PRAGMATIC MARKETER

THE PRODUCT MANAGEMENT AND MARKETING AUTHORITY

SUMMER 2018

★★★ ALIGNING ★★★ —with— SALES

WELCOME

"The only way our sales team closes a deal is to give a giant discount. They're lazy."

"Our product is so good it practically sells itself; sales just doesn't know how to talk about the technology the right way."

"Sales would sell more if they just used the collateral we gave them. All the objections are handled right there."

For most of us, these phrases will sound familiar. We've heard them bouncing around the walls of our office. In fact, some of us may have even said them ourselves.

But, have you ever stopped to think that maybe the problem isn't the sales team? Perhaps the problem is *you*.

Can you really step back and say that everything you do is aligned with the sales team? Do you know what motivates them, what challenges them and what keeps them up at night? Are you delivering the information they need in a way that's useful to them, or are you expecting them to match what's easiest for you?

Failure to align with the sales team is one of the biggest problems facing today's product teams. That's why we've dedicated this entire issue of *Pragmatic Marketer* to the topic, providing a full array of tools, tips and insights to help you build more successful sales partnerships.

Remember, sales is NOT the enemy, so stop treating them that way and start focusing on alignment. The results will go straight to your bottom line.

Happy reading,

Rebecca Kalogeris
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PRAGMATIC MARKETER

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Since 1993, Pragmatic Marketing has conducted product management and marketing training for 8,000 companies on six continents. Our team of thought leaders produces blogs, webinars, podcasts and publications that product professionals around the world turn to for industry insights.

ALIGNING —with— SALES

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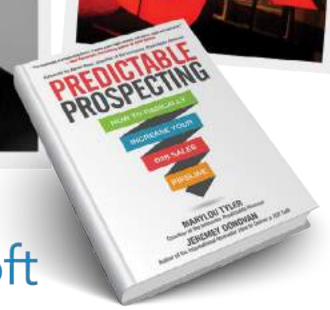


Jeremey Donovan

Head of sales strategy and enablement, SalesLoft

By day Jeremey Donovan is head of sales strategy and GM NYC at SalesLoft. In his spare time, he has written five books, including *How to Deliver a TED Talk* and *Predictable Prospecting.* Here, we discuss sales alignment and support.

Q: How did you get your start in sales strategy and enablement?

A: The short version is that I've spent the second decade of my career trying to ride the wave of "quant-ization" of various business functions. To understand what that means, here is the longer version.

I spent the first 10 years of my career as a semiconductor engineer and a semiconductor industry analyst. Then, in mid-2007 I made a jump into product strategy, inclusive of new product development and product management. My next move was more radical; I assumed leadership of corporate marketing at Gartner. The funny thing is that my worst grade in business school was in marketing. However, two things had changed. One, I had become a dedicated student of B2B marketing in order to address my weakness. Two, the wave of "quant-ization" swept into marketing as analytically minded people started replacing more brand-centric CMOs.

> Having collaborative professional relationships is a pre-condition for sales alignment.

I got my first exposure to leading sales when I left Gartner and took over as the head of sales and marketing for the American Management Association. The same wave that had transformed marketing—taking a highly analytical approach—was beginning to happen in sales. I found the math of sales to be incredibly interesting and largely unexplored.

Over the past decade, sales has become more specialized. Previously, there were full-cycle salespeople who would find prospects, reach out to them, work opportunities to close the deal and then manage the relationship post-sale. But now each function is specialized. It's similar to when the assembly line was applied in automobile manufacturing, and I love being part of this transition. People who work in these specialized disciplines can upgrade from jacks-of-all-trades to masters, which I believe is incredibly engaging.

Q: Have you noticed any common challenges in sales?

A: Far and away, the biggest stressor in sales is hitting the number. To do that, salespeople constantly push marketing to provide more good leads. On the flip side, when I worked in marketing, my frustration was that we would generate leads that salespeople would not pursue. Beyond leads, I think most salespeople are quite happy with the support marketing provides, things like product collateral and RFP templates.

Q: How do you ensure sales alignment?

A: I believe that having collaborative professional relationships is a pre-condition for sales alignment. For example, on the marketing side, it's important to be in sync with the head of sales. And now that I'm more involved in the sales strategy and operations, it's a mirror image: Building a trust-based, value-added relationship with our CMO is one of the most important things I can do to be successful.

To have a collaborative relationship between sales and marketing, you need clear definitions for things like your ideal customer profile and service-level agreements outlining things like lead generation by marketing and lead disposition by sales.

Q: Where does your role fall on the org chart?

A: I focus on developing sales strategies. That means optimizing business processes that involve people and technology in order to drive revenue growth. My role is a bridge to other parts of the organization, including to marketing, finance and HR. It's the sales equivalent of product management. I find the role is most effective when I report to the head of sales, rather than to the head of strategy or CEO.

Sales strategists bear a burden of responsibility since their decisions affect the ultimate success of sales and of the company. I could make a bad decision that would negatively impact the company and the livelihoods of the people I serve. In addition to hitting the numbers, I have a duty to ensure that the company and individual associates are safe and successful.

> To be successful, you must have an analytical mindset and an extreme hunger to learn.

Q: Do you have any advice for someone who wants to move into sales strategy?

A: Many people I know in a similar role have spent time in sales, but then realized they were less motivated by achieving revenue targets quarter after quarter and more motivated by business-process optimization. To be successful, you must have an analytical mindset and an extreme hunger to learn, because things change so rapidly. In the same way that product management must collaborate and exert cross-functional influence without having any authority, those same skills matter in a sales strategy role. PM

TRAVEL TIPS FOR ROAD WARRIORS

Boisterous Bangalore

Officially known as Bengaluru, Bangalore is the capital of India's southern Karnataka state. It is the country's third most populous city, and the major center of India's IT industry. Often referred to as the Silicon Valley of India, Bangalore accounts for 35 percent of India's software exports.

Bangalore Palace
mapsofindia.com/bangalore/places-of-interest/bangalore-palace.html
This Tudor-inspired 35-room palace was built in 1878 to resemble Windsor Castle.

Windsor Manor: Dakshin and Royal Afghan
itchotels.in/hotels/bengaluru/itcwindsor/dining.html
If you're having trouble deciding what to eat for dinner, the Windsor Manor Hotel offers two fine-dining experiences: Dakshin for South Indian cuisine and Royal Afghan for cuisine from the North West Frontier province.

Vasudev Adiga's
adigas.in
If you're short on time, cash or both, you can explore South Indian cuisine in a fast-food, budget-friendly setting. Be sure to check out the selection of *dosas*, lovely rice pancakes stuffed with a variety of fillings.

National Gallery of Modern Art
ngmaindia.gov.in/ngma_bangaluru.asp
Located in the former vacation home of the Raja of Mysore, the museum showcases Indian art from the early 18th century to the present.

Lalbagh Botanical Garden
horticulture.kar.nic.in/lalbagh.htm
Initially designed as a private garden in 1760, today Lalbagh boasts 1,854 species of plants. Be sure to visit the Glass House, built in 1889 and modelled on the Crystal Palace of London.

Mahatma Gandhi (MG) Road
holidify.com/places/bangalore/mg-road-sightseeing-1298.html
This iconic landmark is one of the city's busiest roads and a one-stop shopping destination. Along with traditional handicrafts, silk and saris, you'll find plenty of cafés and restaurants.

Cubbon Park (Sri. Chamarajendra Park)
karnataka.com/bangalore/cubbon-park
Established in 1870, this 300-acre park is a major sightseeing attraction that features a variety of public buildings, including the High Court and Bangalore Aquarium.

Pragmatic Marketing has provided training at companies across Asia (and around the world) for decades. But in September, we'll be offering public courses in Bangalore for the first time, making it more convenient for international customers to learn about the importance of listening to the market. Join us for our first public session of *Foundations, Focus, Build* and *Market* in Bangalore, Sept. 4-7.

pragmaticmarketing.com/bangalore

Tipu Sultan Palace and Fort
karnataka.com/bangalore/tipus-fort
A prominent landmark, the fort dates back to 1537 and the palace to 1781. The two-story Islamic-style palace is built of teak wood and was used by Tipu Sultan as his summer retreat.

Sankey Tank
karnataka.com/bangalore/sankey-tank
One of Bangalore's major lakes, the tank was built in 1882 to meet the city's water-supply demands. Rent a boat or walk through the picturesque garden to escape the city's hustle and bustle.

Jayanagar 4th Block
yatra.com/india-tourism/shopping-in-bengaluru/jayanagar-4th-block
This maze of vendors is one of Bangalore's oldest markets; you'll find everything from clothes and electronics to books and jewelry.

The Opposite of True Agile ...


You Didn't Lose Because of Price.
C2W
compete2.win
Find the Real Reason with Win/Loss Analysis from C2W:
✔ Know Your Buyers Better Than They Know Themselves
✔ Find and Exploit Competitive Weaknesses
✔ Nail Your Pricing
✔ Execute Flawlessly in Sales and Marketing
Get Your First Win/Loss Analysis Free!
Visit Compete2.Win or email win@compete2.win today to learn more.

Q: How can we ensure the job and the candidate are the right fit?

A: **TO ENSURE THAT THE CANDIDATE'S PERCEPTION OF THE JOB ALIGNS** with that of the hiring manager, I recommend referring to the Pragmatic Marketing Framework.

As the hiring manager, do you want someone with experience in business strategy, technical strategy or marketing execution? Use that information to help create the job description, because you won't find someone who excels at all 37 boxes of the framework. For instance, if you're hiring a product marketing manager, you will want to identify candidates with experience in sales alignment, content strategy and the buyer's journey. If you're hiring a requirements person or business analyst, you'll want to focus on candidates who have experience gathering requirements and creating use scenarios. And if you're hiring a product manager, you want someone who has experience identifying market problems and creating business plans.

Kirsten Butzow, Instructor
Pragmatic Marketing

Referring to the framework will help ensure alignment between the role and activities you're hiring someone to perform. The worst thing that can happen is you hire a mismatch, which is a costly mistake. The second worst thing is to try to hire someone who can do it all. It's a ridiculous proposition to think that people who do all the requirements gathering and roadmap management and P&L management are going to be the same people writing brochures.

When a candidate walks into the interview, you can show them the framework and say, "Show me where you excel on the framework." If you're hiring for a lower right-hand corner role and they point to the upper left, you probably don't have a good fit.

Conversely, if you're a job seeker, be on the lookout for a role that tries to be all things to all people. If the job description lists skill sets and responsibilities from all quadrants of the framework, run away immediately. An everything-but-the-kitchen-sink list of job responsibilities indicates that an organization either doesn't understand the strategic role of product management or doesn't have the resources to get the necessary work done. And rather than prioritize the work, they expect you to do it all. Either way, it doesn't spell success for the person in that role.

Regardless of whether you're hiring for a role or applying for one, if the company's philosophy doesn't align with the candidate's philosophy, it's time to move on because neither of you will be happy. PM

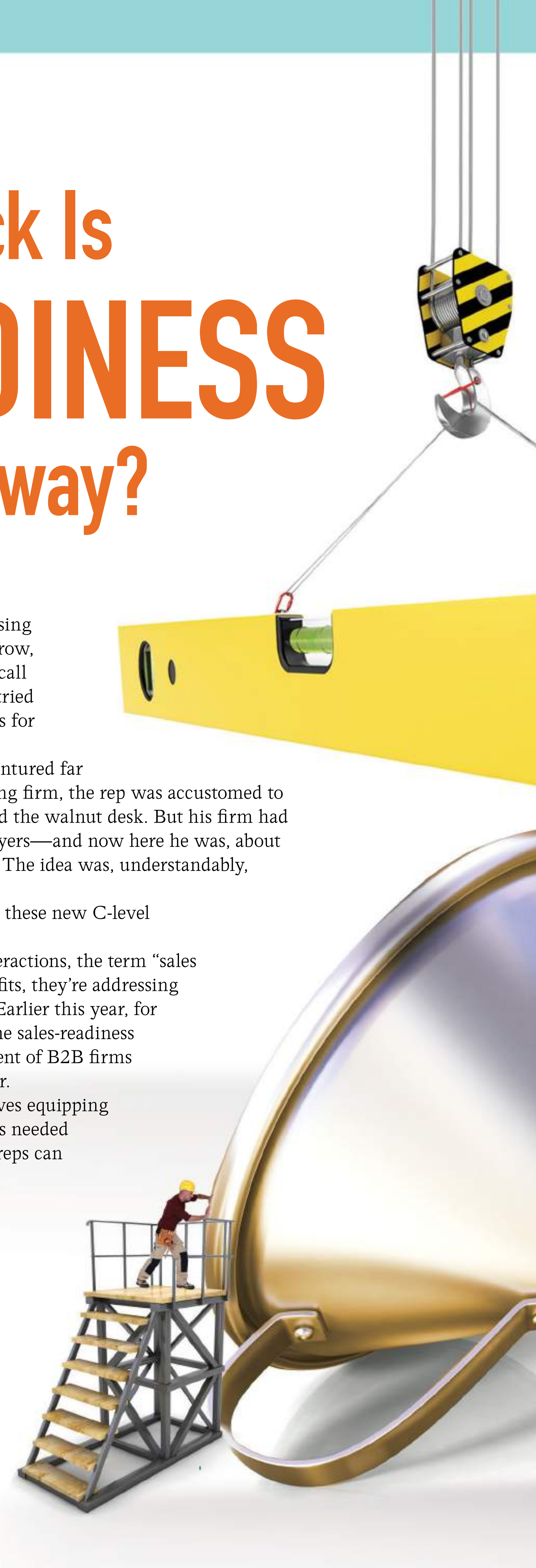
Show the candidate the Pragmatic Marketing Framework and say, "Show me where you excel on the framework."

Do you have a question for our experts? *Send us an email at experts@pragmaticmarketing.com.*

ALIGNING
—with—
SALES

What the Heck Is SALES READINESS Anyway?

BY JIM NINIVAGGI



I REMEMBER IT LIKE IT WAS YESTERDAY. The sales rep stood outside an imposing office building in North Carolina, got out a handkerchief, wiped his brow, took a deep breath and gave me (a sales consultant and coach) one last call on his cell phone. We ran through his presentation a final time, and I tried to steady his nerves. "You've got this. You've been working toward this for nine months. You are READY."

And he really *was* ready. But that didn't negate his nervousness as he ventured far outside his comfort zone. Working at a maintenance and reliability consulting firm, the rep was accustomed to selling to buyers with hard hats and metal desks—not the one sitting behind the walnut desk. But his firm had implemented a strategic pivot, focusing its product messaging on C-level buyers—and now here he was, about to meet with a CEO for the first time, at a Fortune 500 food manufacturer. The idea was, understandably, nerve-racking.

It was my job to make sure he and his fellow reps were ready to handle these new C-level conversations. Key to their success: sales readiness.

Though it's based on age-old concepts of preparing sellers for buyer interactions, the term "sales readiness," itself, is a relatively new one. As more companies realize its benefits, they're addressing the discipline with renewed vigor, and awareness of the field is on the rise. Earlier this year, for example, Forrester Research published its first analysis and articulation of the sales-readiness market ("Now Tech: Sales Readiness Tools, Q2 2018"), noting that 42 percent of B2B firms have already purchased, or intend to purchase, a sales-readiness tool this year.

So, what's the definition of sales readiness anyway? Put simply, it involves equipping salespeople with the knowledge and skills required to have the conversations needed throughout a buyer's journey—and assessing whether, and certifying that, reps can do just that. Regardless of how a deal pans out (of course, you want it to close), you always want the buyer to think, "That rep knows their stuff. That's someone I'd like to do business with."

Along with helping reps manage the content required to enhance buyer conversations, sales readiness is also a critical (I'd argue the most critical) component of an overarching sales-enablement strategy.

There are four primary pillars of sales readiness, all integral in implementing a 360-degree approach to preparing sales reps and customer-facing team members. In all these cases, product marketing and sale-enablement departments can and should work together to make sure reps are truly ready to optimize every conversation they have. And if you're a sales-enablement leader, you need to have a strategy in place to execute effectively within each pillar.

PILLAR 1

FOUNDATIONAL READINESS

Foundational readiness centers on creating a ready-to-execute onboarding plan for every role in the sales force. The goal is to accelerate new reps' time to full productivity and improve knowledge retention across every sales role in the field.

For many companies, a common onboarding mistake is the "all-at-once onboarding" that typically takes the form of a four- to five-day boot camp. Reps are inundated with the minutiae of every single product, with product manager after product manager delivering their PowerPoint pitches. In this setting, reps are drinking from the proverbial fire hose, and retention is often low.

A much more effective approach is to implement agile sales onboarding, based on the same principles (flexibility, responsiveness, collaboration, etc.) that define agile software development. With agile onboarding, the emphasis is on developing specific skills at agreed-upon times, all mapped to discrete sales activities in which the rep must be proficient. So, for instance, if reps need to conduct their first prospecting call within two weeks of joining the company, their onboarding plan should first focus on developing phone communications and listening skills, and mastering the company elevator pitch. Once they've been certified for those skills, it's on to the next ones—again, mapped chronologically to the next key activity they'll need to perform, across both the customer buying process and portfolio of products/solutions they have to sell.

Taking an "if-you-build-it, they-will-come" approach to sales learning just won't cut it.

PILLAR 2

CONTINUOUS READINESS

For product marketers, this next pillar, continuous readiness, should be a focal point. The goal of continuous-readiness programs is to make sure reps are ever-ready to maximize every buyer interaction. The truth is, sales readiness is never done.

To get to a state of perpetual readiness, taking an "if-you-build-it, they-will-come" approach to sales learning just won't cut it. Instead, companies should implement a "push" model—proactively delivering learning to reps at regular intervals and in bite-sized modules. They should also shift from consumption-centric metrics (e.g., Did reps take the learning module?) to assessment-based ones (Can reps perform the skill?). It's important to remember that sales training is a process. Sales readiness is a result.

In addition, as part of continuous-readiness programs, product marketing and sales enablement should work jointly to keep reps up to speed on the full product portfolio, including:

- **The latest and greatest capabilities.** Speed of innovation requires speed to readiness. No one will benefit from the latest whiz-bang features if sellers can't sell them. So reps need to be equipped, messaging-wise, to articulate and position the benefits of each latest product iteration.

- **New product launches.** Among the many items on marketing's checklist, sales readiness should also be a key component on new product timelines—so that come launch day, reps can start making sales. Data sheets, Q&As, e-learning modules and dedicated coaching can all prepare reps to position new products effectively, relative to buyers' roles, industry-specific needs and pain points. Practice and simulations are critical too. When I worked with a large software company, guiding them through a major product launch, reps were a key presence at our kickoff. We put their new product knowledge to the test during live role-plays with the executive team. The execs, who held roles/titles that mirrored those of target buyers, grilled reps on product benefits and particulars. And we videotaped the role-plays—making standout interactions resources for the sales team at large and using the individual videos as coaching tools.

- **The broad product portfolio.** When reps don't cross-sell and upsell frequently, it's often due to a lack of confidence and competence. They're likely well-versed in their company's core offerings but don't feel ready to position peripheral ones. Enablement campaigns should bridge this gap.

When reps don't cross-sell and upsell frequently, it's often due to a lack of confidence and competence.

PILLAR 3

TRANSFORMATIONAL READINESS

The initial example—with that nervous rep, about to call on a CEO for the first time—is a perfect representation of transformational readiness. This pillar involves reboarding the entire field force in a way that minimizes any adverse impact on productivity or revenue. Transformational readiness comes into play when sales organizations need to fundamentally change the nature of buyer conversations or with whom they're having those conversations. This often happens due to mergers and acquisitions, new sales methodologies, new markets entered and new types of buyers. You know you're in a transformation when you are asking your reps to have very different conversations from what they currently have with buyers—and there is a large gap in the competence and confidence of the reps to have these new conversations.

Don't underestimate the time and effort involved in getting reps ready. At that maintenance and reliability consulting firm, it was a nine- to 12-month change-management process for the rep and his colleagues. The first step to enabling those reps was actually enabling and educating their sales managers—so the managers could be effective resources and coaches. We then focused on rep research skills, how to gain C-level access, presentation refinement, and practice and role-play—all bolstered by various workshops, e-learning content and video-based coaching.

PILLAR 4

REACTIVE READINESS

We live in the era of instant news. You could wake up in the morning to find your company in the headlines and the talk of social media. Reactive readiness is about getting your reps message-ready in hours, whether their business is facing a product recall, a hostile takeover attempt, the merging of two competitors, etc.—any good or bad news about the company or its competitors, or geopolitical events that could sway sales. In these cases, the field force often needs to be ready and certified almost immediately to deliver on-message answers to customers and prospects, and keep competitive incursions at bay.

A sales emergency-response system (similar to what municipalities use when preparing the public for emergencies) plays a key role. It should include an execution plan for all communications and processes, as well as tools for building and delivering content quickly.

SALES-READINESS RESULTS

With the speed of business today, all types of sales teams need foundational, continuous, transformational and reactive sales-readiness plans. Putting these plans in place isn't a one-and-done process; it should evolve and adapt to support the various scenarios and needs that sales teams encounter.

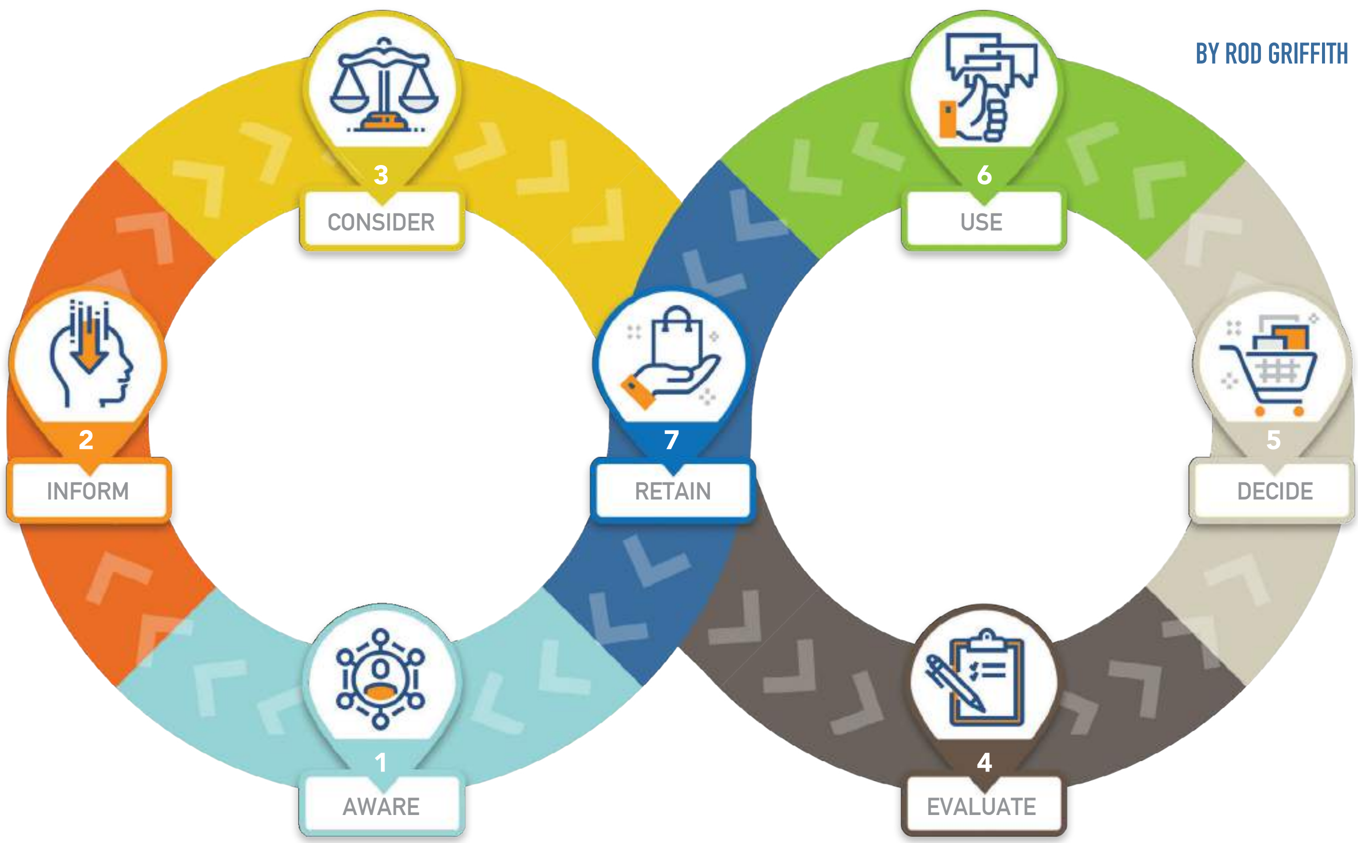
Put simply, sales readiness works. It prepares salespeople to address whatever comes their way. Remember that nervous rep I mentioned, about to pitch his first CEO prospect? Bolstered by months of training and practice, he went in and nailed it. He called me immediately afterward from the parking lot, practically in tears of joy. (I was moved!) With this confidence boost, he and his colleagues went on to close more and bigger deals. In fact, thanks to the sales-readiness initiative, the manufacturing consulting company grew its business by 40 percent year over year, and deal sizes doubled in the accounts that had C-level conversations.

Every business needs to grow. The question you need to ask yourself is, "How ready are our reps to achieve that growth?" PM

About the Author

Jim Ninivaggi is chief readiness officer at Brainshark Inc. (brainshark.com), a leading provider of SaaS-based sales enablement and readiness solutions. He leads Brainshark's sales-readiness strategy and has more than 30 years of experience driving B2B sales productivity. Jim previously led the sales-enablement research practice at SiriusDecisions, publishing more than 200 research briefs and engaging audiences at hundreds of conferences, forums and executive presentations. He has also run and grown sales organizations and managed salespeople on the front line. Jim began his career as a quota-bearing sales rep. Follow Jim on Twitter at @JNinivaggi or linkedin.com/in/jim-ninivaggi.

MAPPING YOUR SALES TOOLS TO THE CUSTOMER JOURNEY



BY ROD GRIFFITH

MY YOUNG NIECE ONCE ASKED ME, "Is a dandelion a flower or a weed?"

Honestly, I was stumped. While I'm hardly a horticultural expert, I recognize that the dandelion has some attributes of a flower—including bright, colorful petals. But dandelions also behave like weeds, springing up all over our yards and stealing resources from our nice green lawns.

> Only 33 percent of today's B2B marketing organizations have a documented customer journey map to help guide their content marketing strategies.
>
> Source: The Content Marketing Institute 2017 Content Management & Strategy Survey

So I did what any smart uncle would do: I changed the subject and offered to buy her an ice cream.

Similarly, I think many B2B marketers would struggle to tell you whether their current sales tools are flowers or weeds. Are your sales tools truly helping to accelerate customers through the entire customer journey, or are they just springing up all over the place, with no proper order or control, and stealing resources from other communications efforts?

MAP YOUR TOOLS TO THE JOURNEY

The reality is that some sales tools are flowers and some are weeds. If you've invested resources in sales tools that aren't supporting your selling effort during at least one stage of the full, end-to-end customer journey, it may be time to weed out those ineffective sales tools. And if there are stages of that journey your tools aren't properly supporting, you've got more seeds to plant.

To ensure the efficiency and effectiveness of your marketing efforts, you need to ensure that you're investing in the sales tools you need to accelerate the customer journey, without wasting effort on weak sales tools that only sap your resources. To do that, you'll first need to map those tools to the various stages of the complete customer journey.

THE RIGHT TOOLS FOR EACH STAGE

Let's start by looking at the complete customer journey and each of its stages and discussing the typical role of sales tools at each stage.

MAPPING YOUR CURRENT SALES TOO

STAGE

1 AWARE

At this earliest stage, sales tools should help the customer become aware of the problems, issues and challenges that your product addresses. Such sales tools should help the customer evaluate their situation, identify the need, and understand that this is an issue that deserves further investigation because it can help overcome a major challenge or accelerate a key business goal.

2 INFORM

At this stage, effective sales tools help inform customers who are generally aware of their overall need and will benefit from advice and guidance relevant to their specific environment and challenges. It is important to simply make customers aware that there are third-party products available to address their specific issues—without veering into any sales-oriented specifics.

Sales tools that support this stage of the customer journey are educational in nature and do not push or sell products. In fact, the most effective sales tools may not even mention your products. By providing useful information free of any obvious sales pitch, effective sales tools will subtly establish your experience and expertise.

3 CONSIDER

At the *consider* stage of the customer journey, you will deploy sales tools that position your product as the ideal solution for addressing the business challenges and goals at hand. This is the stage for most traditional tools, such as company or product brochures.

SALES TOOLS

AWARE TOOLS

External Audience

- White papers
- Business/technical articles
- Industry reports
- Infographics and statistical fact summaries
- Business issues/challenges articles
- Technical issue guides
- Seminar/webinar support tools
- Educational presentations
- Educational videos

Internal Audience

- Sales-readiness training guides and sales playbooks

INFORM TOOLS

External Audience

- White papers
- Business/technical articles
- Customer stories
- Executive guides/business primers
- Technology guides
- Infographics
- Industry/business insight reports
- Informational/tutorial videos
- Case studies
- Seminar/webinar support tools
- Industry conference presentations

Internal Audience

- Sales messaging maps
- Sales playbooks and sales guides
- Sales training and readiness presentations

CONSIDER TOOLS

External Audience

- Corporate overview brochures
- Product/solution/service brochures
- Data sheets
- Solution guides
- Product comparison data sheets and infographics
- Product/solution articles
- Live event/webinar support tools
- Customer success stories and case studies
- Customer testimonials (written and/or video)
- Campaign mailers (direct or email)
- Campaign landing pages (web)
- ROI/expense/TCO calculators
- Product/solution videos

Internal Audience

- Sales/product positioning maps
- Sales playbooks and sales guides
- Sales battle cards
- Campaign sales portals for field sales and/or resellers (internal or partner)
- Sales-readiness training presentations

OLS TO THE TOTAL CUSTOMER JOURNEY

4 EVALUATE

In this stage, the customer has a clear understanding of the issues and recognizes the need to pursue a solution. They are now looking for the product that will best fit their needs based on their identified purchase criteria.

At this stage, effective sales tools help to convince the customer that your product is superior to the alternative choices (which include not only third-party competitors, but also the status quo).

EVALUATE TOOLS

External Audience

- Product/solution benchmark results reports
- Product comparison data sheets and infographics
- Competitive comparison guides
- Product evaluation checklists
- Product cost (TCO) comparison calculators
- Product evaluation and comparison videos
- Industry analyst reviews
- "Why outsource?" presentations and articles
- Demo center support tools
- Interactive product demonstrations/tours
- Executive liaison invitations and collateral
- Customized assessment offers

Internal Audience

- Field sales competitive positioning and attack guides
- Sales training presentations on competitive selling
- Competitive pricing plan

5 DECIDE

When it is time for customers to make their purchase decision, there are typically fewer but highly focused sales tools in use. The tools you use should help push the customer over the decision fence. They tend to focus on special offers and incentives that assist in that final push to closure.

While many marketers will focus on just the buyer's journey—which ends with the purchase—it's important to recognize that the full customer journey continues. You don't stop communicating with people once they become customers; you adjust the nature of what, when and how you communicate.

DECIDE TOOLS

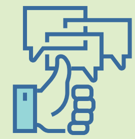
External Audience

- Special incentive offer collateral
- Pricing sheets/lists
- Competitive product trade-in program collateral
- "Why act now?" presentations and supporting collateral
- Add-on product sales collateral and bundle offer sales tools

Internal Audience

- Proposal-building sales tools

6 USE



Communicating to new customers is vital to building strong customer relationships and loyalty. Sales tools developed for this stage of the customer journey typically focus on helping the customer get the maximum benefits from your product and recognize those benefits as a significant contributor to their total return on their investment.

USE TOOLS

External Audience

- Product usage guides
- Articles on getting the most out of their new product
- Customer success stories and/or videos
- Invitations to join customer forums or user groups
- Invitations to customer conferences, workshops or events
- Product application guides (targeting specific applications of the product)
- Product industry guides (targeting specific industry uses of the product)
- Product technical tuning guides

7 RETAIN

Once a customer has become a mature user of your products, the right sales tools can help encourage future purchases by promoting product upgrades, add-on products or other offerings. Sales tools are used to help keep customers loyal and engaged with your brand. Often such tools are designed to invite and encourage participation in customer loyalty programs, satisfaction surveys, customer forums, conferences or workshops, or even to request testimonial statements or referrals.

RETAIN TOOLS

External Audience

- Add-on or new-product sales brochures and data sheets
- Upgrade program offer guide ("Why upgrade?") and videos
- Upgrade program ROI calculator
- Upgrade or add-on product/solution videos
- Customer conference and event support materials
- Customer forum, advisory board or user group promotional tools
- Product end-of-life migration support tools
- Special pricing offers/promotions for customers

Internal Audience

- Customer retention sales playbook
- Product end-of-life transition/migration plan

THE SALES TOOL MAPPING PROCESS

While the lists on pages 12 and 13 do not include every possible sales tool, they do provide a solid sampling of the typical sales tools that are often used to support each stage of the customer journey. They can be used as a reference to help categorize and plan your sales tools and align them with the customer journey. Here are some recommended next steps and tips.

1

Audit your current sales tools. First off, you need to audit your current sales tools and map them against the total customer journey. Create a grid that lists each tool under the seven stages of the customer journey. (Note that some tools can be mapped against more than one stage of the journey.)

As you fill in your own grid of current sales tools for each stage of the customer journey, you will begin to see where you have potential gaps—a lack of sales tools for a given stage. However, do not assume you need more tools for those stages. You won't know that until you get through the next step.

2

Talk to your salespeople. Find out where in the customer journey your sales team faces the biggest challenges. Is it getting customers' attention and making them aware of the problems your products address? Then perhaps you need to examine both the quantity and effectiveness of the sales tools you've mapped to the *aware* stage. Or perhaps the real issue is dealing with specific competitive challenges and you need more effective sales tools for the *evaluate* stage.

The areas where you need to improve your tools are not necessarily those where you have the fewest. For example, even if you lack sales tools for the *inform* stage, there's no point in creating more if your sales team is telling you they don't have any challenges in finding educated, informed prospects. Perhaps the real problem is that prospects in the *consideration* stage just don't perceive your solution as a top contender. Or perhaps the sales organization keeps losing to competitors in the *evaluation* stage.

The bottom line is that you need to find out where your sales opportunities are most often being slowed or thwarted—and then focus on creating sales tools that align with those opportunities to accelerate the total customer journey. And that all starts with talking to your salespeople.

3

Create a content marketing strategy. While today's B2B marketers say they are committed to developing a content marketing strategy for their company, many have not actually documented that strategy. Without a documented strategy, the development of sales tools is often reactionary. That is, you develop sales tools in response to specific activities (e.g., new product launch, upcoming trade show or conference, threatening competitive product release, new sales promotion or upcoming email campaign). This can result in a haphazard collection of tools that don't help to accelerate prospects through the complete customer journey.

A content marketing strategy helps to ensure that you are creating sales assets that drive profitable customer action. A good content marketing strategy will also help you set priorities; this is important, because few marketing organizations have the resources or expertise to develop all the content they need.

4

Don't ignore the early stages of the customer journey; they still matter. With the shift in customer savviness fueled by fingertip access to volumes of research, reports and information, it's easy for B2B marketers to conclude that today's buyers don't want to hear from vendors until late in the customer journey. Assuming this is the case, many companies have refocused their selling efforts on the middle stages of the journey. But this could well be a mistake.

In many cases, it's not that buyers don't want to hear from you in their early investigative efforts. It's that they don't want to be presented with sales pitches or product details. They're still interested in gaining information and insights around the challenges they face. If you can add real value to their efforts to gain information and insights, B2B buyers are open to hearing from you. According to Corporate Visions, 74 percent of buyers choose to purchase from the salesperson who was the first to add value and insight to the early stages of their buying journey. So don't ignore those early stages.

Only 37 percent of B2B marketers have a documented content marketing strategy today.

Source: 2018 B2B Content Marketing Trends—North America: Content Marketing Institute/MarketingProfs

5

Don't forget the status quo. It's common for B2B marketers—especially technology companies—to focus sharply on competitors. But here's an important fact: You will likely lose more business to the decision to do nothing than to all other competitors combined. Research by SBI found that 58 percent of all qualified sales opportunities are lost to "no decision."

So, when planning sales tools for the *consider* and *evaluate* stages, consider messages focused on helping risk-averse buyers realize that doing nothing is a greater and potentially more costly risk than moving forward with your solution.

GET SMARTER AND MORE EFFECTIVE

It's not difficult to waste resources creating sales tools that offer only modest, if any, return on your investment. And it's all too easy to overlook even the simplest tools that can most effectively drive customers to your desired outcome. By understanding your total customer journey and mapping your sales tools to it, you gain perspective and insights that will help bring more strategy to your marketing efforts—and ultimately result in smarter and more effective sales-tool investments. PM

About the Author

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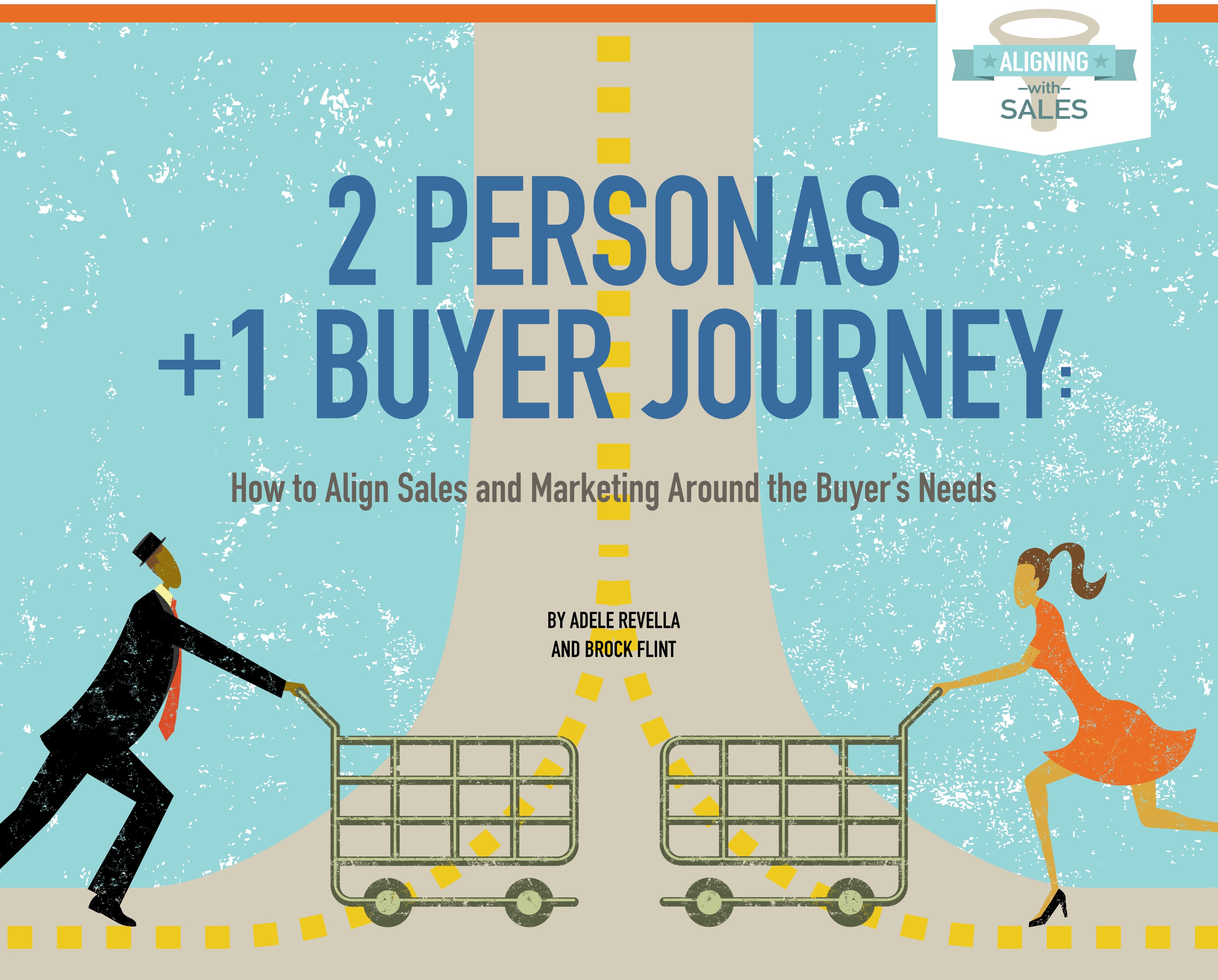
ALIGNING
—with—
SALES

2 PERSONAS +1 BUYER JOURNEY:

How to Align Sales and Marketing Around the Buyer's Needs

BY ADELE REVELLA AND BROCK FLINT



LET'S GET RIGHT TO THE POINT: SALESPEOPLE DON'T WANT to hear about your buyer personas. The truth is that salespeople won't listen to you present a PowerPoint featuring Mary, Jim, Rick, Bill or Sue, not even if it features details about that persona's pain points supported by pretty pictures or graphics.

Between us we have more than three decades of experience running sales organizations and cannot tell you how many times we have sat in meetings and thought, "Man, our marketing team just doesn't get it."

Here's the source of the disconnect: As marketers, it's your job to influence an entire market of buyers. You need personas to qualify your leads and push them through the funnel. But salespeople don't pursue an entire market; they go after one account at a time. They just want you to help them win each account. They don't care about your persona research any more than they care about the ones and zeros in your software code, or the nuts and bolts that hold your product together. Frankly, it's more important to know which IPA their customer drinks and whether it's consumed during a round of golf.

(Now please don't go and include beer preferences or any other one-customer-at-a-time details in your persona. You will end up with far too many personas, and your salespeople will hate them all because they know that the information differs for each account.)

As marketers, it's your job to influence an entire market of buyers. But salespeople don't pursue an entire market; they go after one account at a time.

FOCUS ON ONLY TWO PERSONAS

Marketing is going after many people in a vast market and sales is going one-to-one. To find the intersection, let us look at an action plan to bridge this gap.

The first step is with personas, but maybe not the way you're going about it. Salespeople don't need personas for every title, industry or other demographic characteristic. In fact, sales alignment requires that you study and build personas for only two types of buyers, the economic decision-maker (EDM) and the lead evaluator. The EDM owns the budget and often triggers the decision to achieve a goal or solve the problem in the account. Sales may tell you that the EDM is the only role that matters, and in many ways, they are right. After all, this persona must say "yes." But the lead evaluator is the persona who leads the committee for the research and evaluation (hence the lead evaluator label) around all the options in the marketplace.

Yes, your salespeople must satisfy the EDM's wants, needs and goals to close the business. But fail to convince the lead evaluator that you are best qualified to deliver on the EDM's vision, and your competitor will win every time.

Plus, the dirty little secret about building buyer personas is that you can frequently learn everything you need to know by focusing on the lead evaluator. This is the persona that knows what it will take to persuade the EDM to prioritize and approve the investment. Just as critically, the lead evaluator can tell you what all the other stakeholders in the account think about as they argue for their own interests and eventually align around a single provider.

Imagine this: You have a chance to understand the personas' marketing needs to influence by focusing first on only one persona, the lead evaluator. Find people in this role and interview them carefully about their recent buying decision. You'll get the whole story behind the trigger for the evaluation, the success factors they were seeking, the obstacles they faced, the criteria the committee used to compare their options, and the resources they trusted throughout their buying journey.

Now you have a dialogue worth analyzing and personifying, one that aligns both marketing and sales around what you need to do and say to win the account. That's step one.

ADD ONE MAP OF THE BUYER'S JOURNEY

The second step is to align around what buyers told you about their journey. Instead of asking salespeople to rally around your marketing map, or trying to use theirs to drive your activities (neither works), rally around how to persuade buyers to take action and choose you. Your mutual goal is singular and well defined because it's the buyer's map; sales and marketing can then focus on delivering what real buyers want to hear, how and when they want to hear it.

Your interviews with the lead evaluator will reveal every aspect of what matters during the buyer's journey, including the actual questions buyers ask the market. You'll want to align those questions with the stages of a mutually agreed-upon funnel, using a format that your salespeople are accustomed to.

Mapping your buyer's wants and needs to this buying journey will allow everyone on both teams to align—once and for all—around who is saying what, when and why. For example, if sales sees that you have created a video to answer a question at the top of the funnel that sales thinks should be addressed, they will believe that your two teams are aligned. Equally important, you will know what buyers are asking near the latter parts of the journey (when sales is working the account), and if they ask for your help, you will understand the need so you can deliver the maximum value.

DEVELOP YOUR MESSAGING THEMES

The final and crucial point of alignment is using your personas and journey maps to build out your message themes. If you reflect on the work you did to interview buyers about their wants, needs and concerns, you'll see that you now understand their questions. Plus, because you've mapped the buyer's journey, you know when those questions occur along the buying journey and where buyers are looking for useful information.

Messaging is a critical step where you gain alignment and act on your personas. Set up a time to work with sales. Reflect on each of your persona's questions and agree on exactly what you will say. This is a surprisingly enlightening experience for everyone. As a team, you see where your capabilities align with what your buyers want. You'll also see where you might fall short of their expectations, which may result in plans to adjust the solution roadmap or develop objection busters.

Identify your top message themes to engage buyers and drive their consideration in areas where your answers are a perfect match with the buyer's questions. We call these value wedges, because even though they don't tell your whole story, these wedges are built to fit perfectly into cracks in your buyer's granite wall of resistance. Your next step is to drive the wedges deeper into those cracks so you can explain your complete value proposition.

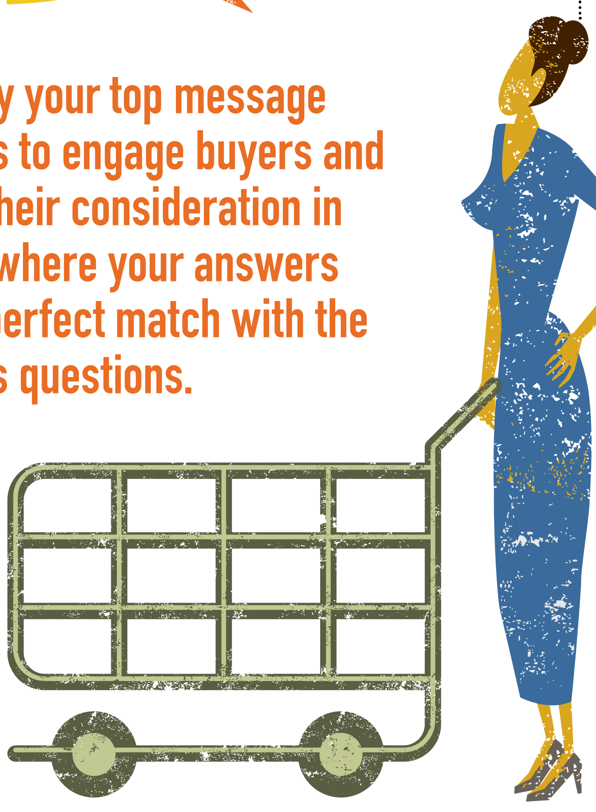
ALIGN ON A PLAN TO WIN MORE BUSINESS

The inevitable result of collaboration between sales, marketing and your personas is that each role has a single source for creating exactly what they need to communicate at each touch point along the journey. You've looked honestly at the facts about areas where your company excels, married that with the questions your buyers are asking (instead of sales, marketing or executive opinion), and agreed on what you should say to the market.

Align these messages along the journey map and give your team clarity about what they need to say and do, and when. For example, sales should use buyer questions and answers to create sales playbooks. In addition, sales-development reps should create strong qualifying questions and the entire marketing team should focus on what's required to build demand and conversion action plans.

When your sales and marketing teams focus on a plan to influence two buyers and one journey, you can finally eliminate misalignment, your biggest obstacle to revenue growth. What's more, you'll position your company to deliver the best buying experience to your market and win more business. PM

Identify your top message themes to engage buyers and drive their consideration in areas where your answers are a perfect match with the buyer's questions.



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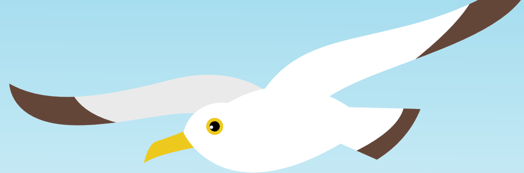
SURVIVING THE PRODUCT ACQUISITION

BY DAVID RADZIALOWSKI

DEPARTMENTS



ACQUIRING A PRODUCT OR PORTFOLIO OF PRODUCTS is an extremely difficult endeavor. A significant amount of money is being laid out and everyone involved has their reputation, ego and even career on the line. It's an incredibly complex process with many victories and defeats along the way—definitely not for the faint of heart.

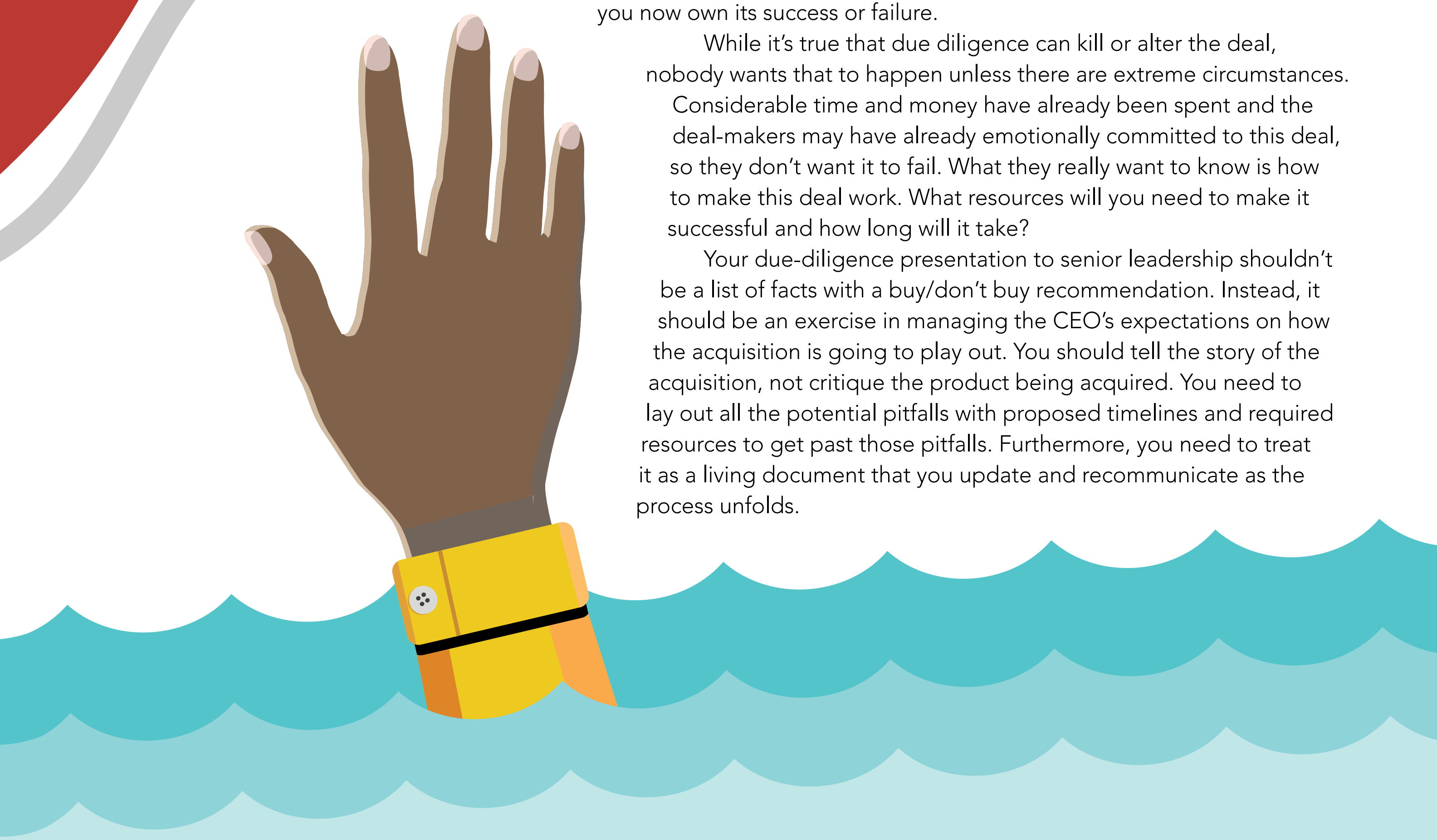
There has been a significant amount written about this process, with most of it centering on selecting the right acquisition target and negotiating the deal. Those are both important topics, and the product manager should be leading the charge for those endeavors, or, at the *very* least, be heavily involved, but it doesn't always happen that way. While it's not ideal, product managers often find themselves brought into the acquisition process in the due-diligence stage.

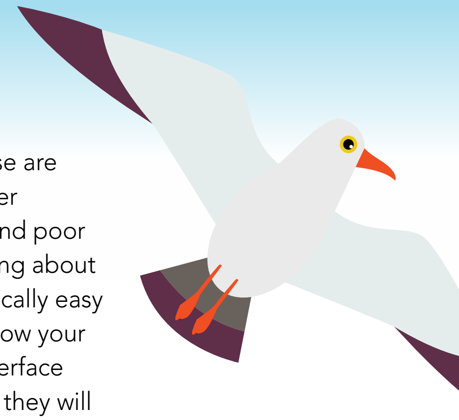
Let me set the stage here. The CEO has decided that it's time to buy a product (or product portfolio) from Company X. He and his reports have met several times with the CEO of Company X, preliminary terms have been laid out, the board has been apprised of the deal and it's moving to the due-diligence stage. That's when you, the product manager, are asked to join the effort. It may also be the first you've heard of this acquisition. You and your engineering counterpart are being brought in to ensure that the deal is valid, the product fulfills the claims made and the technology assets are solid.

You are also being brought in because this acquisition will fall into your product portfolio and, thus, you are responsible for acquisition success. It may seem that due diligence is an activity that *ends* with you presenting a report; but, in actuality, this is a handoff exercise from the deal-makers. You won't be closing the actual deal, but for all intents and purposes, you now own its success or failure.

While it's true that due diligence can kill or alter the deal, nobody wants that to happen unless there are extreme circumstances. Considerable time and money have already been spent and the deal-makers may have already emotionally committed to this deal, so they don't want it to fail. What they really want to know is how to make this deal work. What resources will you need to make it successful and how long will it take?

Your due-diligence presentation to senior leadership shouldn't be a list of facts with a buy/don't buy recommendation. Instead, it should be an exercise in managing the CEO's expectations on how the acquisition is going to play out. You should tell the story of the acquisition, not critique the product being acquired. You need to lay out all the potential pitfalls with proposed timelines and required resources to get past those pitfalls. Furthermore, you need to treat it as a living document that you update and recommunicate as the process unfolds.





Create a Successful Acquisition Strategy

There is a strategy that drives most acquisitions. Are you buying this product to round out your current product offering because it has features your product does not? Are you trying to enter a new market segment without cannibalizing your customer base? Are you absorbing the competition? Familiarize yourself with the acquisition strategy so that you can adjust your product strategy accordingly.

Years ago, at a SaaS-based company, we planned to buy a product to round out our overall offering. The acquisition target had a set of features that we had not built due to competing priorities, and the CEO felt that this was a key gap that needed to be closed. What the CEO didn't tell me is that she expected this product to become completely integrated into our product relatively soon after the sale closed—and that integration was key to her acquisition strategy's success. Someone told her it was a relatively easy process to integrate the acquired functionality into our product, and she didn't want the customers to have to keep using the two products separately. I now had expectations to manage—I needed to educate the CEO on exactly what needed to be done to integrate the two products, which wasn't news that she wanted to hear.

Whatever the acquisition strategy, you need to ensure that you understand it—and the corresponding expectations in detail—so you can properly prepare yourself for what you need to do. You will need to take action, and that action will cost money that the dealmakers probably didn't expect to spend. Furthermore, you need to ensure that you communicate those needs early and often—never assume that management understands the complexity involved or remembers it between updates.

Address the Product Debt

Product debt is a newer concept with some ambiguity, so I'll use Anthony Marcano's definition: compromises in the external quality of the product. These are typically poor/confusing user interfaces, known defects and poor performance. The good thing about product debt is that it's typically easy to demonstrate. You can show your CEO the confusing user interface and poor performance and they will understand the issue.

The debate really is about which of these problems truly need to be fixed. Customers seem to be buying this product, warts and all, so do you really need to fix it?

This argument sounds reasonable at the surface, but it has two key flaws. First, your customers' expectations may differ from those of the acquisition's customers. Was the acquisition a startup? If so, people may forgive more defects than they would from an established company. Second, did the startup spend more time working with each customer to educate them to handle the product's shortcomings? As a larger company, you might not be able to spend as much time with every customer.

Address this before the deal closes. Once the deal closes and the dust settles, product debt will be your problem and the CEO may forget about an unwillingness to pay to fix it if they see dropping customer-satisfaction scores or an increase in support calls. If you don't have the resources to resolve these issues, you will have to take them from another area of your product.

The strategy to employ here is to get enough resources to elevate the acquired product to the same level of quality and usability as your current products. Your company's customer expectations need to be maintained with this new product. Be sure to have a plan and schedule to go with the funding request so that you can illustrate how

and when the product debt will be addressed. If you have case studies from your own product—such as a reduction in customer complaints when an interface was improved or response time was reduced—that will make your argument easier to make. If not, talk to your UX director. They often have third-party research that illustrates the value of resolving product debt.

Quantify the Technical Debt

The question isn't *if* you'll have significant technical debt. Startups always cut corners in order to get the product to market on a shoestring budget, and established companies don't invest in a product they plan to sell. Instead, you need to answer how much technical debt you are willing assume and how much *needs* to be addressed in the immediate future. It doesn't sound that difficult to estimate, but I've never met a development manager who felt comfortable trying to quantify technical debt.

The big problem with technical debt is that it's invisible to anyone outside of development, and it's extremely hard to quantify without looking at every line of code. Development managers know that if they overestimate the amount it will cost to resolve, their opinion will be written off as unreasonable. If they underestimate it, they'll be held accountable for fixing it without the needed resources. There is no way for them to win, so they naturally punt on the issue and say it's impossible to estimate.

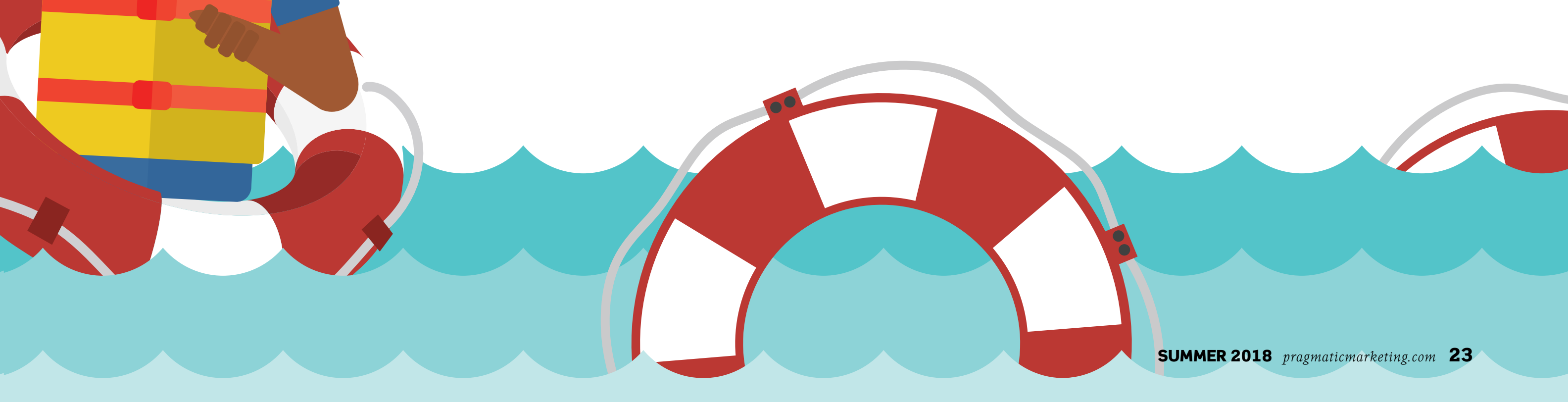
The other problem with technical debt is that you never will address it all—it's simply not cost-effective. All the products that you currently manage carry a decent amount of technical debt. The development team works diligently to resolve as much as they feasibly can, but they'll never get it all done and deliver the new functionality that you demand. The same applies to this new acquisition—you won't fix all its technical debt, either. You'll fix as much as you need to immediately and then shave off a bit more each sprint, like the rest of your products.

There are tools that analyze the code and provide an estimate of what's necessary to resolve the technical debt, but, at this time, I haven't found any that are reliable enough to bring into a boardroom presentation. Further, I'm sure those results would be hotly contested by the management of the product that is being acquired. So, with no qualified human being to place a value on technical debt—and with the technology falling short—what are you to do?

When I worked at an automotive software company, the development manager and I used the same solution that proved effective for the product debt: Estimate what it will take to bring the acquired product up to the same technical standards as the current products in your portfolio. If you can create a new build of your latest code base with the click of a button, but the acquisition has a multistep manual build process, you need to estimate how much it will take to get them to a single-click build and deploy. If your software has 70 percent automated test coverage, you need to call out the effort needed to bring the acquired software to that same level.

Take this amount and add 20 percent for what I like to call "guaranteed unknowns," and you have your technical debt estimate. However, you're not finished yet. You also need to create a project plan to resolve this technical debt. The plan will help you manage expectations and ensure that time is carved out of the development schedule to resolve the technical debt. Invite the development manager to help present this to management. Clearly communicate that you are not resolving *all* technical debt, but are elevating the product to your company's minimum standard.

Communicate that you are not resolving *all* technical debt, but are elevating the product to your company's minimum standard.



Assess Your Sales Team

If this acquisition goes to completion, the expectation is that your sales team will sell this new product. Typically, no sales staff will transition to your company, so the success of this acquisition rests on two questions: *Can* your sales team sell this product? *Will* your sales team sell this product?

To determine if your sales team can sell this product, you need to look at a few factors. First, does your sales team have the right understanding of the product and the market to sell it effectively? Are they selling a similar product to the same customers, or a new product targeted to a completely different market? If it's the latter, you had better have a plan to bring the sales team up to speed quickly or add some new salespeople.

Once your sales team has the knowledge to sell the product, ask yourself if they have the right relationships to start selling this product. If they're selling to a new market or are pitching to a different decision-maker in the same market, they might need six months to a year to build the relationships needed to start the sales process. You might need to budget for customer visits or new trade show presentations. You will definitely need to ensure that you adjust the sales goals to match this new relationship-building period.

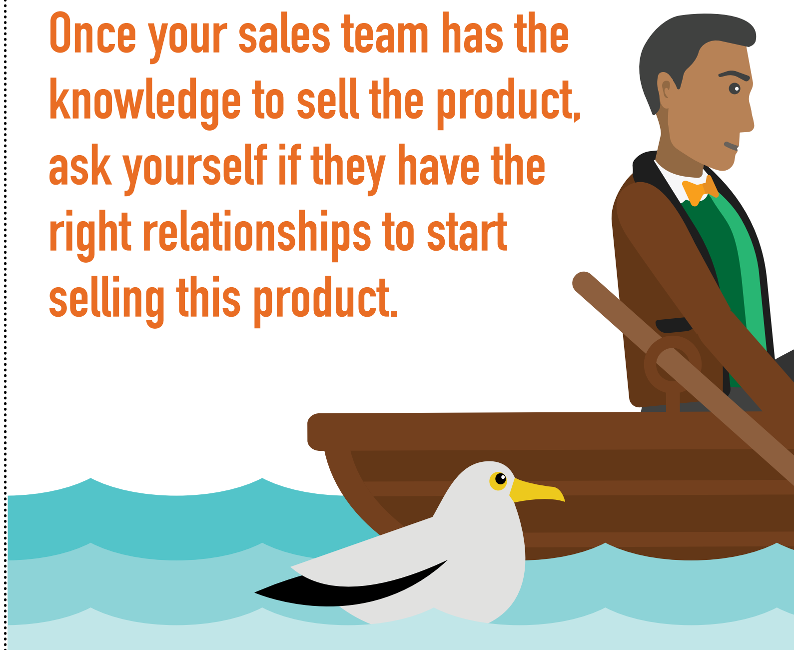
The next question to address is: Will your sales team sell the new product? At first glance it may seem like a silly question, but keep in mind that salespeople are experts at maximizing their commissions while minimizing their efforts. If they have to learn a new market and new product, will they make enough for it to be worth their time? If they sell this product to current customers, will it replace a product (and commission) that they've already sold? Do they already have such a large product catalog that this will get lost in the shuffle? Is this product trusted enough that they feel comfortable risking relationships they've spent years building?

If you don't already have a deep understanding of how your sales team functions, have several off-the-record conversations with high-performing salespeople about the situation. However, this might not be possible if the acquisition isn't public knowledge. If you find yourself in that unfortunate situation, the only thing you can do is take the product catalog, your understanding of the buying habits of the customers and your overall sense of the market and try to put yourself in the salesperson's shoes. Try to imagine, given what you know, how you would maximize sales potential while minimizing efforts.

Regardless of how you assess what the sales team will do, you need a plan to mitigate it. How do you change the game so that the salespeople *will* sell the product? Do you add incentives? If so, how much, and how will that affect the product's profitability? Can you add some inside salespeople and focus them specifically on this product? How will the current sales staff react to that? Can you reasonably add some quotas for this product onto your current sales team, or is their plate way too full already?

Unless it is impossible due to confidentiality, you need to co-author this part of your plan with the head of sales. While you might control the P&L, they control the sales team and could kill this whole effort simply because they are unaware of what you're proposing. In most cases, your proposal will help their effort to meet the sales goals this acquisition will force on them, so they should be happy to see these plans. However, nobody is ever happy when they're blindsided. Because they can provide insight that you cannot, get them on board early in the process.

Once your sales team has the knowledge to sell the product, ask yourself if they have the right relationships to start selling this product.



Finally, unlike product and technical debt, this is an area where creative and unorthodox solutions can really help. I worked with a business-development executive who took the product on a six-month road show to all the company's clients because he understood the software in detail. He handled the introduction of the new product and then let the sales team close the deal. In another company, a colleague who was the VP of sales created a new inside sales team that focused only on the acquired product for a year. These were junior sales reps looking for a chance to prove themselves and, after that year, the successful ones were brought on to the sales team.

Create a Customer Support Plan

Next, you need to determine if your support and development teams can reasonably support this product for your customers. You need do a few key analyses. First, does the current support model fit into your company's support model? Are current customers used to calling up and getting a live person, while your support model requires navigating through an automated menu? Can their support reps handle 90 percent of the support items in the first call, while your company requires customers to go through multiple tiers of support? I'm not suggesting that you need to modify your support model for this new product—although that might be the right choice in some situations—but I am saying you have to assemble a plan on how to manage this change for your customers.

Don't switch customers over in a single brute-force effort; instead, gently migrate them to the new plan with messaging and training. I learned this lesson the hard way after switching support models overnight on unsuspecting customers. They

all called their salespeople, who in turn, called me. Those were not pleasant conversations. Save yourself some trouble and work with the head of support to figure out the best transition plan for the given situation, and include the extra costs in your overall budget.

Second, is your development team able to support this product? From my experience as a developer, it can be difficult to support software that you didn't build. There will be promises of documentation and technical guidance from the company selling the product, but I've found those to have marginal value, when provided. Expect no technical help and budget developer time to learn the system, as if they have to investigate it themselves. If you shortcut this step, you'll still have to conduct the investigation, but your developers will be building new features and fixing bugs while doing it, which will cause delays and make your developers hate your very existence.

Third, how many additional development and support staff must you add to manage this new effort? Typically, management assumes they can match headcount to headcount when they plan staffing for an acquired product. However, that rarely works, because the people who built the product and supported it in the early stages are experts in the product, while your new staff will be novices. They lived and breathed each line of code and every new function, so they can fix issues and build new features much faster than your team will be able to do. Make sure your plan addresses this knowledge gap with the right amount of staffing.

Building and Presenting the Plan

If you've carefully considered the points I've made, you will be in good shape to develop and present a balanced case to management that details the true costs of the acquisition. Build your presentation as a positive, forward-looking plan for a successful product acquisition. Address the acquisition strategy in detail, using the dealmakers' own words, when possible. It is the key to success. Don't back down on your assessment of product and technical debt. Product debt will kill your customer-satisfaction scores and ruin your reputation in the marketplace. Technical debt will eat away at your development team's productivity and morale; it might even cost you some of your best engineers.

Involve the head of sales in your presentation, and be sure your plan addresses any shortcomings in the sales team's knowledge or incentives. Finally, ensure that you have the right staff in place to support this product going forward. If you don't, you will spend your time calming dissatisfied customers and disgruntled developers.

Expect significant pushback. Your plan will be expensive and will probably alter the business case that's being used to drive the deal. However, it isn't as much about fighting the pushback as it is about creating a clear picture of what is needed to properly manage the acquisition. If management decides to ignore some of your requests, ensure that they understand and accept the risks your request was designed to mitigate. If that risk is realized in the future, it may be a card you need to play. PM

About the Author

David Radzialowski is the owner and managing consultant at Third and 10 Product Consulting, which specializes in providing strategic and tactical services to companies with significant digital product challenges. He is a 25-year veteran of the software product development process and has experienced every aspect from idea to launch. His focus is SaaS-based products, but he also has considerable experience with e-commerce, mobile applications and digital advertising. When he's not working with clients, he spends time with his wife and two boys in Oak Park, Ill. He can be reached at dave@thirdand10products.com.

Identify and Diagnose
CUSTOMER CH

LAST YEAR, A CEO CONTACTED ME ABOUT CUSTOMER CHURN. Despite doing exit interviews and surveys, she could not identify why her company had such a high volume of customer defections. Her teams shared conflicting opinions and pointed fingers. She had no solid information upon which to make decisions. Meanwhile, customers continued leaving at an alarming rate.

Customer churn is a big deal. Not only does it put the brakes on growth, it is expensive because it costs much more to acquire new customers than to retain existing ones. What's more, in the new world of the subscription economy, customer retention is more critical than ever: An estimated 80 percent of a company's future revenue depends on value derived after the purchase. Even companies with low churn rates recognize the importance of stemming the leaks and growing their customer base, not just continually working to acquire new customers.

The emergence of new SaaS, cloud and subscription models has forced a full-scale reengineering of companies toward customer success that demands a more proactive, partnership-oriented approach to service delivery. Product marketers have always focused on customer acquisition. But in the subscription world, there needs to be a shift in thinking towards long-term customer success and redefining ideal buyer personas. It's a shift that touches every team, from customer support and marketing to sales, product marketing and product management.

> "Customer success can't be the job of just one department; it has to be a central value of the company."

If you simply rebrand your customer support function as customer success, you will miss the boat. Retention and growth need the entire company's attention and focus. As a veteran VP of customer success once told me: "Customer success can't be the job of just one department; it has to be a central value of the company." It's vital that product management and marketing adjust to support this new reality of partnering with customers along their journey with a company, helping them find value and success in the products and services.

A New Model Is Needed

As Eigenworks worked with the CEO (let's call her Jane), she shared her frustration about the intractable churn in her B2B SaaS enterprise. But in our experience, her company is not unique. My team has clocked thousands of hours interviewing, analyzing and advising dozens of similar companies to help them understand buyer decisions and improve customer retention.

What has emerged is the need for a new model to describe the buyer's journey in the subscription economy.

Virtually, every activity has a model: the sales funnel, the journey maps, the land and expand model. What's missing in the subscription-economy world is a descriptive diagnostic tool that allows you to 1) see the buyer journey as a whole, 2) understand customer churn and retention, and 3) facilitate discussions about what's going well and what needs to be fixed. This is our attempt to provide that conceptual model: the customer success orbit (Figure 1).

HURN

BY ALAN ARMSTRONG

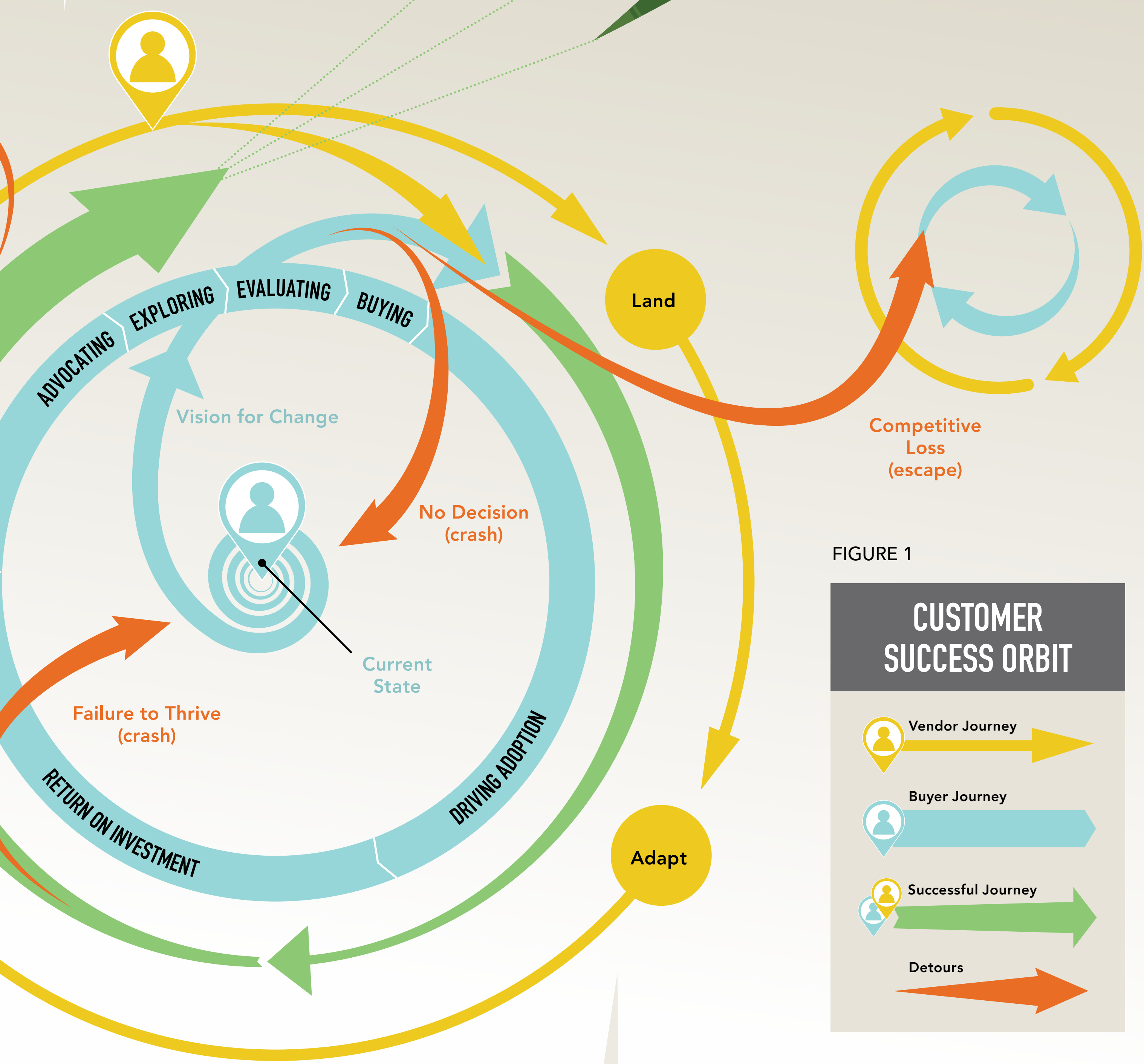


FIGURE 1

Pinpoint Where Things Go Wrong—and Right—in the Buyer Journey

Our new customer success orbit brings together two concepts that are familiar to SaaS companies. The land/expand model coined by TSIA is the foundation for the customer success orbit; it is also the foundation for the **vendor's journey (yellow path, Figure 1)**. The idea is to gain a foothold in a client company and expand it for growth, rather than trying to bite off a big chunk of business at the start. There are four phases: land, adopt, expand and renew.

Every vendor we work with talks about land/expand; its great value lies in recognizing that the sale is only the starting point. But it is named after—and focuses on—your goals as a vendor. My question for each client focused on land and expand is: Where is the buyer in this model?

Because we study buyers, it was natural for us to map the **buyer's journey (blue path, Figure 1)** against land and expand. In the buyer's journey, the buyer is at the center of this universe, stuck in the orbit of their current state until they develop a vision for change.

When the buyer develops a vision for change, things start to happen. Typically, an internal champion will lead the push for a new and better state. They will begin to explore the market to investigate solutions. If the champion is effective, and there is enough dissatisfaction with the current state, the buyer will achieve escape velocity from their old orbit. If they approach your sales function, they will have entered your orbit.

If you are successful in landing this new customer, you will begin orbiting together on a **successful journey (green path, Figure 1).** This is the place where the buyer's journey—the blue path representing the buyer's needs, motivations and vision for change—meets and aligns with the vendor's yellow journey of land, adopt, expand and renew.

However, not every buyer journey is a successful one. **Detours and pitfalls (depicted in orange, Figure 1)** exist in the land phase. Customers can crash back into their prior, painful state, or escape your orbit and fly off into a competitor's orbit.

Of course, a crash or escape may also happen in the expand or renewal phases. This is the challenge of customer churn. So why does churn happen? What makes some customers successful while others crash or escape? And most important, how can we encourage more growth and less attrition?

Why Customers Crash or Escape

Customers crash (return to their prior state) or escape to a competitor for any number of reasons. Sometimes it's a failure to execute on your part—similar to an athlete committing an unforced error. Other times—for reasons that may be beyond your control—the customer is simply unable to realize the value of your solution. The reasons may include:

- Failure to deliver on the original need
- Failure to provide needed organizational support to the buyer
- A difficult onboarding process
- An overly complicated product
- Customer's inability to adopt or thrive
- A shift in customer needs; the solution no longer fits
- Customer funding was pulled and the initiative died
- The customer bought for an incorrect or irrelevant problem

Our customer success orbit model combines elements along the entire journey, allowing you to plot your situation. Where are customers crashing? Where are they escaping? What questions should you ask to determine why it is happening? For customers that stay on the success path, what factors are keeping them happy?

If customers leave when it's renewal time, you may want to look at whether the seeds for their escape were planted earlier in the cycle.

The three paths (success, crash and escape) are the key diagnostic element of this model. By identifying where your customers are leaving an orbit, you can focus your efforts on the most critical points in the customer journey and diagnose things like:

- **Where churn originates.** If customers leave when it's renewal time, you may want to look at whether the seeds for their escape were planted earlier in the cycle. If poor service or communication left the customer with a less than optimal product or service, dissatisfaction may have entered at onboarding. Or, things may have fallen apart farther down the line. For example, did the customer's needs change and you were unable to anticipate and respond to those changes?
- **What successful customers have in common.** In the subscription economy, the ideal customer is shifting from someone you acquire to someone you can renew and expand. Ask yourself: Who is your ideal long-term customer? What are their characteristics and traits? Are there predictive patterns that can guide your sales team in targeting and acquiring the customers with the greatest potential lifetime value?
- **How to identify the customers to avoid.** It is important to understand the characteristics of customers who are unlikely to succeed with you. However, it can be hard to accept that you and a customer are not suited for one another (no one wants to say goodbye to a customer and the revenue they represent). But there may be times when it's not a good fit, especially as you consider the requirements to ensure a successful experience through renewal and beyond.
- **What you are doing that delights customers.** It's not all about crashing or escaping. Many customers travel along the green path of success, where their needs and goals meet your own. What can you do more of to guarantee they remain in your orbit?

Armed with this pattern of awareness, you can focus your resources on the places where you'll create the greatest impact. You may not have the resources to address one-off pain points, but you can target the pattern. You can also double down on the things you're good at to make more customers happy. And you can focus sales efforts on acquiring those customers who have the best chance of succeeding.

How Can This Model Help Product Marketing and Product Management?

The customer success orbit has broad applicability. It provides a framework for conversations about the buyer journey and offers a useful shorthand to pinpoint and describe what works and what doesn't. When you want to fix a problem, the first step is to achieve alignment among your teams. Get everyone to agree, as much as possible, on defining the challenge you face. With this model, you can zero in on areas of problem and opportunity to facilitate alignment and decision-making. Once aligned, your teams can move quickly to pick low-hanging fruit, and you can focus experiments on critical steps in the buyer journey.

With the help of Eigenworks, Jane, the CEO, was able to narrow down issues in each of these areas. In particular, we found one fairly simple health indicator that her company had not been monitoring, and we created customer success motions to ensure that every customer had implemented key product features. Now Jane's product, customer success and sales teams have initiatives aimed at addressing the barriers and capturing the opportunity uncovered in our investigation.

Product Management in the 21st Century

Today, more than ever, tech-enabled companies need product managers and product marketers to think across functions and teams as optimizers of product revenue. However, revenue only comes to those who make their customers successful, and in a world where everything is a service, you can no longer afford to look only at optimizing customer acquisition. You need to be keenly tuned in to the outcomes that customers need and ensure that at every step of their journey you are facilitating the next step. The customer success orbit is designed to help teams address these issues, focus discussions, pinpoint issues more easily and move to action in a more aligned way. PM

About the Author

Alan Armstrong is founder and CEO of Eigenworks, specializing in win/loss and churn analysis for enterprise B2B companies. Prior to founding Eigenworks, Alan held senior director and vice president roles in three startups and participated in three successful exits, including Fortiva (to Proofpoint, 2008), Wily Technology (to CA in 2006), and Canada's largest self-funded exit of Sitraka to Quest Software, where he was director of new products and innovation. Alan has held VP roles in product management, sales and business development. Follow him on Twitter @AWArmstrong and learn more about Eigenworks at eigenworks.com.

How to Implement a WIN/LOSS Program

BY ZACH GOLDEN

"WHY DID I LOSE?" IT'S THE FIRST QUESTION A SALESPERSON wants to ask a prospect after failing to win their business. Unfortunately, the likelihood of getting a straight answer is slim. According to research, prospects share the complete truth only 40 percent of the time in new-business situations. This means that in 60 percent of these situations, sales reps do not have a complete and accurate understanding of why they lost.

If sales reps don't know why they won or lost a sale, then the organization's decision-makers and leaders won't know either.

> **Prospects share the complete truth only 40 percent of the time in new-business situations.**

The most efficient and effective solution to this conundrum is to implement win/loss research. A thorough win/loss analysis program will provide optimum sales alignment and support and deliver invaluable prospect feedback to an organization. It will help a sales team understand exactly why they lost and what needs to be done to improve their performance and the company's presentation of its products and services. So, how can an organization get started?

Executive-Level Sponsorship

For a win/loss program to be effective, it must have executive sponsorship. Without the commitment of the president or general manager, it will be difficult to achieve success.

Win/loss involves—and has an impact on—almost every area of a company. The research will have an impact across sales, marketing, product development, technology, client service, operations, pricing, etc. Therefore, anyone who has direct oversight over any of these areas needs to support the process, starting with executive leadership. Otherwise, nothing will be done with the feedback you gathered.

For example, when a large multinational BPO firm sponsored a win/loss program and rolled out the concept to its sales division, the COO clearly communicated the purpose and intended impact on the kickoff call: *"We need these results in order to be more competitive in the marketplace. Everyone needs to pay attention to the feedback as it comes in and use it to improve how we do business."*

The message was clear and powerful and set a positive tone for the entire program. The company instituted a process where each interview was reviewed by the salesperson and their manager for individual training purposes. In addition, team members from product marketing, competitive intelligence and pricing set monthly calls to review trends.

Commit to the Process

Another important factor for success is to position win/loss as a long-term process, not a one-time occurrence. Some companies believe they can conduct a single study and extract all the value they need. However, to be truly effective, win/loss must be part of a long-term process.

Think of it as you would a wellness program. Getting to a place of personal wellness requires a committed lifestyle. Company health requires a similar effort.

A long-term commitment to win/loss will deliver results. The president of a large financial institution, who credits continuous win/loss research with making him a better leader, said it has "become part of our sales and service culture, and our team relies on the results as part of our drive for continuous improvement." This ability to review and operationalize data over time will enable organizations to commit to and prioritize their overall wellness.

Implement a Win/Loss Program

Launching a successful win/loss analysis program requires implementing seven key steps. You can create and deliver the program internally or hire a third-party research partner. In this example, the upcoming steps assume an internal design, launch and program administration.

1 Identify a Program Coordinator

The first step is to identify who will run the program. Often it will be someone in sales or marketing. This coordinator will be the go-to person, responsible for working directly with internal stakeholders and sales to gather information and finalize research instruments.

The coordinator must be someone who can get things done and have enough authority to ensure that different areas of the company will work together. Because win/loss will not be successful without buy-in from sales, the coordinator must also feel comfortable working with sales reps to collect and extract deal-flow information.

Some companies prefer to assign a coordinator who has more of an administrative background. However, this could backfire if the sales team opts to ignore the efforts of someone less senior. Try to find someone the sales team already knows and respects. This will ensure that sales data is successfully collected.

2 Set Up a Kickoff Meeting

Once the coordinator has been selected, it's time to set up a program kickoff meeting. It is critical that the head of sales attend to ensure they understand exactly what the program entails. Other attendees should include internal stakeholders who will be involved or impacted by the win/loss program.

Ask each stakeholder to share their objectives for the research and then develop a list of questions to use in the interviews. Also, determine the workflow for capturing information from recently closed won or lost deals, and agree on how to share those results throughout the organization.

Debrief on deals against top competitors to gain valuable insights into how rivals position themselves and connect with prospects.

3 Create and Finalize the Interview Guide

The best interview guides include input from key influencers within the organization and cover the most important stages of the sales cycle.

The first step to explore is the vendor selection process. How did the prospect determine which vendors to evaluate, and what were their initial perceptions of the marketplace? Identify the attributes that were most important at the onset of their search. Also, capture open-ended commentary about your company's strengths and weaknesses and competitor comparisons.

Next, score prospect satisfaction with key sales and product-related attributes, compared with the competition. Finally, conclude by understanding which firm the prospect ultimately selected, the reasons for that choice and why they didn't select a different competitor.

Get input from all areas of the company and be prepared to create several drafts before your questionnaire is fully customized to your company's unique needs. Once key stakeholders have signed off on the interview guide, you're ready to select your interviewers.

4 Identify and Train Interviewers

The next step is to select and train people who will conduct the research. Since it's important to capture unbiased, honest feedback from prospects, the sales team should not be involved in conducting these interviews.

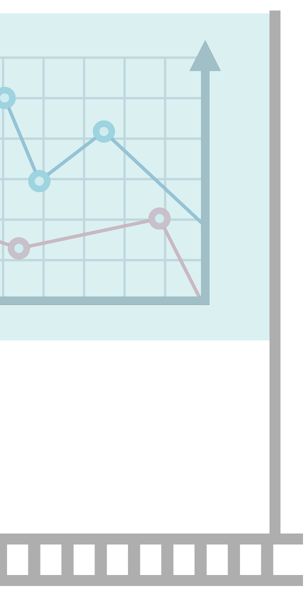
Interviewers should be comfortable talking on the phone and able to lead informed, probing conversations. They should also have a strong working knowledge of the company's sales process and product offerings. Offer training to close any knowledge gaps.

In addition, interviewers should be familiar with hot-button issues that will help them focus the conversation. If ample time is committed to becoming familiar with the questions in the interview guide, interviews will run more smoothly and interviewers will sound more professional.

5 Select the Best Deals to Interview

The program coordinator must be able to identify how to acquire and forward the necessary sales information to interviewers. The easiest way to do this is to pull data straight from a CRM database. However, the raw data feed will need thoughtful vetting before it is considered workable.

It's important to avoid cherry-picking, so partner with sales leadership to ensure that specific deals are not deliberately excluded. Remember, the quality of an interview will only be as good as the quality of the contact, so make sure the CRM lists prospect decision-makers and their correct contact information.



Establish a floor for deal size and only request feedback for opportunities above that level. This will filter out the smallest deals, which may not have received the full extent of sales resources to begin with.

If you can debrief on deals against top competitors, you will gain valuable insights into how rivals position themselves and connect with prospects. Also, capture feedback to help coach underperforming sales reps as well as to learn from the top performers.

6 Conduct and Disseminate Interviews

The best time to speak with prospects is approximately two to four weeks after they've made their buying decision. During this period, the details of the buying process will still be fresh in their minds, so you get timely, accurate information.

Once interviews are completed, it is important to share the insights throughout the organization. When you share interviews with key stakeholders, encourage them to share the information with relevant personnel. There is a lot of value in sharing the interviews with others, such as sales managers and individuals involved in the deal.

7 Aggregate Findings and Present to Senior Management

For win/loss to have the most impact, the findings must be aggregated and analyzed. While the verbatim feedback provided in each interview transcript is instrumental in helping individual teams learn from their experiences, the entire company can benefit if it learns from the collective experiences of sales.

Assess your company's overall strengths and weaknesses, and become familiar with what prospects say you do well and what you need to improve. Reinforce data with the open-ended commentary that prospects share during their interviews. In addition, compare qualitative and quantitative ratings to key competitors noted in the interviews. And remember to look at results on a relative basis, monitoring performance and industry trends over time.

To have the most impact, present these results in person to an audience that includes key program stakeholders and senior management.

Conclusion

Win/loss is an excellent management tool for sales alignment. It helps companies gather prospect perceptions and feedback regarding their sales processes, product offerings and overall competitiveness. And it allows leadership teams to engage in debate, strategizing in more healthy, productive ways. While win/loss allows senior management to focus on solving problems, it only works if the company is disciplined and commits to continuous improvement over time. PM

About the Author

Zach Golden is a consultant at Anova Consulting Group, where he specializes in managing win/loss research programs for his clients. Zach focuses his work on ensuring each program has strategic and actionable insights to help his clients win more business. Additionally, Zach is heavily involved in business development for Anova, managing the company's branding and marketing efforts. Zach is an alumnus of Babson College, where he graduated cum laude with a B.S. in strategic management. Email Zach at zach@anovaconsulting.com.

Improve Your Customer Experience with a

PRODUCT-LED GO-TO-MARKET STRATEGY

BY NICK BONFIGLIO, MICKEY ALON AND MYK PONO

BECOMING A CUSTOMER-EXPERIENCE COMPANY is a challenging and continuous goal. You can—and should—always improve the customer experience; it's not something you can achieve and put aside. Customer expectations change constantly, and switching costs are low, even in the enterprise markets. That brings us to the core element of the corporate strategy: go-to-market (GTM) strategy.

A GTM strategy is similar to a military strategy. It takes into account the following elements:

- The environment and landscape of the battle (i.e., market conditions) and competitive positioning
- The target or enemy (i.e., target customer)
- Weapon of choice (i.e., product offering and pricing)
- How the operation will be carried out (i.e., customer-acquisition process and channels)

Combined, these elements outline a customer-acquisition process, which explains how the company will attract and convert buyers. The definition of a traditional GTM strategy is *an action plan that describes repeatable and scalable processes for how a company acquires, retains and grows customers.*

So, what impact does GTM strategy have on the quality of customer experience, and why is it crucial for companies to change this strategy if they want to improve customer experience?

Customer experience requires organizations to go beyond demographics and firmographic data to understand customer needs, values and expectations. These insights will not only help your organization personalize its product offering, pricing and message to improve the customer experience, but they will also help you understand what journeys, channels and processes best match customer expectations. Every organization serious about focusing on customer experience has to evaluate and optimize its GTM strategy to align with a vision of delivering a better customer experience.

It is worth noting that to be successful, a GTM strategy must be repeatable and scalable. *Repeatable* means that the organization can expect very similar results when executing against a particular GTM playbook. *Scalable* means the company can hire and train new employees using the GTM playbook and see proportional revenue growth in acquiring customers.

Traditionally, a GTM strategy highlights channels as the fourth essential element, but in the last two decades, digital transformation drove an explosion of new channels for organizations to reach prospective customers. Seeing that a prospective customer can switch from one channel to another in a matter of seconds, channels themselves became somewhat less important. What matters more is the overall customer-acquisition process, which is intertwined with every aspect of a GTM strategy.

In other words, the customer-acquisition process is changing because of changing customer expectations and the increasing number of channels through which prospective customers can be reached. Enterprise buyers expect to try and evaluate software in an easy, frictionless way. As a result, a new approach to customer acquisition has emerged in which the product itself becomes a channel for acquiring, retaining and growing customers. This approach fundamentally changes the traditional GTM strategy by elevating product as one of the primary channels. This new strategy is referred to as a product-led GTM strategy. The name suggests the importance of product as a tool and channel to attract, retain and grow customers.

Product-led GTM is an action plan that describes repeatable and scalable processes for how a company acquires, retains and grows customers, driven by in-product customer behavior, feedback, product usage and analytics.

In a product-led GTM strategy, the product becomes a crucial and irreplaceable part of every step of how your company prepares to reach and engage prospective customers. One of the major benefits of this approach is receiving in-product user behavioral data that can then be used to change or adapt the whole GTM process. How prospective customers interact with your product early in the buying process could help your company make better decisions about what features to build next. You could even adjust marketing messages based on in-product behaviors to highlight values and features that correlate with a higher probability of a prospect becoming a customer.

A product-led GTM enables companies to focus more on effective product-growth strategies and incorporate real-time, in-product customer behavioral data to create meaningful engagement across multiple channels and devices.

Is there anything more relevant and valuable (from a GTM perspective) for a company to improve the customer experience than data showing how prospective customers engage with its product?

Every organization serious about focusing on customer experience has to evaluate and optimize its GTM strategy.

How valuable would it be for you and your extended team to fully understand how and why a single customer (or segment of customers) uses your product, given their unique customer attributes and journeys?

Let's examine one other main difference between a traditional and product-led GTM. In the latter, companies focus on driving prospects to try their product, instead of driving them to lead forms and then bombarding them with a bunch of nurturing emails. This strategy goes nowhere without prospects filling out lead forms, and one study found that lead forms are filled out on average only 11 percent of the time.

Gating content as a way to generate leads has become increasingly less effective. Aside from the fact that prospects do not want to share contact information and would rather evaluate a product via a trial or freemium option, lead forms create inefficiencies in the customer-acquisition process. A large portion of leads are prospects that will never be your customers: people who do research on the subject, students and prospects that don't fit your ideal customer profile.

This fills your database with bad lead data, which can be a big problem. Bad data clutters your marketing automation and CRM solutions with duplicates and bogus data. Depending on how you slice and dice SaaS industry data, the average conversion rate from visitor to lead is around 5 to 15 percent. While the research findings vary, the conversion rate from lead to a won deal is anywhere from 1 to 10 percent.

Marketing teams spend a majority of their resources and efforts nurturing leads that are never going to convert. If you still use lead forms and MQLs to generate leads, ask yourself: What percentage of your lead data is garbage (bogus data provided by those filling out your lead forms)? In other words, how much of it is inaccurate data, or from people who aren't truly prospective customers? What percentage of your MQLs fall outside of your ideal customer profile (e.g., two-person startups, students or maybe even competitors)?

A poor lead conversion rate is partly due to a very low buying intent among prospects that fill out a lead form. On the other hand, signing up for a free trial or freemium product shows a higher interest in your product. Also, a free trial entices prospects to use accurate credentials, since the confirmation process is often a required step for getting meaningful access to the product.

What about lead nurturing and lead scoring? Companies such as Marketo and HubSpot, which popularized a marketing-led customer acquisition approach, also introduced lead scoring and nurturing techniques to help marketers improve conversion rates and bring some kind of prioritization to the process. Lead nurturing based only on contact information (demographic data) and marketing activities (opened email, visited web pages) can't be very effective. Nurturing and scoring techniques become arbitrary marketing, automating and personalizing interactions with prospects based on data that is only minimally correlated with buying intent. Plus, most organizations cannot personalize email nurturing campaigns, because they lack customer in-product behavioral data.

As a result, companies experience a much-talked-about marketing-sales gap, where marketers pass prospects to sales that aren't ready to buy and sales complains about lead quality. As an industry, we have to admit that marketing-sales misalignment is due to ineffective lead-generation strategies that emphasize quantity of leads over quality. What has made things even more convoluted is that MQLs are not qualified for pipeline forecasting. As a result, sales teams spend time working and further qualifying these leads as SQLs. This not only makes things inefficient, it also increases the customer-acquisition cost.

Many teams that made the shift to a product-led GTM strategy have abandoned the traditional approach to customer acquisition and MQLs. Some of the fastest-growing companies in recent years do not put any lead-generation forms on their websites, and instead invite prospects to try their products. This list includes Zoom.us, Asana, InVision and Slack—and it's growing. Prospects search for and find product reviews and other valuable information; after all, they don't want to hear marketing messages that use too much jargon, hyperbole, superlatives or buzzwords.

One quick point on ungated content: Just think about how much marketing attention you are losing by gating your content. When you don't gate your content, readers can share it and contribute to spreading your message across target markets, even if they aren't part of your ideal customer profile. But people rarely link or refer to gated content.

Let's be clear: A content strategy around thought leadership is still important for organizations to drive awareness and demand. It has become one of the most efficient ways for companies to engage with prospects, by educating target audiences (prospects and customers) on industry trends, new strategies and tactics. We believe a sound content strategy is key to growth, but your assets should not hide behind a form. Even more important, your content should be delivered to prospects and customers in a contextual way to move them through the life cycle.

What Are Product Qualified Leads?

One of the earliest mentions of the PQL concept is in an article by Tomasz Tunguz from early 2013, "The Product Qualified Lead (PQL)." It describes a natural progression from MQLs to PQLs. However, the PQL only makes sense as part of a larger, product-led GTM strategy. Product qualified leads are prospects that signed up and demonstrated buying intent based on product interest, usage and behavioral data.

We believe PQLs are a better way for cross-functional teams to create sales-ready accounts and more active customers. PQLs provide a more accurate method of tracking customer journeys. This is a key metric for any company that's transitioning to a product-led GTM strategy.

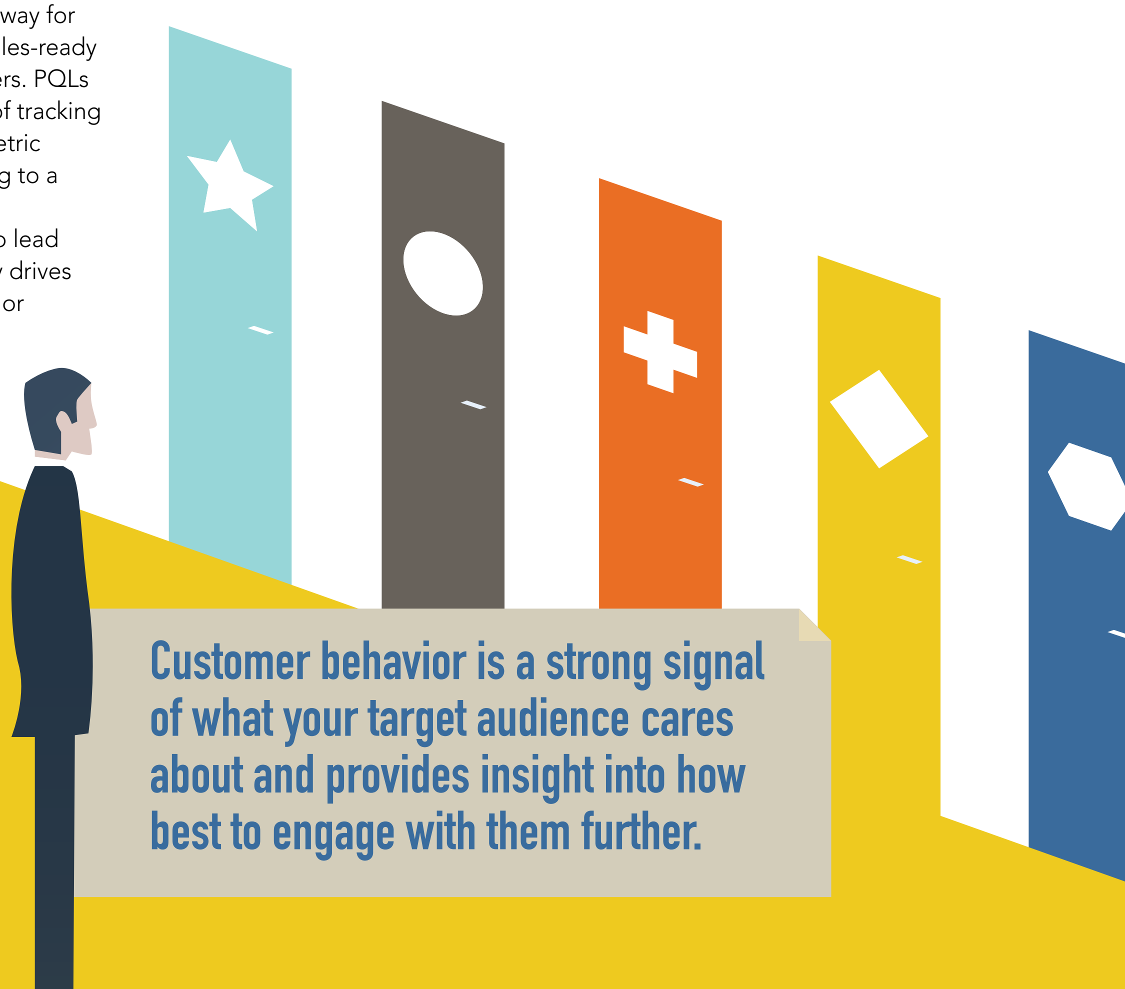
Instead of driving prospects to lead forms, a product-led GTM strategy drives prospects to sign up for a product or free trial. From that moment on, marketing teams can analyze how prospects use the product to nurture or reengage them until they are ready to buy.

A product-led GTM strategy streamlines the customer-acquisition process for SaaS organizations by focusing on one entry point for prospects. When prospective customers sign up for a freemium or free trial, they show a higher buying intent. They also afford the company's teams the opportunity to analyze how prospects interact with the product in their natural environment.

Product-led GTM makes it possible for companies to personalize the onboarding experience and collect insight into what features drive the most value. It also helps pinpoint steps in customer journeys that cause a negative customer experience and result in product abandonment. Furthermore, marketing teams using behavioral data can reengage customers that have left the product and haven't returned.

Today's sales process rarely incorporates an efficient way for sales development reps and account execs to apply product usage data to prioritize their workflow and outreach to prospects. However, sales processes can change in this way when the organization focuses on PQLs instead of MQLs/SQLs. Sales teams can use behavioral data to better prioritize and forecast. Product leaders can get early feedback on what features drive product growth, what in-product journeys are more effective, and what onboarding process results in higher product adoption. Simply put, this approach works for both the company and prospects by enabling a frictionless buying experience.

In the article "Why Product Qualified Leads Are the Answer to a Failing Freemium Model," Christopher ODonnell explains why PQLs are critical for companies with a freemium business model. However, we believe that product-led GTM strategy and PQLs not only work for the freemium model, but are also essential for almost every SaaS company. Prospects expect to see the product early in the buying process. A product-led



Customer behavior is a strong signal of what your target audience cares about and provides insight into how best to engage with them further.

strategy brings to life the "don't tell me, let me try!" idea, while PQLs track and measure buying intent more effectively.

To be clear, prospect nurturing and engagement can happen inside the product via in-product messaging, or through other channels such as email, mobile notifications, etc. Customer in-product behavior not only influences how a company nurtures and reengages customers to come back into the product, but also triggers ideas for content strategy and marketing. Customer behavior is a strong signal of what your target audience cares about, and provides insight into how best to engage with them further.

Let's dive into how a product-led GTM changes the customer-acquisition process.

Traditional Approach to Customer-Acquisition Process

Companies that use the traditional approach to customer acquisition make it a habit to analyze this process from the company perspective. What is important to highlight is that a large portion of the traditional customer-acquisition process happens outside of the product. This prevents companies from collecting critical behavioral data that can help improve nurturing and customer interaction.

Marketing teams are in charge of the customer life cycle up until prospects become MQLs. Sales development reps are responsible for quality marketing leads and generating SQLs. Account execs focus on converting SQLs into won customers, and then pass them to the customer success team, whose task is to onboard newly acquired customers and ensure they become active and loyal customers.

Product-led Approach to Customer-Acquisition Process

A product-led GTM strategy makes your product an essential part of the acquisition process and significantly reduces the time it takes for prospects to access the product. When compared with the traditional customer-acquisition process, companies focus less on the customer life cycle part outside of product engagement. The customer life cycle shifts more into the elevated axis area, where product behavior becomes essential in guiding customers through the life cycle.

As explained earlier, product usage data can be leveraged by every team to efficiently move prospects through the customer acquisition process. Furthermore, it is easier for sales, marketing, product and customer success to agree on what defines a PQL. That's because this metric calls upon more concrete data, compared with the way that MQLs/SQLs are defined.

Dropbox is an example of a company that drives prospects directly into the product and nurtures them until they are ready to buy. When prospects approach a certain percentage of the storage available on their freemium product, Dropbox sends a notification to the desktop app and over email. It's worth noting that Dropbox has reached a $1B revenue run rate faster than any other company.

Product-led GTM strategies provide several benefits. In a nutshell, product, marketing, sales and success teams are more aligned to deliver personalized customer experiences that are more engaging and result in higher conversions, loyalty and revenue growth. By doing this right, companies reduce their customer-acquisition cost, accelerate trial-to-conversions and increase customer lifetime value.

To deliver great customer experiences today, companies must understand the customer life cycle, unify customer data and track their customers' personal journey through their products. This is not possible when following a traditional GTM strategy. However, it is possible when companies embrace a product-led GTM strategy that centers on providing access to the product earlier in the buying cycle via free trials or freemiums.

Such an approach also enables organizations to become truly customer-experience focused, and provides a clear path for cross-functional teams to align around the buyer's journey and full customer life cycle. Moreover, it provides the type of product usage insights that are critical for delivering personalized experiences that advance prospects and customers from one stage to the next. These same insights can guide product teams to understand and determine the most valued features and ways to further optimize their products.

Simply put, your product should be at the center of your GTM strategy—the action plan for how your company acquires, retains and grows customers. To succeed with this approach, every department must align around relevant goals and metrics, and you must equip these teams with the right tools and data. PM

Book excerpt from *Mastering Product Experience: How to Deliver Personalized Product Experiences with Product-Led Go-to-Market Strategy* by the Aptrinsic team: Nick Bonfiglio, Mickey Alon and Myk Pono. Read the full book at intrinsicpoint.com/mastering-product-experience-in-saas.

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Executive Buy-In:

Your Key to Success

BY SCOTT OLSON

CONGRATULATIONS! YOU'VE ATTENDED SOME or all of the Pragmatic Marketing courses, passed the certification tests, and are armed and ready to dramatically impact the way your organization thinks about product.

Getting the most out of the Pragmatic Marketing Framework will require a coordinated effort across your organization. So how do you gain support for an implementation that will affect not only you and your team, but your entire company?

I've run technology product management and marketing teams for more than 20 years, and there's no simple answer to that question. That said, it all begins with a fundamental principle of Pragmatic Marketing: Understand the problems of your buyers. In this instance, your company's leaders and executives are the buyers most relevant to your internal success. You must convince them that not only will implementing the framework fundamentally change the way your company approaches the market, it also will lead to dramatically improved results.

Below are three strategies you can use to gain executive buy-in for implementing the framework across your organization.

STRATEGY 1 Approach executives as buyers who will support your initiative

To craft a strategy that will gain executive support, you should clearly understand your organization's strategic objectives, what success looks like for individual executives and the challenges each one faces in achieving their goals.

Traditionally, these roles will be the VPs of sales, marketing, product and even the CEO. Here are some questions—right out of the Pragmatic Marketing Buyer Persona Template—that you need to ask:

- What are the top obstacles or problems that interfere with success in your role?
- What does winning look like for you? How do you measure success? What are your top MBOs?
- How do you approach the market today? If you haven't considered implementing the framework across your organization, why not?
- How do you manage without using the framework today?

STRATEGY 2 Establish key KPI targets for each part of the organization that the framework implementation will impact

This effort builds on the work of understanding your executive buyer personas; you should now recognize how the company's strategic objectives relate to each department's goals. Although each organization will be unique in the KPIs they track and target, here are a few examples to help get started:

MARKETING

- **Marketing qualified accounts: (framework boxes: Buyer Personas and Nurturing)**—Account based marketing depends on engaging with multiple buyers in the sales process. In addition to traditional MQLs, consider adding marketing qualified accounts to focus on and track accounts where more than one of the ultimate decision-makers is engaged. This allows you to track the qualification at an account level based on the number of qualified leads that represent key buyer personas. Tracking conversion rates and close rates for these types of accounts will provide insights into the effectiveness of your account-based marketing efforts.

- **Cost per lead (framework boxes: Marketing Plan, Awareness)**—One of the biggest challenges for marketing is effective use of the budget in keeping a steadily growing sales pipeline. A target of your buyer persona development is to identify the appropriate information sources your buyers trust and the language they use in describing their problem and priority initiatives. If you deliver a clearer understanding of a profile of your ideal buyer, the problems they have and where to reach them, your marketing should become more cost effective. Cost per lead should be a shared key metric you track with your marketing and executive leadership. Showing how you impact the effectiveness of marketing spend is a great way to gain awareness and support for your efforts.

SALES

- **Competitive win rates (framework boxes: Win/Loss Analysis, Competitive Landscape)**—Deliver clear competitive intelligence and an understanding of the drivers of why you win and lose deals to impact your overall competitive win rate. Sign up to move the needle against your toughest competition.
- **Average conversion time (framework boxes: Buying Process, Sales Tools, Programs)**—Want to get buy-in from your VP of sales? Put a plan in place that will help them win more deals in a shorter period of time. Use your market visits to clearly understand the overall buyer journey and who is influential in making an ultimate decision, and provide your sales team with the tools to be effective with each audience.

PRODUCT

- **Customer satisfaction and net promoter score (framework boxes: Product Roadmap, User Personas, Innovation, Use Scenarios)**—At the end of the day, the satisfaction of your customers is a direct measure of how effective you are at understanding not only their problems, but the evolving priorities for your products. This is a higher-level goal that involves many parts of your organization, but take ownership and track how major product launches tie to changes in customer satisfaction rates and your overall NPS.
- **Upgrade/adoption rates for product launches (framework boxes: Market Problems, Product Roadmap, User Personas, Launch Plan)**—For any product launch, you ought to have concrete goals for the success of the initiative. Migration to a new version of your product and adoption rates of new capabilities are essential to understanding whether you are effectively identifying new, valuable capabilities that address your users' problems.

The most important thought here is to attach your prioritized efforts for implementing the Pragmatic Marketing Framework to KPIs that reflect your organization's priorities for the next 12 to 18 months. Paint a clear picture of how framework adoption will result in clearly measurable market success, and adopt those same metrics as evidence of success for your team. That will align your results with the broader strategic initiatives of the business, and take your team from tactical execution to strategic influence.

STRATEGY 3 Become an ongoing part of the conversation with key executive sponsors

Now that you understand the executive perspective and have homed in on the critical KPIs that allow you to speak their language, it is time to become a continuing part of their process. Tie quarter-over-quarter metrics to key product team milestones like releases, launches and campaigns.

It is important to frame adoption of the principles of Pragmatic Marketing as a way to drive organizational change.

Since the executives report frequently on these KPIs, this will allow them to see how their investment in the Pragmatic Marketing Framework should impact the results they care most about. It is important to frame adoption of the principles of Pragmatic Marketing as a way to drive organizational change, not just personal development. In the end, these regular interactions will directly impact your relevance and mobility in the business.

Conclusion

To gain executive buy-in, you need to view that team as you would your buyers. It starts with understanding the problems they see in the business and focusing your efforts on solving them.

Then, don't just speak to the high-level benefits of the framework and how it addresses those problems. Choose specific metrics that will show progress toward achieving company goals in those areas.

Finally, engage in quarterly planning, tie your initiatives to goals and track their success over time. The key is to show the impact of your efforts and how a more systematic product process can result in success for the business over time. PM

About the Author

Scott Olson is a marketing and product strategy professional with 25+ years of experience leading technology companies. Scott is a founding partner in Compete2Win, a competitive market research and win/loss analysis services company. He has led marketing and product teams at multiple technology businesses, and founded one of the first commercially viable IDS companies, WheelGroup, purchased by Cisco Systems in 1998. More recently, he led marketing and product strategy at iovation, a leader in fraud management and authentication solutions. Scott has worked with the Pragmatic Marketing Framework for over 18 years. Connect with him at linkedin.com/in/scottdolson1 or email him at win@compete2.win.

A PRAGMATIC APPROACH

Put this issue's ideas into action.

ALIGNING —with— SALES

"We are a global group. We all speak different native languages and different business languages. The Pragmatic Marketing Framework has been one of the most powerful tools in uniting us. It's added a layer of rigor and evidence on top of our smart people having really great ideas."

Rob Shea
Sr. Director, Portfolio Management

"The Pragmatic Marketing training has allowed us to align much more quickly and not waste a lot of time in meetings where nothing gets accomplished. Because we're aligned, because we're talking the same language, we're able to work more effectively and increase our ramp time so that we're able to meet the objectives of the business faster."

Brina Kaiser
Product Marketing Manager, Infusionsoft

"Pragmatic Marketing brought to us a framework, an approach and a set of best practices that are truly world class. We took the training and then made it part of our DNA, as it was applicable day one. Pragmatic Marketing really has become the de facto industry standard for world class product management training."

Jonah Paransky
Executive Vice President

Don't listen to us.

Listen to our customers.

"I think the most unique thing about Pragmatic Marketing is that it understands the different disciplines and areas of marketing and how they should work together to achieve the type of goals we want to achieve. It's integrated and orchestrated so that you do bring the best products to market and do listen to your customers."

Ellen Derrico
Sr. Director of Product Marketing
RES Software

"We executed on our three year corporate plan in twelve months. Without Pragmatic Marketing there's no way that happens."

Frank Tait
VP of Product, Frontline Technologies

pragmaticmarketing.com/customers