



ALIGN SALES & MARKETING

with a
**Service Level
AGREEMENT**



The Sales and Marketing departments should be on the same team, but at most companies today, it doesn't feel as though they are.

These two teams have traditionally misunderstood each other, and there are usually misconceptions about what the responsibility is of each department. Maybe Sales and Marketing even feel animosity toward each other.

One of the most effective ways to get Sales and Marketing on the same page is by creating a Service Level Agreement, or SLA. An SLA is an agreement between Sales and Marketing that outlines both the marketing goal (such as number of leads or revenue pipeline) and the sales activity (such as following up with leads generated by marketing) that each team commits to in order to support the other. The SLA should be the result of the two departments collaborating with each other to determine what the collective goals should be.



of the terms Sales and Marketing use to describe each other are negative.

Source: Corporate Executive Board



for creating a

**Service Level
AGREEMENT**

between Sales and Marketing



Calculate Marketing Goals

In order to calculate the marketing side of your SLA, you'll need the four metrics below. Resources for gathering this information include your CRM and your marketing automation platform.

- Total sales goal in terms of revenue **(A)**
- Percent of revenue that comes from marketing vs. sales-generated leads **(B)**
- Average sales deal size **(C)**
- Average lead to customer close rate **(D)**

Now it's time to do some calculations:

- **CALCULATION 1**
 $A \times B = \text{Goal for marketing-sourced revenue}$
- **CALCULATION 2**
 $\text{Goal for marketing-sourced revenue} / C = \# \text{ of customers needed}$
- **CALCULATION 3**
 $\# \text{ of customers needed} / D = \# \text{ of leads needed}$

How to evaluate the Marketing SLA:

In order to make sure marketing is on track, you'll want to recalculate your SLA each month. There are many factors that can change the values in your calculations, so create a spreadsheet that tracks your calculations monthly. You'll want to track:

- # marketing-generated leads
- # of those leads that became customers
- Revenue from those closed customers
- Total revenue closed that month from marketing-generated leads
- Total revenue closed that month

You can adjust the monthly timeframe to a period that makes more sense for your business, such as yearly or quarterly, but just make sure you use the same time period for calculating the sales side.

You should also keep in mind that not all leads are created equal. Some leads will be of higher quality than others. If that's the case for your business, you can consider running separate calculations for each category of lead at your company.



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Create Goals for Sales Follow-Up

The Sales side of the SLA is all about speed and depth of the follow-up for the leads generated by marketing. The optimal time for following up with leads can vary from industry to industry, but HubSpot has done extensive research on lead follow-up time and found that:

- If leads are responded to in **fewer than five minutes**, the odds of contacting them are 100 times higher than waiting 30 minutes.
- The recommended number of follow-up calls is **between six and nine calls**. By making six to nine attempts, you get 90% value out of the lead.

Factor in the sales team's bandwidth

Reps will be getting leads from other sources besides marketing, so it's important to determine each sales rep's capability for handling lead volume. Factor in the number of leads they receive as well as the amount of time they spend on each type of lead. You may want to consider automating some of the lead follow-up and nurturing process, especially when it comes to email.

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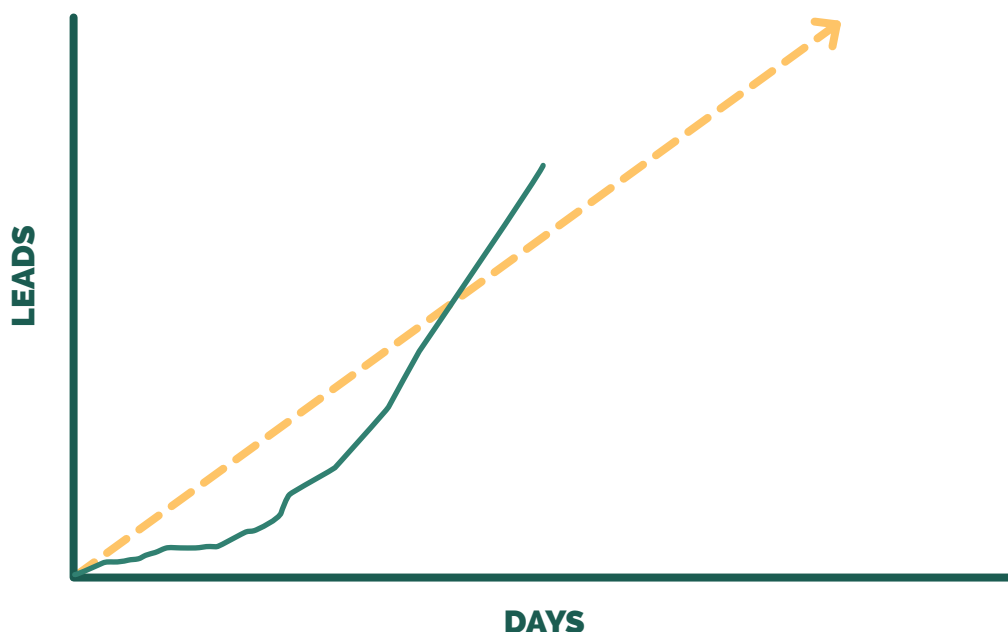
Set Up Marketing SLA Reporting

In order for the SLA to be effective, you'll need to track your progress toward your goals. Create a graph that charts goals against actual outcomes.

Start by creating your goal line:

$1 / \text{number of days in the month} \times \text{monthly goal} = \text{portion of monthly goal you need to achieve every day}$

Graph your goal line cumulatively throughout the month, and graph your actual results on the same chart.



To help with your daily tracking, set up a spreadsheet with the following columns:

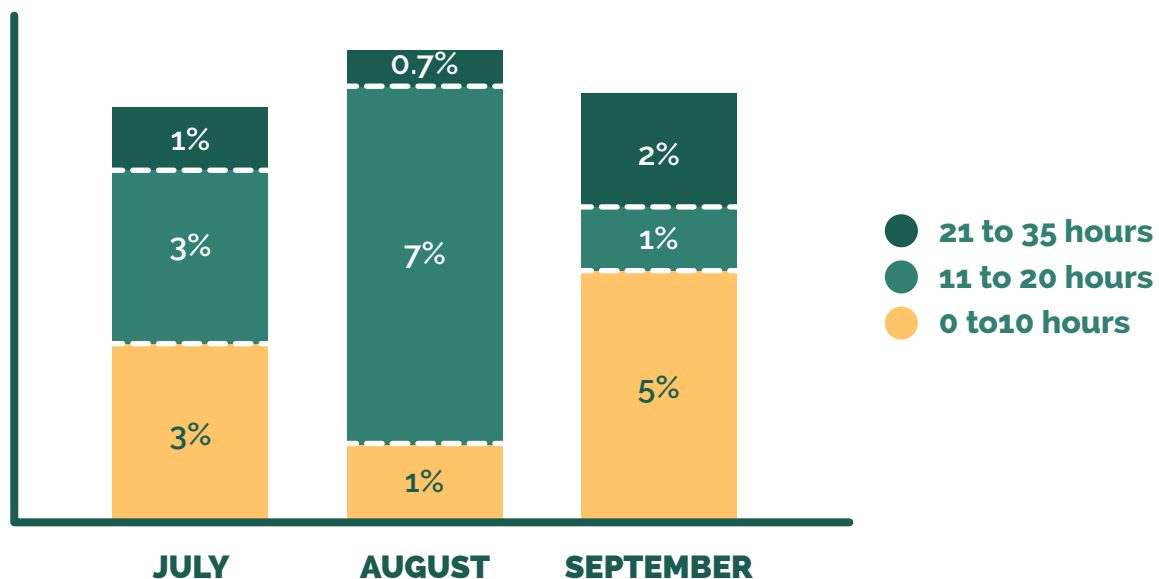
- **Date:** Dedicate a cell to each day in the month.
- **Weekday/Weekend:** Label each day as a weekday or weekend day.
- **Daily Actual Visits:** Plug in the number of visits you actually get each day.
- **Cumulative Actual Visits:** Add that day's actual visit number to the number of visits you've gotten so far that month.
- **Daily Goal Visits:** At the beginning of the month, plug in your daily visits goal, depending on whether it's a weekday or weekend.
- **Cumulative Goal Visits:** At the beginning of the month, sum your daily visits goal day over day.

Date	Week/End	Daily Actual Visits	Cumulative Actual Visits	Daily Goal Visits	Cumulative Goal Visits
1-Jun	Week	422	422	301	301
2-Jun	Week	340	762	301	602
3-Jun	Week	314	1,076	301	903
4-Jun	Week	288	1,364	301	1,204
5-Jun	Week	284	1,648	301	1,505
6-Jun	End	161	1,809	150	1,655
7-Jun	End	153	1,962	150	1,805
8-Jun	Week	354	2,356	301	2,106
9-Jun	Week	320	2,676	301	2,407
10-Jun	Week	350	3,066	301	2,708
11-Jun	Week	333	3,399	301	3,009
12-Jun	Week			301	3,310
13-Jun	End			150	3,460
14-Jun	End			150	3,610
15-Jun	Week			301	3,911
16-Jun	Week			301	4,212
17-Jun	Week			301	4,513
18-Jun	Week			301	4,814
19-Jun	Week			301	5,115
20-Jun	End			150	5,265
21-Jun	End			150	5,415
22-Jun	Week			301	5,716
23-Jun	Week			301	6,017
24-Jun	Week			301	6,318
25-Jun	Week			301	6,619
26-Jun	Week			301	6,920
27-Jun	End			150	7,070
28-Jun	End			150	7,220
29-Jun	Week			301	7,521
30-Jun	Week			301	7,822
Total		3,399	3,399	8,000	8,000

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Set Up Sales SLA Reporting

The Sales SLA reporting should have two separate graphs that chart the speed of sales follow-up and the depth to which they followed up. To graph the speed of follow up, you'll need to find the difference between the date/time the lead was presented and sales and the date/time the lead got their first follow-up. Take the average for leads in a particular timeframe (e.g. by day, by week, by month), and graph it against the SLA goal.

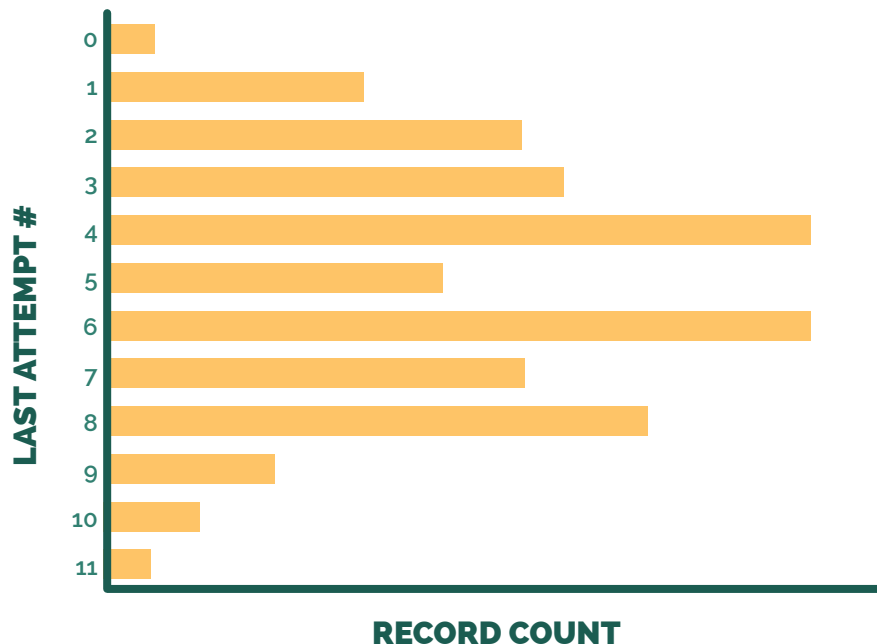


To graph the number of follow-up attempts, you'll want to look for leads that the sales team wasn't able to connect with (since the whole point of following up on a lead is to connect with them). Choose a timeframe, find the leads with whom the sales team wasn't able to connect, and look at the average number of follow-up attempts made. Then graph that against the SLA goal.

Leads Worked by Month



Lead Attempts for Leads Last Week





BONUS: Evaluate and Collaborate!

The goal of the SLA is to create transparency and accountability in both the Sales and Marketing departments. Another goal of the SLA is to promote communication. The Sales and Marketing teams should be meeting monthly to review all of these metrics together to monitor progress. Be sure that both teams have access to all of the reports, and use the monthly review meetings to address issues. Don't forget to congratulate each other on successes, too—with the SLA, the results will be undeniable!

READY TO ALIGN
Sales & Marketing?



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