

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

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Who is ANNUITAS?

• Founded in 2005

- Transform Demand Generation
- Global enterprise organizations





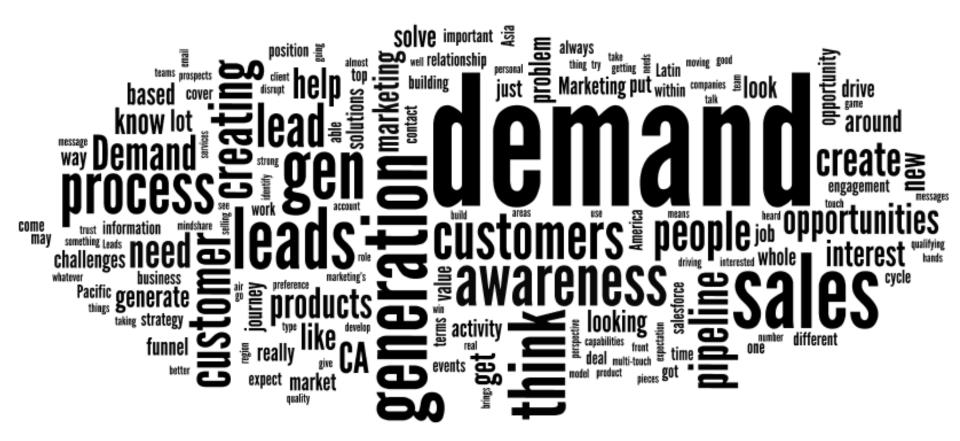
- Our Modern Demand Generation Pain Points
- What's Really Going On?
- Demand Process
- Closing Points



How Do You Define Demand Generation?



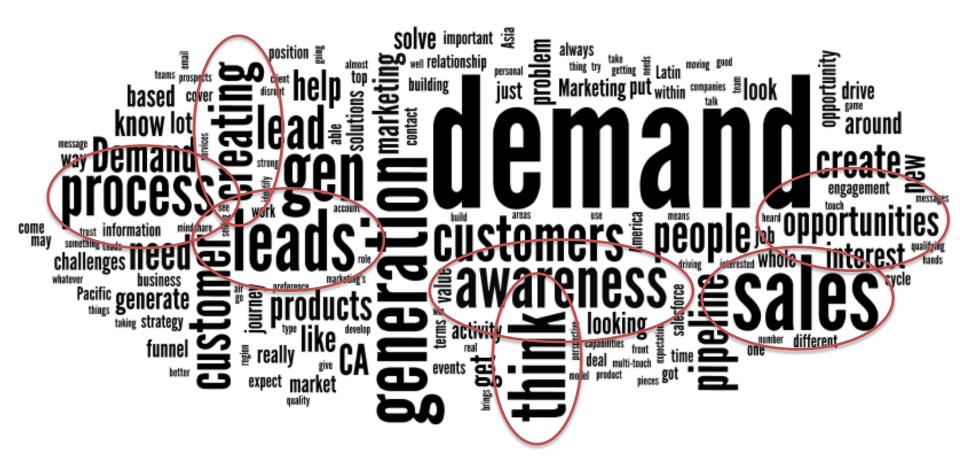
Defining Demand Generation



Defining Demand Generation



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?

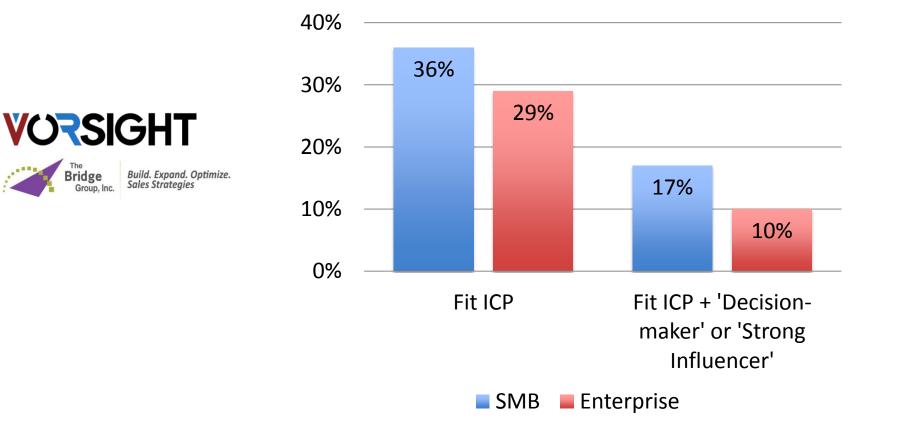


Build. Expand. Optimize. Sales Strategies

"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."

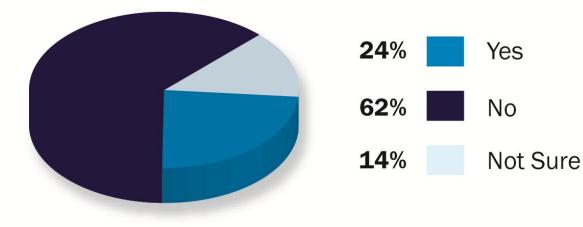


Dispelling Myths: Enterprise Organizations DON'T Necessarily Do It Better ...



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."



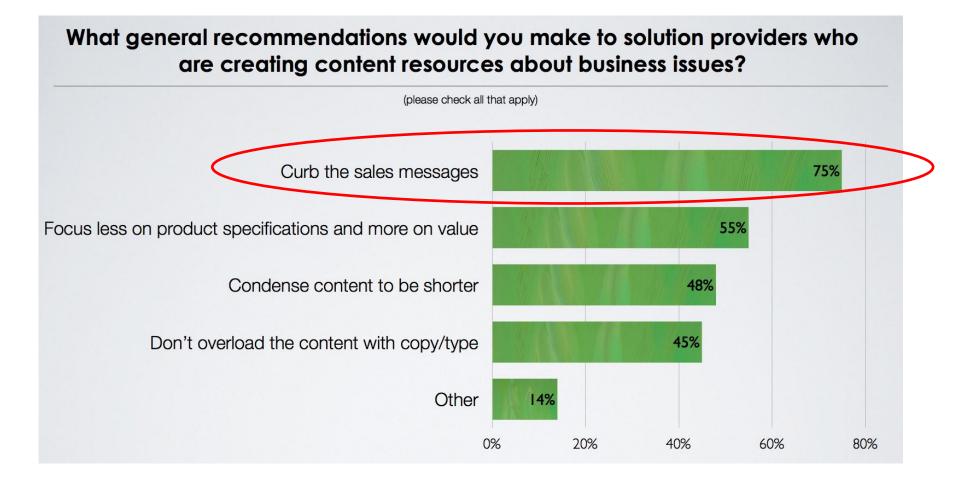
Source: Tim Riesterer, "Three B2B Value-Proposition Rules That Create Preference, Not Just Parity," 2010.

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



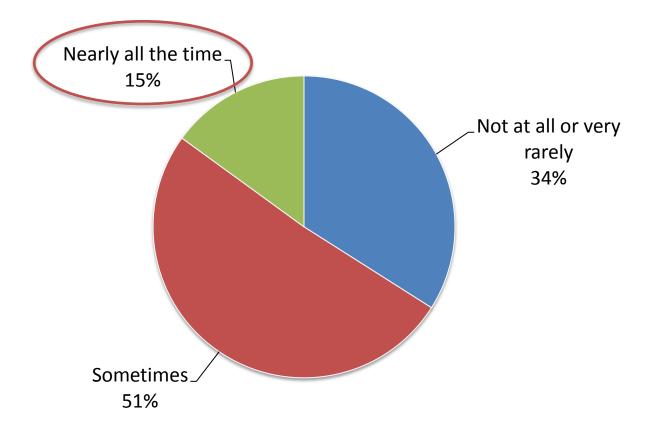
What's Really Going On?

Balancing the Demand Equation

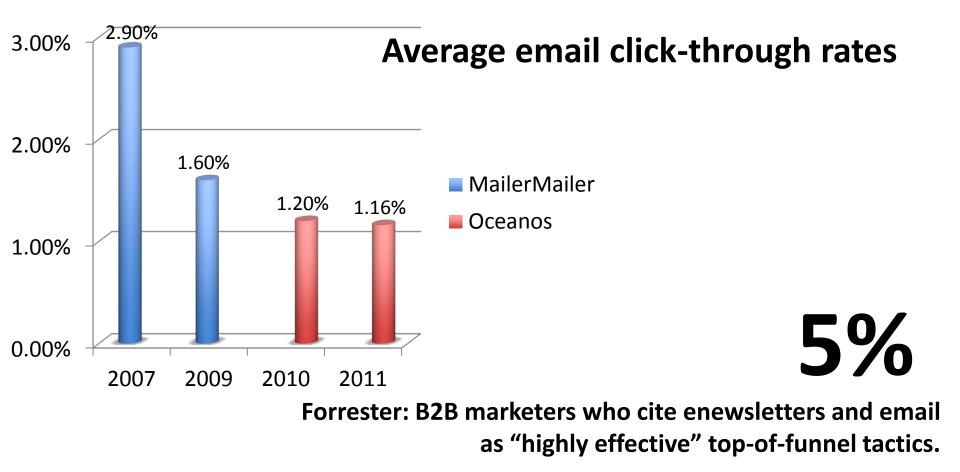
Demand Generation Core Issues	We're not really connecting with buyers, or supporting their buying process, in a value-added fashion	We're not really building a foundation for a continuous and long–term relationship with buyers	
New Action Items	Stop 'selling,' start educating	Shift attention to middle-of-the-funnel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



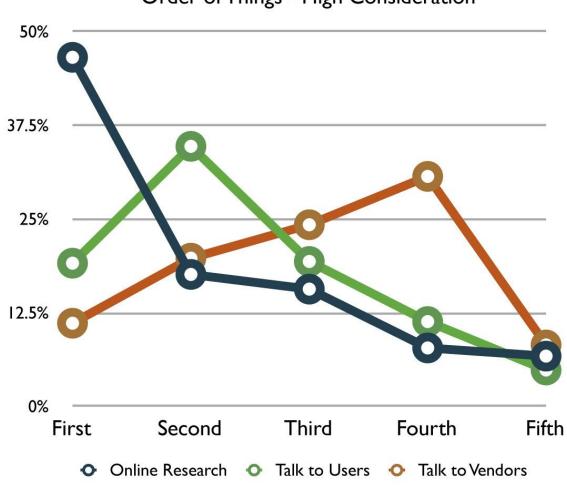
"One-and-done" Outbound Engagement Tactics Are Declining in Performance



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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.



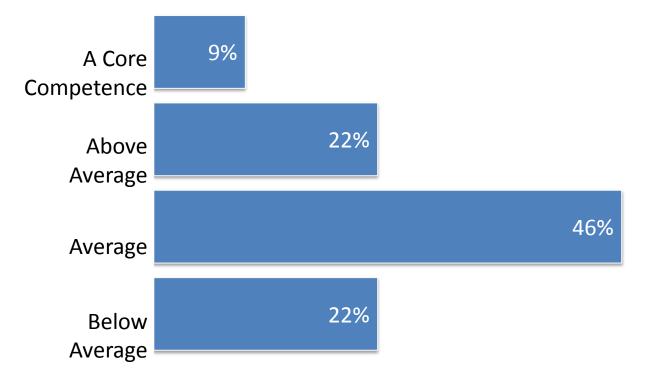
Source: Hubspot (Georgieva, M.), "20 Revealing Stats, Charts, and Graphs Every Marketer Should Know," May 2012.



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

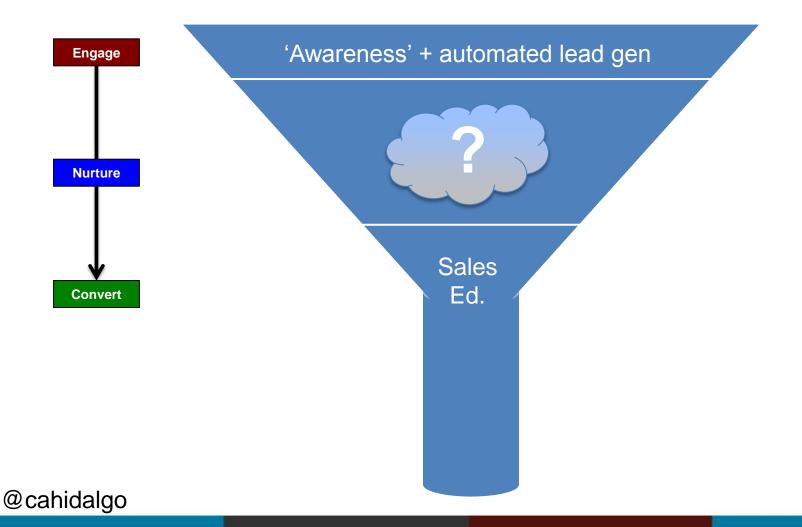


"Fewer than one-fourth of [B2B organizations] have defined a leadto-revenue management process that their marketing and sales teams follow. Included in that number are only 5% who claim that every prospect interaction is orchestrated."

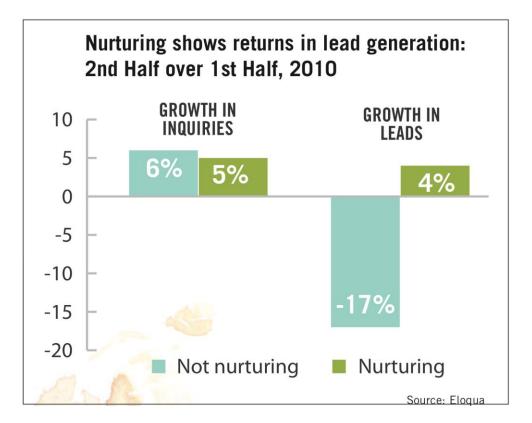
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Source: Forrester (J. Ernst), "The State Of B2B Demand Generation: Disjointed," 2011

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

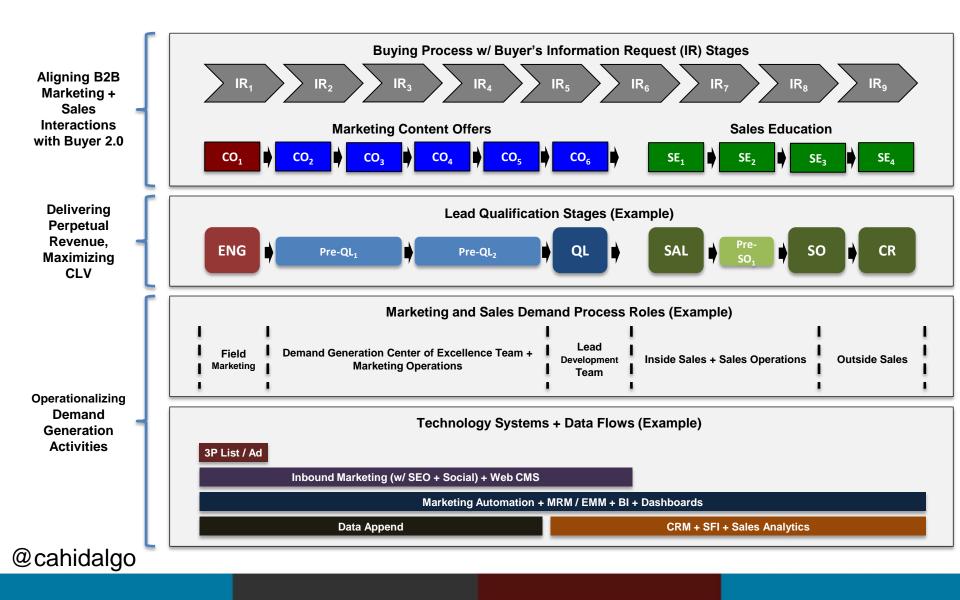
REVENUE-ORIENTED

- 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

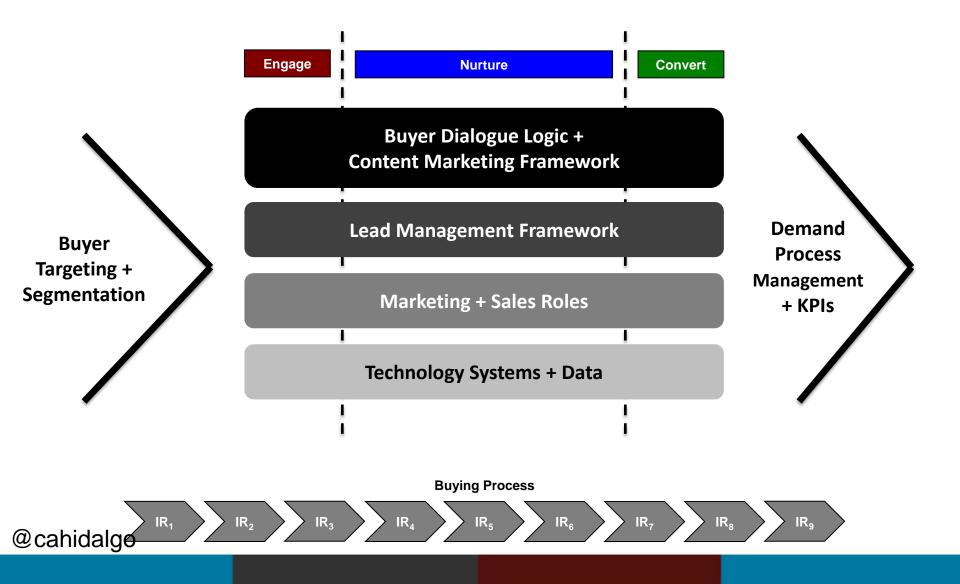
Engage targeted buyers – via both inbound and outbound channels – in dialogue via top-of-mind issues, interests and pain points; capture them as a 'Nurture-able' contact / Engaged lead; outbound Engagement often is periodic; inbound Engagement is perpetual; improving performance of Engagement is via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

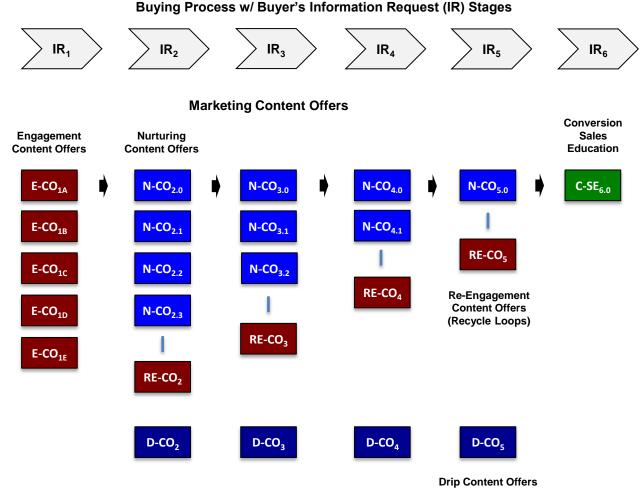
Leverage profiling and scoring to escalate the dialogue at the right time – identifying and driving purchase behavior; improving performance of Conversion is via better aligning upstream 'signs' that are assessed via segmentation and scoring with specific purchase behavior; Conversion requires a combination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



Structuring Demand Process Layers



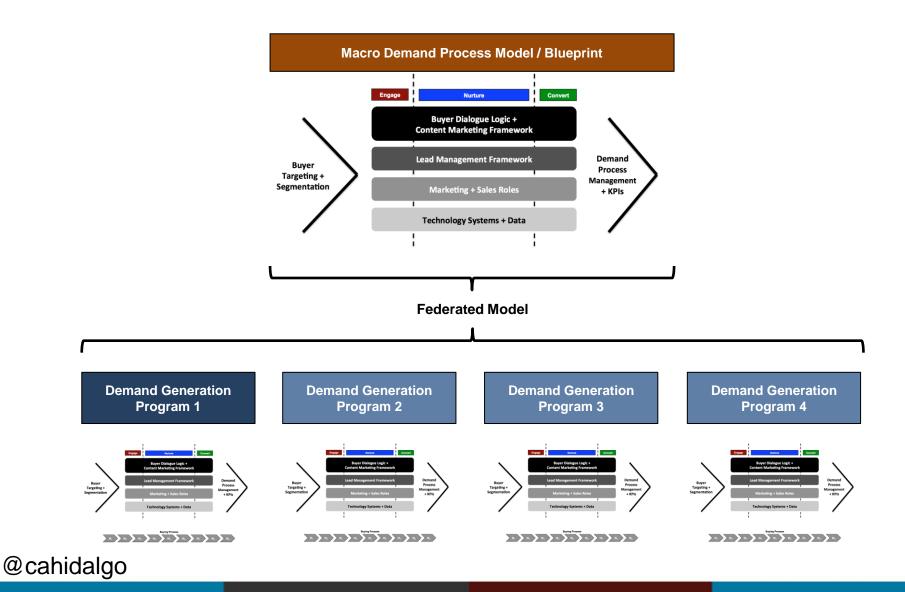
Building Buyer-driven, Perpetual Demand Generation Programs



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(Recycle Loops)

Delivering a Federated Approach



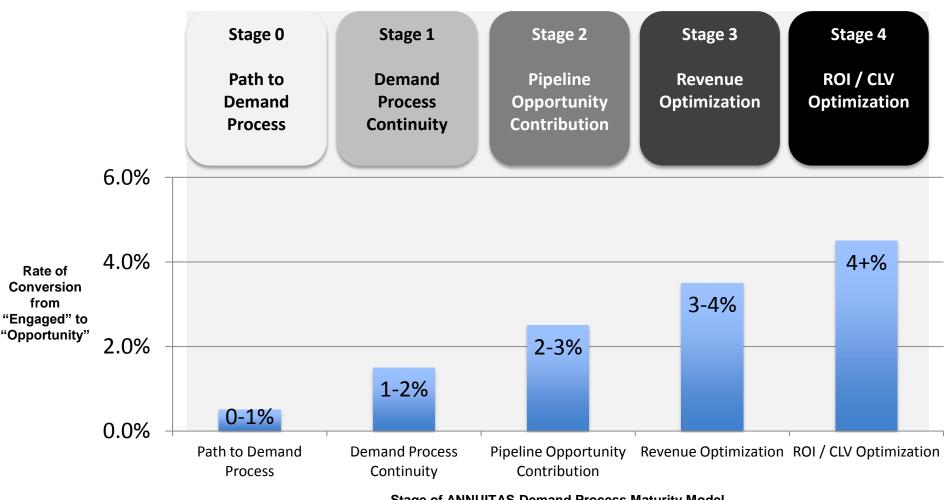
Transforming + Optimizing Demand Process



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
Outcome FocusNoneActivity-based approach	 Outcome Focus Basic Qualified Leads production Complete, closed-loop tracking 	 Outcome Focus Higher volume of higher-quality Qualified Leads Predictable Opportunities 	 Outcome Focus Higher volume of higher-quality Opportunities Predictable revenue 	 Outcome Focus Demand generation ROI Customer lifetime value
Governance Level • Tactical marketing activity management @ cahidalgo	Governance Level • End-to-end process documentation	 Governance Level Process standards / best practices Lead-stage conversion governance 	 Governance Level Process optimization Content / behavioral model governance 	 Governance Level Predictive process Key account targeting + high- value customer management governance

ANNUITAS Demand Process Maturity Model



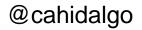
Stage of ANNUITAS Demand Process Maturity Model

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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

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Next Steps

Sign up for a demo <u>www.act-on.com</u>

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







