sales.

Questions to identify if you need to set up **closed-loop reporting:**

- Do you send leads to sales and never hear about them again?
- Do you end up creating and trying to manage duplicate leads?
- Do you send leads to sales with the basic contact information, but without intelligence about what content those leads consumed?
- Are you unsure of the impact their marketing efforts are having on revenue?

Closed-loop reporting allows you to pass more intel and get feedback from Sales.

- Benefits for Marketing
  - Get up-to-date contact info and status updates
  - Learn which marketing programs are working and which aren’t
  - Increase Marketing ROI

- Benefits for Sales
  - De-duplicate leads
  - Help prioritize leads
  - Help make warmer calls
  - Increase close rate and Sales ROI

SPECIFICALLY, CLOSED-LOOP REPORTING ALLOWS YOU TO:

1. Analyze which marketing sources (organic, social, referral, etc.) are producing the most customers.
2. Use conversion assists to help you understand how each individual piece of content you create contributes to closing customers.
3. Provide a timeline of all of the interactions a contact took prior to becoming an MQL or a customer.
4. Pass information to sales that can help aid them in connecting and engaging with contacts within the first 24 hours
5. Send automatic updates to your sales team when their leads revisit the website or take other key actions, to make sure to follow up at the best time.

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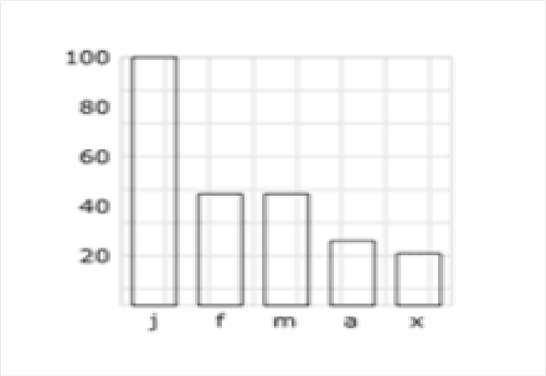
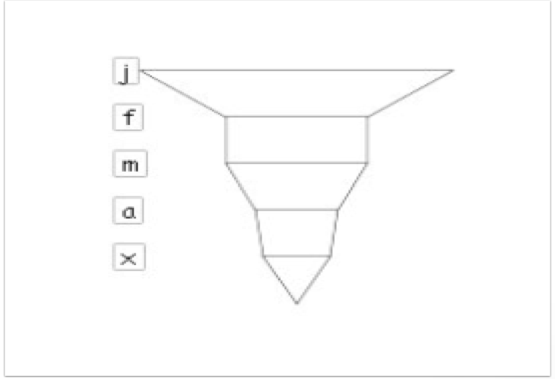
USE DASHBOARDS

Create and share a common dashboard with the reports aligned with the teams' goals. Check the dashboard daily and encourage individuals to fix problems.



Frequent

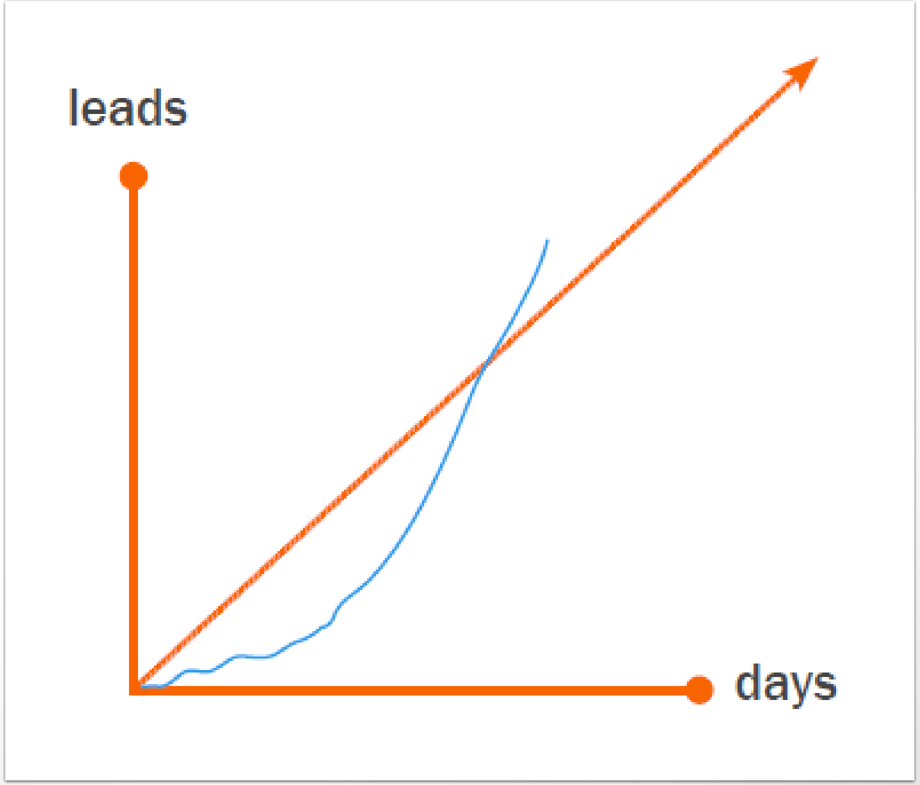


Public

Transparent

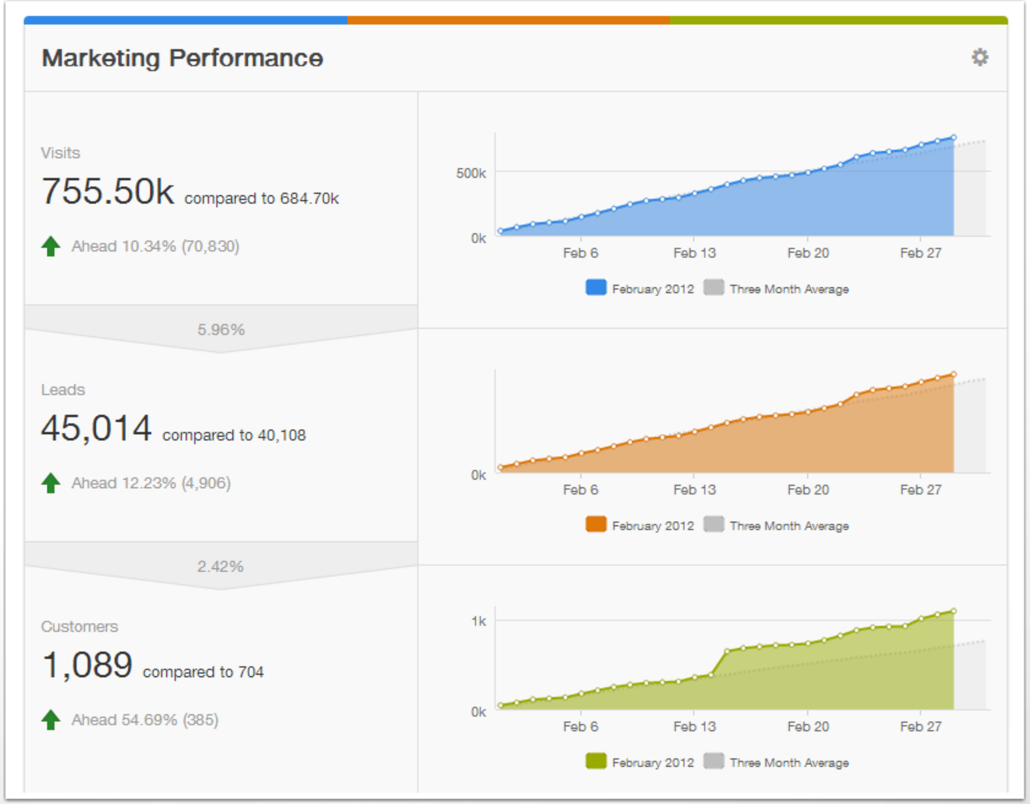
MARKETING DASHBOARDS

Measure and communicate progress towards primary goals as agreed upon in the SLA.



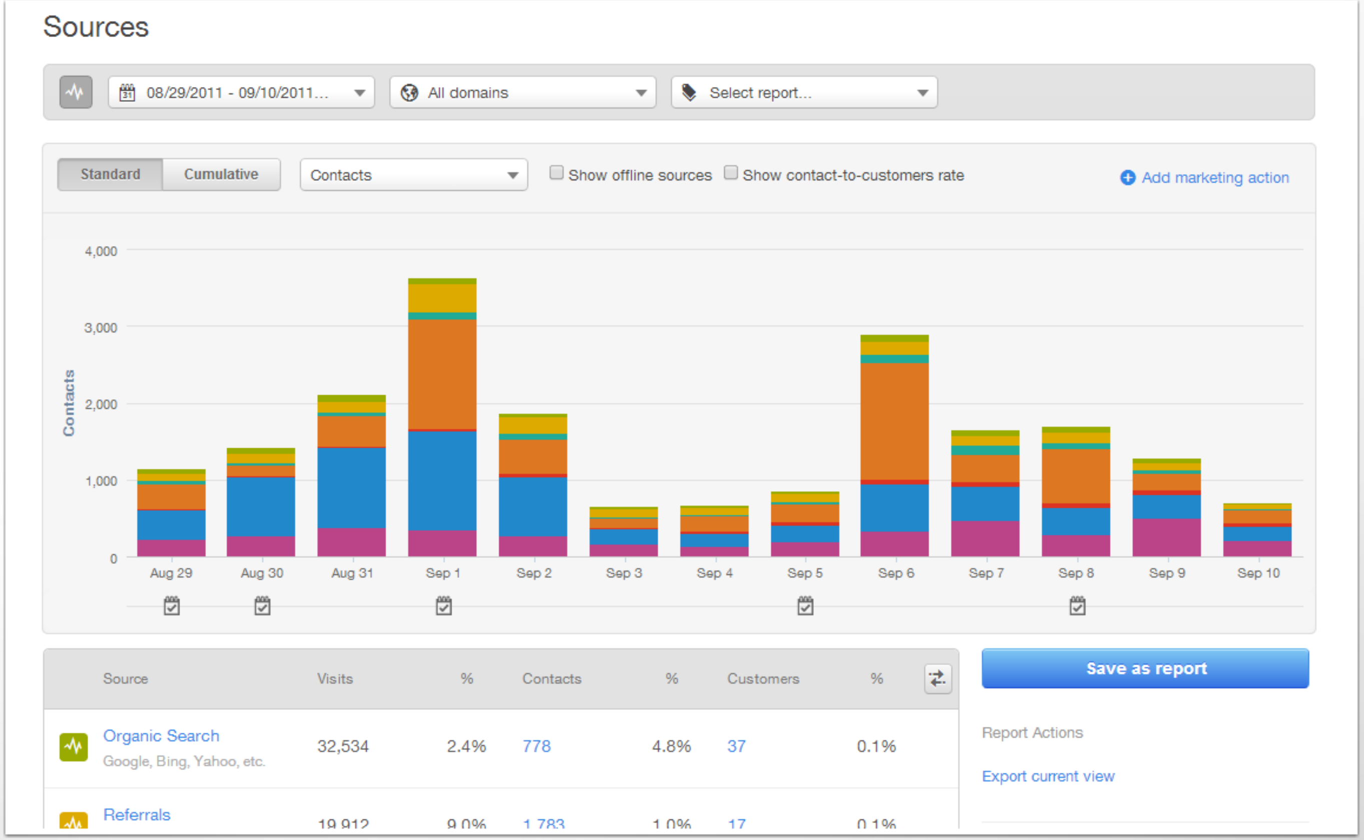
MARKETING DASHBOARDS

Measure volume of leads or volume of quality leads against the monthly goal, and check daily to adjust.



TRACK LEADS BY SOURCE

Set goals per source and measure progress for each of your efforts.



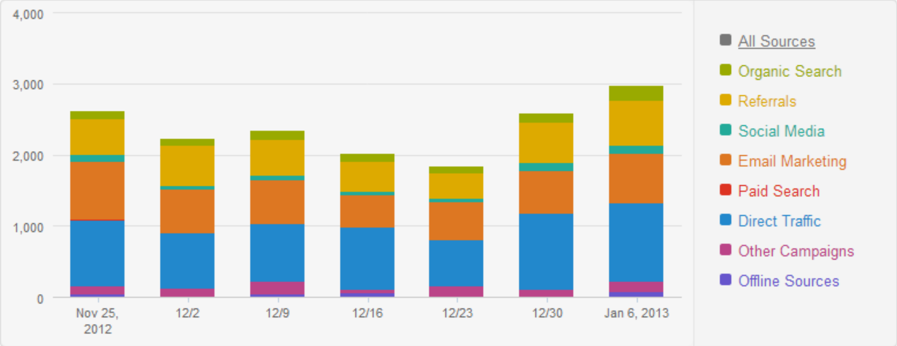
TRACK LEADS BY CAMPAIGN

Analyze the results for each campaign – which efforts successfully drive traffic, leads, and customers.

Back to: Landing Pages

LP Learning SEO From the Experts

Views | 11/25/2012 - 01/12/2013...



Select Variation

All Variations

Landing Page Details

Contacts

Information

Performance

Variations

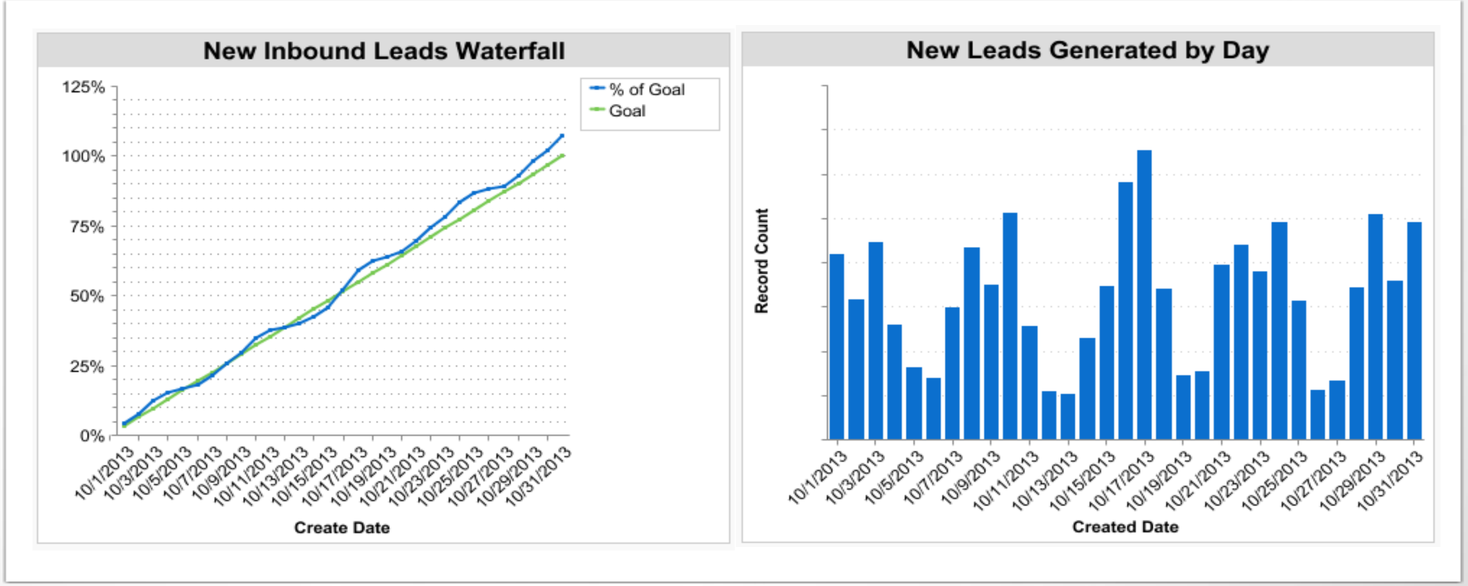
Landing Page Actions

View Live

Source	Views	Submits	Contacts	Customers	View → sub.	View → cont.	View → cust.
Direct Traffic	6,206	1,494	437	4	24.07%	7.04%	0.06%
Email Marketing	4,317	2,004	55	2	46.42%	1.27%	0.05%
Offline Sources	178	108	0	0	60.67%	0%	0%
Organic Search	907	270	69	0	29.77%	7.61%	0%

TRACK THE VOLUME OF MQLs

Measure how many MQLs – and which types – are generated.

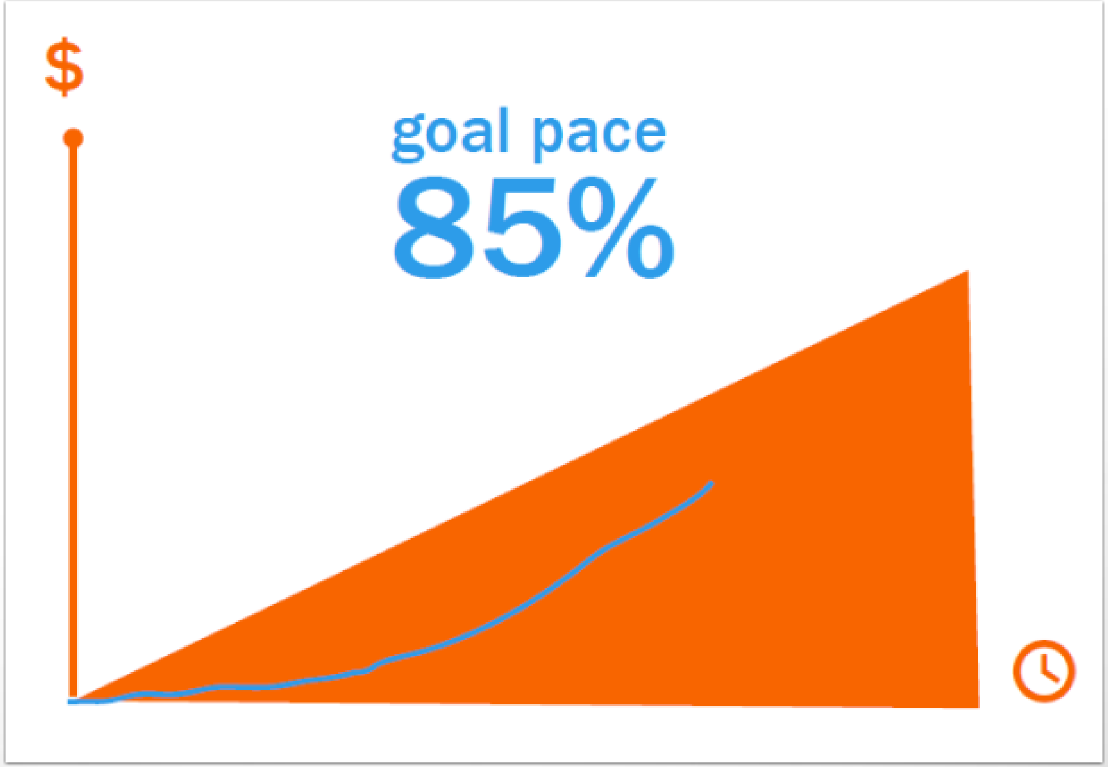


MONTHLY MARKETING REPORT

Do a full analysis on a monthly basis to dig into all the important metrics and evaluate why Marketing did or did not hit targets. Share it across the company.

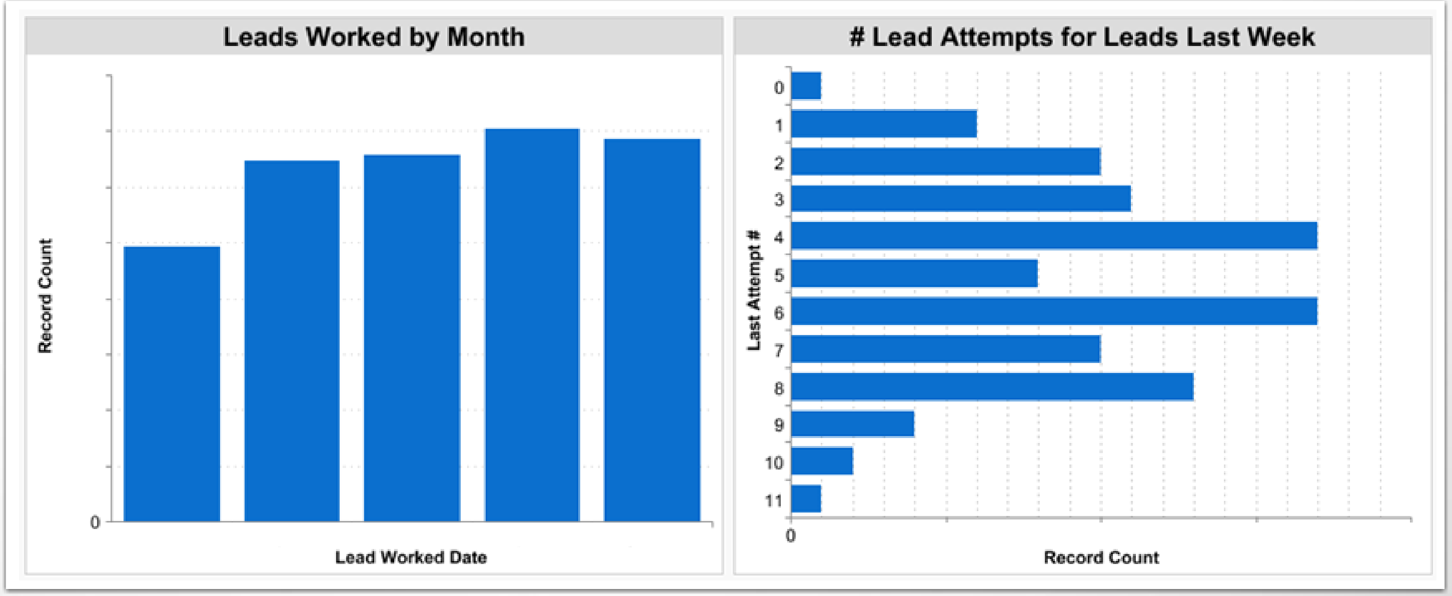
SALES BY DAY DASHBOARD

Measure progress towards the sales goal and compare against previous month.

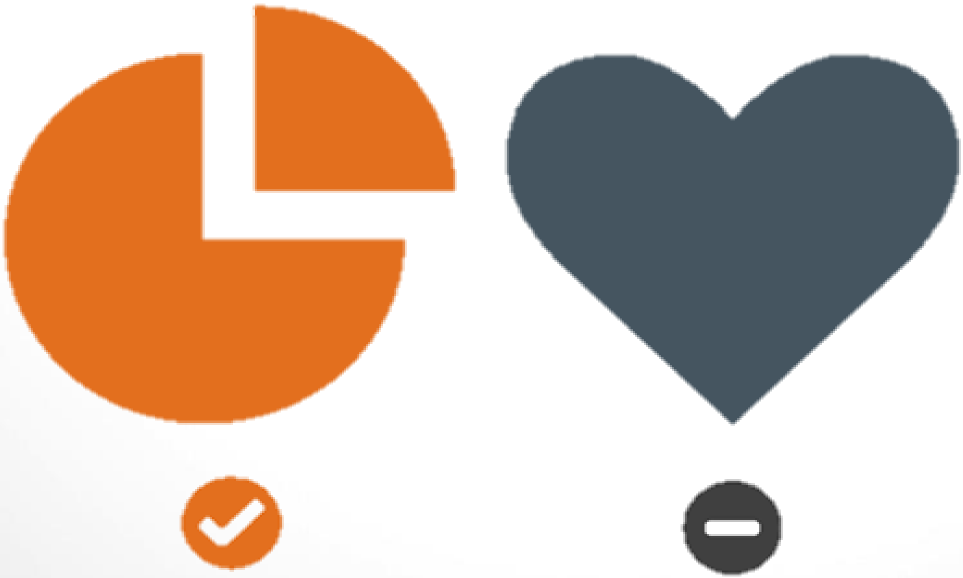


SALES ACTIVITY REPORTS

Track how many and how deeply leads are worked by the sales team.



What to do when things go **wrong.**



Rely on data, not emotions.

Separate reality from perception.


Finger pointing doesn’t solve problems
collaboration does!

Remember, you're in the **same boat.**

Use data to figure out what's wrong and how to fix it.

5 STEPS TO INTEGRATE SMARKETING

- Speak the same language.
- Implement a service level agreement.
- Set up closed-loop reporting.
- Rely on data.
- Maintain open communication.

WEEKLY SMARKETING MEETING

Your entire Sales and Marketing teams attend to get on the same page about: team successes, product info, persona education, and SLA waterfalls.

MONTHLY MANAGEMENT MEETING

Key managers attend to discuss topics in depth and resolve issues.

HubSpot

Hi Eliora,

I hope you've all recovered from the holiday party and are ready to rock it with marketing offers after rocking with DJ Nick Sal. Going forth, I'm going to share offers that were recently launched as well as some *upcoming this week*, in order to keep you in the complete marketing loop.

RECENTLY LAUNCHED OFFERS

- **27 Pre-Designed Calls-to-Action for Your Customization**

Assets: Landing Page, Thank You Page, Email
Launch Date: Jan. 10
Product Focus: CTA Tool
Soundbite: Changing the design of your calls-to-action can improve clickthrough rate by 1300%, or more. To help you see such success, we've built 27 pre-designed CTA buttons in PowerPoint for you to customize and use! Afterwards, I'm happy to show you how you can use HubSpot's CTA tool to start collecting performance metrics for this CTAs.
Tweet this Offer | **Share on Facebook** | **Share on LinkedIn**

EVENTS

- CMO **Mike Volpe** to speak for Boston Product Marketing Association in Boston, MA on Jan. 17, 2013.
- Head of Enterprise Marketing **Jessica Meher** to speak at EnMeCon in San Francisco, CA on January 28-31.

LOCAL HUBSPOT USER GROUPS

Are you leveraging local HubSpot user group (HUG) meetings to close deals? Here are some great new opportunities:

- **Indianapolis**: January 16
- **Montreal**: January 16
- **Chicago**: January 30

CAMPAIGN COMMUNICATION

Market your campaigns to your sales team – share the info they need in order to be successful.

HubSpot

Hi Eliora,

You were looking pretty fly on Friday night. The only way you could look any better would be to explain all of this week's new product features on the spot. Read on and I bet you could :)

Progressive Profiling on the New Forms Tool

Beginning today, Professional and Enterprise customers will now have access to **Progressive Profiling.**

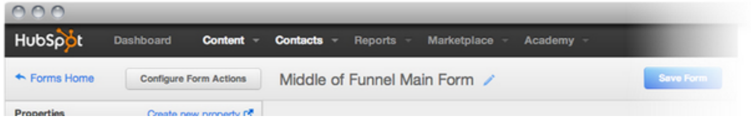
Professional + Enterprise Customers Only

Progressive Profiling is a feature of forms that hides previously filled out fields and replaces them with new questions that a marketer wants to ask of her contacts.

Why Customers Will Love This

- Increase conversion rates by controlling form length
- Learn more about contacts each time they re-convert
- Re-use the same form across many landing pages

The Forms user interface has also undergone some changes **live to all HubSpot 3 customers**, including keeping the same look and feel as other COS tools. Read the blog post to see all the UI and Progressive Profiling changes in detail.



PRODUCT COMMUNICATION

Share updates about products and services – arm the sales team with the details and why customers/prospects will care.

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THANK YOU.

HubSpot Academy