

# Jumpstart Revenue Growth with **SALES AND MARKETING ALIGNMENT**



# INTRODUCTION

Sales and marketing misalignment is an all-too-common problem. Many companies still face issues getting these two departments in sync. Although it may seem that both departments have different objectives, in the end, the goal is the same: *to drive sales and revenue*.

Often it is differing short-term goals that get in the way of this shared vision. Marketing's goal is to generate qualified, purchase-ready leads for the sales team, while the sales team's goal is to close. When there is marketing and sales alignment, the right deals can be closed, and often in less time. This can make a significant impact on the business.

So how can this be accomplished? It requires outlining common goals, strategically structuring your sales and marketing teams, and defining and documenting procedures that support your goals.

**But first, let's review exactly what sales and marketing alignment means.**



# BENEFITS OF SALES AND MARKETING ALIGNMENT



**Increases  
revenue**

**Shortens  
sales cycle**

**Improves  
conversion rates**

**Improves  
forecast accuracy**

# WHAT IS SALES AND MARKETING ALIGNMENT AND WHY IS IT IMPORTANT?

Sales and marketing alignment essentially means the process of getting these two departments to effectively work together toward a common goal. What prevents that from happening? It's usually because these teams have different perspectives.

Marketers focus more on the top of the sales funnel, while sales reps close deals at the bottom of the sales funnel. The job of marketing teams, in many ways, is like planting seeds in a garden. And the sales team's job is to harvest the fruit. While both teams are working in the garden, the key distinction is *time*. A seed takes time to turn into a plant that bears fruit and sales does not have time to look for the best fruit.

According to research from Marketo and ReachForce, half of sales' time is spent on unproductive prospecting, with sales ignoring as much as **80%** of marketing leads. For both teams, that amounts to a lot of hard work for nothing. So what happens when sales and marketing *do* work well together? Businesses are **67%** better at closing deals.

As buyers gain access to more information and research, it's vital that sales departments are empowered with the right information, and that both teams know exactly when the handover between marketing and sales will occur. Marketers have to prepare the sales team with the necessary information and content to continue to add value to existing relationships with leads. If these two teams aren't on the same page, the buyer's journey is bound to be rocky.

**So now that we understand why marketing and sales alignment is critical, let's look at how to get started.**

*According to  
Marketo's study...*

Alignment extracts  
**208%**  
more value from  
marketing with  
**108%**  
less friction

# DEFINE COMMON TERMS

The first step in achieving sales and marketing alignment is for both teams to agree on the definition of common terms.

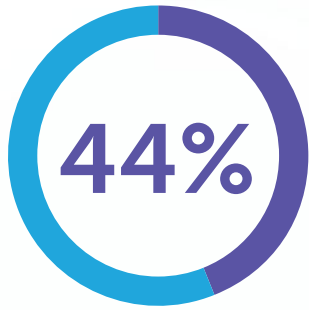
While that might seem extraordinarily simple, it's still relatively rare across organizations. According to CSO Insights, only **44%** of companies have formally agreed on the definition of a qualified lead between sales and marketing. Without an understanding of what a qualified lead means, teams are naturally going to be out of sync. Marketing's idea of what is sales-ready needs to match sales' idea of what is sales-ready, or you will inevitably see discord between the teams. It's an understandable step that each organization must take; every company defines leads somewhat differently.

So, let's dig into the definition of a lead. At Marketo, "lead" is defined as a combination of demographics, firmographics (such as company size and revenue), BANT (budget, authority, need, and timeline), and behavior. Depending on your company's definition (and it varies), some combination of these attributes will determine whether a company is a right match for the product and whether the contact is in the position to make a purchase or purchase decision.

Sales and marketing teams need to get together and officially define what it means to be a marketing qualified or a sales qualified lead. Here are some basic definitions of marketing and sales qualified leads to get you started:

- **Marketing Qualified Lead:** What does marketing think is a good enough lead to pass on to sales? Does the sales team feel the same way? At Marketo, an MQL is a combination of "fit score", which says how well the lead matches the ideal target, "engagement score", a metric that scores the lead's level of interaction with content, and "buying intent", which tracks purchase indicators. Based on a combination of these factors, qualified leads are inevitably passed on to sales.
- **Sales Qualified Lead:** Marketing passes MQLs on to a section of the sales department, often inside sales reps or SDRs (sales development reps), that will determine which leads should be given to an account executive to close the deal. In general, an SQL is a lead that has high potential to actually purchase the product.





of companies have formally agreed on the definition of a qualified lead between sales and marketing.



# SET COMMON GOALS

Next, after your teams have agreed on the definition of a lead, talk about the common goals between the two departments.

Marketers and sales teams have their eyes on different metrics and short-term goals. Getting them to see eye-to-eye may require a new point of focus for both groups. Technically, marketing and sales teams share the same goal: *converting new leads*. However, because of the perceived handoff from marketing to sales, this process can seem like two separate stages. Encourage your teams to think about the sales funnel in terms of one process rather than two different processes.

## The Sales Funnel

To achieve alignment, sales and marketing teams need to have a more holistic view of the sales funnel. At Marketo, we divide the funnel into three parts: top, middle, and bottom, with a number of sub-stages throughout, which we will go through in the following pages.



# SET COMMON GOALS

## Top-of-Funnel

This is the awareness phase. A person in this position is aware of your product, but not ready to buy. We further divide the TOFU stage into three more stages:

- **Name:** This designates when a name has officially entered the database.
- **Engaged:** People move onto the next stage after meaningful engagement with us.
- **Target:** We use lead scoring—the process of assigning a numerical score to a lead based on their behavior—to determine whether the lead could be a potential buyer.

## Middle-of-Funnel

MOFU leads have displayed buying behavior and have engaged with content, making them a potential sales lead. This phase is broken into two sub-phases:

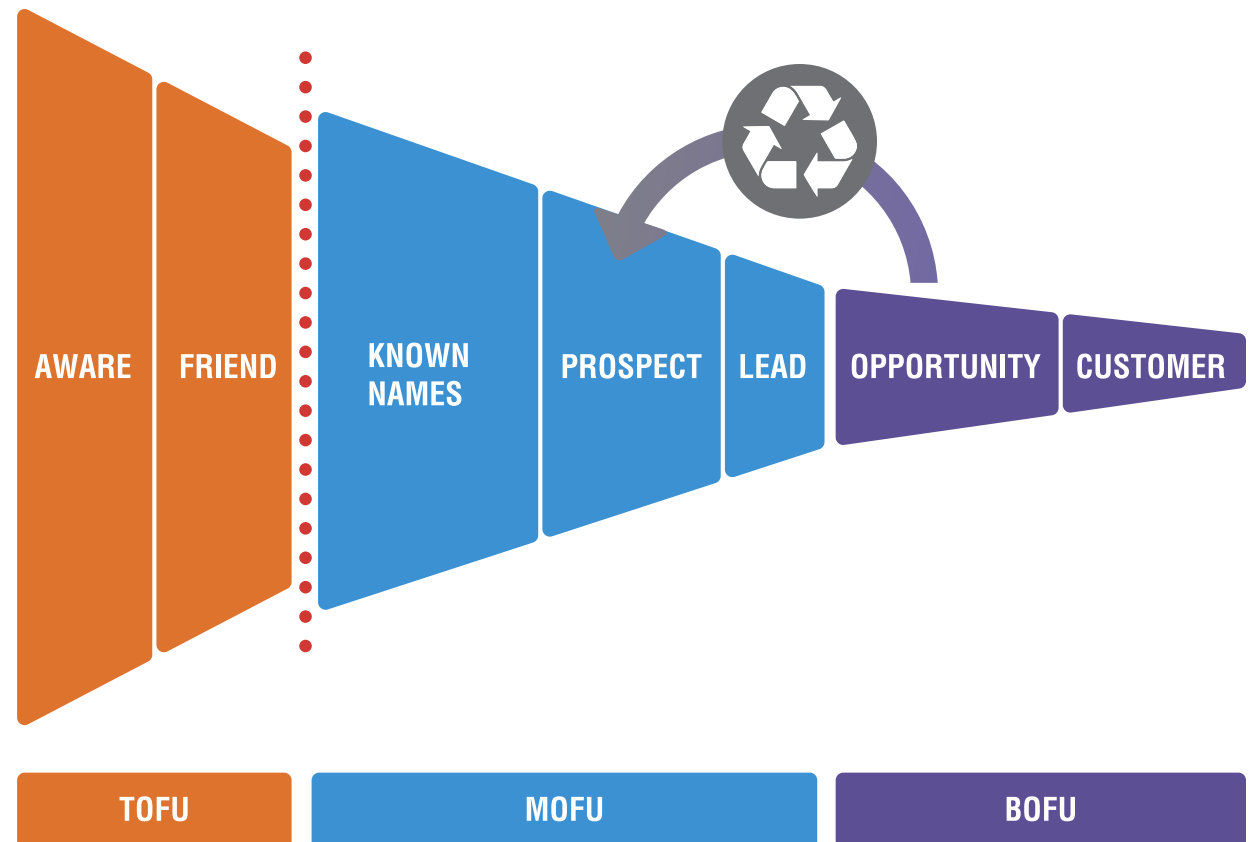
- **Lead:** At this point, we use lead scoring to determine whether it's time to reach out. If leads aren't ready to convert, we start the lead nurturing process.
- **Sales Lead:** If the sales qualification team determines leads are sales-ready, they are passed on to an account executive. The AE has a week to turn the lead into an opportunity, or send it back to marketing for more nurturing.

## Bottom-of-Funnel

Once leads have reached the bottom-of-the-funnel, they are close to becoming a customer.

We break this stage into two final stages:

- **Opportunity:** Leads in this stage are sales-accepted and actively being worked on by the sales department.
- **Customer:** Finally, a lead becomes a customer when the deal is closed.



# SET COMMON GOALS

## Compensation

One way to achieve a common view of the sales funnel is to structure compensation in a similar way for both sales and marketing—for instance, instituting a commission structure for marketing. Working on commission could motivate marketers to be more accountable—every lead they pass on to sales is connected to their bottom line in a very real way. This structure builds trust between the two departments because both teams have a greater stake in improving sales cycle performance. Marketers gain a better understanding of the impact of lead quality, and sales teams now understand the need to follow up quickly.

## Joint Activities

Marketers often feel disconnected from what sales reps do. Incorporating the marketing team into regular sales activities can be an important part of engaging them in the whole sales process. Being present for forecast calls will make marketers feel accountable for the same goals as the sales team. Working more closely with the sales team allows marketers to see how the work they do at the top-of-the-funnel supports and contributes to the success of the sales team.



# LEAD SCORING

Lead scoring—a method of ranking leads for their sales-readiness, agreed upon by both sales and marketing—is essential to ensuring that your organization is aligned.

By scoring leads based on the interest they show in your business, their current place in the buying cycle, and their demographic fit, you can help make sure that your sales reps are talking to the right leads at the right time.

Your marketing and sales teams should get together to determine score thresholds—at what score does a lead get sent to sales?

## Lead Fit

Determining lead fit, or explicit lead scoring, is based on observable or directly shared information, often collected via an online form. Demographics and firmographics define how well the prospect fits into an ideal buyer profile. Leads can also be scored using BANT criteria—budget, authority, need, and timeline.

## Lead Interest

Scoring lead interest, often called implicit lead scoring, is done by tracking a prospect's behavior (online body language) to measure her level of interest in your product or solution. For instance, a lead that downloads a simple whitepaper has shown engagement with your brand, while downloading a pricing sheet shows buyer intent. The lead who downloaded the pricing sheet would receive a higher score.



# STRUCTURE YOUR ORGANIZATION FOR ALIGNMENT

Creating the right structure between marketing and sales is imperative for proper alignment. This means defining roles in marketing and sales in a way that helps you move leads through the pipeline more effectively. Outlining specific roles ensures that every part of the customer's journey is accounted for. Let's take a look at some ways to consider structuring your marketing and sales teams for success.

## Marketing Roles

The following are a few of the specific marketing roles we suggest defining:

- **Demand Generation:** The core function of this role is lead generation. This team supports revenue goals by generating more qualified leads to pass on to the sales team. This group focuses on many things, including full-funnel marketing programs, lead nurturing, and analytics.
- **Product Marketing:** Product marketers focus on positioning the product or service in a way that is unique within the industry. This role supports sales enablement through content creation, understanding the sales process, and product and data sheet creation.
- **Customer Marketing:** This role supports sales through customer advocacy, testimonials, and references. Happy, engaged customers not only lead to greater revenue, but also lead to greater trust from new prospects. According to Nielsen, **92%** of customers trust recommendations from friends and family more than advertising. Therefore, customer advocacy plays a key role in gaining trust from new prospects.
- **Content Marketing:** Content is an increasingly vital part of marketing as the buyer's journey becomes more digitally oriented. This team creates valuable and educational content to help out sales reps during the sales cycle and provides materials for lead generation and nurturing.

*According to Nielsen...*



of customers trust recommendations from friends and family more than advertising.



# STRUCTURE YOUR ORGANIZATION FOR ALIGNMENT

## Sales Roles

Dividing sales into a lead qualification team, and one that works specifically on closing deals, creates the best results. Lead qualification teams can focus on qualifying leads, and your sales account executives can focus on closing deals. Here are a couple specific sales roles we suggest defining:

- **Sales Development Representatives:**

The focus of this role is to review, contact, and qualify leads passed down from marketing. SDRs work closely with marketing to bridge the gap between sales and marketing. Including Sales Development Representatives can further help you streamline the sales qualification process and ensure the best results in the handover from marketing to sales. SDRs get in touch with MQLs to determine whether these contacts are ready to talk to an account executive. The sole focus of this position is to follow up with leads and overcome objections. As a result, companies with SDRs convert **80%** more leads than companies without this role defined.

- **Account Executives:** Account executives exist to close sales. In the end, it's more cost effective to have your top sales representatives talk to the most qualified leads. You don't want your best closers wasting their time on leads that have no possibility of converting. Instead, have them work on leads that have been qualified by SDRs.



Marketing



Sales Development  
Representatives



Account  
Executives

# CREATE SERVICE-LEVEL AGREEMENTS

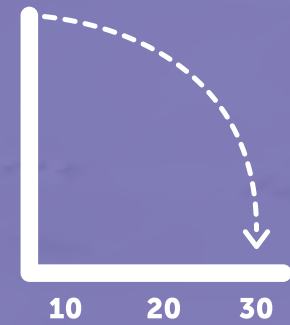
Service-level agreements originated as part of a service contract to formally define specific aspects of the specified service, such as scope and time. At Marketo, we adopted SLAs to make our marketing to sales pipeline more effective. SLAs contribute to another critical part of sales and marketing alignment: making sure no qualified lead is left behind.

Waiting too long before following up with a lead can create a dead end: she goes with a competitor or simply falls off the map. According to a study from Inside Sales, the odds of making contact with a lead increases greatly the quicker you respond. Response times should ideally be no longer than a few minutes. Within the first half hour, the chances of reaching the lead drop **100 times**. This means it's imperative to follow up within a set amount of time.

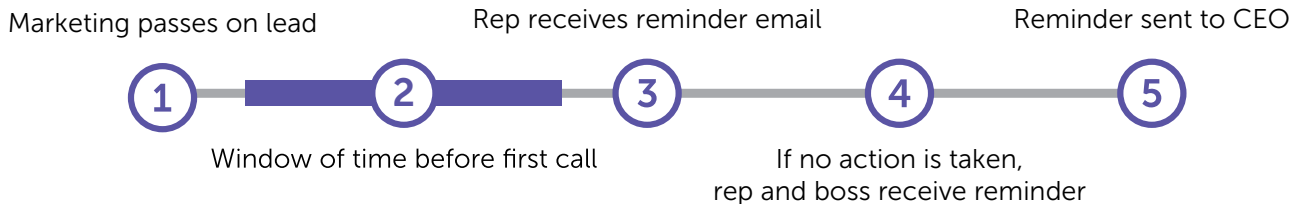
How long should the sales team wait before contacting a MQL? A service-level agreement outlines the answer to this question and provides a guideline for the next steps to take.

The SLAs prioritize and assign a time stamp to leads. When marketing passes on a lead, sales teams have a certain window of time before making the first call. Once a given amount of time has passed, reps receive a reminder email. If there's still no action, the rep and her boss receive the reminder, which is quickly followed by a message to the CEO. The system keeps sales reps accountable for the leads that pass through the pipeline, ensuring that no lead gets left behind.

At Marketo, this process even goes one step further. Once sales reps have reached out, they have seven days to qualify the lead. This gives the sales team three choices: turn the lead into an opportunity, defer the lead, or push it back into marketing for the time being.



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# CONCLUSION

Sales and marketing alignment is crucial to business success, but it's a tough nut to crack. Many companies still struggle to find a strategy that will keep their marketing and sales departments in sync. Both teams waste valuable time on leads that will never convert, and often, qualified leads get lost in the confusion. Because of this, the sales process becomes complicated, messy, and inefficient.

To solve this problem, sales and marketing alignment is all about setting common goals and then implementing the processes and tools that enable your teams to accomplish them.

Let's recap the steps to take:

- **Define Common Terms**
  - Lead
  - MQL
  - SQL
- **Set Common Goals**
  - Sales funnel alignment
  - Aligned compensation
  - Joint activities
- **Utilize Lead Scoring**
  - Lead fit
  - Lead interest
- **Establish Organizational Structure**
  - Define marketing roles
  - Define sales roles
- **Create Service-Level Agreements**

While sales and marketing alignment can be challenging, the results are well worthwhile. Aligned teams streamline the sales process from lead generation to conversion, allowing the company to increase revenue at a greater pace. As a result, both teams are able to spend more time on processes that truly contribute to the bottom line.





Marketo (NASDAQ: MKTO) provides the leading marketing software and solutions designed to help marketers master the art and science of digital marketing. Through a unique combination of innovation and expertise, Marketo is focused solely on helping marketers keep pace in an ever-changing digital world. Spanning today's digital, social, mobile and offline channels, Marketo's Engagement Marketing Platform powers a set of breakthrough applications to help marketers tackle all aspects of digital marketing from the planning and orchestration of marketing activities to the delivery of personalized interactions that can be optimized in realtime. Marketo's applications are known for their ease-of-use, and are complemented by the Marketing Nation®, a thriving network of 400 third-party solutions through our LaunchPoint® ecosystem and over 50,000 marketers who share and learn from each other to grow their collective marketing expertise. The result for modern marketers is unprecedented agility and superior results. Headquartered in San Mateo, CA with offices in Europe, Australia and Japan, Marketo serves as a strategic marketing partner to more than 3,400 large enterprises and fast-growing small companies across a wide variety of industries. For more information, visit [marketo.com](http://marketo.com).