

W E L C O M E

Chasing the Evolution of the SiriusDecisions Demand Waterfall™ into 2013

There is no dial in telephone number associated with this webinar. The audio for this event will be streamed through your computer; you must have properly working speakers to enjoy this presentation.

This is an interactive event, questions are welcomed.

The screenshot shows a web application interface. On the left, there is a large white area with the text "Chasing the Evolution of the SiriusDecisions Demand Waterfall™ into 2013" in red. The top left corner features the "ConnectAndSell™" logo with "Conversations Matter" below it. The top right corner has a "Media Player" widget. Below that is a "Q&A" widget with a "Refresh" button, a text input field, and a "Submit" button. Below the Q&A widget is a "Twitter" widget with a "Post" button. At the bottom center, there is a row of five social media icons: a question mark, a speech bubble, a person, a Twitter bird, and a red speech bubble. The bottom right corner has a "ON2" logo.



Where sales and marketing meet

18 April 2013

#B2B (R)Evolution: *The SiriusDecisions Demand Waterfall in 2013*



Jason Hekl
Service Director, Demand Creation Strategies
 [@the_hekler](https://twitter.com/the_hekler)



Stu Schmidt
Chief Revenue Officer, ConnectAndSell
 [@Connectedseller](https://twitter.com/Connectedseller)

ConnectAndSell™

Conversations Matter



2013

THE REALITY OF DIALING

www.connectandsell.com



22 DIALS to get a **SINGLE CONVERSATION**



97 out of 100 calls **DO NOT REACH** the intended **CONTACT** on the initial connection



91% of leads **NEVER GET QUALIFIED** by sales



■ Direct Dial
■ Not Direct Dial

79% of phone numbers are **NOT DIRECT DIAL**



41% of all calls **REQUIRE 2-LAYERS** of navigation



1 minute 36 seconds on average to **NAVIGATE EVERY PHONE CALL** before getting the opportunity to talk with a targeted contact

About Sirius: What We Provide, How We Deliver



Advisory



Learning

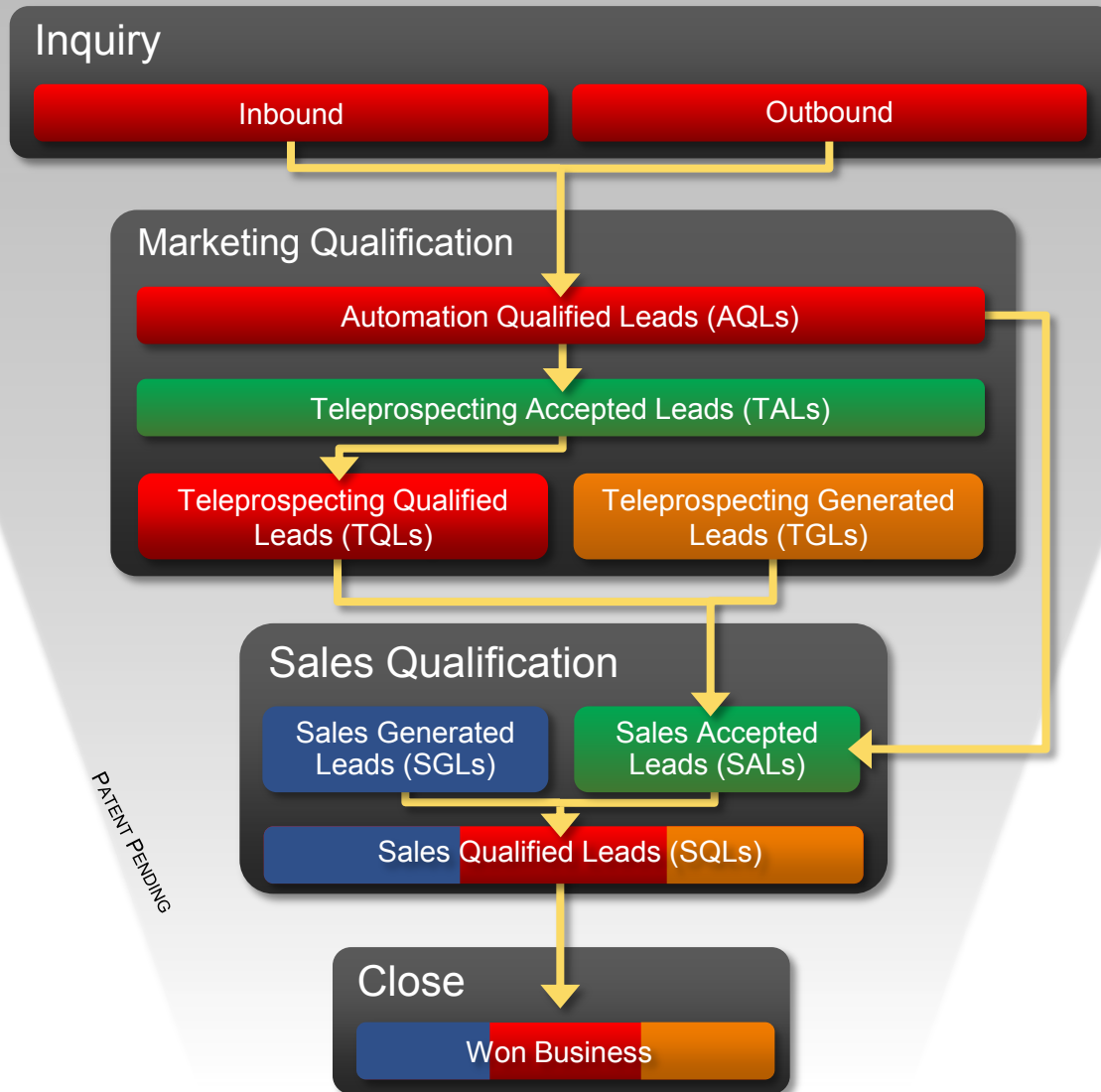


Events



Consulting

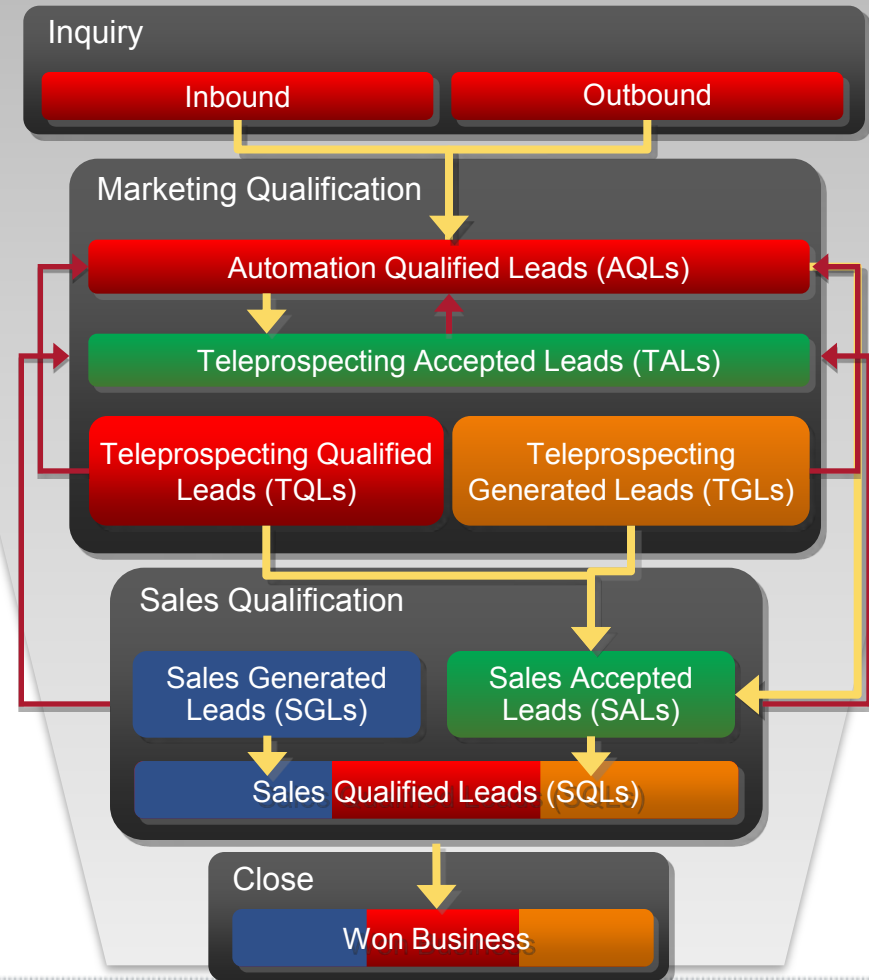
The Rearchitected Demand Waterfall



SLAs and the New Demand Waterfall

SiriusPerspective: There are five key sets of SLAs that drive efficiency and consistency in the end-to-end demand creation process.

Five Sets of SLAs



Today's Agenda

- **Automation.** The rise of Marketing Automation software (MAP) and its impact on demand creation
- **Qualification.** Nearly $\frac{2}{3}$ of the buyer's journey occurs independent of sales interaction, place more pressure on those crucial qualification conversations
- **Accountability.** How leading marketers are using the Demand Waterfall for modeling and planning a predictable revenue stream



An Under Utilized Enabler?



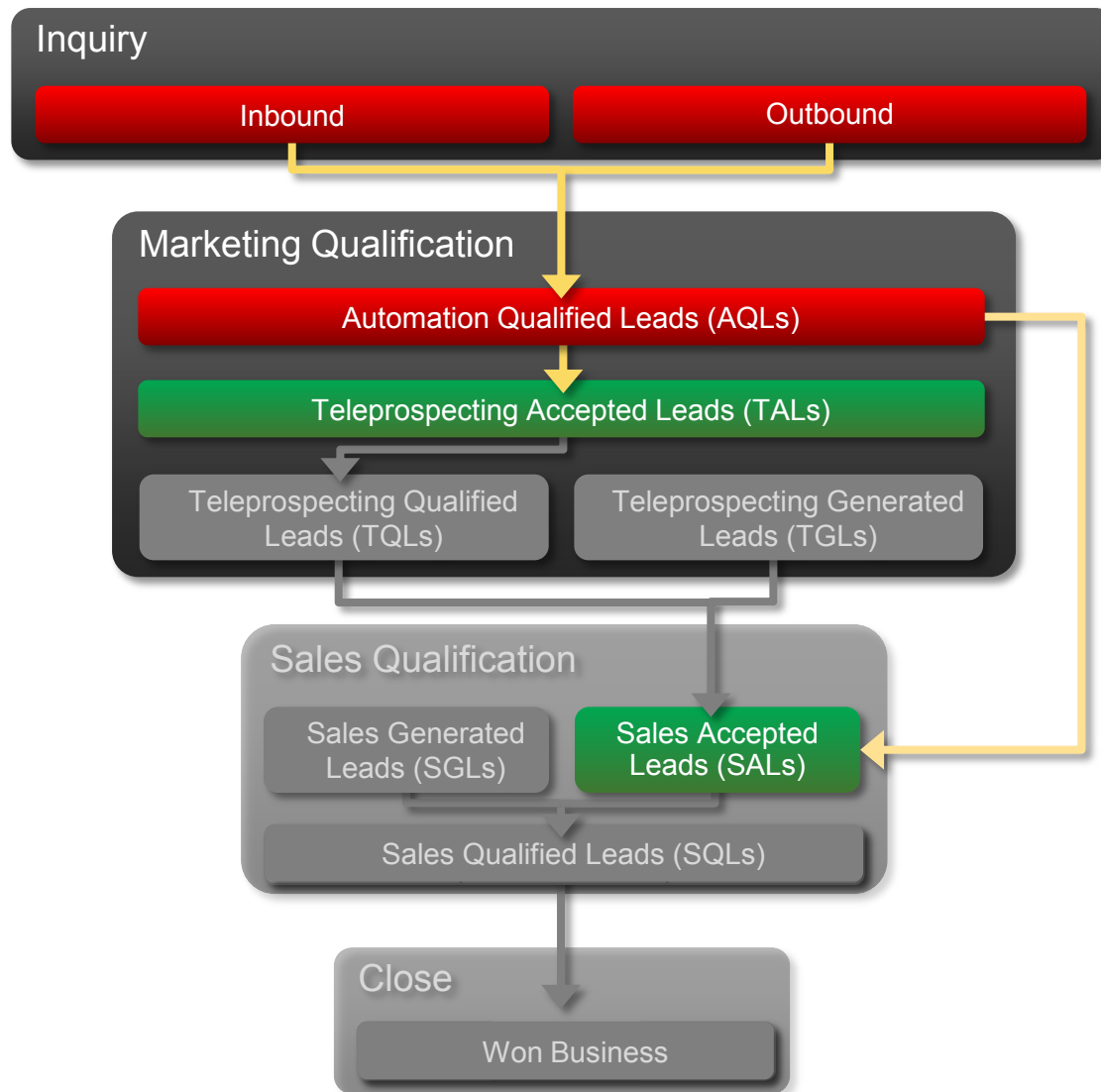
A mismanaged phone qualification function?



Are we striking the right demand creation balance?

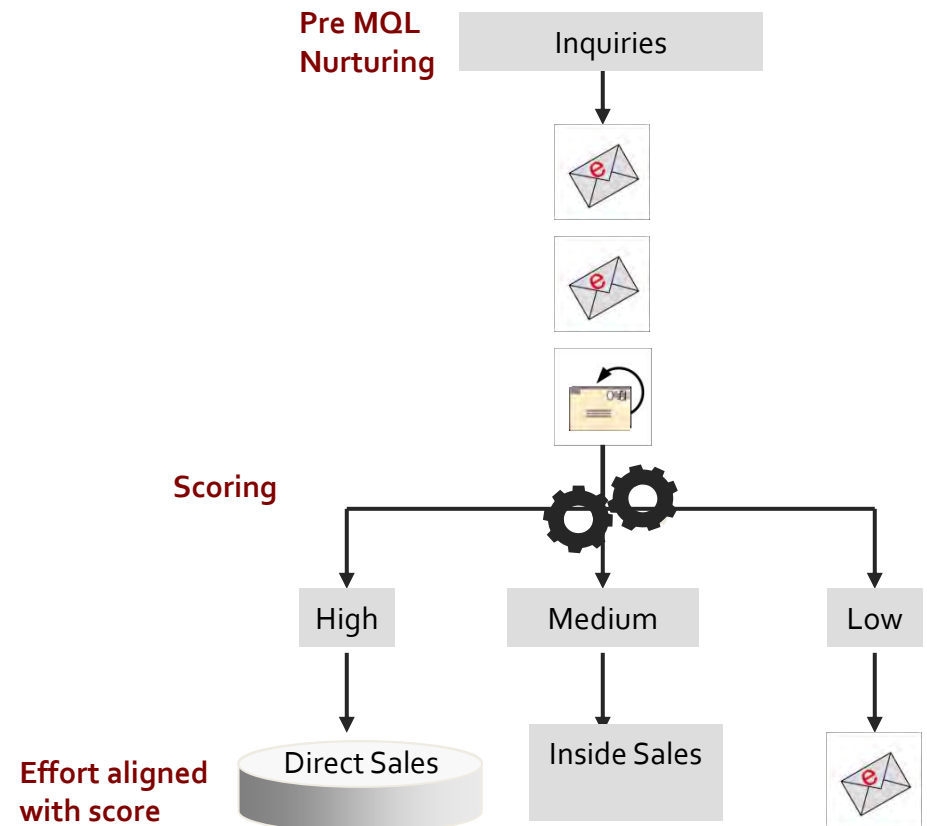
Part 1. Automation

AQL: The Role of Marketing Automation



AQL: The Role of Marketing Automation

- May use one or more mediums in communicating with a prospect (e.g. phone, email, post, retargeting).
- Automates and integrates sales, marketing and support activities.
- Enables personalized communication via rules, conditions and trigger events.
- Supports multi-touch, cross channel programs



Lead Scoring Building Blocks

SiriusPerspective: Many b-to-b organizations have moved past simple definitions and are now putting lead scoring schematics in place.

DEMOGRAPHICS

EXPLICIT



COMPANY



INDIVIDUAL



BUDGET



AUTHORITY



NEED



TIMEFRAME

PROPENSITY TO BUY

ACTIVITY

IMPLICIT



RECENCY



FREQUENCY



SIGNIFICANCE

Creating the Lead Scoring Model



Form the Team.

Sales and marketing collaborate to create the scoring model.



Select and Compare.

Select the categories and category values; compare them relative to each other.



Simulation.

Create test leads to model the accuracy of the scoring model.



Define the Objective.

Agree on the offering, desired outcome and level of qualification.



Deconstruct Deals.

Conduct post-mortems on closed won and closed lost opportunities.



Iterate.

Continue refining the scoring model until it ranks leads accurately.

Common Lead Scoring Pitfalls

Poor Ranges	
<i>Number of employees</i>	
Range	Score
0-100	5
100-20,000	8
20,000+	15

The range is too wide and could include almost all companies.

Highest Level Target	
Title Level	
Title	Score
C-Level	20
VP	17
Director	12

Higher (or bigger) isn't always better; could the VP or Director level be a better entry point?

Linear Scoring	
Company revenue	
Range	Score
\$0-\$100m	5
\$101-\$500m	10
\$500m+	15

"Linear scoring" doesn't help if the top range is 10x more likely to close than others.

Family Weighting	
Scoring "Families"	
Family	Score
Demographics	33%
Activity	33%
BANT	33%

If activity doesn't predict as well as demographics or BANT, why weight every family equally?

Lead Scoring Rollout Process

1



Control Group.

Select a targeted group of sales representatives.

2



Blind testing.

Have the control group qualify leads without seeing the lead score.

3



Iterate.

Continue refining the scoring model until it ranks leads accurately.

4



Roll out.

Measure the lift the lead scoring model delivers; reference when rolling it out to sales

5

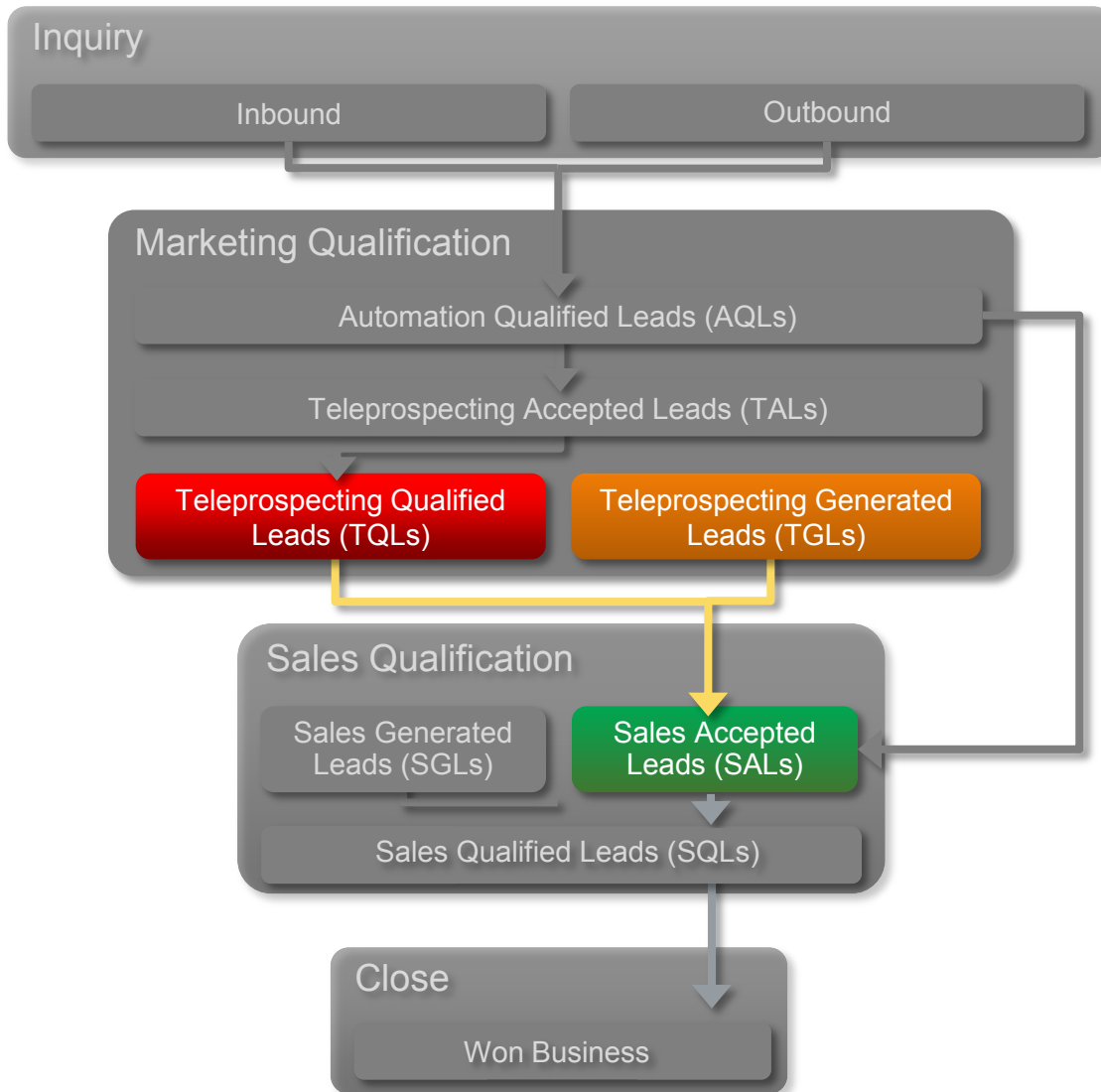


Lead flow.

If marketing focus on delivering quality, not quantity, slowly decrease the number of passed leads.

Part 2. Qualification

TQL & TGL: Buyer Expectations, and Lead Qualification



The Phone is Critical

- Buyer expectations
 - Availability and access to information
- Context
 - Inbound vs Outbound
- WIIFM
 - Smarter conversations
- Higher skilled roles
 - Script-driven product pitches don't work

What's the Problem With Teleprospecting?

SiriusPerspective: Despite rising investment levels toward inbound marketing technique, there has been little specialization on the phones. Most reps continue to operate in a blended inbound / outbound role.

58%

operate in
blended role



Need 5+ minutes to prepare for each call

at least

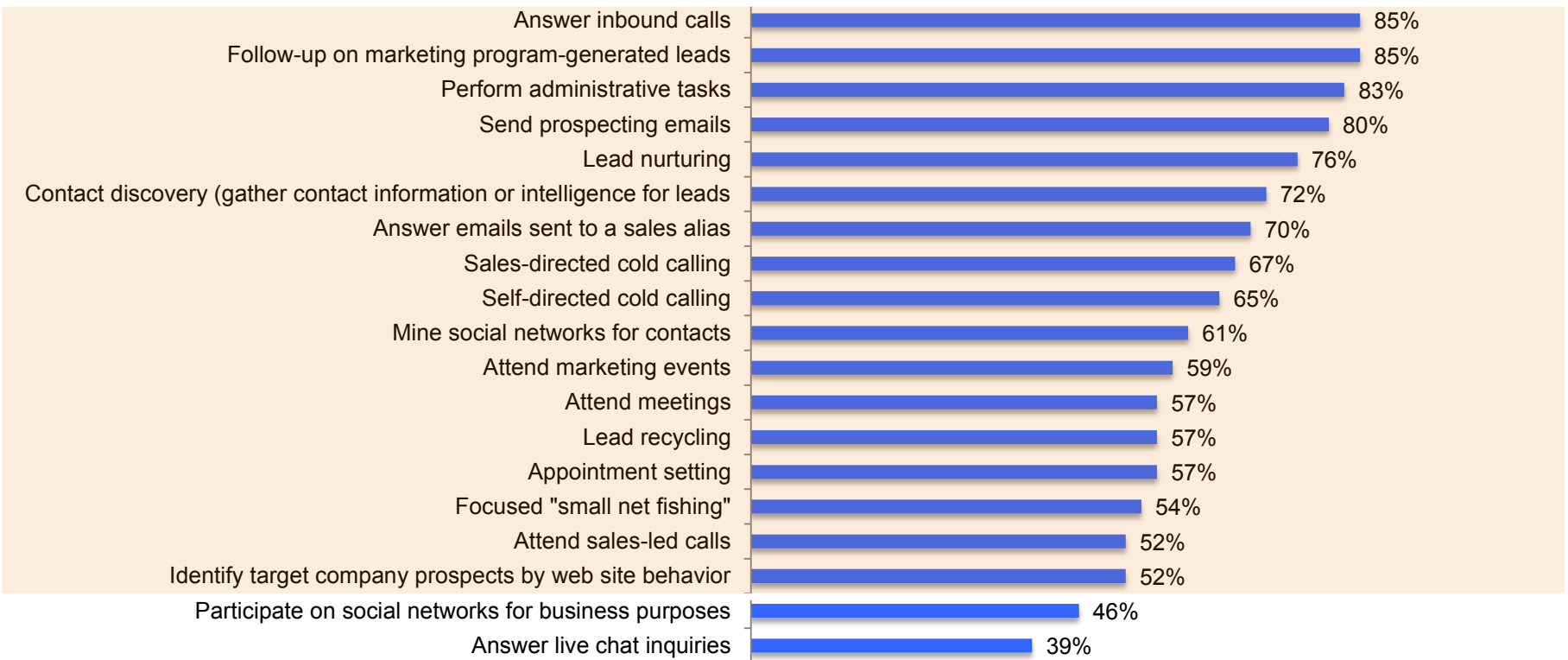
25%

say it's not enough
time to prepare

We Ask a Lot of Our Reps

SiriusPerspective: The primary model of operation is also the model with the least focused activity levels

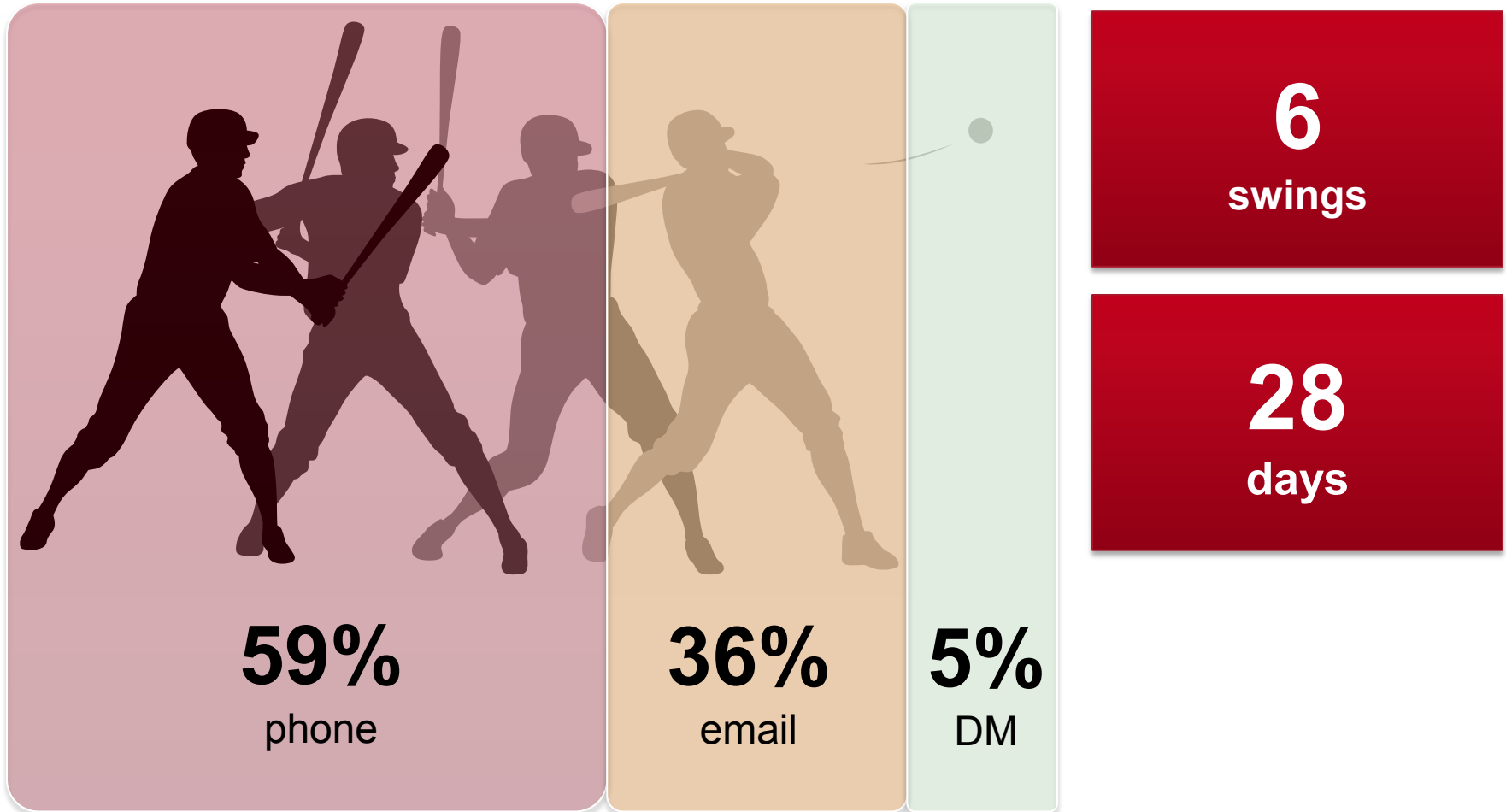
Percent of Respondents Reporting Reps Perform These Tasks



■ Internal Reps: Blended Role

Do we have the right teleprospecting coverage model?

SiriusPerspective: It can take 9-12 contact attempts to reach a lead, but teleprospector makes just 6 attempts, on average, over a 4-week period.



Is Role Specialization the Answer?

SiriusPerspective: Split inbound from outbound to align with changing buying dynamics and better support sales and marketing efforts.



The TGL: Small-Net Fishing

SiriusPerspective: Match the small-net fishing approach to the situation, and the skills and competencies of your lead development reps



Marketing-Directed

- Targeted by *marketing*
- *Planned* as part of campaigns

- Product introductions or launches
- Competitive replacements



Tele-Triggered

- Targeted by *teleprospecting*
- *Perpetual* menu-based plays

- Social discovery and outreach
- Referrals



Sales-Requested

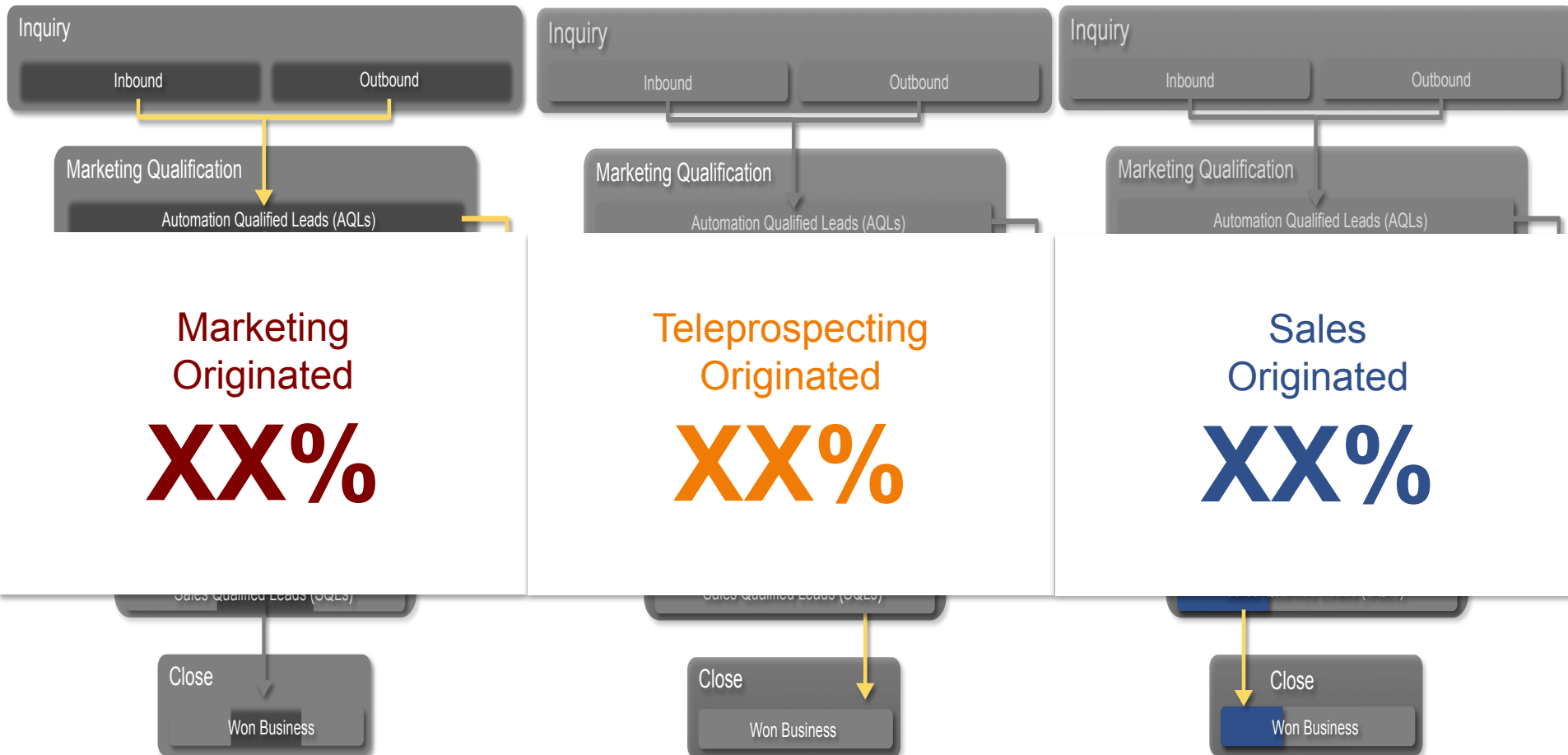
- Targeted by *sales* (target accounts)
- *Rapid response* capability

- Underperforming or new territories
- Market triggers (i.e. M&A)

Part 3. Accountability

SQL and Closed Won: Striking the Right Balance

SiriusPerspective: The rearchitected waterfall is a map showing the roads demand can travel from cold to close.



The Demand Balance Index

SiriusPerspective: The demand balance index (DBI) divides lead performance of the best source from the worst.

	Marketing	Teleprospecting	Sales
SAL/SGL to SQL	15%	20%	50%
SQL to Close	20%	30%	40%
Yield	0.03	0.06	0.20

$$\frac{0.20}{0.03} = 6.6 \text{ DBI}$$

Planning: Setting Marketing / Tele Contribution Goals



Based on total annual revenue required and average deal size, determine the number of closed won deals required

Marketing Contribution: Step 1 of 2

1	What dollar amount in annual new booking is required?	\$2,500,000	Sales	1	Total Required Annual Revenue \$2,500,000	Marketing
2	What percentage of annual new booking is marketing expected to contribute?	40.0%		2	New Booking Required \$1,500,000 \$1,000,000 40.0% Contrib.	
3	What is your pipeline lead-to-close ratio (Pipe X)? <small>To exclude Pipe X set to 1</small>	3.5		3	Total Pipe Required \$5,250,000 \$3,500,000	
4	What is your average deal size?	\$60,000		4	Pipeline Deals Required 88 58	
					Closed Won Deals Required 25 17	

© 2012 SiriusDecisions, All rights Reserved

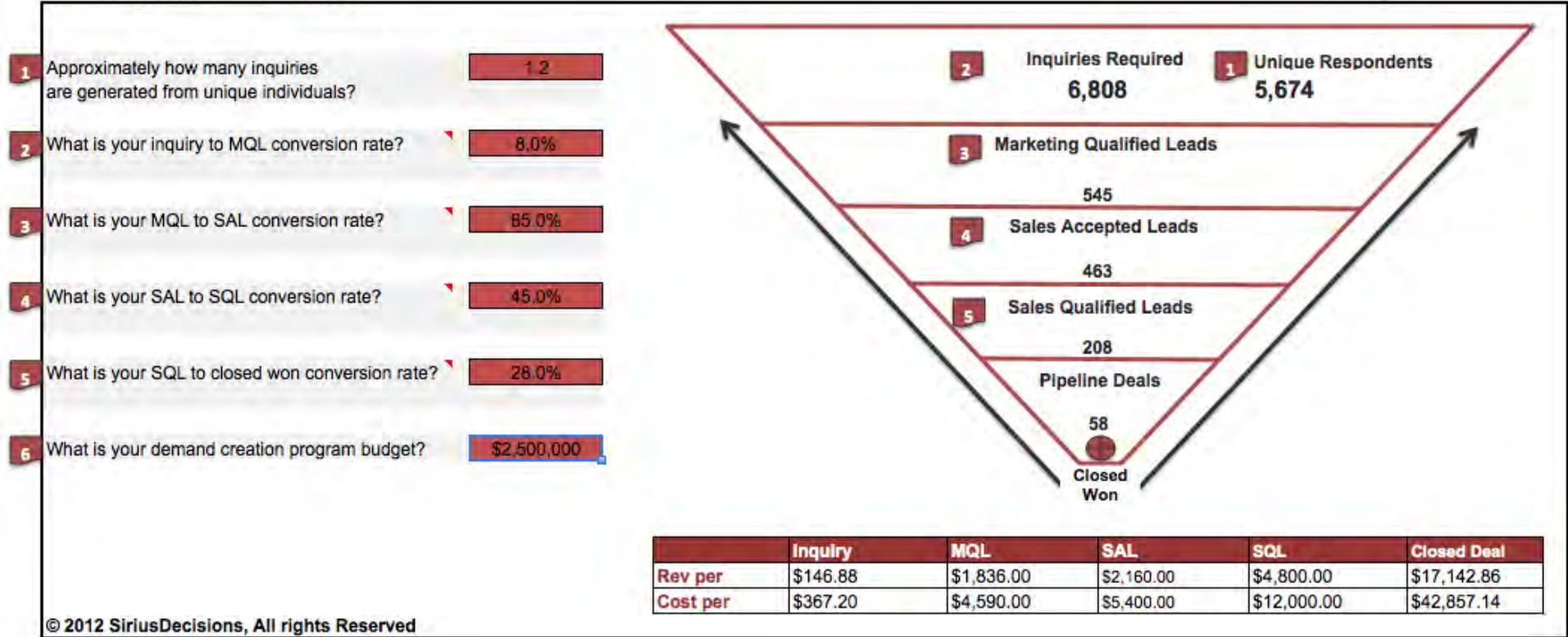
Go to step 2 of 2

Modeling: Reversing the Waterfall



By taking the number of closed won deals required and applying waterfall conversion rates, the number of required inquiries can be determined

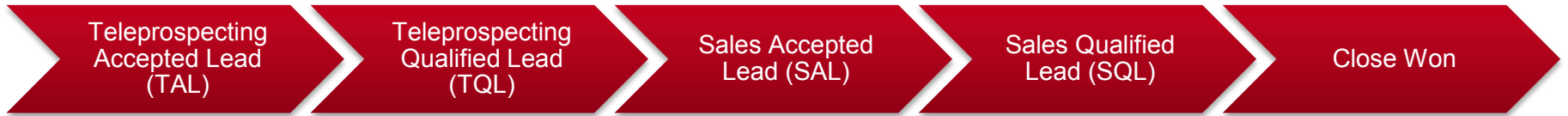
Marketing Contribution: Step 2 of 2



© 2012 SiriusDecisions, All rights Reserved

Go to step 1 of 2

Measurement and Governance



Example Lead Scoring Governance Report

	<u>Rejection Reasons</u>					<u>Accepted Dispositions</u>					
	MQL's Sent	Incorrect Routing	Incomplete/inaccurate information	Not to MQL threshold	Already Working	Accepted	In Process	Processed Non viable	Processed SQL	Won Business	Revenue
Rep 1	100	1 [1%]	3 [3%]	0 [0%]	6 [6%]	90 [90%]	9 [10%]	36 [40%]	45 [50%]	30 [66%]	\$6M
Rep 2	130	1 [1%]	2	1 [1.5%]	5 [4%]	121 [93%]	15 [12%]	51 [42%]	55 [45%]	35 [64%]	\$7M
Rep 3	70	1 [1.5%]	4 [6%]	15 [21%]	4 [6%]	46 [66%]	8 [17%]	23 [50%]	15 [33%]	5 [33%]	\$0.925M

Example SLA Governance Report

	<u>SLA Followed</u>					<u>SLA Not Followed</u>					
	MQL's Sent	MQL's Accepted	Engaged in 8 hours	Engaged in 8-24 hours	Engaged in 24 – 48 hours	SLA adherence	SLA +24 hours	SLA + 24-48 hours	SLA + 48+ hours	SLA not adhered to	Processed SQL
Rep 1	100	90 [90%]	30 [33%]	45 [50%]	15 [17%]	90 [100%]	0 [0%]	0 [0%]	0 [0%]	0 [0%]	45 [50%]
Rep 2	130	121 [93%]	39 [32%]	80 [66%]	10 [8%]	129 [99%]	1 [1%]	0 [0%]	0 [0%]	1 [1%]	55 [45%]
Rep 3	70	46 [66%]	12 [26%]	23 [50%]	2 [4%]	37 [80%]	3 [7%]	2 [4%]	4 [9%]	9 [20%]	15 [33%]



Questions?



Contact

Jason Hekl jason.hekl@siriusdecisions.com

Stu Schmidt stu.schmidt@connectandsell.com