

ALIGNMENT, TECHNOLOGY, AND REVENUE IMPACT



Critical Links for Sales
& Marketing Success

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Introduction

Modern B2B organizations clearly understand the merits of sales and marketing alignment: According to the *2015 Act-On Sales & Marketing Alignment Survey*, 98% say alignment is critical to business success.

This is good news for many of the sales and marketing professionals surveyed: Almost three out of four organizations report some degree of alignment, and 17% describe themselves as “completely aligned.”

Of course, many firms still consider themselves misaligned, and the majority of those reporting some level of alignment still have work to do. These firms should consider two questions as they decide how (and perhaps why) to continue this journey:

1. **What makes alignment so “critical” to business success?**
2. **Are there certain people, process, or technology initiatives that may be especially useful or impactful for those seeking alignment?**

There’s no doubt about the first question: As we’ll explain below, there is a clear relationship between alignment and revenue performance, although the truth about this relationship is a bit more complicated than it appears to be at first.

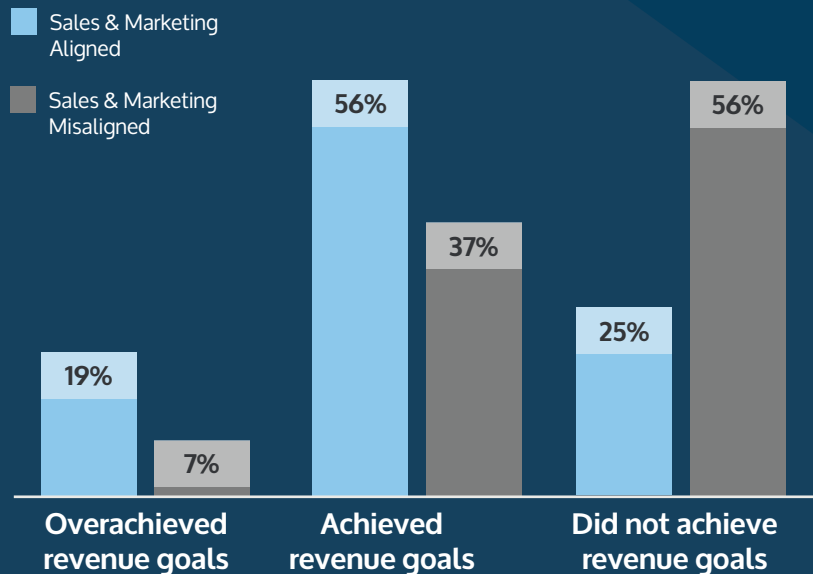
The second question leads to some interesting and perhaps surprising conclusions about the role that sales and marketing technology plays in sales and marketing alignment. In a nutshell, when organizations consider how best to use technology to support alignment, they may want to consider a variation on an old saying:

There is a clear relationship between alignment and revenue performance.

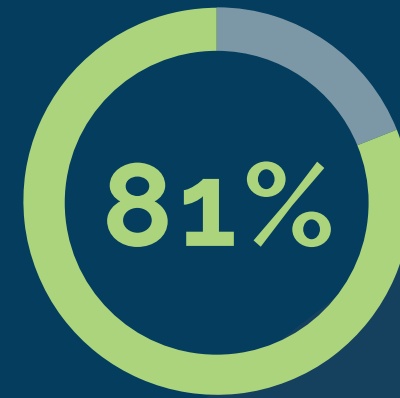
Does Alignment Matter? Only If You Like Making Money

Sales & Marketing Alignment Survey,
Act-On Software and Ascend2,
N=336, June 2015

Q1: To what extent is your company achieving its revenue goals?



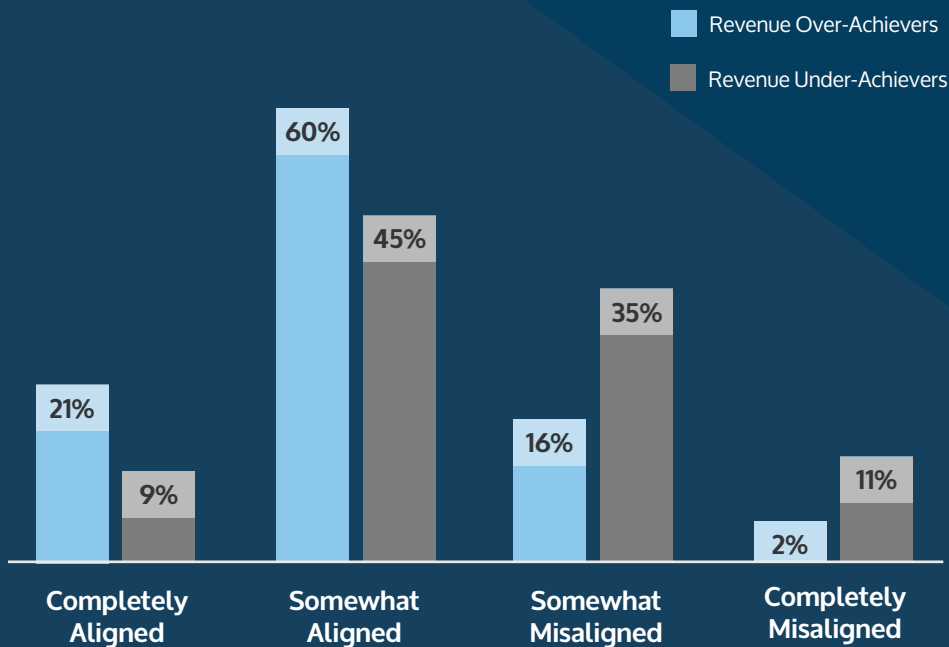
This year's survey shows one reason why sales and marketing professionals see alignment as a critical success factor: 56% of aligned organizations met their revenue goals, and 19% beat their goals. Among misaligned organizations, by comparison, 37% met their revenue goals, and just 7% beat them.



81%
of the companies that beat their revenue goals describe their sales and marketing groups as "somewhat" or "completely" aligned.

A different view of this data yields an even more compelling result: 81% of the companies that beat their revenue goals describe their sales and marketing groups as "somewhat" or "completely" aligned.

Q2: How well are your sales and marketing teams currently aligned?



While the correlation between alignment and revenue is clear, this doesn't necessarily mean that alignment causes improved revenue performance. This cause-and-effect relationship is real, and it's certainly important, but finding it requires that marketers take a different point of view.

Uncovering The Link Between Alignment & Revenue

Alignment isn't a specific activity; it's more of a way to describe sales and marketing organizations that (among other things) have learned to:

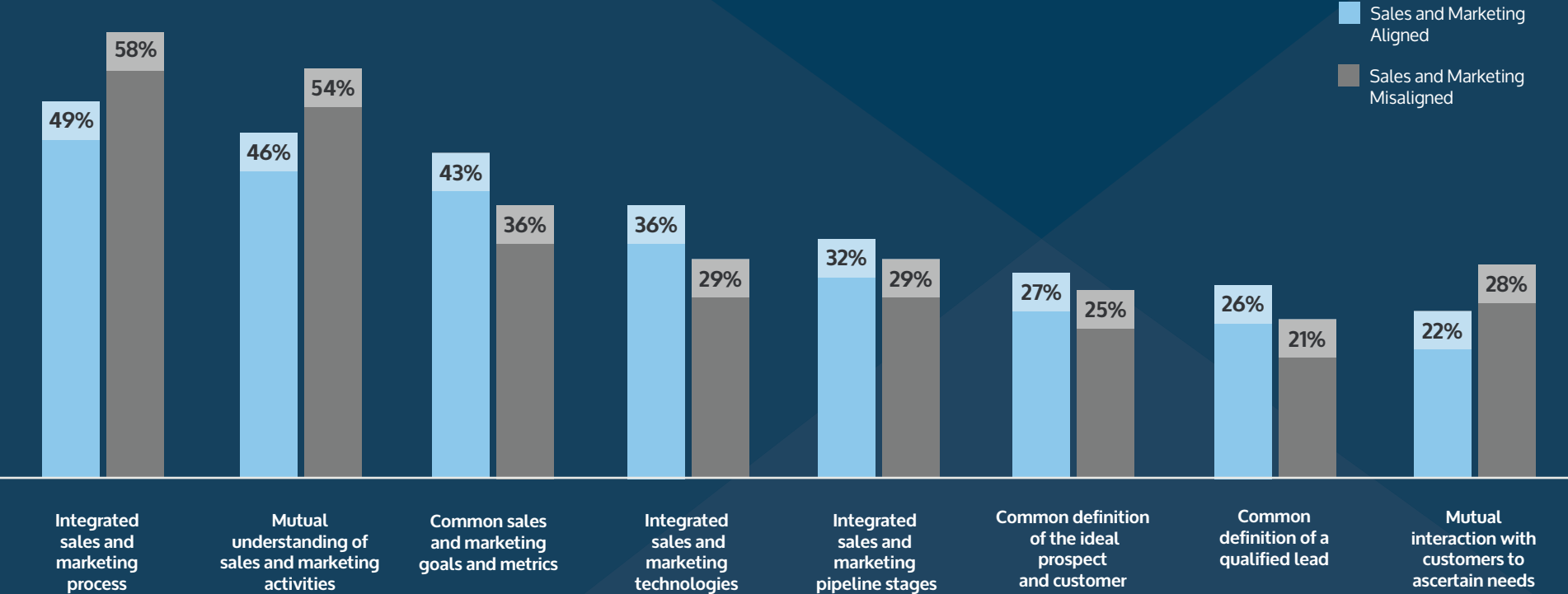
- Communicate clearly
- Collaborate effectively
- Speak a common language
- Measure against shared standards
- Employ integrated business processes
- Work towards common goals

Even at this level, it's necessary to take one more step: Identifying the organizational, business process, and technology initiatives that enable these improvements. This is where sales and marketing organizations do the hard work and make the investments that ultimately lead to alignment. (We'll look at some of these factors in this eBook.)

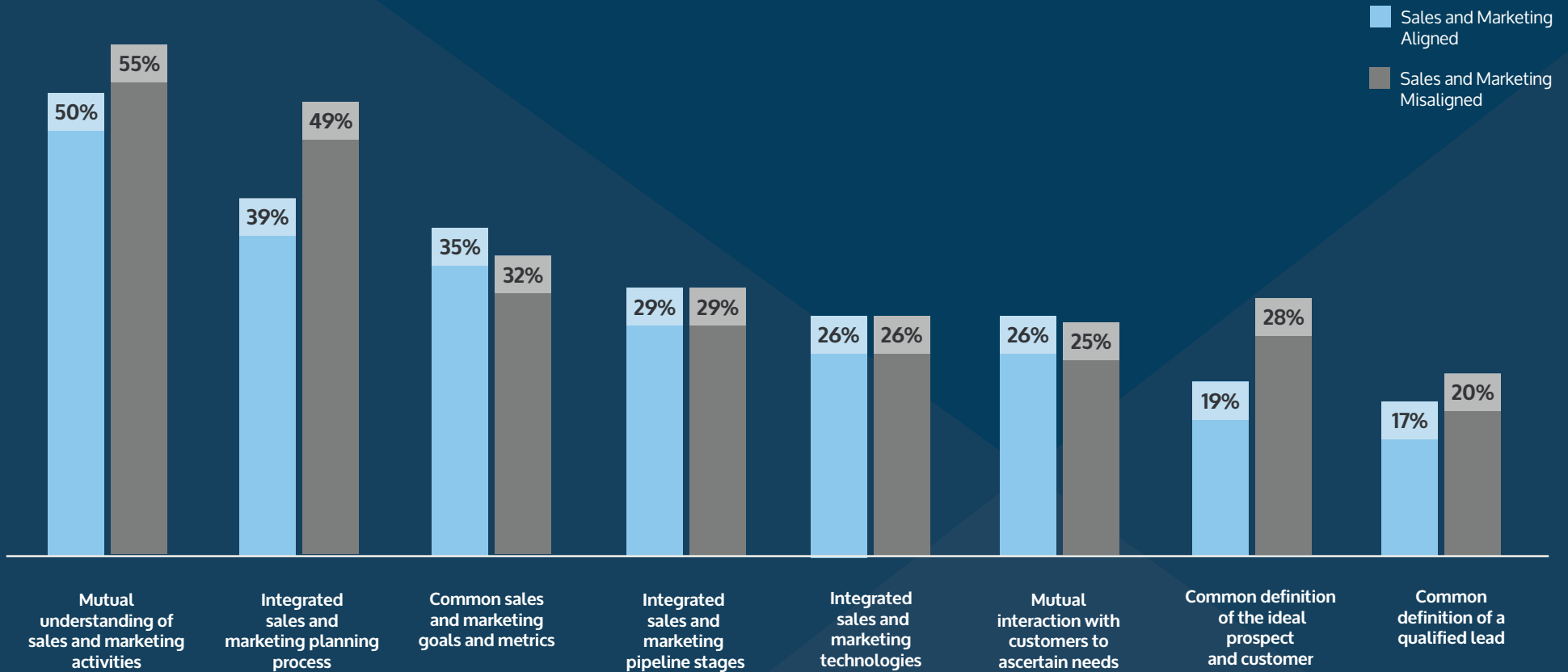
This is also the place to look for the reasons why alignment and revenue performance so frequently appear together. It's reasonable to assume that the same initiatives that support alignment also play a significant role in improving revenue performance.

Enabling Alignment: The Hidden Impact of Sales & Marketing Alignment

Q3: What are the MOST IMPORTANT PRIORITIES for aligning sales and marketing?



Q4: What are the MOST DIFFICULT CHALLENGES to aligning sales and marketing?



Technology-focused issues don't appear to be a particularly high priority, even for aligned organizations, and they also aren't regarded as being unusually difficult. However, the

nature and extent of modern sales and marketing technology – and the numbers – suggest that there's more to the story.

Enabling Alignment: The Hidden Impact of Sales & Marketing Alignment (continued)

This causal relationship between alignment and revenue underlines just how important it is for organizations to identify the individual pieces they need to solve the alignment puzzle. One way to do this is to look at what types of initiatives matter most to aligned organizations. In addition, assessing the relative difficulty of these initiatives can help sales and marketing teams plan and prioritize their own alignment programs.

Technology Plays A Major Role in Alignment

People and process issues rank high on both counts. There's general agreement, for example, that a mutual understanding of sales and marketing activities is the single most important prerequisite for alignment. This is also the most difficult initiative for many organizations – a reflection of the time- and labor-intensive nature of the activities involved in doing so.

Begin with the fact that technology integration – the only category that explicitly mentions technology – is just one aspect of sales and marketing technology. Marketing technology alone now encompasses nearly 2,000 products

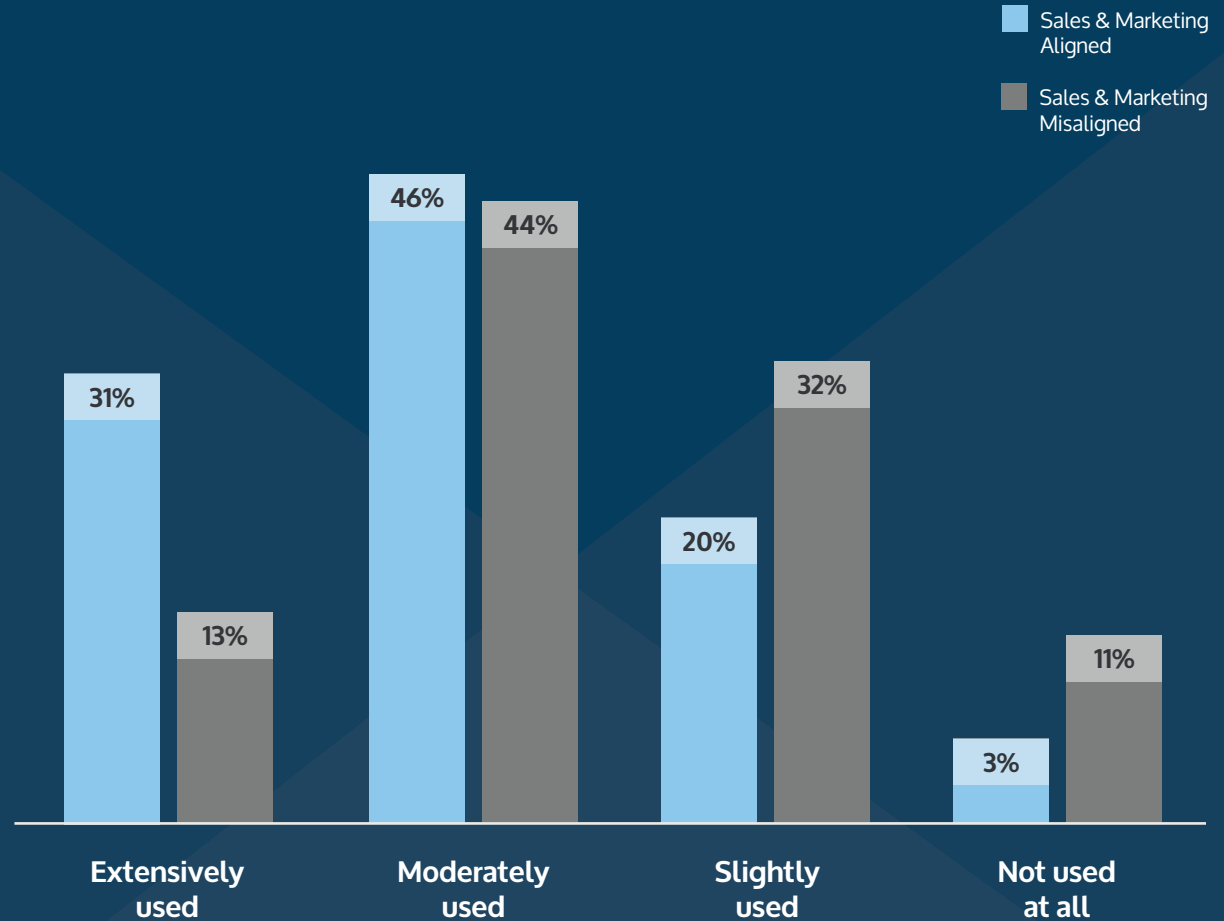
in more than 40 categories; these solutions touch virtually every modern marketing activity, including the planning and process issues that have such a major impact in areas such as pipeline volume and velocity, lead quality and cost per conversion.

By this standard, technology actually plays a major role – but one that is often overlooked or even hidden – in almost every high-priority sales and marketing alignment initiative.

Planning and process issues have a major impact on pipeline volume, lead quality, and cost per conversion.

Technology & Alignment: It's Not What You've Got – It's How You Use It

Q5: To what extent does your company use sales and marketing technologies?



Technology & Alignment: It's Not What You've Got – It's How You Use It (continued)

It's important to look at how organizations actually use the technology they purchase. In fact, some of the most surprising findings in the survey centered on this question. The evidence strongly suggests that technology has a profound impact on alignment when it is used extensively and integrated effectively.

More specifically, the survey data supports three conclusions:

- **Alignment without technology is rare.** Going “organic” is great for your food, but it's terrible for your job: Just six firms, or 3% of the respondents in the aligned category, said they achieved alignment without using sales and marketing technology.
- **Moderation isn't always a good thing.** Roughly the same percentage of aligned and misaligned organizations reported that they “moderately used” sales and marketing technology.
- **Going all the way gets results.** Nearly 1 in 3 aligned organizations said they “extensively used” sales and marketing technology – more than double the percentage of misaligned firms in this category.

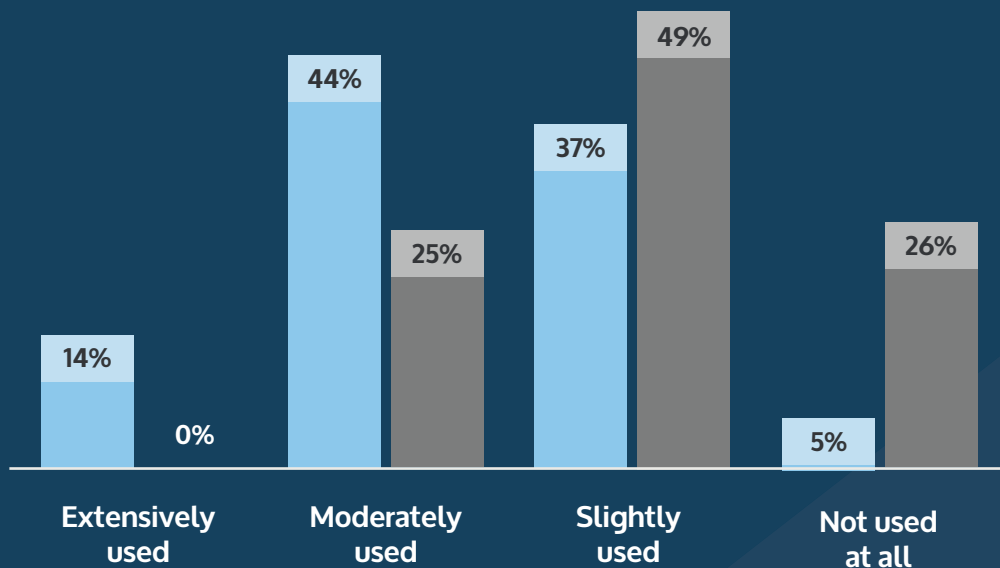
It's tempting to look at the third conclusion in terms of the two-thirds of aligned firms that do not make extensive use of technology. The more significant trend, however, is the strong correlation between extensive technology use and alignment. It suggests that a comprehensive approach to technology investments can help to ensure the success of alignment initiatives.

A comprehensive approach to technology investments can help to ensure the success of alignment initiatives.

Technology Integration: Taking Alignment to the Next Level

Q6: To what extent are sales and marketing data and workflows integrated?

■ Sales & Marketing Aligned
■ Sales & Marketing Misaligned



Integration is widely regarded as one of the fundamental traits that define sales and marketing alignment. This includes the use of integrated technology to ensure the efficient movement of leads and other forms of data, effective metrics and reporting, and shared access to key business processes and workflows.

Integration also reinforces the idea that using technology to support alignment isn't just a matter of investment – it's also a matter of commitment.

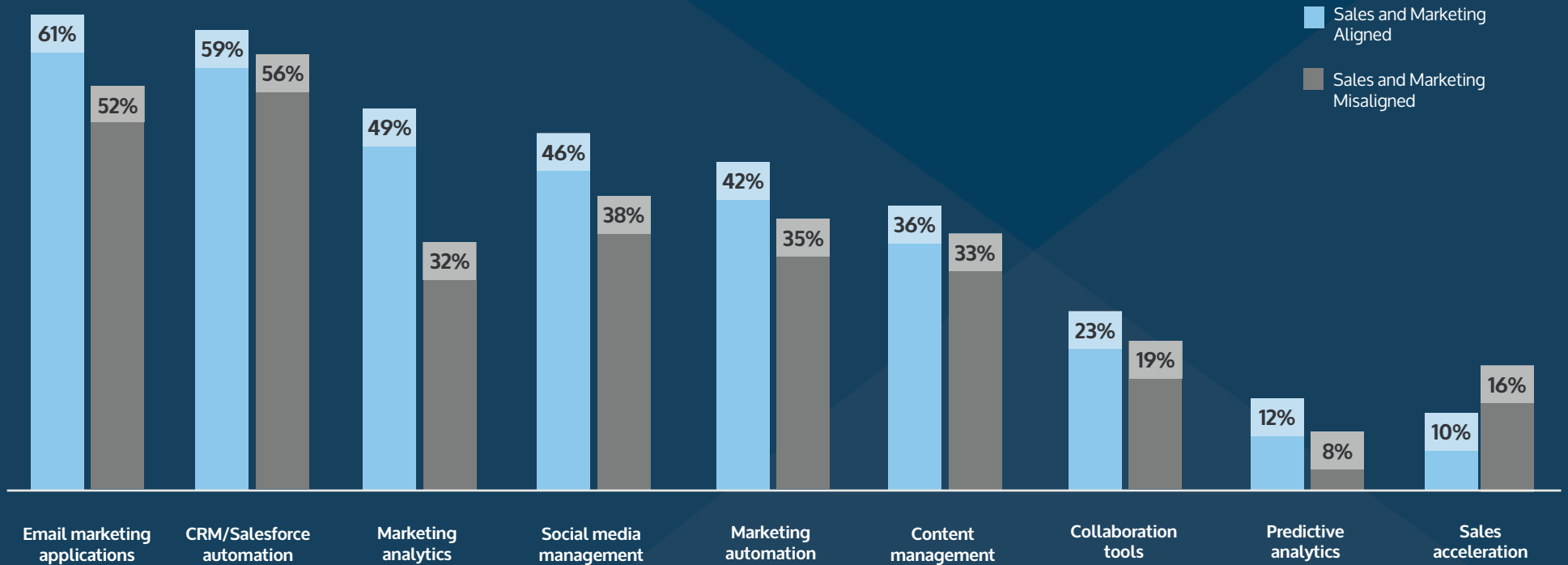
In this case, all organizations that employed extensive sales and marketing technology integration also said they were aligned; conversely, all but a handful of organizations that eschewed technology integration were misaligned.

This relationship between integration and alignment supports the notion that a more comprehensive approach to using technology can help to ensure that an organization gets (and stays) on the path to full sales and marketing alignment.

Applications & Alignment:

A Tale of Two Software Stacks

Q7: What types of sales and marketing technologies are used in your company?



Applications & Alignment:

A Tale of Two Software Stacks (continued)

As we noted previously, sales and marketing technology today encompasses a vast ecosystem of software and services. Because of this, it's useful to look at which applications are most commonly used in aligned organizations.

The survey data suggests that within most aligned organizations, email marketing and CRM solutions play the leading roles, while marketing analytics, social media management, and marketing automation are somewhat less prominent.

But a different conclusion emerges if we examine those aligned organizations that use technology extensively. These organizations typically implement a sales and marketing software stack that includes more applications and favors a different mix of solutions than their peers:

- Five types of sales and marketing solutions – marketing automation, email marketing, CRM, marketing analytics, and social media management – were cited by a majority of these organizations, versus just two solutions cited by the overall respondent group.

- Marketing automation solutions emerged as the most frequently used component within this group; 76% of the respondents said they used marketing automation, just ahead of the 73% now using CRM solutions.

Organizations that make extensive use of technology fall into a category that firms still seeking alignment would be wise to emulate.

If extensive technology use helps to ensure effective alignment, it seems that adopting marketing automation as part of an expanded software stack may reinforce this effect.

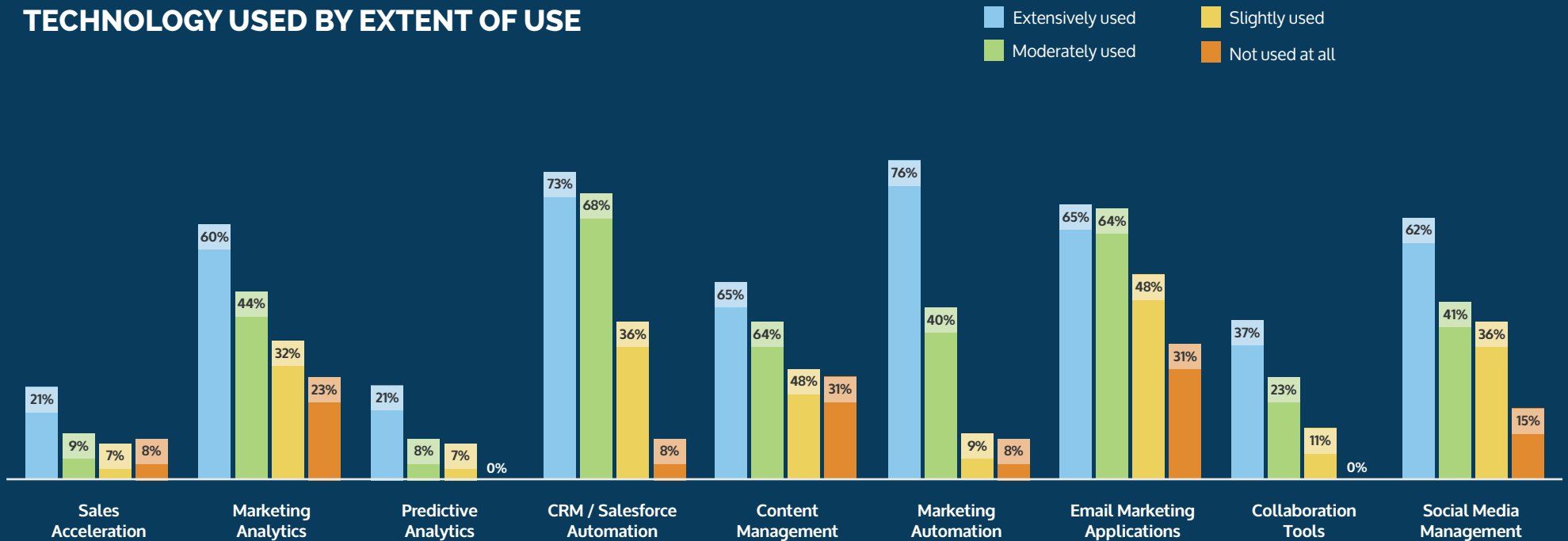
Applications & Alignment:

A Tale of Two Software Stacks (continued)

A deeper analysis of the survey results confirms what these findings suggest. Among organizations that use both marketing automation and CRM as part of an integrated technology stack, 77% met or beat their revenue goals,

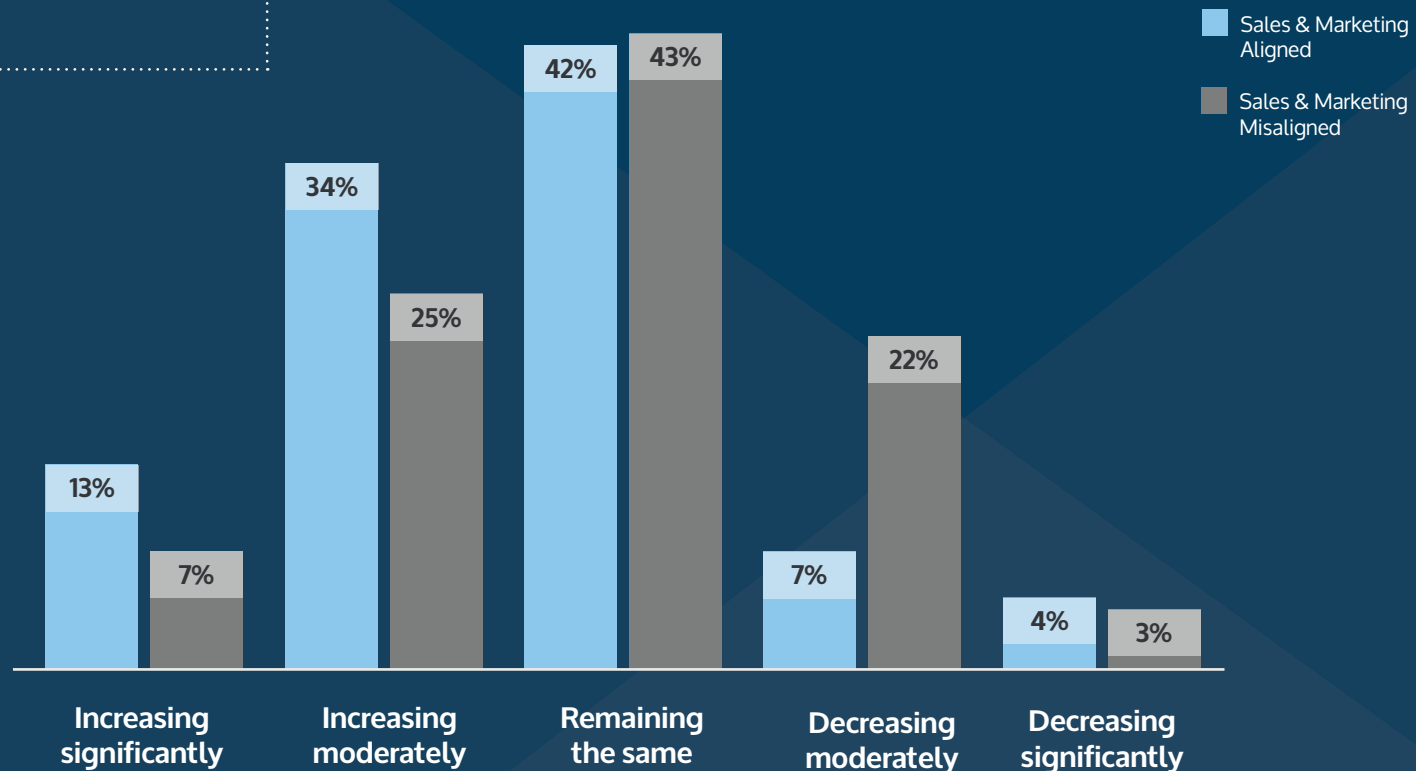
and 74% reported aligned sales and marketing teams. That's a remarkable and telling correlation between an organization's technology investments and business outcomes.

TECHNOLOGY USED BY EXTENT OF USE



Beating the Budget Blues: Another Reason Why Alignment Matters

Q8: Which best describes how your department's budget is changing?



Beating the Budget Blues: Another Reason Why Alignment Matters (continued)

Most organizations need look no further than the revenue benefits associated with alignment to justify (and fund) their own alignment initiatives. There's another reason, however, why alignment can have a very real financial impact on sales and marketing organizations.

According to this year's survey, misaligned firms were more than twice as likely to report sales and/or marketing budget cuts. Conversely, aligned organizations were 50% more likely to say they expect their budgets to increase. If sales and marketing leaders need any more evidence that alignment is closely tied to revenue performance (and probably to other business KPIs), this trend should provide it.

There's no silver bullet solution to alignment challenges; every organization will navigate its own complex set of people, process, and technology issues to get the results they expect. It is clear, however, that sales and marketing technology is an important aspect of alignment – especially given the benefits of comprehensive technology investments, effective integration, and the use of marketing automation within an organization's software stack.

There's no silver bullet solution to alignment challenges; every organization will navigate its own complex set of people, process, and technology issues to get the results they expect.

Methodology

In June, 2015, Act-On Software and Ascend2 examined the attitudes and opinions of 336 professionals participating in a survey regarding the alignment of their organization's sales and marketing people, processes and technologies. The online survey was fielded to Act-On and Ascend2 opt-in subscribers producing statistically valid findings that have been examined in a quantitative context by experienced analysts and reported objectively.

- The source of respondents completing the survey were **62% Ascend2 subscribers and 38% Act-On subscribers, at a 54% rate of completion.**
- The roles of survey respondents were **60% entirely or primarily marketing related and 40% entirely or primarily sales related.**
- The type of organizations participating in the survey were **82% business-to-business (B2B) and 18% business-to-consumer (B2C).**



About Act-On Software

Act-On Software is a marketing automation company delivering innovation that empowers marketers to do the best work of their careers. Act-On is the only integrated workspace to address the needs of the customer experience, from brand awareness and demand generation, to retention and loyalty. With Act-On, marketers can drive better business outcomes and see higher customer lifetime value. The Act-On platform provides marketers with power they can actually use, without the need for a dedicated IT resource.

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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.

Connect with Demand Gen Report to learn more

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