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Required Reading - Time for a Change

Does this sound familiar?

“Our outdated organization model of dividing sales and marketing prevent us from achieving our objectives.”

“Compartmentalized sales and marketing creates incompatible behaviors with the customer centricity and financial performance we seek.

If so, learn about a new prescription for success and a demand generation model as authored by Marianne S. Hewitt.

Feature Article

(Source: Integrated Growth Solutions)

Sales and Marketing Alignment . . . Or Integration?

By Marianne S. Hewitt, Managing Director, Integrated Growth Solutions, LLC

The Challenge

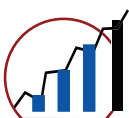
We can't achieve true customer centricity in today's organizations. Nor can we maximize revenues and profitability.

Customer focus requires seamless interactions with near perfect information about the customer as well as the organization's interactions with that customer. It requires just-in-time offers - bringing the right offer to the right customer at the right time demonstrating relevance and insight. This seamless interaction requires integrated processes rather than the functional processes that confine us today. Today's functional processes are partitioned into at least marketing processes or sales processes – depending on industry, it includes other functions like product design, pricing and others. Our compartmentalized sales and marketing organizations and the resulting behaviors are incompatible with the customer centricity and financial performance we seek to achieve.

Our outdated organization model dividing sales and marketing and the resulting lack of integration of sales and marketing processes prevent us from achieving our objectives.

The problem is exacerbated by the number of channels in which we interact and, in many cases, the number of lines of business in an enterprise that are seeking out the same customers with offers that may be conflicting or won't result in maximum value to the customer or shareholders.

The final impact is that customer and shareholders are not receiving the full value that could be achieved in a more integrated environment and employees can't achieve the satisfaction and rewards from a more holistic approach to the customer resulting in increased sales.



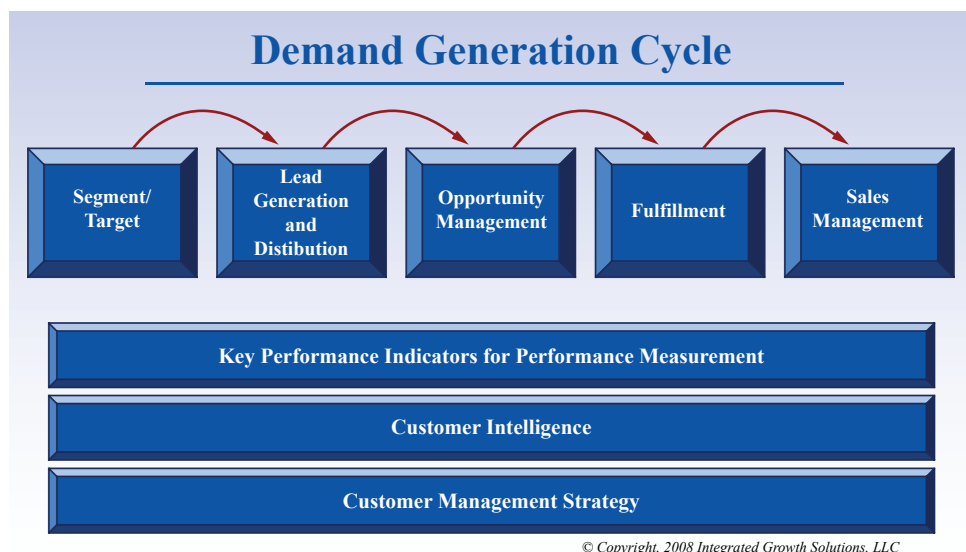
Resolution: Integration rather than alignment

We continue to read the many articles calling for alignment or coordination or collaboration of sales and marketing to get optimum performance from these organizations and achieve the organic growth rates needed by today's businesses. These recommendations encourage everything from rotating employees through both functions to regular communication forums to keep informed, enhance understanding and appreciation, just to keep things moving. One research organization even suggests making marketing responsible for what goes into the pipeline and sales responsible for what sales are closed and comes out of the pipeline

While these recommendations are possible, they are not sufficient to get at the root cause of the lack of productivity and synergy of sales and marketing efforts. They don't address the key issue of two discrete organizations working together unable to achieve the common goal of increasing the number and size of closed sales.

Instead of alignment or coordination or collaboration of sales and marketing, integration of sales and marketing as it relates to the people, process, and technology addressed by The Demand Generation Cycle (Diagram A) can achieve the customer focus required to achieve organic growth goals sought by businesses today.

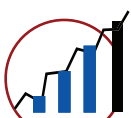
The Demand Generation Cycle
Diagram A



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This integration does not include all of the processes and functions in marketing e.g. branding, corporate communications. Integration would occur for the critical components of targeting, generation, identification, and cultivation of leads into an opportunity and the supporting sales processes such as materials (collateral) used in the sales process to close those opportunities. Once we integrate the processes of two functional organizations into a unique flow leading to efficiency and effectiveness and most importantly customer centricity, we must then address the integration of roles and responsibilities.

Marketing managers and analysts becoming members of sales teams will have a deeper and more meaningful understanding of what it needed by the customers. That understanding will drive collateral that is more targeted and specific. It will also drive presentations that speak directly to the value of the product or service to a customer situation.



This integration of teams is powerful. It will not only drive higher sales, it will reduce the waste and redundancies associated with two organizations working the same task – e.g. high quality materials for customer consumption. It eliminates the decks, collateral, and leads being thrown over the transom. Moreover, it eliminates the ill will and tension that develop from “we’re not getting high quality leads from marketing” or “I have to rework the materials I get from marketing to make them relevant to the customer.” Having marketing specialists and product managers an integral part of the sales team and sales process in a solid line way breaks down the barriers that get created to achieve optimum results and therefore benefits to shareholders and customers.

There are professional growth opportunities for marketers and sales representatives in this integrated model. Because of the teaming model that results from working together on a day-to-day basis and getting marketing specialists in front of customers and/or working directly with them, marketers develop a strong appreciation of the sales cycle. The sales specialists also become more familiar with how the marketer thinks about positioning and messaging. This mutual understanding results in professionals with a double discipline rather than a single discipline and opens up opportunities that may not have been possible without the integrated experience.

Overcoming Barriers To Success

Resistance to change and a desire to adhere to and protect old models will create a lively discussion on the integrated sales and marketing model. An organization change management program that creates the right level of executive sponsorship and cascading sponsorship will manage that resistance by educating and enlightening everyone to the benefits for all stakeholders.

Another enabler of change will be a compensation program that rewards team performance as well as individual accomplishments. Compensation is a powerful driver of behavior. When we are rewarded for team results as well as individual results, we are incented to behave in a way that brings joint success. All stakeholders will benefit.

To ensure that members of the organization understand what is expected of them and can convert that expectation into day-to-day actions on their part, a set of key performance indicators for the organization as a whole as well as combined sales teams and individuals can be developed and worked to.

Make the Change!

During this time of economic uncertainty, we have an opportunity to try new models that may take us out of our comfort zone in an effort to maintain and grow market share. Targeting a small group of marketing and sales professionals involved in the same products or services to try the integrated model could be a prescription for success in the coming year.



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