

Anchor Sales And Marketing Alignment With Revenue Growth Analytics

Best Practices To Collaborate On Analytics That Supports Growth

by Allison Snow

May 30, 2018

Why Read This Report

Analytics programs can be linchpins to revenue growth. But, too often, marketing and sales teams, operating with different perspectives and practices, fail to optimize the ROI of analytics efforts. Salespeople remain unconvinced when analytics challenges their existing assumptions; marketers unveil early-stage sales metrics that miss the mark. This report provides B2B marketers with best practices for leveraging analytics as a basis of collaboration between sellers, marketers, and other stakeholders to drive revenue growth.

Key Takeaways

Sales And Marketing Don't Align On Analytics

Marketing uses analytics to drive short-term, early-stage lift from campaigns, while sales meets unexpected analytical outcomes with suspicion.

Analytics Programs Need A Shared Purpose

Without a plan to collaborate on analytics for revenue growth, it's easy to dive headfirst into a slurry of measurement and key performance indicator (KPI) development that is not relevant to revenue.

Revenue Growth Analytics To The Rescue

As marketing and sales evolve into revenue partners, revenue growth analytics will emerge as common ground for objective, data-informed decisions that support growth outcomes.

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Related Research Documents

[The Forrester Wave™: Predictive Marketing Analytics For B2B Marketers, Q2 2017](#)

[Insights-Driven Businesses Set The Pace For Global Growth](#)

[What B2B Marketers Must Know And Do To Make Attribution Work](#)



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Sales And Marketing Teams Don't Align On The Use Of Analytics

Revenue is the *raison d'être* of sales — and growing revenue is the leading critical priority for global B2B marketing decision makers as well (see Figure 1). The two groups aim to collaborate to achieve this goal with analytics-supported tactics. In the lab, this approach is logical, sensible, and believable. But both groups acknowledge that in the wild, things are different. That's not because either of them rejects data — both demand and consume data ravenously. But “data” is inherently objective — capturing what has happened in the past. Analytics applied to that data leads to insights, which are *conclusions* derived from that data. Those conclusions introduce judgment, subjectivity, and bias. So, while sales and marketing have both oars in the revenue waters, they often paddle in different directions when it comes to use of analytics:

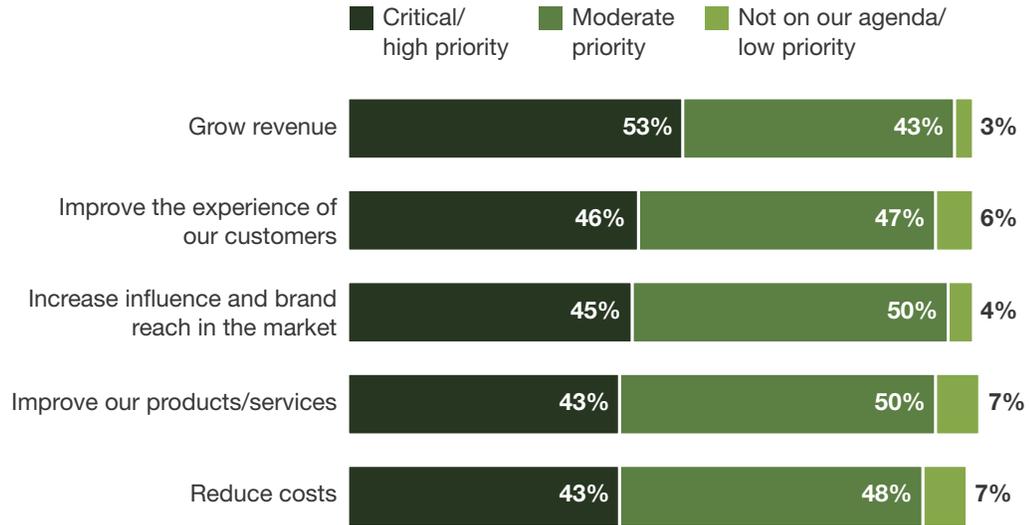
- › **Sales leans in to analytics when it reinforces their experiences.** Many successful B2B sales pros built their careers on mastering relationships and navigating complex negotiations without access to sophisticated data and analytics. According to Stephen Messer, cofounder of Collective[i], “Sales instinct is driven by recency and bias; they've earned the right to ascribe attributes present in successful deals as indicators of future success — despite the lack of analytic rigor inherent in that conclusion.” As a result, gut-based decisions are prevalent.
- › **Suspicion muddies sound analysis.** Analysis reveals unexpected correlations in data that lead to hypotheses. For example, when marketing analyzes ideal client profile (ICP) based on the top 10% of customers, it can identify refreshed targets that seemingly have little in common with existing accounts. The likelihood that this analysis will inspire changed behavior is at the mercy of how confident the teams are in one another. This, according to Tom Dekle, head of digital sales at IBM, is unlikely to be high: “In most companies, there's a natural distrust between sales and marketing; they're OK being in the same navy, but wary about being in the same boat — there's a need to bridge one side recommending a course of action, and the other side saying, ‘That's not consistent with what I know — I don't buy it.’”
- › **Marketing's metrics don't connect with sales' priorities.** Channel and campaign managers have proven their mettle in channel-based analytics across web, email, and advertising, which is useful for tactical execution. But they struggle to connect these metrics to business impact and revenue for senior management (see Figure 2).¹ They face difficulty linking marketing leads to viable pipeline, connecting lead sources to customer lifetime value (CLV), and attributing channel performance to dollars.² This fails to inspire sales and other stakeholders who want to see clear revenue contribution.³

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FIGURE 1 Global Marketers See Growing Revenue As A Critical Business Priority

“Which of the following are likely to be your organization’s top business priorities over the next 12 months?”



Base: 669 global B2B marketing decision makers

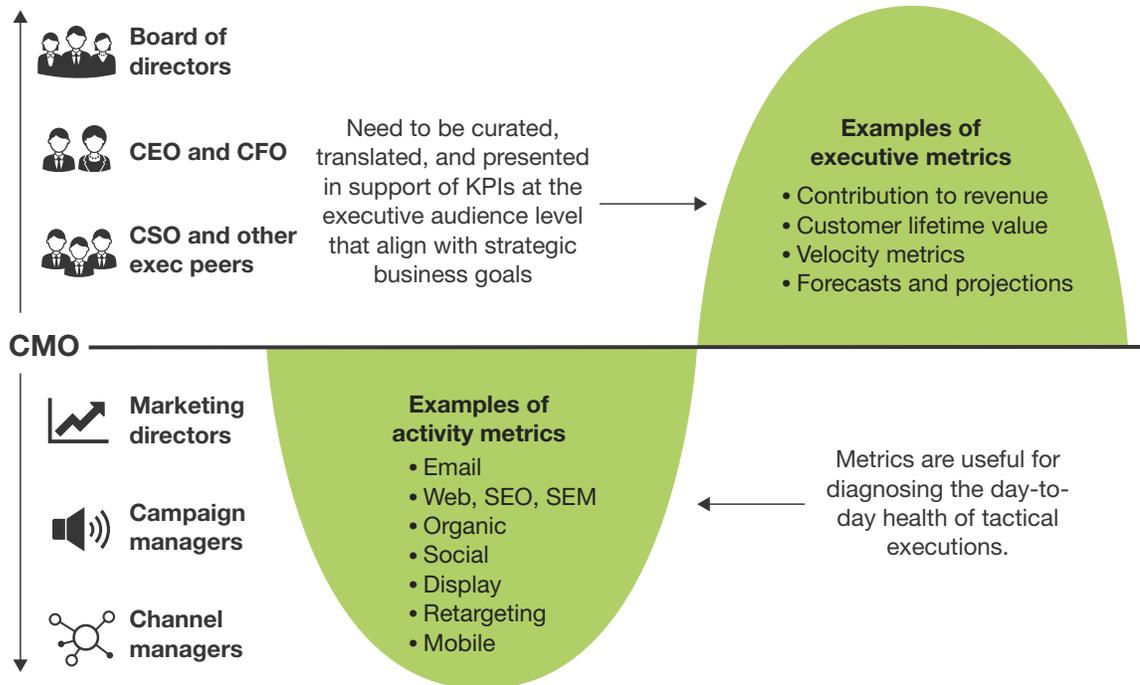
Note: Not all responses are shown; percentages may not total 100 because of rounding.

Source: Forrester Analytics Global Business Technographics® Marketing Survey, 2017

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FIGURE 2 Marketing Metrics Have A Disconnect With Sales And Business Impact



Misaligned Approaches Undermine The Success Of Analytics Programs

Kerrie Wuenschel, director of analytics at R2integrated, remarks that “when it comes to the use of analytics in sales and marketing, there is a huge issue in not being internally calibrated on the problem to solve.” Despite the shared ambition of revenue growth, analytics programs are misaligned. This is troubling because analytics powers insights initiatives, which are increasingly essential to revenue growth.⁴ This misalignment results in:

- › **Wastage of precious analytics talent (if it’s available).** In a recent survey, 56% of global B2B marketers said that they don’t have the right type of analytics skills or resources to produce insights.⁵ Separately, 77% of global B2B marketing decision makers cite their use of data and analytics to guide marketing decisions as one of their department’s top five weaknesses.⁶ Deploying this scarce talent to produce weekly reports that capture “what happened last week” in favor of understanding what has revenue impact is like hiring a Navy SEAL to clean your swimming pool.
- › **Underperforming, expired data.** Insights are based on data. Relatively static data (like job title or company size, location, and industry) are useful in analytics modeling. But it’s *dynamic* data — events like M&A activity and elements of behavior — that inform real-time insights. For example, if a known indicator of potential churn is the turnover of a key role, an organization has a limited

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window of time in which it must respond for the indicator to be valuable, or the risk of turnover is the same as it was without the insight. The data provides a benefit only if it's identified, shared, and applied before it's stale. To quote my colleague Jennifer Belissent, Ph.D., "Data has no value until it's activated."⁷

- › **Analytics being applied to symptoms rather than ailments.** Without alignment, analytics is applied to problems without revenue context. Kerrie Wuenschel of R2integrated provides an example regarding organic conversion rate: "Marketing will recognize that this metric is struggling and apply resources to understand this problem in isolation." An analytics team with a revenue-focused charter, however, might explore whether the converting traffic is more likely to convert to customer status despite a dip in this indicator.

Synchronize Strokes With Revenue Growth Analytics

Marketing is increasingly accountable for revenue outcomes.⁸ Sales will face more pressure to demonstrably blend analytics with intuition. As this convergence evolves, the role of revenue growth analytics will emerge as common ground for objective, data-informed decisions that support positive revenue outcomes (see Figure 3). Forrester defines revenue growth analytics as:

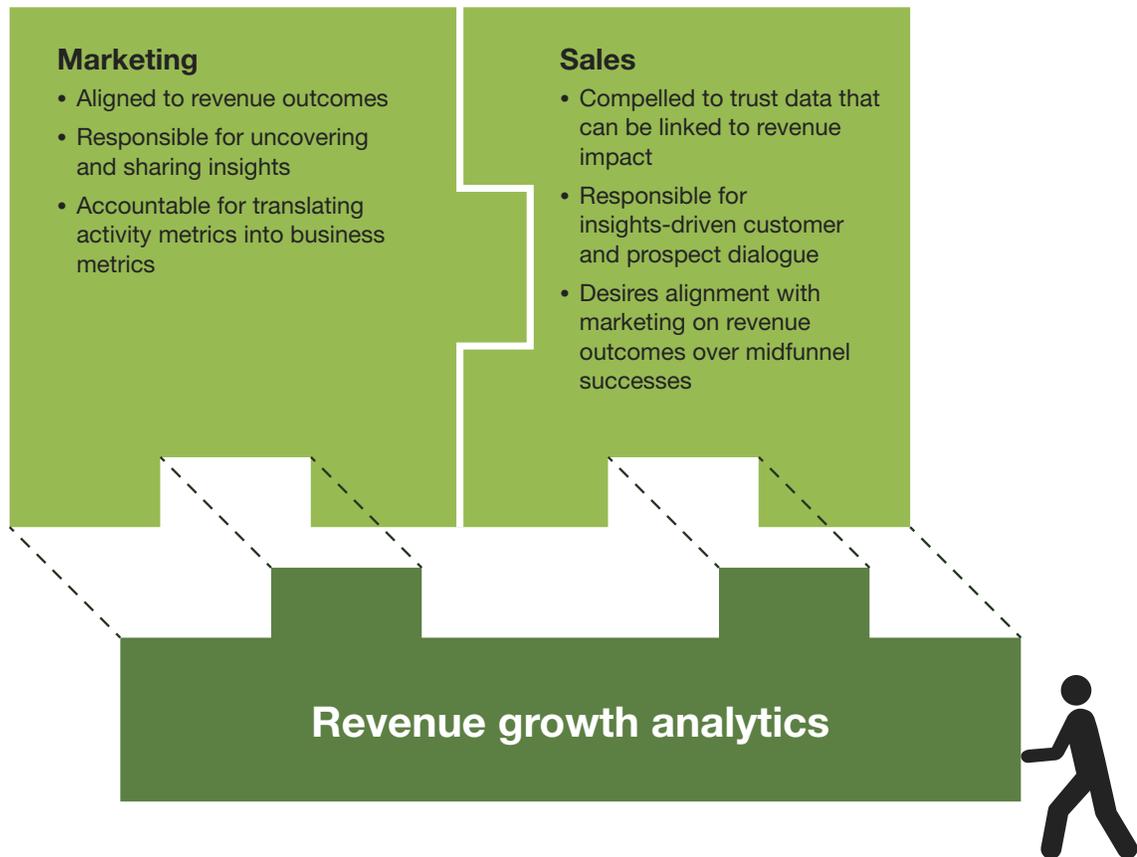
A collaborative analytics approach, supported by marketing, sales, and other revenue-driven stakeholders, that focuses analytics talent, tools, methods, and processes on revenue and growth outcomes.

Examples of revenue growth analytics include predictive marketing analytics, multitouch attribution methodologies, and scoring algorithms for leads and accounts.

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FIGURE 3 Revenue Growth Analytics Serves As The Link Between Sales And Marketing



Revenue Growth Analytics Gives Sales And Marketing Teams A Coxswain

Revenue growth analytics can connect sales and marketing across a diverse set of initiatives to engage customers across the life cycle. The discipline infuses revenue-relevant analytics to optimize programs that build demand, cultivate in-market accounts, support closing deals, and promote account renewal and enrichment. To ensure alignment, B2B marketers and sales must collaborate to:

- › **Prioritize revenue milestones above conversions.** Prospects engage in multiple touchpoints during their exploratory journeys — downloading content, engaging socially, attending webinars, and more. Sellers and marketers interpret these behaviors as progression toward pipeline. While conversions are important, optimizing solely for those milestones is limiting. Joe Chernov, CMO at InsightSquared, says, “We’ve acknowledged that the marketing-qualified lead (MQL) has become a trap.” As a result, InsightSquared no longer uses the concept of an MQL. Rather, marketing’s goal is to nurture well-fit, in-territory accounts and accelerate open opportunities for account executives. With this focus on revenue, marketing can shift investments to tactics that correlate to later-stage success.

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- › **Isolate the factors that signal revenue opportunity and risk.** It's common for sales and marketing to focus on the "win." However, like many CMOs at companies with a subscription revenue model, Joe Chernov monitors churn closely. Having prioritized this metric, InsightSquared holds sales accountable for product usage as a function of its commission package, and it charges marketing with creating content that ties directly to one of four use cases that correlate to renewal. Winnowing down the reasons why companies buy to four specific use cases and understanding what usage threshold to set for sales commissions requires considerable internal analyses. Without alignment on revenue, this would be a customer service use case, and customer service would own renewals.
- › **Identify organizational structures that interfere with collaboration.** As focus on revenue increases, structural impediments become more visible. Tom Dekle of IBM transitioned the goals of his business development representatives from classic "meetings targets" to sales plans with revenue goals. He also added data-driven marketers to the sales team. Now he manages a team of insights pros who build propensity models, understand market white space, and link web activity to relevant sales dialogue. He has connected stakeholders to a revenue goal that serves as the collective North Star. When team members talk about lead numbers or channel performance — or when sales expresses concerns about the quality of leads — the conversation quickly recalibrates to revenue.⁹

Revenue Growth Analytics Drives Relevant Decisions And Action

Marketers and sales teams can use a breadth of analytics techniques and data sources to improve revenue outcomes. But without a disciplined plan, it's easy to dive headfirst into a slurry of measurement and KPI development that is not relevant to revenue. To master the mechanics of revenue growth analytics, B2B marketers must:

- › **Rethink scoring to evaluate leads, accounts, and opportunities.** Classic lead scoring uses demographic and behavioral data to prioritize prospects and govern movement among sales stages. The basic premise — that demographic data is an indicator of fit and that behavior is a proxy for propensity — remains valid. But scoring models are significantly more sophisticated now. Predictive models identify valuable attributes that might not be identified with human intuition.¹⁰ Data vendors like Dun & Bradstreet, InsideView, and Radius bring data sources with countless attributes to the table to further enrich the analysis.¹¹
- › **Elevate attribution from channel performance to revenue contribution.** Most engagement platforms (email, advertising, social, etc.) provide metrics that help marketers attribute value to that channel's performance. Attribution models advance this understanding by isolating channel performance to demonstrate how individual channels impact lead conversions from one sales stage to another. Advanced multitouch attribution, however, goes further, synthesizing channel data, cohort data, and sales-stage milestones to demonstrate the combination of channels that drives various cohorts to revenue outcomes.¹²

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- › **Use analytics to uncover revenue opportunities in the existing customer base.** Mastery of harmonious customer and product permutations is a revenue juggernaut. Russell Groves, senior solution leader and associate partner for sales solutions at Periscope By McKinsey, helps clients use analytics to understand account potential by fusing look-alike account data, buying behaviors and preferences, product usage, and external information about open contracts and projects. In turn, clients can build content and execute programs that are personalized, contextual, and likely to appeal to clients.
- › **Maximize customer value with lifetime value models.** CLV models have classically been employed to understand customers in aggregate as a mean or average of a customer set or to understand meaningful customer cohort segments. But sales and marketers in B2B can use the CLV of actual customers or prospects to maximize investments across acquisition, nurturing, and retention activities. Like many metrics, CLV requires an organization to define its own formula; calculating CLV depends on your business, your relationship with your customers, and where each customer is in the life cycle.¹³
- › **Look to unexpected data sources that hold valuable information.** There's no question that B2B marketers prioritize analytics; 89% of global B2B marketing decision makers say that it's a moderate, high, or critical priority to better leverage big data and analytics for decision making.¹⁴ What is up for debate is whether organizations have embraced their own data to fuel those programs: In 2015, global technology decision makers told us that their firms leveraged only 40% of structured data and 31% of unstructured data for business and customer insights and decision making.¹⁵ Firms can mine and examine structured and unstructured data — call notes in CRMs, recordings from call center interactions, email exchanges with company reps, and more — to boost the accuracy of analytical models.

Recommendations

Steer Your Analytics Resources Toward Revenue Growth

Resetting the vision of analytics resources — talent, processes, and perhaps even tools — toward revenue growth is a long-term initiative that requires buy-in from sales, marketers, and other stakeholders. Over the short-term, B2B marketers need to make moves that facilitate this transformation:

- › **Aspire to better alignment with sales.** Goals that complement one another are better than goals that drive different outcomes. Despite aligning on the ultimate goal of driving revenue, Maggie Merklin, executive vice president at Analytic Partners, describes many companies she speaks to having rampant challenges in alignment on day-to-operations: “Marketing is typically tasked with early-stage indicators, and sales is tapped with revenue.” Forrester’s research confirms that. More than half of global marketers told us they evaluate their lead management capabilities with an MQL performance metric.¹⁶ This metric means little to sales, as it reflects lead performance at a premature conversion point.

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- › **Reset your internal vernacular and vocabulary.** For all analytics efforts, it's critical to document and normalize your internal vocabulary.¹⁷ But this to-do is more about upgrading your language from marketing speak to business speak. Jeremy Barlow, senior director of global demand generation at Diligent, encourages marketers to refine their language and internal messaging as the key to executive buy-in. He contends that sometimes the C-suite doesn't pay attention because executives' ears are not tuned to language like "we want to get more leads" and that a focus on bookings, profit, and revenue is far more compelling.
- › **Recognize your data as active intelligence, not part of a closed deal.** Organizations tend to treat data as exhaust. Olivia Griner, executive director at TTEC, notes that a key challenge for sales and marketers is that they often view data as a way to understand history, rather than as a way to engage customers. Indeed, many touchpoints, interactions, and even intelligence gained to close deals wind up in data fields leveraged only for aggregated reports. Account and contact knowledge is critical to the relevant, personalized experiences that power retention and enrichment. Be sure to weave account and contact knowledge into ongoing engagement, enrichment, and advocacy campaigns.
- › **Look beyond marketing and sales channels.** When uncovering revenue opportunities, all channel data is relevant. Dorian Selz, CEO and cofounder of Squirro, describes working with a service center to understand when two requests were identical even if a problem description was not exact. Using machine learning and AI, the center could recognize questions that had already been answered and assemble automated solution recommendations — greatly increasing operational efficiency. However, similar techniques identified conversational attributes shared with those that preceded churn or enrichment in other engagements, enabling the team to interject at the right time to protect revenue or initiate upsell.

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Supplemental Material

Survey Methodology

The Forrester's Q4 2015 Forrester/Heidrick & Struggles Global Evolved CMO/CCO Online Survey was fielded to 275 CMOs. For quality assurance, we screened respondents to ensure they met minimum standards in terms of marketing expertise and title of senior-most marketing leader. Forrester fielded the survey from October 2015 to February 2016. Respondent incentives included a summary of the survey results. Exact sample sizes are provided in this report on a question-by-question basis. This survey used a self-selected group of respondents knowledgeable of marketing strategy leadership and is therefore not random. This data is not guaranteed to be representative of the population, and, unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes. While nonrandom, the survey is still a valuable tool for understanding where users are today and where the industry is headed.

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Forrester's Q1 2017 International B2B Marketing Panel Online Survey was fielded from January through February 2017. As a result of online marketing and outreach to our customer base, we received 270 completed surveys, and as many as 121 responses on selected questions, from companies that sell primarily or exclusively to other firms. Survey respondents came from 16 different industries, with the majority working in business software (35%). Nearly 60 either were the topmost marketing executive (16%) or occupied a senior marketing role (13%). More than 130 (57%) worked at companies with 1,000 employees or more. For quality assurance purposes, we required respondents to provide contact information and answer basic questions about their firm's location of operations, industry, and number of employees. Respondent incentives included a complimentary copy of a Forrester report.

Exact sample sizes are provided in this report on a question-by-question basis. Survey responses are not guaranteed to be representative of the population at large. Unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes.

The Forrester Analytics Global Business Technographics® Marketing Survey, 2017, was fielded in June and July 2017. This online survey included 1,138 respondents in Brazil, Canada, China, France, Germany, India, the UK, and the US from companies with either 500 or more employees (the US, Canada, Germany, France, the UK, India, and China) or 100 or more employees (Brazil).

Forrester Analytics Business Technographics ensures that the final survey population contains only those with significant involvement in the planning, funding, and purchasing of business and technology products and services. Research Now fielded this survey on behalf of Forrester. Survey respondent incentives included points redeemable for gift certificates.

Please note that the brand questions included in this survey should not be used to measure market share. The purpose of Forrester Analytics Business Technographics brand questions is to show usage of a brand by a specific target audience at one point in time.

Companies Interviewed For This Report

We would like to thank the individuals from the following companies who generously gave their time during the research for this report.

Analytic Partners

Periscope By McKinsey

Collective[i]

R2integrated

Diligent

Squirro

IBM

TTEC

InsightSquared

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Endnotes

- ¹ B2B marketers focus on measuring program outputs, not business outcomes. See the Forrester report "[Metrics That Matter For B2B Marketers.](#)"
- ² Typical B2B marketing programs are still (mostly) built around campaigns, so it's natural that B2B marketers focus on the results of those campaigns to improve their execution. But the length and complexity of B2B buying cycles mean that campaign results don't always correlate with revenue results. See the Forrester report "[Measure These Six Things To Improve Revenue Performance.](#)"
- ³ Marketing must be a driving force in what tops the agendas of boards of directors, CEOs, and CFOs: sustainable, profitable revenue growth. See the Forrester report "[Metrics That Matter For B2B Marketers.](#)"
- ⁴ Forrester forecasts that insights-driven public companies will continue to grow an average of 27% annually, much faster than the projected global 3.5% GDP growth. See the Forrester report "[Insights-Driven Businesses Set The Pace For Global Growth.](#)"
- ⁵ Source: Forrester Analytics Global Business Technographics Marketing Survey, 2017.
- ⁶ Source: Forrester's Q1 2017 International B2B Marketing Panel Online Survey.
- ⁷ "Data is without a doubt valuable. But when stored in vaults and locked down it is not." Source: Jennifer Belissent, Ph.D., "Your Data Is Worth Nothing — Unless You Use It," Forrester Blogs, April 25, 2018 (<https://go.forrester.com/blogs/your-data-is-worth-nothing-unless-you-use-it/>).
- ⁸ Eighty-two percent of CMOs report that their goals directly align to revenue targets. Source: Forrester's Q4 2015 Forrester/Heidrick & Struggles Global Evolved CMO/CCO Online Survey.
- ⁹ By isolating a group of technology and digital enthusiasts within the broader sales team, B2B marketing and sales leaders can pilot new tools, processes, and collaboration models. Prioritize and scale those that succeed.
- ¹⁰ See the Forrester report "[The Forrester Wave™: Predictive Marketing Analytics For B2B Marketers, Q2 2017.](#)"
- ¹¹ See the Forrester report "[Vendor Landscape: B2B Marketing Data Providers, Q3 2017.](#)"
- ¹² See the Forrester report "[What B2B Marketers Must Know And Do To Make Attribution Work.](#)"
- ¹³ See the Forrester report "[Optimize Customer Interactions With Customer Lifetime Value Analysis.](#)"
- ¹⁴ Source: Forrester Analytics Global Business Technographics Marketing Survey, 2017.
- ¹⁵ These percentages are estimates based on reported ranges; the values are not exact. This question is no longer asked in the Technographics survey. Source: Forrester Analytics Global Business Technographics Data And Analytics Survey, 2015.
- ¹⁶ Source: Forrester Analytics Global Business Technographics Marketing Survey, 2017.
- ¹⁷ See the Forrester report "[What B2B Marketers Must Know And Do To Make Attribution Work.](#)"

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