

#### **Taking a Strategic Approach to Demand Generation**



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#### **Today's Presenter**





#### Carlos Hidalgo Chief Executive Officer and Principal ANNUITAS @cahidalgo

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Taking a Strategic Approach to Demand Generation



Carlos Hidalgo Chief Executive Officer

Twitter: @cahidalgo Email: Carloshidalgo@annuitas.com

### Who is ANNUITAS?

• Founded in 2005

- Transform Demand Generation
- Global enterprise organizations





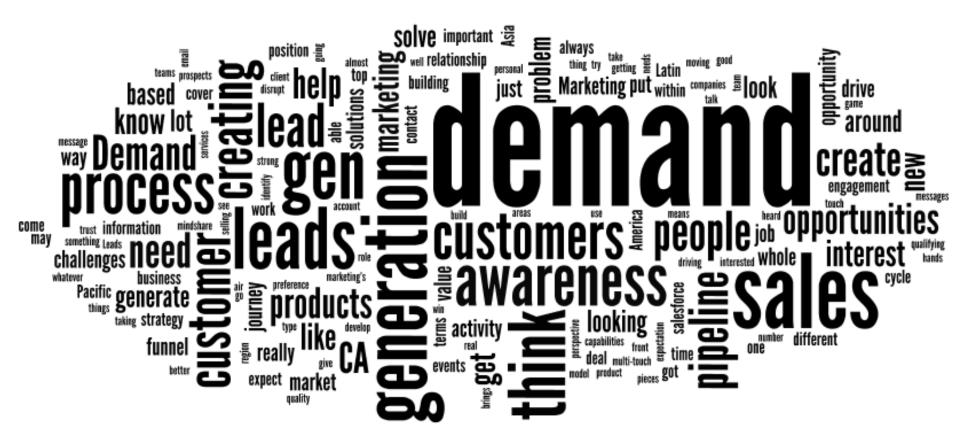
- Our Modern Demand Generation Pain Points
- What's Really Going On?
- Demand Process
- Closing Points



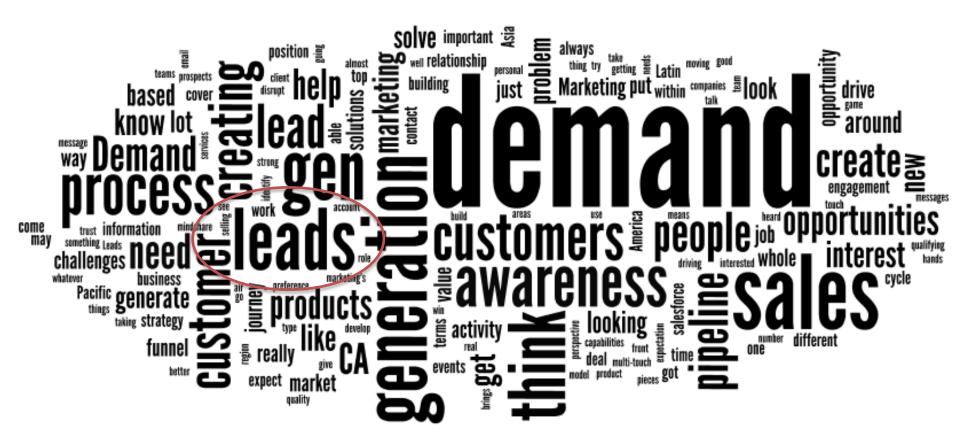
## How Do You Define Demand Generation?



#### **Defining Demand Generation**



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#### **Defining Demand Generation**



#### "Which Tactic" Is the Wrong Question



"[M]arketers are juggling too many tactical balls. A full 75% of respondents reported they were using 15 of the 26 techniques we surveyed."

"The reported use of tactics was consistent across various company sizes, from small-to-medium businesses (SMBs) to large enterprises."

## A Tactical Frame = Our Greatest Challenge



#### **Demand Generation = Strategic**

# Taking a strategic (not a tactical) approach to demand generation

#### Strategic Demand Generation is .....

- A perpetual process
- Engage, Nurture, Convert
- Prospects + customers
- Buying-process-driven
- Educate + qualify
- Marketing + sales activities
- Operationalize + optimize
- To drive sustainable revenue, CLV

## Modern Demand Generation Pain Points



#### A Focus on the Right 'Quality' of Leads?

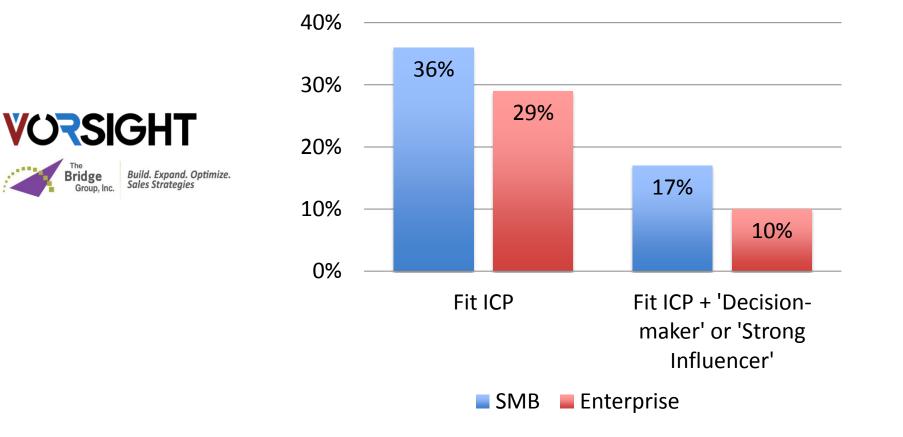


Build. Expand. Optimize. Sales Strategies

"On average, Sales Reps report that only 31% of all leads generated fit their Ideal **Customer Profile (ICP)**. Said another way, Sales Reps believe roughly 70% of the leads they receive have a low probability to purchase."

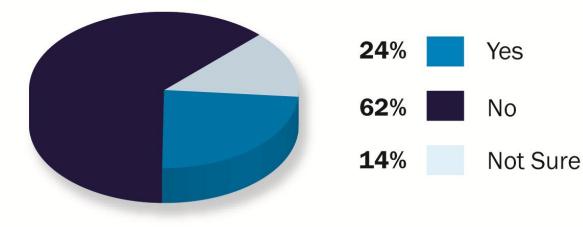


#### Dispelling Myths: Enterprise Organizations DON'T Necessarily Do It Better ...



## We Adopt Marketing Automation - but Fail to Generate Enough Leads

Are you generating enough demand (sales leads) to satisfy your sales team?





#### Demand Generation Content Does Not Engage Our B2B Buyers



WHAT THE BEST COMPANIES DO

"86% of the 'unique benefits' touted by vendors were not perceived as unique or having enough impact to create preference."



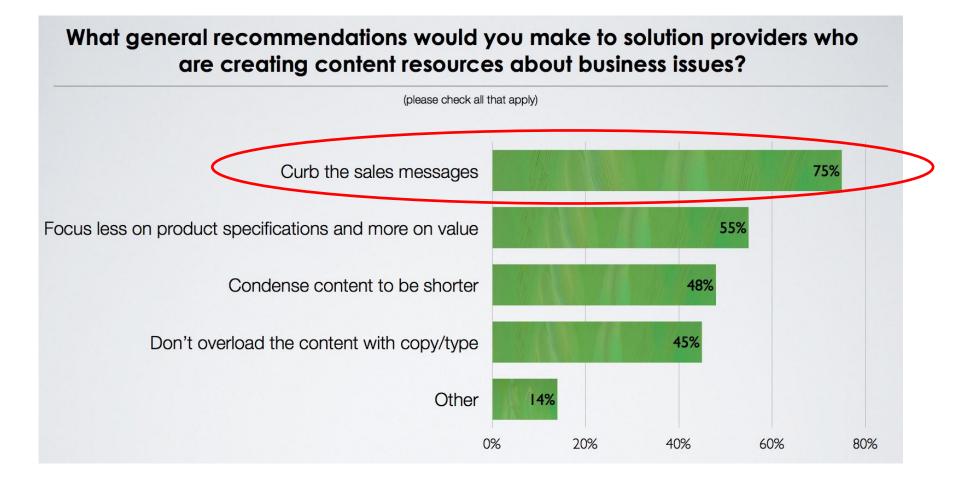
Source: Tim Riesterer, "Three B2B Value-Proposition Rules That Create Preference, Not Just Parity," 2010.

#### Our Demand Generation Content Does Not Support the Buying Process



"Half of the marketers create and use content that educates buyers on their issues and problems, but **only 14% align compelling content with buyer journeys** in a way that tells a story."

#### We Lead with What We Want to Sell, Not What Our Customer Wants to Buy



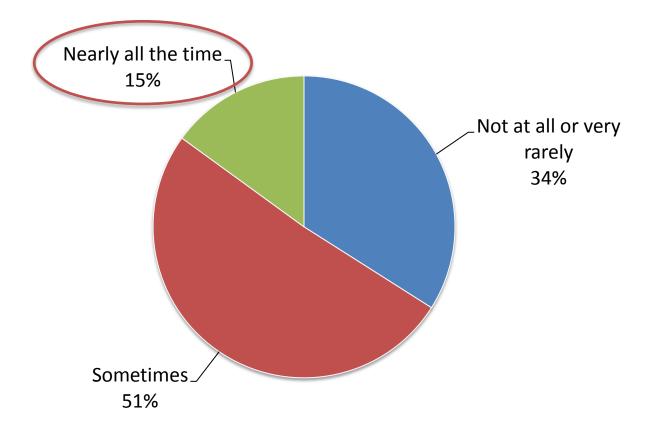
### What's Really Going On?

#### **Balancing the Demand Equation**

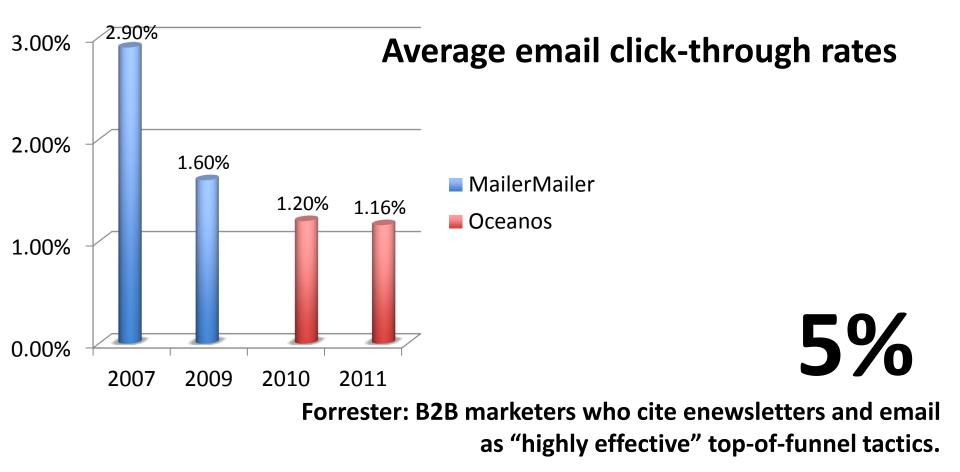
Demand Generation Core Issues	We're not really connecting with buyers, or supporting their buying process, in a value-added fashion	We're not really building a foundation for a continuous and long–term relationship with buyers	
New Action Items	Stop 'selling,' start educating	Shift attention to middle-of-the-funnel dynamics	
Strategic Orientation	Focusing on the buyer	Adopting an operations mindset	

## We Do Not Optimize Buyer Interaction

To what extent do you use data on past performance to build models that enable the prediction of future buying behavior? % of Respondents (N=85)



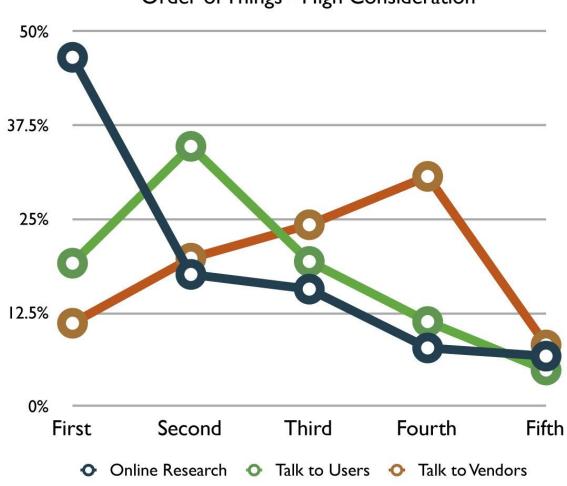
#### "One-and-done" Outbound Engagement Tactics Are Declining in Performance



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**Sources:** MailerMailer, "Email Marketing Metrics Report, Click Rates, July 2010 Edition"; Oceanos, "The List Intelligence Report, Spring & Summer 2011"; Forrester (L. Wizdo), 2012 Tech Marketing Planning Guidance - With Proliferating Tactics and constrained budgets, Targeting and Focus are a Mandate, 2011.

#### **Buyer 2.0 – A New Buying Process**



Order of Things - High Consideration

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Source: Enquiro/Mediative, "Integrated Persuasion: Online and Offline," 2010.

#### Adapting to Buyer 2.0's Buying Process Changes our Demand Generation ROI

Inbound marketing costs 61% LESS per lead than traditional, outbound marketing.

OUTBOUND: AVG COST/LEAD: \$346







SOURCE: STATE OF INBOUND MARKETING, HUBSPOT, MARCH 2012

Inbound marketing costs 61% less per lead than traditional, outbound marketing. This is another data point that has remained consistent throughout the last couple of years.



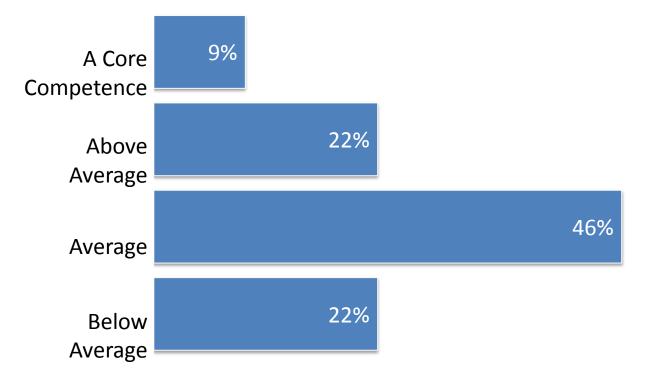
**Source:** Hubspot (Georgieva, M.), "20 Revealing Stats, Charts, and Graphs Every Marketer Should Know," May 2012.



## We Need to Adopt an Operations Mindset: Demand Process

### Lead management not a strength

How would you characterize lead management at your company? % of Respondents (N=85)



#### **No Defined Their Lead-to-revenue Process**

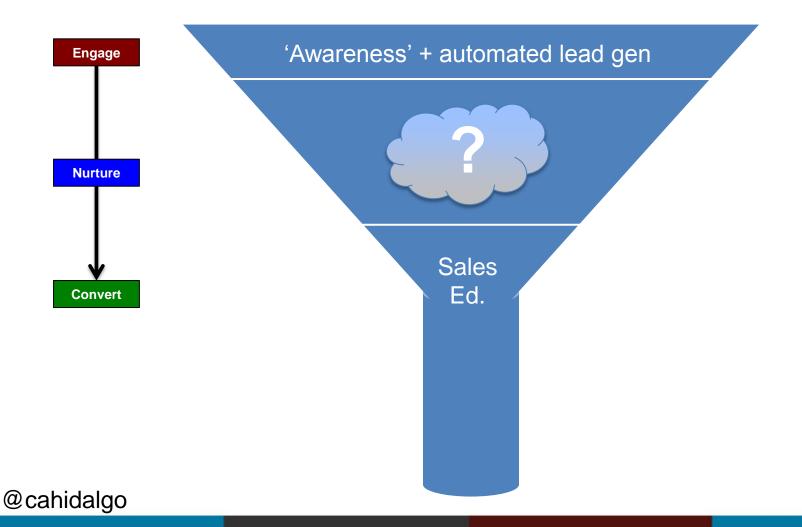


"Fewer than one-fourth of [B2B organizations] have defined a leadto-revenue management process that their marketing and sales teams follow. Included in that number are only 5% who claim that every prospect interaction is orchestrated."

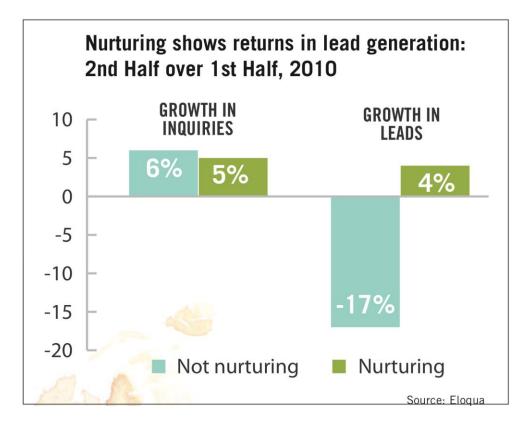
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**Source:** Forrester (J. Ernst), "The State Of B2B Demand Generation: Disjointed," 2011

#### Lack of Demand Process = Mid-funnel Gap



## Mid-funnel Gap / Lack of Nurturing = Negative Growth in Leads



### **Demand Process**



## What is Demand Process?

#### **BUYER-CENTRIC**

- Aligning B2B marketing + sales interactions with Buyer 2.0
  - Building demand generation messaging, programs and systems around the modern B2B buyer – i.e., "Buyer 2.0" – and his/her buying process

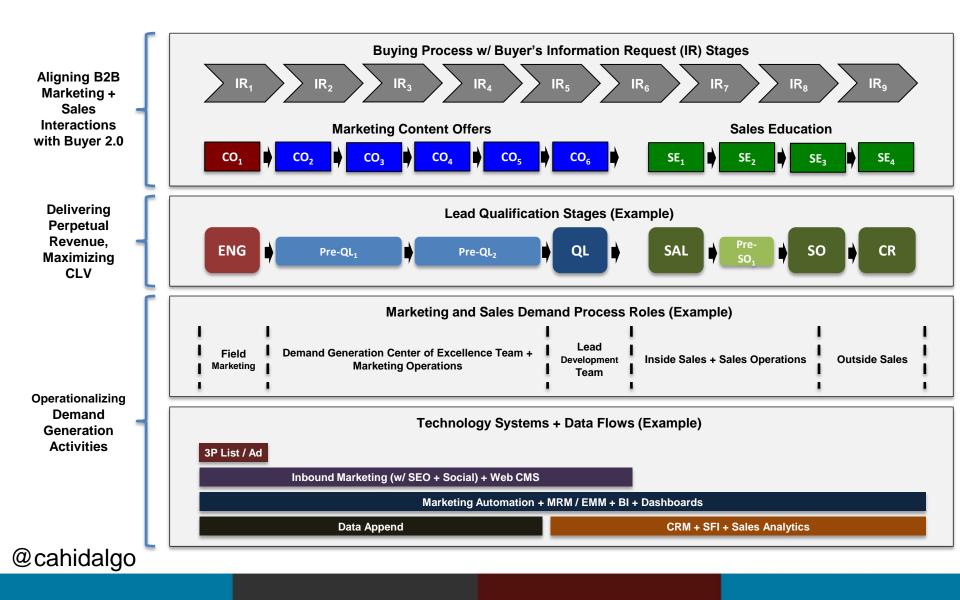
#### **REVENUE-ORIENTED**

- Delivering perpetual revenue, maximizing CLV
  - Taking a strategic, outcome-oriented approach to identifying, qualifying and Converting B2B buyer interest into predictable, repeatable, sustainable revenue and to maximizing customer lifetime value

#### **INTEGRATED + ORCHESTRATED**

- Operationalizing demand generation activities
  - Treating the sequence of Engagement, Nurturing and Conversion of B2B buyer demand into revenue as a series of steps -i.e., as a buyer-state-Conversion process -- that can be both managed and optimized

#### **Understanding the 'Layers' of Demand Process**



## **Building Blocks for Demand Process**



#### Rationalizing & Providing Continuity Across Demand Generation Activities

#### Engage

#### Nurture

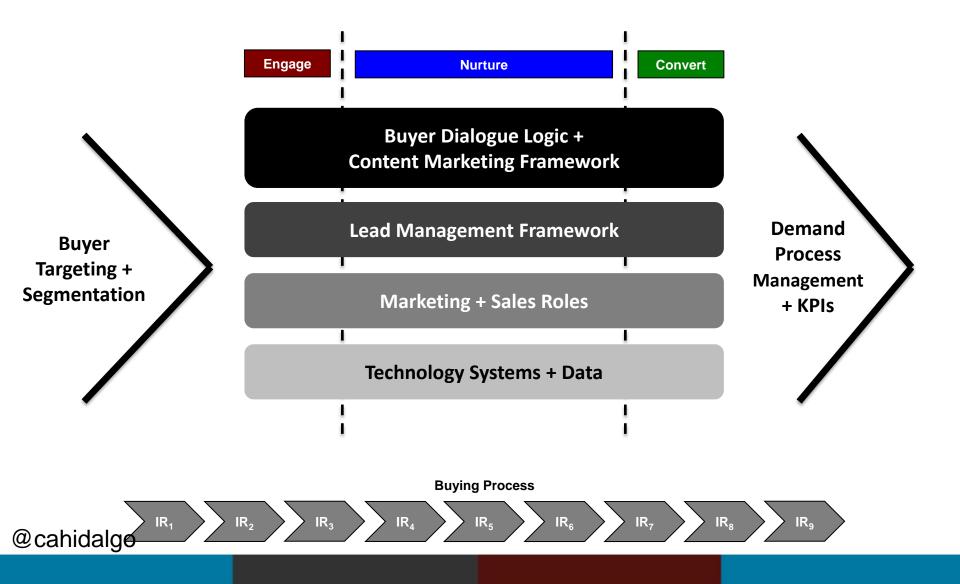
Engage targeted buyers – via both inbound and outbound channels – in dialogue via top-of-mind issues, interests and pain points; capture them as a 'Nurture-able' contact / Engaged lead; outbound Engagement often is periodic; inbound Engagement is perpetual; improving performance of Engagement is via both targeting and Content Offer relevance and tuning.

Continue dialogue – moving from top-of-mind issues, interests and pain points to potential solution categories to specific offerings in these categories – progressively profiling and scoring buyer throughout; Nurturing is perpetual; improving performance of Nurturing is via optimization of Content Offers, program logic and scoring. Convert

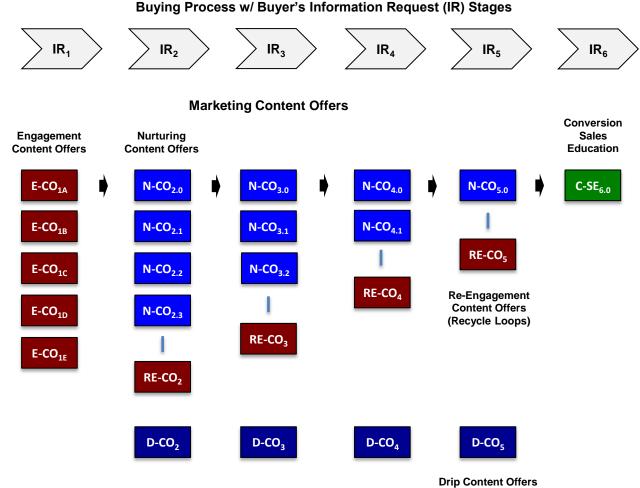
Leverage profiling and scoring to escalate the dialogue at the right time – identifying and driving purchase behavior; improving performance of Conversion is via better aligning upstream 'signs' that are assessed via segmentation and scoring with specific purchase behavior; Conversion requires a combination of automated and live interactions.



## **Structuring Demand Process Layers**



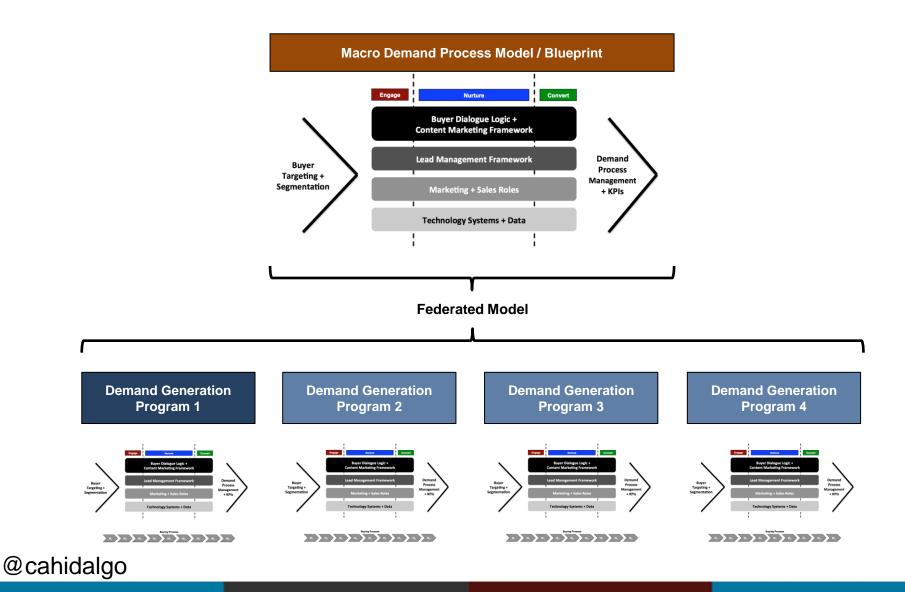
#### **Building Buyer-driven, Perpetual Demand Generation Programs**



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(Recycle Loops)

#### **Delivering a Federated Approach**



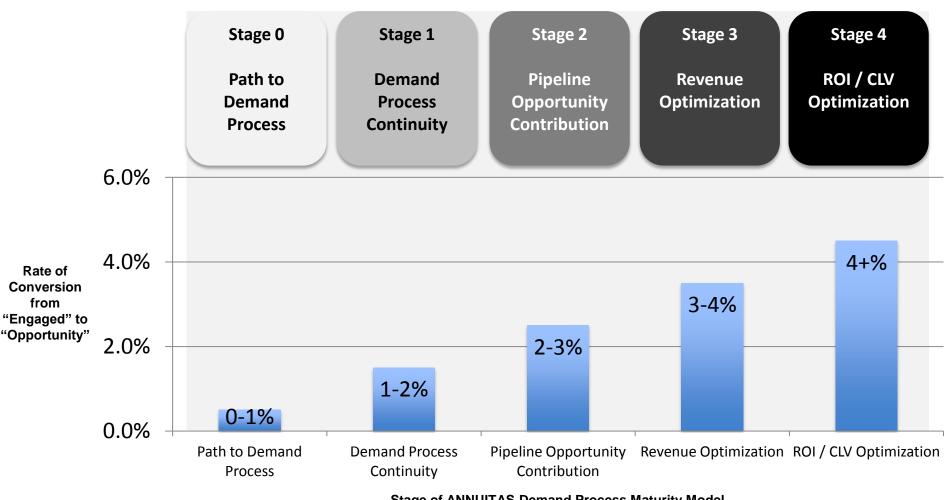
## Transforming + Optimizing Demand Process



#### **ANNUITAS Demand Process Maturity Model**

Stage 0 Path to Demand Process	Stage 1 Demand Process Continuity	Stage 2 Pipeline Opportunity Contribution	Stage 3 Revenue Optimization	Stage 4 ROI / CLV Optimization
<ul><li>Outcome Focus</li><li>None</li><li>Activity-based approach</li></ul>	<ul> <li>Outcome Focus</li> <li>Basic Qualified Leads production</li> <li>Complete, closed-loop tracking</li> </ul>	<ul> <li>Outcome Focus</li> <li>Higher volume of higher-quality Qualified Leads</li> <li>Predictable Opportunities</li> </ul>	<ul> <li>Outcome Focus</li> <li>Higher volume of higher-quality Opportunities</li> <li>Predictable revenue</li> </ul>	<ul> <li>Outcome Focus</li> <li>Demand generation ROI</li> <li>Customer lifetime value</li> </ul>
Governance Level • Tactical marketing activity management @ cahidalgo	Governance Level • End-to-end process documentation	<ul> <li>Governance Level</li> <li>Process standards / best practices</li> <li>Lead-stage conversion governance</li> </ul>	<ul> <li>Governance Level</li> <li>Process optimization</li> <li>Content / behavioral model governance</li> </ul>	<ul> <li>Governance Level</li> <li>Predictive process</li> <li>Key account targeting + high- value customer management governance</li> </ul>

#### **ANNUITAS Demand Process Maturity Model**



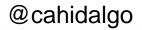
Stage of ANNUITAS Demand Process Maturity Model

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**Source:** Based on synthesis of ANNUITAS client performance data, benchmarked against industry data from a number of sources, including Eloqua, Forrester, Marketo and SiriusDecisions.



- Put the buyer at the center
- Address gaps in the middle of your funnel
- Build an end-to-end Demand Process
- Constantly optimize your Demand Process



#### **THANK YOU**

**Carlos Hidalgo** 

Email: <u>Carloshidalgo@annuitas.com</u> Twitter:@cahidalgo



**Next Steps** 

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## Need it today Call: 1 (877) 530-1555 Email: sales@act-on.com







