

Crack the Code of Sales & Marketing Alignment

*What 1,000 Sales & Marketing Innovators
Know That You Don't*

EXECUTIVE SUMMARY

The lack of alignment between sales and marketing is an age-old problem, frequently lamented, yet rarely addressed or solved. A new survey shows the lack of alignment is actually becoming a bigger problem today and the disconnect is having a direct effect on top and bottom line performance.

This report reveals the results of a comprehensive survey that uncovers why sales and marketing teams are not aligned and, better yet, defines a path forward. These findings not only expose the quantitative measures of these effects on performance, but also expose underlying attitudes that fuel the pain of misalignment.

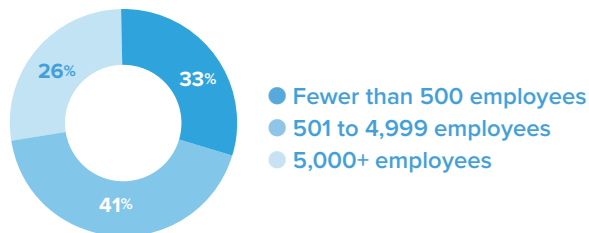
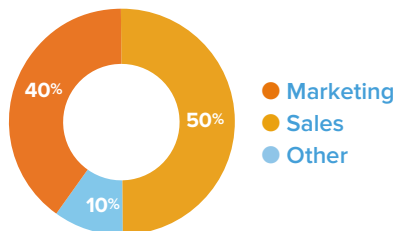
While the gap between sales and marketing remains a challenge, this research reveals areas where that disconnect is softening and where trust has strengthened between the two groups. Leading companies are gaining a competitive edge by addressing misalignment, and their best practices can be learned and adopted.

This broad-based survey polled a wide mix of 995 U.S.-based sales and marketing professionals from across industries. It included a close to even split between sales and marketing respondents for a balance of perspectives. These executives shared everything from why they believe the teams are not aligned to their attitudes about each other and what they're doing to improve the relationship and improve the bottom line.

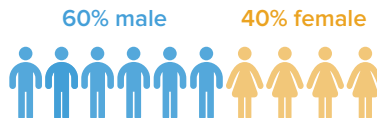


ADDRESSING ALIGNMENT FROM ALL SIDES

This extensive survey gathered responses from a diverse mix of sales and marketing professionals across a wide range of industries and company sizes.



Respondent distribution is split evenly across the Northeast, the Midwest, the South and the Western regions of the U.S.

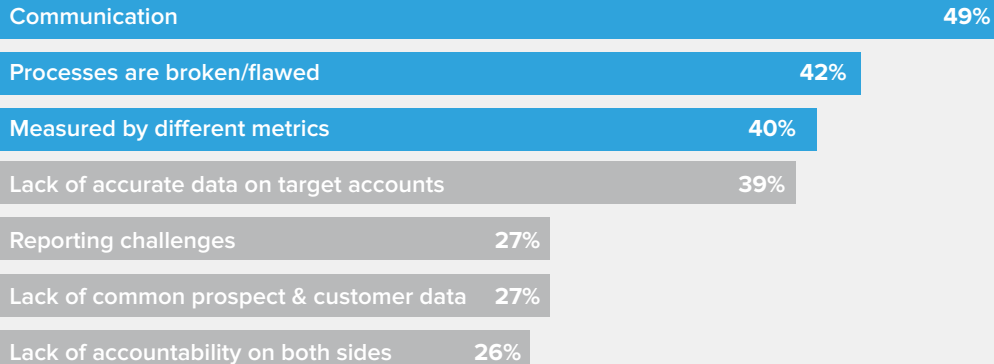


WHY ARE TEAMS STILL MISALIGNED?

Interestingly, both sales and marketing say contention over leads isn't the top contributor to misalignment. Communication, cited by 49% of respondents, is by far the greatest culprit. Broken and flawed processes (43%), as well as sales and marketing being measured by different metrics (40%), rounded out the reasons for the gap between sales and marketing.

Challenges To Alignment

What do you think are the biggest challenges in aligning sales and marketing?



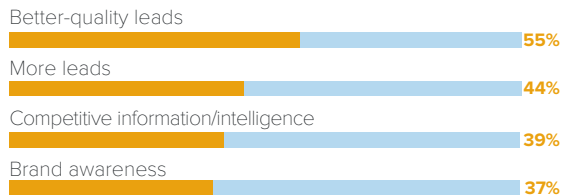
TELL ME SOMETHING. ANYTHING.

Communication, cited by nearly half of sales and marketing professionals (49%), is the top reason sales and marketing are not aligned. The survey revealed that the communication breakdown has many dimensions, such as how leads are being converted and what levers might be affecting performance and close rates. That means marketers won't be able to identify where lead quality issues may be occurring.

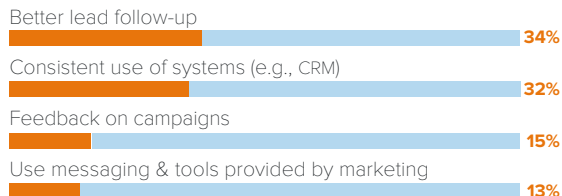
When we asked sales to prioritize what they need most from marketing, lead quality (55%) and lead quantity (44%) registered high, but they also seek competitive information (39%), brand awareness (37%), and lead nurturing (37%).

When we quizzed marketers on the same question, they told us better lead follow-up (34%) and consistent use of systems (32%) were what they needed most from sales. While technology is not a silver bullet to solve all of marketing's problems, both camps need to adopt consistent and integrated use of systems in order to work together effectively.

We asked sales: What do you want most from marketing?



We asked marketing: What do you want most from sales?



One of the most significant ways ineffective communication inhibits alignment is that it fuels the other major challenges reported by survey respondents. Without strong communication between both teams, broken processes and disconnected metrics become even larger issues.

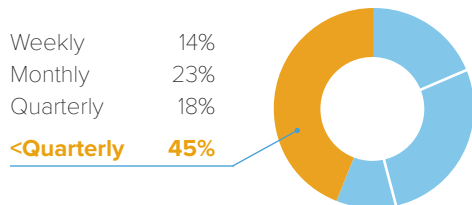
THE PROCESS IS BROKEN? YOU MEAN WE HAVE A PROCESS?

Among those surveyed, the second highest-ranked issue is a lack of defined and workable business processes, specifically those that tie directly to the lead funnel. Agreement on key factors, such as lead flow, what makes a qualified lead, and the process to examine the pipeline, are absent and contribute to misalignment. Pipeline is key and is arguably where the true integration between sales and marketing occurs. The lead handoff is not the final step. If a lead makes it into the pipeline, marketing has done their job, but agreement must happen much earlier in terms of what qualifies as pipeline and how it will be measured.

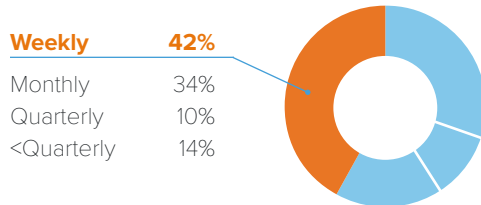
There are two key areas we examined regarding the process: pipeline conversations and earlier-funnel definitions of leads and scoring principles.

A massive disconnect exists between marketing and sales in terms of how often they say they collaborate on pipeline. Forty-two percent of marketers say they meet with their sales counterparts weekly, while nearly the same percentage of sales executives (44%) say they meet with their marketing peers *less than quarterly*.

We asked sales: How often do you meet with the marketing team to discuss pipeline?



We asked marketing: How often do you meet with the sales team to discuss pipeline?



This disconnect is so extreme that it's hard to draw a conclusion as to whether it's based on perception, process, or something else.

The survey revealed that the foundational conversations about pipeline are either not happening or are not delivering equal value for both teams. Regardless, there is an obvious difference in opinion on the degree to which the teams are invested in critical topics like pipeline.

The findings around collaboration are just as troubling. More than half of marketers (57%) indicate they meet with sales weekly to discuss lead scoring, while close to two-thirds of sales (63%) say they don't collaborate on lead scoring with marketing at all.

Experts agree that lead scoring is an area in which sales and marketing should be working together to identify the best prospects, and the communication between them is even more vital because scoring is an iterative and ongoing process.

Among sales respondents, the fact that more than one-third (37%) of sales is working with marketing on lead scoring is heartening. Ten percent of

those respondents do meet regularly to review/update scoring criteria and effectiveness, while 27% responded more generally that "we have collaborated on lead scoring."

Broken processes are a major hindrance to sales and marketing alignment. Many sales and marketing executives are not on the same page regarding pipeline, lead handoff, or lead scoring. The only way they will align is through building processes and committing to working together to bridge the gaps that currently exist.

We asked sales: Do you meet with your marketing team on how leads should be scored?



We asked marketing: Do you work with your sales team on how leads should be scored?



Secret Weapons?

Survey findings revealed areas of untapped opportunity to advance alignment. These include predictive intelligence, insights, and data on target accounts. Specifically, when quizzed about which emerging tools are most important to drive successful prospecting, prospects and customer intelligence was cited by 74% of respondents, while 51% want data/lead enrichment and 46% want predictive intelligence.

When quizzed about which emerging tools are most important to drive successful prospecting, prospects and customer intelligence was cited by 74% of respondents.



TWEET THIS!

Sales and marketing executives are beginning to gain sophistication in nurture tactics. They are moving toward targeting and engaging qualified leads over time, and they clearly value intelligence about prospects and customers. Intelligence is foundational for advanced nurturing tactics such as mapping the customer journey, applying predictive analytics to lead routing and scoring, and launching account-based marketing programs.

The interest from both sales and marketing in expanding in these emerging areas is promising, as it naturally fuels stronger synergies between both teams.



THESE METRICS DON'T ADD UP

Forty percent of respondents identified disconnected metrics as a challenge to sales and marketing alignment, making it the third highest-ranked challenge. Sales is typically measured on quota attainment, win rates, and renewals, yet none of those show up on marketing's radar, because marketing is traditionally more focused on leads. With both teams focused on different metrics and aspects of leads and accounts, it's no wonder there is conflict.

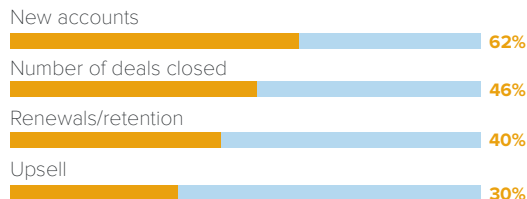
Sales traditionally focuses on:

- *Quota attainment*
- *Accounts, titles, names*
- *Closing deals*
- *Velocity through sales cycle*

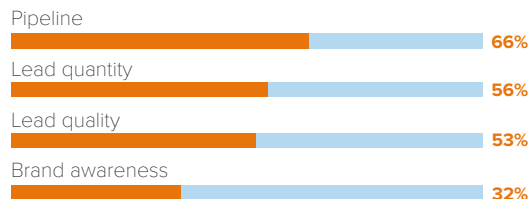
Marketing traditionally focuses on:

- *Top of lead funnel*
- *Segments*
- *Campaign metrics*
- *Brand awareness*

We asked sales: Besides quota attainment, how else are you measured besides quota attainment?



We asked marketing: How are your marketing efforts measured?



One bright spot is that two-thirds of marketers (66%) in the survey indicated that their marketing efforts are being measured by pipeline. That shift should bode well for future alignment, uniting both teams around actual pipeline.



TWEET THIS!

Tensions will likely persist since these teams have different charters and timelines under which they operate. Marketing and sales may share demand creation goals, but they don't get measured in the same way or with the same metrics.

– Forrester Research, *Despite Modern Marketing Improvements, Sales Alignment Challenges Persist*, June, 2015

Measuring and tracking efforts is central to achieving alignment, but differing perspectives and priorities continue to hold sales and marketing professionals back. If the two sides can start to agree on and honor each others' priorities and goals, the needle can begin to move closer to alignment.

DO YOU *REALLY* LIKE ME?

The Good News: Affinity Measures Are High

The good news gleaned from the survey is that the majority of sales and marketing executives alike characterized their relationship as positive. Nearly 60% of sales rank the relationship as good, and close to 80% of marketing rank the relationship as good. Hostility between the two camps appears to be a relic of the past, replaced by respect and an interest in closer collaboration. In addition, affinity measures – respect, appreciation, and likability – are very high across both teams. The majority of sales respondents say they respect marketing, and two-thirds are friends with marketing colleagues. Among marketers, the prevailing attitude is the acknowledgement that sales is a difficult job. Marketers are also, in general, far more apt to describe the relationship with sales as excellent or good. That may be in part because marketing executives are often operating in service to the sales team and regard them as internal clients. Thus, they are more inclined to act in deference to their sales counterparts.

We asked sales: How would you describe your relationship with your marketing team?

😊 Excellent or Good	58%
😐 Just OK	33%
😞 Poor	9%

We asked marketing: How would you describe your relationship with your sales team?

😊 Excellent or Good	77%
😐 Just OK	21%
😞 Poor	2%

Sales



Agree – I am friends with people on our marketing team



Agree – I respect my marketing department



Agree – I could do a better job in marketing than my marketing coworkers

Marketing



Agree – I am friends with people on our sales team



Agree – Sales is a difficult job



Agree – I could do a better job selling than my sales colleagues



The Bad News: Some Stereotypes Remain

There are still pockets of misunderstanding across sales and marketing. When a toxic culture is prevalent, sales executives display the stereotypical lack of understanding about what marketing does, and recognition of where marketing adds value is low.

On the other hand, while about one-fourth of marketers hold fast to stereotypes when describing their sales counterparts – “Salespeople are a bunch of mavericks” and “Salespeople are single-celled organisms that chase revenue” – that percentage of old-school thinkers is lower than one might expect.

Sales



Agree – Marketing spends most of their time on branding/events



Agree – Marketing isn't accountable for pipeline



Agree – Marketing thinks they know better what will work in the field

Marketing



Agree – Salespeople are a bunch of mavericks



Agree – Salespeople are single-celled organisms that chase revenue

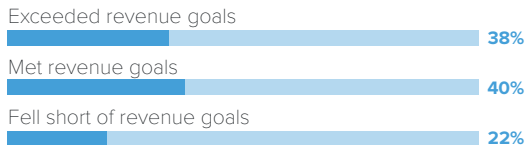


Agree – Sales people are greedy

BE A LEADER

Leading companies realize that the path to successful alignment centers around shared priorities. This section illustrates how the Leaders operate and delineates best practices they demonstrate.

Of those surveyed, a majority of respondents reported exceeding or meeting revenue goals in the last year, while 22% fell short.



We found patterns among the Leader respondents (those who exceeded revenue goals) that reveal a more sophisticated approach to alignment. These findings can inform best practices for teams that are looking to strengthen alignment.

Leaders tend to have better processes in place overall, and they are using emerging tools such

B2B companies' inability to align sales and marketing teams around the right processes and technologies has cost them upwards of 10% or more of revenue per year, or \$100 million for a billion-dollar company.

Source: IDC, January, 2013

as data enrichment to fuel more effective and collaborative prospecting efforts. Overall, Leaders also have far greater confidence in the quality of leads generated.

Leaders are three times more likely to characterize lead quality as excellent compared with Laggards.

The Leaders among both sales and marketing executives also reported better relationships with their counterparts. Additionally, while the research shows that sales and marketing teams are simply not meeting often enough, a higher percentage of sales Leaders conduct weekly meetings with the marketing team.

Winners and Losers

Leaders

- Focus on lead quality
- Discuss pipeline more frequently (2x)
- Work on lead scoring together (5x)
- Place increased priority on database quality and enrichment

Leaders demonstrate strength in four key focus areas that are foundational to alignment: communication skills, common pipeline measurement, adherence to lead quality, and data enrichment to drive successful prospecting.

In order to remain competitive in reaching growth goals in the future, more organizations are likely to move to a “shared funnel” approach. Therefore, adopting common measurement, consistent communication, and a focus on lead quality, data quality, and buyer insights are likely to become essential strategies for sales and marketing departments.

Laggards

- Focus on lead quantity
- Don't hold marketing accountable for pipeline
- Work on lead scoring in isolation
- Say their “database is a mess” (25%)

A Spotlight on Success

Gainsight, a pioneer in the customer success software industry, is exhibiting the bottom line benefits of aligning its sales and marketing teams. Gainsight took a cooperative approach to lead nurturing and funnel management by collaborating on lead scoring, routing, and enrichment practices. As a result, Gainsight was able to convert leads into opportunities at three times the frequency and double the number of wins from marketing-sourced leads.

“By putting aligned processes in place, we were able to scale our marketing efforts and make a bigger impact on our revenue number,” said Lauren Olerich, director of demand and customer marketing at Gainsight. “Wins from marketing-sourced leads alone doubled.”

CRACK THE CODE

1. Focus On Communication

The research shows that affinity measures are high between sales and marketing. Sales and marketing executives would do well to build upon that by focusing on improving communication and fostering camaraderie between the two teams. Experts agree that the alignment mission and message should stem from the top down.

Some tools to promote that mission are:

- Weekly reviews of marketing campaigns promote accountability and help you avoid blindsiding the sales team
- Discuss lead scoring continually with counterparts
- Examine lead routing on a regular basis to ensure it's working properly and tune the process as territories change
- Senior leadership buy-in: Relationships and a collaborative culture start at the top

"It's got to be ingrained into the culture, so ultimately the person who's responsible has to be the C-level person who's trying to drive [sales and marketing alignment]."

– Evan Liang, CEO, LeanData



TWEET THIS!

2. Review Processes

Ensure that you have good process on critical alignment topics such as lead scoring and routing. These topics are not “set it and forget it” items. They require regular review and examination to ensure they are working properly. Scoring should be revisited at least twice each year, if not quarterly. Lead routing should be monitored by marketing operations and sales development leaders to ensure no lead is lost or falls into the wrong hands. We all know that if a lead gets routed improperly, the

recipient will just move on to the next thing – they don't often take the time to reroute. Then leads are gone forever. Marketing might as well light money on fire when that happens!

3. Put Lead Quality Before Quantity

A focus on lead quality over quantity is critical to the successful alignment between teams; attaining high-quality leads is de rigeur for Leaders polled in the study.

In terms of lead quality, the Leaders had far greater confidence in lead quality than the Laggards. Forty-five percent of those who exceeded revenue goals said quality was “good” or “excellent,” compared to only 22% for Laggards. Conversely, among the Leaders, only 15% characterized lead quality as “below average.” That contrasts with a third (33%) of the Laggards citing “below average” lead quality.

A bonus to emphasizing lead quality over lead quantity is that it encourages collaboration between sales and marketing to place definitions around a “qualified” lead. In fact, the number of Leaders who reported

that they meet to discuss lead scoring was over three times greater than the number of Laggards.

4. Enrich Prospect Data

A lack of data or lack of a complete picture of targeted leads can stall the team's ability to align. It can cause problems in lead routing and follow-up. More than half of respondents to the survey (51%) said data and lead enrichment are the most important emerging tools for driving successful prospecting. Of those who prioritized data and lead enrichment, 40% are Leaders.

Cornerstone OnDemand, a cloud-based learning and talent management software company, is just one example of a company that has invested in data enrichment processes in an effort to bring stronger alignment to sales and marketing initiatives. “Maintaining the integrity of our lead data has been a linchpin in allowing us to streamline the lead handoff point between sales and marketing so we can route the correct leads to the right salesperson,” said Dave Vacanti, director of sales technology at Cornerstone OnDemand.

The focus on data is necessary and has tremendous value, but it is not easy. In another recent DGR survey, marketers' most commonly cited challenge was insufficient data to support segmentation and targeting initiatives, with 52% pointing to that as a stumbling block to marketing across the revenue funnel. Marketers are also lacking data to identify prospects that are most likely to convert, a challenge for 43% of respondents. An increasing number of marketers are tackling that challenge by working in-house or with vendors to append data in order to target more accurately.

5. Seek to Understand

There are many key aspects of the sales organization that the savvy marketer needs to understand in order to facilitate alignment between the teams. If you believe the mantra "marketing exists to make sales easier," then thorough understanding of all aspects of the sales organization is essential. These include:

- The sales organization, including people and reporting relationships.

- Quotas and quota attainment. Many sales leaders keep a sales performance "ladder" that they'll make available to you.
- Sales process and stages.
- Selling methodology (Challenger, Solution Selling, Spin, etc.). Many of these methodologies have marketing recommendations.
- Pipeline by sales rep or team. When examined, the marketer might find that while overall pipeline looks good, individual reps may be struggling to get enough.
- Win rates by competitor. This can help the marketer understand how to position in the marketplace.
- How sales is using the tools marketing provides, and what is and is not working.

6. Align On Pipeline

While it's encouraging that 66% of marketer respondents say that pipeline is the primary way they are measured, this still means that a large portion are prioritizing lead-related metrics to measure their

success. Shifting to emphasize pipeline will drive mutual accountability among sales and marketing teams. It aligns metrics, values, and goals and requires consistent reporting, definitions, and analysis of results.

“If marketing is to more effectively support sales, then we need to start by getting everyone on the same page regarding what success looks like,” said Jim Dickie, research fellow at CSO Insights. “If you don’t invest the time to align on the big picture, then don’t expect to move the needle when you look at lead quality and quantity.”

7. Bite the Bullet: Give Marketing Variable Compensation

It’s good news that so many marketers are measured on pipeline. The next step is to tie compensation to pipeline. This drives revenue-focused behavior in the marketing team and increases credibility with the sales organization. It also tightens the relationship at lead handoff, such as the transition from demand

generation to sales development. Those teams will spend more time examining lead quality, improving enrichment, and monitoring lead routing to ensure strong processes.

A recent audience poll of 250 sales and marketing people at an October 2015 Corporate Executive Board event showed that only about 20% had variable compensation for their marketing teams.

This is a new trend and a bit controversial among marketers. Many marketers will object, “I have no control over whether sales can close what I send them.” Marketing leaders need to bite the bullet and make it happen.

To get started, assign one objective each quarter that is tied to pipeline goals for marketing. Make it 30% of the achievement number for teams on a bonus program, and establish it as a shared goal across the marketing organization. The benefits far outweigh the drawbacks.

THE REVENUE IMPACT OF ALIGNMENT

The benefits of aligned sales and marketing teams are significant. Organizations can expect to:

- ✓ **Drive revenue growth.** Organizations with tightly aligned marketing and sales achieved 24% faster revenue growth and 27% faster profit over a three-year period (Source: SiriusDecisions, Inc. *B-to-B Confidence Index Study*)
- ✓ **Retain customers.** Companies with aligned sales and marketing teams experience 36% higher customer retention rates (Source: MarketingProfs)
- ✓ **Expand customer base.** Companies with aligned sales and marketing teams are 67% better at closing deals (Source: Marketo, July, 2015)



THE BOTTOM LINE

The challenges standing in the way of true sales and marketing alignment are many. Shedding a light on our differences is the first step towards eliminating these obstacles to growth.

This research shows that well-aligned organizations see significantly better top and bottom line performance over unaligned organizations. Sales and marketing alignment, undoubtedly, is a true differentiator.

Executives on both sides of this divide realize a solution requires a new approach that begins with better communication and coordinated goals. Adopting best practices borrowed from leaders in the space—from effective communication to pipeline measurement to a focus on quality

leads and enriching data—will pave the way for increased collaboration, greater trust, and a strong and lasting alignment.

This report has dissected the underlying obstacles to alignment and improved your understanding of the issues involved. You can now build a shared foundation for addressing misalignment. From common ground, sales and marketing together take responsibility for pipeline growth.

By addressing both the quantitative and attitudinal perspectives at play, your teams can create successful and sustainable alignment, uniting around shared goals to gain an unmatched competitive edge.

APPENDIX: WE AREN'T SO DIFFERENT AFTER ALL

As it turns out, not only do sales and marketing have an affinity toward each other, but they're also surprisingly similar to one another! A deeper picture of respondents' perspectives emerged when we took a look at some common everyday choices they make. Interestingly, they agreed on nearly every attribute.

- 59% claimed to be the more creative right-brained rather than the analytical left-brained
- 64% opt for a more indulgent steak instead of a healthy-living salad
- 67% are iPhone aficionados instead of Android loyalists
- 65% prefer to be fueled by Starbucks coffee rather than Dunkin Donuts coffee
- 65% favor tweeting over snapchatting on social media
- 69% kick back in casual work jeans instead of business suits
- 56% flip on comedy flicks instead of action-packed movies
- 60% tune into NPR rather than Fox News





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About InsideView

[InsideView](#) powers the world's business conversations. Its leading market intelligence platform helps sales and marketing teams quickly identify new opportunities and effectively connect with prospects and customers. InsideView is the only company that begins with the industry's most accurate company and contact data and enhances it with relevant, real-time business insights and authentic connections. More than 20,000 companies use InsideView data to find and qualify the best targets, engage with more relevancy, close more deals, and retain and expand accounts. InsideView headquarters are in San Francisco.

For more information on sales and marketing alignment, visit the [InsideView Resources](#) library.



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About Demand Gen Report

[Demand Gen Report](#) is a targeted e-media publication spotlighting the strategies and solutions that help companies better align their sales and marketing organizations, and ultimately, drive growth. A key component of the publication's editorial coverage focuses on the sales and marketing automation tools that enable companies to better measure and manage their multi-channel demand generation efforts.

