Our Bedtime Stories

If you compete in the business-to-business (B2B) market, you know that companies typically develop and implement marketing and sales initiatives that are designed to achieve specific revenue, profit and market share growth objectives. But you've probably also seen that many companies are either not meeting their objectives. Or worse, they've lowered their expectations because their marketing and sales programs simply aren't delivering the results they need. These are the problems that JV/M and LeadGen.com are uniquely positioned to solve, and are the subject of Our Bedtime Stories.

As it turns out, for many companies we've helped, it wasn't because of increased competition, or even because of decreased demand, that their results fell short of their objectives. And it wasn't because their sales or marketing programs didn't work, as most worked exactly as advertised. *The reason that most companies didn't achieve their objectives was because there were wrong assumptions underlying their sales and marketing programs, and unforeseen gaps between them, that doomed them from the start.* And it was only after they called JV/M and LeadGen.com – **the missing link between marketing and sales** – that these barriers to success were identified and fixed, and their goals were achieved. For example:

- A division of a Fortune 500 company had recruited dozens of channel partners to bring in new sales, based on the partners' incumbency in the geographic market. But when the partners were asked to go after *new* customers, they balked because they didn't want to leave their "comfort zone." And so the initiative failed to achieve its growth goals. Only after JV/M was brought in to find deals and set qualified appointments for the partners in their target verticals were they motivated to go after the opportunities, and reach 100% of their revenue objectives.

- In another case, a mid-sized financial services company sent its salespeople to attend a popular sales training program in order to increase their close rates and shorten their sell-cycles. But when the close rates went *down* after the training (instead of up), and the sell-cycles got *longer* (instead of shorter), they contacted JV/M to analyze and fix the problem. It turned out that the sales technique, which the salespeople had only grudgingly embraced, was alienating their prospects – a problem that was solved with remedial training and field coaching that ultimately led to the company going from less than 4% market share to more than 15% in less than two years.

- And in yet another case, a Fortune 500 client had implemented an elaborate Contact Management System that was designed to improve management control and get a better handle on their sales funnel. But the system, which otherwise functioned flawlessly, quickly became packed with bad data, lost opportunities and misleading reports because they didn't have a process to insure the integrity of the data. JV/M quickly cleaned up the system, and focused their sales teams on profitable opportunities that added more than 6% to their sales in the first year on a base of over $500M.

As you can see, while each of these marketing and sales initiatives was executed well, they all had hidden – but erroneous – assumptions, and therefore a gap in the overall sales/marketing process. (In the first case, they selected channel partners who were in the right geographic markets, but who weren't willing to go after new business. In the second case, they purchased an ineffective sales training program. And in the third case, they forgot to prioritize the functionality in their CRM.) And so when these otherwise reasonable strategies encountered real-world market conditions, they failed to achieve their revenue goals. But it's at this intersection of marketing and sales where JV/M can turn disaster into success. For example:

- A regional tech company had implemented a comprehensive social media/email marketing program to complement their networking and trade show activities that, together, they hoped would generate significant new sales. Despite meeting all of their production KPIs, however, their conversion rates were far below expectations. So they called JV/M for help. Quickly recognizing that the promotional initiatives were actually failing to reach their intended audience, we re-designed the programs. And within less than two months we had identified, and the client had closed, enough new business to exceed 100% of their revenue objectives for the next two years.

- A PR firm had some notable successes under their belt. But their own PR was unable to get to the attention of their target prospects: consumer products CEOs. Combining research, direct mail and telephone follow-up, JV/M was able to get them in front of several dozen interested prospects, however, and fill their book of business for a year.

- A Fortune 100 global resources company wanted to enter the solar market. They developed a panel, but didn't have a sales team in place to market it. And so sales went nowhere – until they called JV/M. Focusing on businesses in states that had active rebate programs, JV/M found them over 350 sales opportunities, over 25% of which closed in less than a year.

- A manufacturer of an innovative piece of mechanical equipment was having trouble breaking into a new market because of entrenched competition, despite dominating the trade show circuit. To close the gap, we realized that they could go around the competition, and approach the architects and engineers who were designing the systems, thereby getting the client specced in before the competitor could even be selected.

- A Fortune 100 manufacturer of fiber optic cable had saturated their market, and was facing a declining revenue stream. Using an innovative data mining technique, though, we were able to identify several major new market opportunities that ultimately delivered over a billion dollars in new sales, and created several new markets in the process.

- A metals manufacturer had a small slice of their addressable market, a slice that was getting smaller due to unethical practices of a competitor. We engineered a turnaround for them, though, by guiding them through a price war, and building them a new sales team that gave them the #2 market share in the business.

As these examples illustrate, despite the wide array of tools and tactics available to support B2B marketing and sales today, many initiatives ultimately fail to deliver on revenue for two primary reasons:

1. **Marketing programs that fail to produce *qualified* sales leads, and**
2. **Sales programs that actually *prevent* sales from closing**

As you'll see, these problems happen because a critical piece is often missing from the marketing/sales process. So if you (or someone you know) are facing this "tactical success/ strategic failure" conundrum, call us. We can close the gaps, and help you reach your goals.

7 Reasons Why B2B Sales and Marketing Initiatives Fail

While each company's situation is different, there are seven common reasons why so many B2B marketing and sales initiatives fail today. Not surprisingly, many of these fall under the heading, to paraphrase Mark Twain, of "It's not what you know that's the problem. It's what you know, but that

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just ain't so, that gets you into trouble." That is, when your assumptions are wrong, failure is likely to follow – especially in marketing and sales. Thus:

1. When is a "Lead" Not a Lead?

By a considerable margin, the #1 reason for the failure of many B2B marketing and sales programs was because of the soft, if not wholly inaccurate, definition of a "sales lead." Ever since the list vendors rebranded their mailing lists as "sales leads" in the 1990's, everyone has used a different definition for the term. This results in confusion, and often disaster. And with the advent of social media marketing and Web 2.0, things have only gotten worse. For example:

- To a mailing list vendor, a "name" is a lead.
- In a social media marketing program, a "click" is a lead.
- In an advertising program, an "impression" is a lead.
- At a trade show, a "booth stop-by" is lead.
- In a telemarketing program, an "appointment" is a lead.
- In an email campaign, an "open" is a lead.
- In a content strategy, a "download" is a lead.
- In a networking group, a "referral" is a lead.
- In an inbound program, an "inquiry" is a lead
- And with a Webinar campaign, an "attendee" is a lead.

While any of these definitions (and there are many others) might be valid in isolation, there are two problems. First, you can't compare the cost-per-lead from one program to that of another if the definitions are different. It's like comparing apples-to-oranges. So you can't make a rational business decision about what to invest in. And therefore you make bad decisions.

Compounding the problem, when you attempt to convert these so-called leads into sales, you get confusion and rejection by the sales team. This is because it takes a lot more time, effort and money to convert an "impression" into a sale, for example, than it does to convert a confirmed "face-to-face meeting with a decision maker" to a closed sale. Telling your sales team to convert poorly qualified sales leads into revenue produces the Glengarry Glen Ross Syndrome (i.e. "These leads are terrible!") And they end up throwing out the good with the bad, if not simply quitting.

Normalizing the definition of a sales lead, and modeling the activity needed to convert (i.e. re-qualify) it, in your business plan (which we can show you how to do) is the first step towards fixing your marketing strategy. Only then can you design and implement an effective marketing plan. But it was a missing link that was ignored in almost every failed marketing initiative.

2. The Marketing Zombie Apocalypse

The second most common reason for the failure of many of the B2B marketing and sales programs was because, while the initiative's chief advocate may have been an expert in the particular promotional or sales solution being used, most advocates were vague, if not deliberately ignorant, about how to convert the investment into actual revenue. We call this "The Marketing Zombie Apocalypse." But examples abound, including:

- The Social Media Marketing expert who can show you how to post to LinkedIn, but shrugs when your connections don't buy.
- The email expert who can send out thousands of emails a day, but measures response rates in thousandths of a percent.
- The Sales Manager who asks for more resources.
- The list rep who guarantees the quality of their list by giving you a replacement list that has an even higher bounce rate.

- The Channel Manager who can recruit VARs and channel partners, but who blames competition when they don't produce.
- The Marketing Manager who sees his job as "making the salespeople happy," but who doesn't understand that the salespeople may not be any smarter than he is at finding new sales.
- The Salesperson who looks great in a suit, but asks for price concessions.
- Or the technology expert with the "next big thing" who claims to not be accountable when it's time to judge sales results.

At JV/M, we refer to employees (and vendors, for that matter) who dodge revenue accountability as "Marketing Zombies." They proselytize with conviction, but it's their process they're selling, not the ROI. As a result of this missing link, you get a lot of activity, but no results.

On the other hand, forcing accountability – as many owners do in response – doesn't solve the problem either. This is because guarantees, back-ends, skin-in-the-game, pay-for-performance and high commissions only serve to drive creative contracting and excuse making, rather than performance. Better is to design a process correctly in the first place (which we can show you how to do) whereby accountability doesn't become a hammer, but rather is a byproduct of the process.

3. What's the Definition of a Camel? A Horse Designed by a Committee!

While they're great tools, Contact Management Systems are fundamentally slaves to many masters. Salespeople use them to track opportunities. Management uses them to forecast revenues. Marketing analysts use them for data mining. And Sales Managers use them to exert control. What you often end up with, however, is an expensive, over-engineered mess filled with duplicate data and missed opportunities – and the third most common cause of failure.

Any CMS that doesn't have a Data Integrity Czar with authority over development and processes is a huge missing link, and an accident waiting to happen. But even that might not be enough. Many systems have slow response times, and most overcomplicate the steps in the sales process. But the one problem almost all of them have is that they force salespeople to tag records with attributes, phases of the decision process, and other ephemera that waste their time, and actually do nothing to help them close more business.

As much as it pains people, we find that "less is more" when it comes to Contact Management Systems. For most B2B companies, the focus should be on what makes the sales job easier – a design goal we can help you achieve. Everything else, though, should be challenged.

4. Market Research Is Too Expensive, Except When Compared to Not Doing It

In one of the most glaring examples of a missing link, in a recent survey we could barely find one B2B company that conducted valid market research, either primary or secondary, before launching any marketing or sales initiatives. It was amazing (to us, at least,) that a company would rather spend a million dollars to fail than spend $30,000 to find out that there's no opportunity, or to learn that the method they're using to tap into it won't work.

It turns out that market research (which we can design and implement for you) generally has the highest ROI of any marketing tool in the toolkit. It's fast to implement. And it can save many times its cost in speed-to-market, risk, wasted investment, and low close rates.

Interestingly, for those companies with failed marketing initiatives the most common refrain was, "If I'd only known then what I know now…" Unfortunately, most couldn't wait.

5. Recruiting Violations

Having the wrong skill set on your sales team is an easy gap to hide. Who would know? Surprisingly, many companies in our sample recruited salespeople using tests and decision criteria that were wholly unrelated to success in sales. (Did you know that the most popular testing regimen has never been correlated with success in sales?)

Once on board, salespeople are usually given "product training" that's been mislabeled as "sales training" – with actual "sales training" never really being provided (which is a huge gap!) But even when sales training is offered, it is often in an ineffective, albeit widely available, technique.

Making matters worse, many salespeople are asked to do things for which they are unqualified or unwilling, like cold calling (which we can do for you, by the way). And when the company attempts to remediate their salespeople by investing in better sales aids, performance plans, or modifying the compensation plan – none of which can really solve the problem – the finger pointing begins.

Compounding the situation, most B2B companies don't train their Sales Managers in Sales Management either. How does that make sense? (At JV/M we can help you recruit, train and coach salespeople who'll perform, and Sales Managers who'll actually add value to the process.) But sales team problems were at the root of dozens of failures we observed, especially among SMBs.

6. Confusing Strategy with Tactics

A cause of missed objectives that often points to the C-suite, many of the issues that we found were the result of conflating strategy with tactics. Most people know that strategy is not just a bunch of tactics strung together, but management needs to insure that the whole will derive from its parts by carefully looking for missing links and assumptions in the process. That is, there's many a slip between the lip and the cup – and that's where many of the failures came from.

The best solution to this problem is still the old "GOSPA+M" approach (developed by IBM,) balanced by the "OODA" approach (by John Boyd) to keep things timely. But a set of "fresh eyes" that have an understanding of what it takes to be successful in B2B, which we can offer, is also often all that's needed.

7. Modeling Madness

Finally, the dictates of financial accounting often conflict with effective marketing and sales management. In the real world, revenue production starts with an investment in marketing, which generates leads, which are then worked and closed by the salespeople. But marketing budgets are often mistakenly based on past sales (which can cause you to over- or under-invest). And marketing is generally viewed as an expense (which causes people to cut it just when it should be increased).

While we would never argue with GAAP, when the accounting format, or the need to close a month or quarter, dictates the sales and marketing process, we often see bad decision-making. Best is to integrate an investment-based marketing module into the overall budget (a gap that we can help close), and create a reporting process that doesn't require manual intervention.

The Moral of the Story

With the proliferation of so many new marketing and sales tools on the market, it seems that everyone has a solution. But so few seem able to deliver actual revenue results, no less turn around a bad situation. For many companies, achieving revenue, margin and market share gains

in the B2B market always seem to be just out of reach. And the "hockey stick" just keeps moving inexorably to the right.

At JV/M though, we've seen – and solved – just about every B2B marketing and sales problem in the book, and then some. We have the perspective to identify the missing links, and the skills, objectivity, integrity, resources and tools to fix them. And so if you need to increase your sales, margin or market share, call us. We can help, as we've done in hundreds of situations like these:

- A company that makes equipment for police cruisers was losing market share to competitors with inferior products. With a small market research effort, however, we were able to identify a gap in their customer support strategy, and turn around the losses within less than two months.

- A Chamber of Commerce was losing members to both online and offline networking groups. So they asked JV/M to build a customized networking site that enabled them to add over 100 net new members in just the first month online, and stop the bleeding.

- A manufacturer of an innovative industrial fan just couldn't get traction for their product. It saved energy, but no one wanted to be the first to try it. We showed them how to model their customer economics, and used it to help them find their first batch of sales. And then we kept finding them customers until they became the leading brand in their market.

- And a start-up manufacturer of an innovative new IP-based surveillance system was in danger of failing at the starting gate. We showed them where to find new business, and brought them their first $6M in new sales.

We could go on and on (and completely put you to sleep), but if these are the types of challenges you face, and the kind of results you, or someone you know, would like to see, we would very much like to talk. We can identify the missing links in your marketing and sales process, and bridge them. Because we understand what works in B2B sales and marketing better than anyone else in the business, and we have the track record to prove it. And while we can't guarantee success – there are real risks (things that go bump in the night), and not every venture is destined to succeed – if there's a chance for success, we can help you find it.

To that end, we'd very much like to speak with you, at your convenience, about the challenges you're seeing in the market, and to see if and how we might be able to assist. In the meantime, you can learn more about us on the Web at www.LeadGen.com. Or you can reach me anytime on 856-638-0399 x101, or via email at JLJ@LeadGen.com.

Thanks very much. And to all, a good night.

Sincerely,

Jeffrey L. Josephson