HOW TO MAKE YOUR NUMBER IN

2016

ALIGNMENT

STRATEGY

9TH ANNUAL RESEARCH PROJECT
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ABOUT SBI RESEARCH

You can’t change the past. But the future is in your hands, literally. This report, which many consider a piece of visionary gold, is courtesy of Sales Benchmark Index (SBI). Every year, we compile and produce this important research to inform you of the best practices that leading executives are following into the new year so that you can look ahead and determine how they apply to your organization.

In the following pages, SBI reveals and discusses what strategies these top-producing organizations implemented, beginning in Q2 of 2014 and continuing through Q2 of 2015. Moreover, we analyze what changed and why, as well as the early results from those changes.

SBI is pleased to offer this wealth of valuable insights to enable other progressive companies to adapt these early trends in 2015 and achieve similar success. In fact, we’d be happy to help you implement some or all of the practices leading companies are embracing for 2015. So please visit us at here and register for a free consultation with one of our researchers.

If you’re not ready for direct assistance but want to learn more, please subscribe to our blog, podcast, TV show or magazine. Every day, SBI delivers a proven, best practice to your mobile device that you can read in less than five minutes and implement immediately.
ABOUT SBI

SBI is a sales and marketing consulting firm entirely focused on helping you make your number. We use the benchmarking method to help B2B companies accelerate their rate of revenue growth. This approach allows our clients to gain access to best practices from the top sales and marketing leaders, then implement and apply them to their own organizations.

SBI is different from other consultancies in five distinct ways:

**REFERENCES**  We are proud to work with many of the world’s top sales and marketing leaders. To see what they have to say about us, go here.

**CLIENT ROSTER**  Top industry executives consistently turn to and trust SBI for our sales and marketing expertise. To see our client roster, go here.

**TEAM**  All of our consultants are experienced, former heads of sales and marketing teams. To see their biographies, go here.

**METHODOLOGIES**  To solve your problems, we use proven, evidence-based agile methods supported with before-and-after results. To see more about our methodologies, go here.

**EXECUTION**  SBI is execution-based and our solutions are fully embraced and adopted. Therefore, we are known as the “no shelf ware” firm. To review our case studies, go here.
EXECUTIVE SUMMARY

Over the last 12 months, SBI has monitored the emerging sales and marketing revenue trends of B2B companies. We have compared these trends with those we have observed over the nine years that we have been conducting such research.

And since 2007, one thing is clear: the Internet has continued to impact how B2B buyers make purchase decisions. This impact started slowly, but since 2010 it has greatly accelerated every year. The result? It has created a cascading set of problems that have compounded and forced B2B companies to scramble to keep pace. Those that have been able to keep up have enjoyed higher levels of success. But most have fallen further behind each year.

Thanks to the Internet and, in the last few years, mobility, buyers control more of their journey before engaging a company’s sales team. And even though the new buyer’s journey is now a commonly held belief, surprisingly few B2B sales and marketing teams have changed their approaches. At least not in a meaningful way. It’s as if they’re waiting for this fad to fade away, when it’s actually accelerating. Research indicates that minor tweaks, or surface level adjustments, simply won’t suffice. In 2011, CEB reported that 57% of the buyer journey was complete before a salesperson was actively involved in the process. By 2015, this number had reached 69%.

To try to address this trend, companies focused on getting messages in the hands of early-stage buyers by launching various initiatives such as persona research, buyer journey mapping, content marketing, social selling, free trials, sales processes and mobile enablement, to name but a few. Though well founded, these initiatives were all one-offs. So companies were essentially trading strategic plans for a series of tactics masquerading as strategy.

In last year’s research findings, SBI reported that successful companies were moving back to functional strategies, in order to stitch their compounding set of initiatives together into a cohesive, functional plan. However, as functional strategies re-emerged, each revenue-facing function (product, marketing, sales and talent) had its own plan defined in isolation. While the performance of each individual function improved, collectively they operated in conflict with one another. In other words, the wheels were all spinning, but not in the same direction.
Which leads us to the key finding of this year’s research: Strategic Alignment. All of the evidence points to the fact that companies can no longer afford to launch individual initiatives, hoping they will somehow align themselves.

The only way to systematize revenue growth is through strategic alignment. And it’s the one thing that the top 10% of teams say they are doing differently than in previous years that is directly contributing to their outstanding performance.

But before we dive too deep into the details of strategic alignment, it is important that you understand the difference between tactics and strategy. Many companies confuse the two. Tactics involve doing things right. Strategy involves doing the right things. As the figure below shows, the two are interrelated. The tactic-based approach of years past is dangerous. Being efficient at tactics means companies fall into one of two buckets: they either thrive or die quickly. Their fate is sealed by strategy. On the other hand, companies with effective strategy either thrive or survive. Certainly, it’s better to be good at strategy than tactics. But in a perfect world, the two intersect, and your company lands smack-dab in the upper right quadrant where there’s a brilliant plan that is brilliantly executed.

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EXECUTIVE SUMMARY CONTINUED

But let’s get back to strategic alignment. It’s surprising how much confusion surrounds the term strategic alignment. The average business leader can’t define it. Some of them confuse tactical execution with strategic alignment. Others claim it has something to do with “having a good working relationship with their peers.” Even worse, most could not articulate their corporate strategy. Strategic alignment definitely begins with a clear understanding of the corporate strategy, followed by a grasp of the interdependencies among the various functional strategies. However, internal alignment alone won’t cut it. Only by linking internal strategies with external market conditions can a company truly achieve strategic alignment. If this news resonates with you, and has you squirming in your chair, you are not alone. SBI found that a whopping 91% of companies failed to exhibit internal and external strategic alignment.

Nine percent of leading organizations do have a correct understanding that strategic alignment begins with a thorough knowledge of the markets in which a company competes. This is accomplished with proper market research. To be sure, an internal strategy that does not consider external factors, such as the marketplace, is destined for failure.

In any case, with market research in hand, the CEO is responsible for defining the corporate strategy. Typically the CEO already has a corporate strategy. However, often it is missing critical pieces required to set the direction for the functional strategies. To make matters worse, functional leaders do not understand the corporate strategy as well as they should. Therefore, they do not realize the implications the corporate strategy should have on their functional areas. Ideally, on the heels of the corporate strategy, are the three links in the revenue growth value chain – product, marketing and sales. A single weak link will break the chain.
One thing is clear: none of these groups can be successful without support from the others. Great products don’t market or sell themselves. Marketing can’t generate demand for poor products and cannot close business deals without help from sales. Sales is ultimately accountable for revenue, but the best sales force in the world can’t achieve quota without good products and leads from marketing. Finally, and arguably most important, is the talent strategy. Strategies don’t execute themselves. They simply define the performance conditions. That’s 50% of the success equation. The other half comes from having talent that can execute the strategies.

Clearly, the detrimental effects of not getting strategic alignment right are huge. We must understand that because 100% of revenue comes from the efforts of the product, marketing and sales teams. While sales is responsible for the quota, they can’t win without help from their cross-functional teammates. On the cost side, the typical company spends 35% of revenue on product (11%), marketing (5%) and sales (19%). While companies need to track budgets at the functional level, when it comes to revenue growth, the spend must be considered in aggregate. Obviously, spending 35% of your revenue to pursue your entire revenue stream is risky when the functions are misaligned.
So strategically aligning your Revenue Growth Strategy is a wise move. And there are six steps to achieving this: Market Research, Corporate Strategy, Product Strategy, Marketing Strategy, Sales Strategy and Talent Strategy. This is summarized in the figure below.

Soon we will detail each of these steps and provide clear, practical guidance on how to pull them off without a hitch. But before we move on, consider these three keys to successful strategy:

► **Strategy is about making choices** – To win, a company must choose to do some things and not others.

► **Strategy is about increasing the odds of success** – There is no such thing as a perfect strategy.

► **Strategy is about combining rigor and creativity** – Strategy should be creative and scientific, as it involves generating and testing hypotheses grounded in factual data.
REVENUE GROWTH MATURITY MODEL
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REVENUE GROWTH MATURITY MODEL

Clearly, there is an urgent need for strategic alignment. To facilitate this, SBI has developed a Revenue Growth Maturity Model. Used by organizations to assess how they rank in terms of strategic alignment today, it also helps them pinpoint where they would like to be assessed in the future. As we developed this model, SBI discovered a strong correlation between the assessed level and two key metrics – Customer Acquisition Cost (CAC) and Customer Lifetime Value (CLTV). As maturity level improves, CAC is reduced and CLTV is improved.
LEVEL 1: CHAOS

At Level 1 Chaos, a corporate strategy may exist, but functional strategies do not. If asked, most functional leaders and their teams would say they are not familiar with their corporate strategy. That’s because their functions are ill-defined and unmanaged. They operate in an environment that is neither stable nor predictable. Sales organizations at Maturity Level 1 tend to overcommit and under-deliver. Their performance is inconsistent and they are unable to repeat successes (if they occur at all) or, for that matter, provide plausible explanations for them. In times of crisis, they are frantic, jumping from one reflexive response to another. As a result, they often exceed budgets, miss cost targets and find it impossible to predict future revenue. Success is fleeting in these organizations, as it relies largely on the heroic efforts of a few key individuals rather than a proven system. Functions operate in conflict with one another, causing friction. Customers feel this conflict and revenue suffers. Customer Acquisition Cost is high and Customer Lifetime Value is low due to churn.

LEVEL 2: DEFINED

At Level 2, corporate and functional strategies exist. In fact, they are created as an annual planning exercise by the executive team. But since they are developed separately from one another, there is no coordinated effort to ensure alignment. They collect dust on the shelf, as they are rarely referenced. Teams below the executive level are not familiar with the strategies. And while past successes are repeatable on similar initiatives with similar scope, management cannot rely upon such outcomes. Success in these organizations varies from individual and team to the next, depending on competency. Because functions continue to operate in conflict with one another, friction still exists. And the customer experience suffers. Of course, some planning has been done, so Customer Acquisition Cost improves a slight 3% over Level 1 and Customer Lifetime Value increases by 2%.

LEVEL 3: IMPLEMENTED

At Level 3, the corporate and functional strategies have been defined using a similar process to Level 2. However at Level 3, the functional strategies have been implemented. Each level in the function understands their strategy and abides by it. On a daily basis, functions operate in silos, focused exclusively on their own strategic execution. At this point, organizations have at least made the commitment to drive the strategies and tools into the functional operations. Instead of relying upon a paper trail of formal documentation, Maturity Level 3 organizations can point to behavior changes in each of the functions. Since the functions have embraced strategic discipline and supporting tools, past accomplishments are now repeatable. Management can now truly depend on their execution. Consistency in these organizations is evident as the system ensures a minimum level of functional performance. While friction within each function has been removed, it still exists among the functions. And customers still are confused by their experiences. Customer Acquisition Cost improves from Level 1 by 8% and Customer Lifetime Value improves by 8%.
LEVEL 4: MANAGED

At Level 4, the corporate and functional strategies have been defined, aligned and implemented. The company has now achieved internal strategic alignment. Each level in the function understands their strategy and the dependencies between the other functional strategies. Functions are operating in unison to support the corporate strategy. Organizations have made the commitment to drive the strategies and tools into the functional operations to ensure that the parts are operating as a whole. Internal problems in Maturity Level 4 organizations can often be identified by management before they significantly impact performance due to the focus on common KPIs. Best practices are proactively sought out and shared across the organization, generating more sales improvement content. Friction no longer exists internally, yet the organization has not fully aligned itself with the market. So performance is not optimal. Customer Acquisition Cost improves from Level 1 by 16% and Customer Lifetime Value jumps by 13%. This is the most significant jump so far, validating the value of strategic alignment.

LEVEL 5: PREDICTABLE

At Level 5, the corporate and functional strategies have been defined, aligned and implemented, both internally and with the external market. The company is now in full strategic alignment. Each level in the function understands their strategy and the impact they have on customers. The teams are working to ensure all links in the value chain are optimized. The management team can now adapt to the market in real time, predict performance and understand causality. With a renewed effort to accelerate and share learning, the organization responds to changes and opportunities faster. A Maturity Level 5 organization is driven to excel, rather than settle for improved internal performance year over year. It seeks quantum improvements that are validated by the marketplace. All forms of friction have been removed. Customers are delighted to work with the company. Customer Acquisition Cost improves from Level 1 by 26% and Customer Lifetime Value increases by 30%. The investment in strategic alignment is fully realized.
So let’s be honest, where do you fall in the 5 Levels of the Revenue Growth Maturity Model? Look below to see how your organization stacks up against the rest.

THREE REASONS YOU SHOULD CARE ABOUT YOUR REVENUE GROWTH MATURITY LEVEL

Customer Acquisition Cost, Customer Lifetime Value and Probability of Success. SBI has found that organizations whose strategies are out of alignment experience pain. While it is self-inflicted pain, to avoid prolonging it leaders need to act with urgency. Deploying a set of aligned strategies will prevent long-term consequences.

The first reason you should care is the impact on Customer Acquisition Cost (see graph below). The reductions in Customer Acquisition Cost are significant. Given that 35% of revenue is allocated across product, marketing and sales, a reduction in CAC of 30% drops more than 10% to the bottom line.
The second reason you should care about your Growth Maturity Level is the impact on Customer Lifetime Value. SBI found best-in-class teams operating at Level 5 have a 26% higher CLTV vs. Level 1–4 companies with misaligned strategies. This directly impacts top-line revenue for years to come. Every subsequent year it gets easier to attain the organization’s revenue growth objective.

And the probability that you will succeed in attaining your revenue growth objective is the third reason you should care. In 2014, an impressive 85% of companies achieved their revenue objective, so it was clearly a good year for overall top-line performance.

But those companies with aligned strategies had a 96% chance of exceeding top-line performance, while those with misaligned strategies had an 84% chance of success. The moral of that story being that if you want four times the probability of success, align your strategies.
CALL TO ACTION

According to our research, if you’re part of the leadership team, you have a difficult decision to make:

CHOICE #1  Stay the course. If you feel you have aligned your strategies, there is nothing to worry about. Or if you feel you can achieve your revenue objectives despite the pain caused from being misaligned, don’t change a thing for 2016.

CHOICE #2  Change courses. Develop and execute a strategic program that aligns the functional leaders across your organization. And go through a strategic planning exercise that covers the six strategies in the rest of this document, which is supported by a concerted operational effort to drive the strategic execution into your business.

No doubt, this is a tough call. Why? Even with the Revenue Growth Maturity Model, you may still not know for sure if your strategies are aligned. And that’s dangerous. If you think you have aligned strategies and are wrong, you are four times more likely to miss your revenue targets. Plus, if you subject your executive team to undue frustration, you risk losing members.

So, how can you be certain? Reading this report is a good start. But it will not tell you if you have aligned strategies. This research needs to be applied to you and your company, and SBI will be happy to help. Simply go here and we’ll arrange a convenient time for one of our consultants to take you through a benchmarking exercise that will determine the amount of strategic alignment that exists, if at all, within your organization.
RESEARCH APPROACH
RESEARCH APPROACH
SBI used 14 data collection techniques across four lenses to compile the findings in this report.
**FIRST, THE CUSTOMER LENS.** Some call this the buyer’s view. SBI uses it to understand how buyers buy and how buying behavior is changing, from the customer’s perspective. It is comprised of current customers and prospects. Last year, SBI collected input from:

- More than 9,000 prospective buyers – people who are contemplating making complex B2B purchase decisions.

SBI separates customers from prospects because they behave differently. Customers have already made a purchase decision, so they can provide insights on what they did and why. Prospects may or may not be in the market to make a purchasing decision, so they can provide insight on what they anticipate doing and why. Comparing and contrasting the two allows SBI to identify the ways buyer behavior is changing.
SECOND, THE CORPORATE LENS. Some call this the executive view. SBI uses it to understand what executives want their teams to deliver. Last year, SBI collected input from:

- More than 300 strategies that we analyzed, including corporate strategies and individual functional strategies. We’ve studied both good and bad ones and have correlated strategic plans with revenue growth. The primary drivers in performance are having a well-articulated strategy, then ensuring the strategies are aligned, followed by executing on the strategic plans themselves.

- More than 10,000 documents that we reviewed. Examples include product road maps, marketing plans, personas, account plans, training material, compensation plans, etc. Because producing documentation requires investments from leaders and their teams, they represent executive priorities.

- More than 1,900 metrics that we benchmarked. Examples of metrics include data points like revenue per head, cost per head, quota attainment figures, etc. Metrics indicate both leading and lagging performance. This empirical data provides a view into what corporate executives are measuring and, in turn, reveals what is important to them.

- More than 900 executives whom we interviewed, including the board members, CEOs, CFOs, CMOs, the Heads of Sales, Heads of Product, Heads of Human Resources, etc. SBI wants to hear directly from their point of view what it means to be a world-class sales organization.
THIRD, THE MARKET LENS. SBI uses the market lens to understand the external environment in which a sales force operates. Over the last year, SBI collected input from:

- More than 500 individual mystery shops that we conducted. A mystery shop is where SBI poses as a customer or a prospect. We shop several vendors within the same product category to understand how the sales forces differentiate themselves at the moment of truth – the exact time when a seller and a buyer are actively engaged in a sales campaign.

- More than 100 industries that we analyzed. This allows us to investigate the macro industry in which a sales force operates. The goal? To understand the industry’s current dynamics and determine how these are likely to change in the near future. This helps us understand the industry trends to consider when building a sales strategy.

- More than 500 competitors whom we analyzed. This allows us to examine the competitors with whom a sales force typically competes. The goal? To understand how competitors are going to market. This uncovers the strengths and weaknesses of each organization. By studying these, a competitive advantage can be gained in the sales strategy by exploiting competitive opportunities and mitigating the competitive threats.

- More than 1,000 product/solutions that we analyzed. This allows us to explore the possible ways a customer can address a given problem. And it enables a sales team to understand the strengths and weaknesses of each solution. Incorporating this into the sales strategy helps the sales force differentiate their solution in a way that captures customer preference relative to the alternatives.

The market lens sheds light on how organizations in the same industry, selling similar products, services or solutions to the same set of buyers, sell similarly or differently. By considering this context, SBI identifies similarities and differences in the strategies. And by combining these with the results achieved, SBI can validate what works and what does not.
FOURTH AND FINAL IS THE FIELD LENS. This allows us to understand what is contributing to or preventing success when the company engages with buyers, from the perspective of those working inside the organization. Over the last year, SBI collected input from:

- More than 18,000 sales reps, marketing and product personnel whom we surveyed. These allow us to understand what the team is experiencing from customer interactions and uncover how the team spends their time, overcomes obstacles and utilizes technology tools. Moreover, it tells us what they want from their management team.

- More than 500 DILOs that we conducted. A DILO is a “Day In the Life Of,” where SBI actually goes out into the field and rides with salespeople to get a firsthand account of their typical day. For we have found that sales reps often respond differently during interviews and surveys than they do in their natural habitat.

- More than 2,600 expert panel days that we hosted. An expert panel is where SBI conducts a classic focus group with the top 10% of a company’s team to understand what they are doing that contributes to their success. We summarize our learning and create intellectual property that can be shared with the remaining 90% of the team, or order to replicate top performance.

- More than 7,800 front-line managers. These are people who manage product, marketing and sales people directly. SBI listens to managers to understand the differences between what corporate wants or expects and the realities that their field sales teams are experiencing. The front-line manager has a very unique perspective and a difficult job, sandwiched between those two, often conflicting stakeholder groups. Yet the manager may have the most important job in the organization, serving as the connective tissue that links the corporate strategy to field execution.

- Test results from more than 900 field prototypes. These are actual sales and marketing improvement programs where SBI captures before and after results to see what works and what does not. Examples include lead generation programs, buyer personas, call plans, technology tools, sales process, etc. SBI tests to see how the prototype performed. Did it behave as anticipated? Did it generate the desired outcomes?
SBI uses rigorous statistical processes to analyze qualitative and quantitative data that we collect from these sources. We have highly trained, experienced industry professionals with a focus on removing biases from any single lens/source who ensure quality, accuracy, timeliness and integrity of the findings. Statistical analysis techniques SBI uses include:

- **PATTERN AND TREND RECOGNITION** – SBI constantly observes patterns and trends to ensure that the integrity of the data is maintained. If patterns and/or trends from a single data source contradict previous findings, in-depth analysis is performed to validate or disqualify the findings.

- **DEDUCTIVE REASONING** – SBI constantly challenges previously known facts to validate the conclusions drawn from the data. Conclusions or findings are updated in real time as data becomes available.

- **INDUCTIVE REASONING** – SBI uses a proprietary Hypothesis Testing Methodology based on proven statistical principles that allow confidence levels to be associated with all data findings. Because some findings cannot be statistically proven with 100% certainty, we constantly analyze and refine the findings to ensure the highest level of statistically sound confidence at all times.

- **VERIFICATION** – SBI explores other data to prove or disprove best practices. For each best practice, the expected results from deploying each technique are verified after implementation.

- **PREDICTIVE ANALYSIS** – SBI uses a variety of Predictive Analytics, rather than limit ourselves to just historical data analysis, to describe or categorize the data and develop models to understand behavior. These analytics can then be used to guide future decision making.

- **REGRESSION ANALYSIS** – SBI uses techniques such as regression analysis, which allows for relationships and dependences to be quantified and measured, for we have found that selling cannot be simplified to a single hypothesis test. Understanding the relationships among multiple inputs is key.

- **CONSTANT REFINEMENT** – SBI best practices are never static. Research and refinement is an ongoing process with new information constantly integrated as new data sources are located or existing data becomes available.
6-STEP REVENUE GROWTH METHODOLOGY
6-STEP REVENUE GROWTH METHODOLOGY
SBI has discovered that top-producing organizations align strategies according to the following six-step process:

MARKET RESEARCH
Understand market, accounts, buyers and users. This ensures the strategy is differentiated from the competition in the eyes of the marketplace.

CORPORATE STRATEGY
The allocation of the company’s people, money and time in the pursuit of profitable growth.

PRODUCT STRATEGY
Launch products and services to the marketplace that solve market problems and are aligned with the Corporate Strategy.

MARKETING STRATEGY
Drive demand in the marketplace for the company’s products and services.

SALES STRATEGY
Turn market demand into revenue by selling the company’s products and services to target buyers.

TALENT STRATEGY
Build a team capable of defining and executing each of the functional strategies.
Following these six steps will enable any organization to improve its organic revenue growth. And, in turn, the team will become much better at prioritizing its allocation of resources.

So why is it that some teams perform these steps, yet fail to optimize their results? Their strategies are not aligned. Even the best intentions cannot overcome friction, or even worse, conflict among the functional strategies.

To ensure alignment, the steps outlined must be coordinated. Marketing cannot be focused on generating new logo leads, while Sales is focused on improving share of wallet with existing customers. New products cannot be released while Sales is focused on selling existing offerings. If the market is highly competitive, Marketing cannot ignore competitive positioning. Examples of misalignment are endless.

So proper alignment across each of the 6 Revenue Growth buckets is essential, both in sequence and overall. To help you get a good head start in accomplishing this, here are questions you can ask yourself about each of your strategies:

**MARKET RESEARCH STRATEGIC ALIGNMENT QUESTIONNAIRE:**

1. What inputs are required to define the Corporate Strategy?

2. What inputs are required to define the Product Strategy?

3. What inputs are required to define the Marketing Strategy?

4. What inputs are required to define the Sales Strategy?

5. What inputs are required to define the Talent Strategy?
CORPORATE STRATEGY ALIGNMENT QUESTIONNAIRE:

1. How is the Corporate Strategy using the insights from Market Research to drive allocations of resources?

2. What direction needs to be set for the Product Strategy?

3. What direction needs to be set for the Marketing Strategy?

4. What direction needs to be set for the Sales Strategy?

5. What direction needs to be set for the Talent Strategy?

additional notes
PRODUCT STRATEGY ALIGNMENT QUESTIONNAIRE:

1. How is the Product Strategy using the insights from Market Research to drive allocations of resources?

2. How is the Product Strategy taking direction from the Corporate Strategy to drive the allocation of resources?

3. What does the Product Strategy need from the Marketing Strategy to be successful?

4. What does the Product Strategy need from the Sales Strategy to be successful?

5. What does the Product Strategy need from the Talent Strategy to be successful?

additional notes
MARKETING STRATEGY ALIGNMENT QUESTIONNAIRE:

1. How is the Marketing Strategy using the insights from Market Research to drive allocations of resources?

2. How is the Marketing Strategy taking direction from the Corporate Strategy to drive the allocation of resources?

3. How does the Product Strategy impact the Marketing Strategy?

4. What does the Marketing Strategy need from the Sales Strategy to be successful?

5. What does the Marketing Strategy need from the Talent Strategy to be successful?

additional notes
SALES STRATEGY ALIGNMENT QUESTIONNAIRE:

1. How is the Sales Strategy using the insights from Market Research to drive the allocation of resources?

2. How is the Sales Strategy taking direction from the Corporate Strategy to drive the allocation of resources?

3. How does the Product Strategy impact the Sales Strategy?

4. How does the Marketing Strategy impact the Sales Strategy?

5. What does the Sales Strategy need from the Talent Strategy to be successful?

additional notes
TALENT STRATEGY ALIGNMENT QUESTIONNAIRE:

1. How is the Talent Strategy using the insights from Market Research to determine the talent required?

2. How is the Talent Strategy taking direction from the Corporate Strategy to drive the allocation of talent?

3. How is the Talent Strategy using the Product Strategy to determine the Product talent required to execute the strategy?

4. How is the Talent Strategy using the Marketing Strategy to determine the Marketing talent required to execute the strategy?

5. How is the Talent Strategy using the Sales Strategy to determine the Sales talent required to execute the strategy?

additional notes
The next section of the report provides a thorough examination of the six areas of the Revenue Growth Methodology. Regardless of your function, everyone should read the Market Research section in its entirety, as it will provide what you need to execute your strategy. Then you can skim over the sections that are other functions. For example, if you are in sales, you need not understand every detail of Product Strategy. But you should at least be familiar with it. What’s more, you should consider what other functions need from you and what you need from them. Then read the section that applies to your specific function and assess where you are. Be honest with yourself. Decide what is missing from your strategy. Then plan how to correct it and gain alignment with your peers.
STEP 1:
MARKET RESEARCH
STEP 1: MARKET RESEARCH
STEP 1: MARKET RESEARCH

Market Research provides a deep understanding of the market, accounts, buyers and users. It helps you differentiate your strategy from your competition, prioritize your accounts, align your strategy with buyer needs and address user problems with your products. As a result, you can bring your strategy into alignment with the external market. As long as you are also aligned with the internal strategies from Corporate, Product, Marketing, etc., you can define the right Sales Strategy.

HERE IS HOW BEST-IN-CLASS SALES LEADERS DEFINE MARKET RESEARCH:

**What is Market Research?**

Market Research is a set of actionable insights gathered from the external environment in which your company competes.

**What does Market Research do?**

Market Research provides external context to enable executives to make smarter decisions on how to allocate their resources – people, money and time.

**What does it mean to use Market Research?**

Companies that use Market Research have a better chance to succeed because they are aligned with the external marketplace.

Now that you know the definition of Market Research, it is time for the critical question.

Who in your company owns Market Research? Is there a single owner or several? If the latter is true, how are you coordinating your efforts so that everyone is on the same page?

So, what’s next? You need to define the right Market Research program. And it involves four steps: Market Segmentation, Account Segmentation, Buyer Segmentation and User Segmentation. The rest of this section will detail how to accomplish this.
MARKET RESEARCH CONTINUED

THE FOUR PHASES TO MARKET RESEARCH

Following the four steps above will enable a sales force to define the right Market Research approach to grow revenues. As a result, the Executive team will be better prepared to make decisions.

However, some teams make the mistake of performing the steps out of sequence. It’s not possible to understand every buyer in every possible market. Or every user in every possible account. Therefore the sequence needs to cascade starting with the market, narrowing the focus to the accounts in the attractive markets. Then the buyers we want to attract in those accounts. And ultimately the users who we want to serve in those accounts.

The other reason companies struggle is they are out of alignment with the other functions. Market Research is the first step, so it needs to be prepared to feed the other strategies as follows:

**MARKET SEGMENTATION**
Divide the broad target market into subsets of buyers who have common needs, priorities and solution options.

**ACCOUNT SEGMENTATION**
Understand which accounts in your market are going to generate the most revenue over the shortest period of time.

**BUYER SEGMENTATION**
Understand how buyers in your accounts make purchase decisions.

**USER SEGMENTATION**
Understand the market problems that exist for users in your accounts.
- **Corporate Strategy** – The output of the Market Research will serve as the input into the Corporate Strategy. A successful Corporate Strategy must be in sync with the external market. And use the Market Research to drive the company’s allocation of people, time and money.

- **Product Strategy** – The Product Strategy will only be successful if the product investments solve market problems of target users. And can be bought by target buyers. So the Product Strategy cannot make critical decisions without Market Research.

- **Marketing Strategy** – The Marketing Strategy needs to know how to compete for attention in the marketplace. Knowing how to stimulate buyers and generate leads in desired accounts can only occur with grounding from the Market Research.

- **Sales Strategy** – Market Research will govern the allocation of sales resources. It will help determine which accounts to pursue and territories to define. It will help define the process used to engage buyers. It helps Sales make all their decisions.

- **Talent Strategy** – The last link in the chain is talent. The Market Research will help the Talent Strategy make decision around the types of talent needed to execute each of the other strategies. And do so in a way that the market will reward the company with revenue growth.
PHASE 1 – MARKET SEGMENTATION

Divide the broad target market into subsets of buyers who have common needs, priorities and solution options.

THE PROBLEM

Not all markets are created equal...

Determining which markets to address with which products and which channels can be difficult. You begin to understand why when you multiply your customers’ diverse needs by the many products and channels available to reach them.

Pursuing markets that are too wide means that you are aiming off target. Without a clear understanding of market segments, limited company resources get misallocated. And revenue goals are missed. Broad markets need to be divided into subsets of buyers who have common needs and priorities.

THE SOLUTION

Complete the Market Segmentation phase by answering the following:

1. How big is our market? What is its growth rate?

2. What industry trends are unfolding in our market?

3. What are the needs of the market? How are these changing?
4. What should be our go-to-market strategy for each product/solution?

5. How do my competitors go to market?

6. What are our competitive strengths/weaknesses?

7. What are our opportunities/threats in the market?

8. For our solution set, what is the life cycle stage of adoption for our buyers?

**additional notes**
PHASE 2 – ACCOUNT SEGMENTATION

Understand which accounts in your market are going to generate the most revenue over the shortest period of time.

THE PROBLEM

Define account potential, and you will achieve it…

The Executive team is typically provided revenue potential by market level only. But they really need to know the revenue potential by account, product and buyer. When the Executive team has incomplete information, resources are not allocated correctly and performance falls short.

THE SOLUTION

Complete the Account Segmentation phase by answering the following:

1. What is our ideal customer profile (i.e., what defines our ideal prospect/customer)?

2. How does each prospect/customer score relative to our ideal customer profile?

3. What is the potential spend for each prospect/customer?

4. What is the cost to acquire each customer?
5. What is the lifetime value of each customer?

6. What is the propensity to buy for each prospect/customer (i.e., how likely is each prospect/customer to buy from us)?

additional notes
MARKET RESEARCH CONTINUED

PHASE 3 – BUYER SEGMENTATION
Understand how buyers in your accounts make purchase decisions.

THE PROBLEM
Need to know your buyer down to the last detail...

The explosion of the Internet, and buyers’ access to anything online, has altered the buying process forever. Many Product, Marketing and Sales teams still rely on tribal knowledge and past experiences. But without a true understanding of how your buyers make decisions, revenue opportunities will pass you by.

THE SOLUTION
Complete the Buyer Segmentation phase by answering the following:

1. Who are our buyers?

2. What do our buyers care about?

3. How do our buyers make purchase decisions?
4. What do our buyers value when engaging with our team?

5. What must our team be best-in-class in to succeed in our industry?

additional notes
PHASE 4 – USER SEGMENTATION

Understand the market problems that exist for users in your accounts.

THE PROBLEM

Need to understand how your products/services help users accomplish their job...

Today, users have an unlimited number of resources to help them do their job. They have a wealth of free advice from the Internet, so competition is fierce. In the end, users now ask themselves which product is right for the job or whether they even need to “hire” a product at all.

THE SOLUTION

Complete the User Segmentation phase by answering the following:

1. Who are our users?

2. What are our users trying to get done?

3. What prevents our users from completing their job?

4. What alternative solutions exist for users to address their needs?
5. What do our users value when engaging with our team?

6. In what must our products be best-in-class in to succeed in our industry?
A CASE STUDY – PART 1

A Technology Company was struggling for survival. Revenues that had been flat the last few years were starting to trend downward. A recent acquisition was having a negative impact. Customers were beginning to leave faster than they could be replaced. A stock that once traded for over $100 15 years ago is trading for less than $5 today, which is down from more than $10 when the acquisition was announced. The company needed a new direction, fast.

Here is a look at how they used Market Research before and after achieving strategic alignment:

<table>
<thead>
<tr>
<th>BEFORE STRATEGIC ALIGNMENT</th>
<th>AFTER STRATEGIC ALIGNMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Research was ad-hoc and not actionable.</td>
<td>Market Research looked at the Market, Industry, Competitors, Accounts, Buyers and Users producing a set of actionable insights.</td>
</tr>
<tr>
<td>Each function gathered the necessary Market Research to support the story the function wanted to sell. No one trusted the Market Research.</td>
<td>The Marketing team was responsible for producing Market Research after collecting requirements from each function. The same set of data was used to drive decisions across the entire organization. Everyone bought into the process and considered the findings fundamentally sound. Any concerns with the findings were escalated and addressed by the Marketing team responsible for them.</td>
</tr>
<tr>
<td>Market Research was compiled using secondary sources, like buying reports, that the competition could also buy.</td>
<td>To get general information, Market Research was compiled using secondary sources but augmented with primary research (interviews, surveys, etc.) to identify insights the competition did not have access to.</td>
</tr>
<tr>
<td>Market Research was reviewed after it was gathered, then never referenced again.</td>
<td>Market Research was used in the building of strategies and in the execution of those strategies to drive things like messaging, campaigns, sales enablement, etc.</td>
</tr>
</tbody>
</table>
STEP 2: CORPORATE STRATEGY
STEP 2: CORPORATE STRATEGY
Let’s face it. The Corporate Strategy carries a lot of weight. This is where the direction for the company is defined. It needs to pull insights from the external marketplace and use those to make choices such as “why do we exist,” “which markets will we choose to compete in,” and “what strategic advantages will we develop.” One of the main goals of the Corporate Strategy is to enable the functional strategies to be developed.

HERE IS HOW BEST-IN-CLASS CEO’s DEFINE THAT CORPORATE STRATEGY:

**What is a Corporate Strategy?**
Corporate Strategy is the allocation of people, money and time to generate profitable growth.

**What does a Corporate Strategy do?**
A Corporate Strategy puts the company in the best position within the marketplace.

**What does it mean to use a Corporate Strategy?**
Using a Corporate Strategy means the entire organization has the direction they need to achieve the Corporate objectives.

Okay, you understand what defines the Corporate Strategy. So, what’s next?

There are eight steps to defining the right Corporate Strategy: Mission, Vision, Values, Brand, Objectives, Markets, Competition and Advantages. In the rest of this section we will detail each of the steps and provide guidance on how to pull them off.
8-STEP CORPORATE STRATEGY METHODOLOGY

1. MISSION
   Define why we exist.

2. VISION
   Define what we want to become.

3. VALUES
   Define how we behave.

4. BRAND
   Define how we serve customers.

5. OBJECTIVES
   Define the objectives we must achieve.

6. MARKETS
   Define the markets we will and will not compete in.

7. COMPETITION
   Define the competition we face in each market.

8. ADVANTAGES
   Define the unique advantages we will have in the marketplace.
Follow these eight steps to set the direction for your team to grow revenues organically. This will allow your entire team to align their strategies, your strategy and one another’s strategies.

- **Market Research** – The primary feed into your Corporate Strategy. Market Research will tell you about the external environment in which you operate. You need that grounding to ensure the strategy you set for the rest of the company is one that will serve the marketplace well.

- **Product Strategy** – The Product Strategy needs to know how to focus their product investments. The product decisions will impact all the downstream functions and therefore need to be given the proper guidance.

- **Marketing Strategy** – The Marketing Strategy will open up opportunities in the markets in which you choose to compete. Your strategy will direct them on where to focus, determine who to compete against and what advantages to stress, resulting in your company gaining an advantage.

- **Sales Strategy** – The Sales Strategy needs to complete the value chain started with Product and Marketing to ultimately turn prospects into customers. Your strategy will set in motion the necessary alignment, which will end with actual sales meeting the revenue objective.

- **Talent Strategy** – The Talent Strategy needs to recruit people to execute the strategies. The direction your strategy sets will be used as a recruiting tool for talent and guide the Talent team on the type of people your company
PHASE 1 – MISSION

Define why we exist.

THE PROBLEM

If you don’t know why you exist, you have no foundation upon which to grow your company...

A company that has not defined why it exists has no foundation to build upon and no basis for growth. External customers will be confused about your plans and goals. Your employees will not be unified in pursuing your objectives. Investors will have concerns about your survivability. Is your company in jeopardy because it is not built on a solid foundation?

THE SOLUTION

Complete the Mission phase by answering the following:

1. What is the driving force behind our company?

2. How do we benefit customers?

3. What are the main products we offer?

4. What markets do we serve?
5. What is our commitment to survival?

6. What are the philosophies that guide the organization?

7. What do we want our public image to be?
PHASE 2 – VISION

Define what we want to become.

THE PROBLEM

If you don’t know what you want to become, you have no direction to pursue...

With no vision of what you want to become, you have no idea where you are going. How do you lead the company without knowing where you are headed? Are you wasting resources because you haven’t set a clear vision?

THE SOLUTION

Complete the Vision phase by answering the following:

1. What does the future hold for us?

2. What is the purpose we are working toward?

3. What do we want to ultimately achieve?

4. What is a stretch goal to rally around?

5. What would inspire our people?
6. What would be memorable for our customers?

7. How do we want our leaders to allocate resources?

additional notes
PHASE 3 – VALUES

Define how we behave.

THE PROBLEM

Values are more than words on paper; they are the principles never to be violated...

Many companies have values that are just fluff. They spent time thinking about how they should behave, but they never made the values real through their actions. Values should set the tone for the company, drive the culture, and determine the rules of engagement to use with buyers. Your company is at risk if your values aren’t guiding how your teams act.

THE SOLUTION

Complete the Values phase by answering the following:

1. How should we behave?

2. What rules will we never tolerate breaking?

3. What are our rules of engagement internally? Externally?

4. Are we willing to stand for our values even when they are tough?
5. What values will set us apart from the competition?

6. What behaviors will result in a rallying cry for employees?

7. How can we live up to our values today? In the future?

8. What impact will our value decisions have on employees? On customers?

additional notes
**PHASE 4 – BRAND**

Define how we serve customers.

**THE PROBLEM**

You made a promise to your customers but fail to deliver against it at all times...

If a promise gets broken, trust is lost. You can’t afford to lose trust with your customers. With the reach of social media, a single mistake in how you serve customers can go viral in a hurry. Therefore, the promise you make with your customers must be sound and something you can live up to. Have you considered the best way to serve your customers?

**THE SOLUTION**

Complete the Brand phase by answering the following:

1. **How do we add value to customers?**

2. **What promise do we make to our customers?**

3. **When a customer hears our company name, what do we want them to think?**

4. **How do we want our market performance to reflect on our brand?**
5. How do we want our offerings to reflect on our brand?

6. How do we want our mind share with customers to reflect on our brand?

additional notes
PHASE 5 – OBJECTIVES

Define the objectives we must achieve.

THE PROBLEM

You set objectives but have no plans to measure them...

If the Corporate Strategy doesn’t set Companywide objectives, then the functions within the company have no common definition of success. Each is then left fending for the isolated objectives they believe are important, or possibly ignoring the objectives because they are not constantly being measured. Objectives need to drive daily decision making from the CEO down to all levels of employees. Do your employees really know what objectives they are working to attain?

THE SOLUTION

Complete the Objectives phase by answering the following:

1. What are the company objectives that must be met?

2. What are the Product objectives that support the Corporate objectives?

3. What are the Marketing objectives that support the Corporate objectives?
4. What are the Sales objectives that support the Corporate objectives?

5. What are the Talent objectives that support the Corporate objectives?

additional notes
PHASE 6 – MARKETS
Define the markets we will and will not compete in.

THE PROBLEM
Too many markets, too little money...

Market choices aren’t easy, but are necessary. If you haven’t defined the markets in which you will compete, you leave it up to each individual employee to make that decision. That leads to conflict and competing priorities. Are you leaving the market choices up to your people or have you given them the guidance they need to be successful?

THE SOLUTION
Complete the Markets phase by answering the following:

1. What is our definition of a market – industries, geographies, segments, products, buyers, etc.?

2. What defines an attractive market to us?

3. Which markets are we not going to serve?

4. Why are we focused on serving these markets today?

5. Why would we be interested in serving these other markets in the future?
6. What is the size of the markets we want to pursue?

7. What is our share in those markets?

8. What are the critical success factors required to have success in those markets?

9. Who buys in the markets we choose to serve?

10. Who are the key users of our products in our markets?

11. How can we best reach buyers and users in our markets?

additional notes
PHASE 7 – COMPETITION

Define the competition we face in each market.

THE PROBLEM

You don’t know your competitors, so you can’t beat them...

No market is without competition. You have to be prepared to compete and ultimately win. You need to know your competition and have clear strategies defined on how to beat each of them while also being prepared to defend how they are going to try to beat you. Do you know the competition well enough to develop your win strategies?

THE SOLUTION

Complete the Competition phase by answering the following:

1. Who are our competitors in each market?

2. How do our competitors beat us?

3. How do we beat each competitor?

4. What future moves are our competitors likely to make?
5. How will we respond to our competitors’ moves?

6. What are our strengths vs. each competitor’s strengths?

7. What are our weaknesses vs. each competitor’s weaknesses?

8. What is our best capability vs. each competitor’s best capability?

additional notes
PHASE 8 – ADVANTAGES

Define the unique advantages we will have in the marketplace.

THE PROBLEM

You aren’t certain what you do better than your competitors...

There are three sources of competitive advantage: Price, Product and Customer Experience. If you have not picked one, your customers will pick one for you: Price. If you have not optimized your cost structure for Price, it will cost you revenue and margin. Have you proactively defined your competitive advantage and invested in achieving it? Or are you letting your customers pick Price for you?

THE SOLUTION

Complete the Advantages phase by answering the following:

1. Which of the three sources of competitive advantage should we pick: Price, Product or Customer Experience?

2. If we pick Price, how are we streaming our cost model to deliver our products to market at a price lower than the competition?

3. If we pick Product, how are we investing in our product so it is superior to the alternatives in a way that buyers value?

4. If we pick Customer Experience, how are we creating a unique experience that our buyers are willing to pay for?
5. How have we ensured we do not suffer from false differentiation – differentiation that is not important to the marketplace or is a false presumption of superiority?

6. How have we ensured we do not suffer from uneconomic differentiation – differentiation that customers are not willing to pay for?

7. How have we ensured we do not suffer from unsustainable differentiation – differentiation that is easily imitated?

additional notes
Let’s get back to the case study. The Technology Company developed a Market Research capability in Part 1. Now they move to refreshing the Corporate Strategy.

Here is a look at how Corporate Strategy was used before and after achieving strategic alignment:

<table>
<thead>
<tr>
<th>BEFORE STRATEGIC ALIGNMENT</th>
<th>AFTER STRATEGIC ALIGNMENT</th>
</tr>
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<tbody>
<tr>
<td>Corporate Strategy was built as a collaborative exercise with the Executive team two years ago. Other than posters that summarized the strategic themes, the document has not been used since, except as slides in the board update deck.</td>
<td>Corporate Strategy was built by the CEO using insights from the Market Research. The working drafts were shared with functional leaders along the way to gather input. Once finished, the Corporate Strategy is referenced constantly by members at all levels of the organization.</td>
</tr>
<tr>
<td>The Corporate Strategy was a set of Mission, Vision and Values statements that were posted around the office.</td>
<td>The Corporate Strategy included all the key decisions that needed to be made to enable the Product, Marketing and Sales Strategies to be successful. The Corporate Strategy was clear about the corporate objectives and translated these to functional objectives.</td>
</tr>
<tr>
<td>The Corporate Strategy left the door open for the company to be all things to all markets. Therefore, everything the company wanted to pursue was possibly in play.</td>
<td>The Corporate Strategy included hard decisions. Markets where the company could not effectively compete were ruled out. Competitors the company could not beat were avoided. Advantages the company could truly develop were chosen over others. Therefore, the company had focus and knew what it was going to do well vs. not do at all. Nothing was allowed to be in the middle.</td>
</tr>
</tbody>
</table>
STEP 3: PRODUCT STRATEGY
STEP 3: PRODUCT STRATEGY
STEP 3: PRODUCT STRATEGY

As the name would suggest, Product Strategy defines the direction for the company’s products. It pulls insights from the external marketplace and it is aligned with the Corporate Strategy. It requires choices: which products to invest in and which ones to forgo. And one of its main goals is to set the Marketing and Sales Strategies up for success.

BEST-IN-CLASS PRODUCT LEADERS DEFINE PRODUCT STRATEGY LIKE THIS:

**What is a Product Strategy?**
A Product Strategy is an operating plan for a company’s Product team.

**What does a Product Strategy do?**
A Product Strategy allocates product investments to solve market problems that occur frequently, are painful, and that buyers are willing to pay to fix.

**What does it mean to use a Product Strategy?**
Using a Product Strategy means the product investments result in products that are in high demand in the marketplace.

Okay, now you understand Product Strategy, so what’s next?

There are four steps to defining the right Product Strategy: Focus, Business Planning, Build and Launch. In the rest of this section we will detail each of the steps and provide guidance on how to pull them off.
Follow the four steps above and your Product team will be able to define the right Product Strategy to grow revenues. This will ensure investments generate sufficient returns and enable the Corporate, Product, Marketing and Sales objectives to be met.

But beware. Many Product teams perform these steps, yet fail. The reason? They perform them out of sequence or skip critical steps along the way. Even the best intentions can’t overcome improper sequencing. Products shouldn’t be built without a business plan, which can’t be created for every possible opportunity excluded in the Focus step. And even before this Product Strategy begins, Market Research needs to ground the decision in marketplace facts.

Oh, one other reason they fail? They’re out of alignment with the other functions. Follow this checklist to help ensure your Sales Strategy is receiving the proper inputs from the other strategies and producing the proper outputs:
Market Research – The most important piece of your Product Strategy. Market Research will highlight the user problems that your products must address and the competitive alternatives that exist to address these problems. You cannot begin to consider a product investment without these pieces of data. As a Product team, you should immerse yourself in the Market Research more than anyone else in the company.

Corporate Strategy – Your product objectives will be set by the Corporate Strategy. Is the company more interested in acquiring new logos, growing revenue, preserving the install base or growing margins? And how should your products support those objectives? Internally the Corporate Strategy will point you in the right direction and give you guidelines on what results your products need to achieve.

Marketing Strategy – Your products begin their journey to market through the Marketing team. They need to understand your plans, and you need to provide input into their plans. The best products in the world that no one knows about will not help your company win.

Sales Strategy – Your products will not sell themselves. You need Sales to convert possible buyers into revenue. How well do you know your Sales team and their needs to actually sell your product? Many companies fail to align here. Good companies only become great if on-the-ground feedback from Sales is incorporated into the product investment decisions.

Talent Strategy – In order to be executed, your Product Strategy requires talented people to be executed. What types of people do you need? What do they need to excel at? When do you need them? The Talent Strategy is where your people are sourced, hired, on-boarded and developed and where the other strategies will source talent to bring your products to market.
STEP 1 — FOCUS

Focus is where you define the market segments that are most attractive to pursue. With the help of the Market Research, the market problems of these segments can be identified and scored. Your product portfolio inventories your products and shows coverage across problems you have addressed today. The ones that aren’t addressed or are just emerging are incorporated in the road map of new products that will be launched in the future.

There are three phases to the Focus step:

**PHASE 1 – MARKET SEGMENT DEFINITION**

For each market, define the attractive segments that have common problems that your company can uniquely address.

**PHASE 2 – PRODUCT PORTFOLIO**

Inventory the market problems your solutions address.

**PHASE 3 – PRODUCT ROAD MAP**

Develop the plan for bringing new products to market that solve additional market problems.
PHASE 1 – MARKET SEGMENT DEFINITION

For each market, define the attractive segments that have common problems that your company can uniquely address.

THE PROBLEM

You don’t know which segments to target with your products…

You don’t have the product resources to address every problem in every market, but choose the wrong markets and you’ll fail. The most attractive markets are those with problems you can uniquely solve, that occur frequently, have pain associated with them, and have budget available to address them. In addition, the markets must be large enough to justify your product investments.

THE SOLUTION

Complete the Market Segment Definition phase by answering the following:

1. What is the definition of a market?

2. How large is the market?

3. What are the common problems faced by the market?

4. How frequently do the problems occur?
5. How painful are the problems for buyers/users?

6. Are buyers willing to allocate budget to solve these problems?

7. How can your company uniquely win in this market?

8. What share of the market do you have today?

9. What share of the market can you reasonably capture in the future?

additional notes
PHASE 2 – PRODUCT PORTFOLIO

Inventory the market problems your solutions address.

THE PROBLEM

You don’t know what problems your products solve today...

Companies can have tons of products, many of which people may not even know exist. Other products receive more resources than they deserve. The full suite of problems your products solve may not be clear or your products may be mismapped. How can you better take an inventory and optimize your portfolio?

THE SOLUTION

Complete the Product Portfolio phase by answering the following:

1. What are all the products our company has?

2. What market problems does each product solve?

3. Who owns each product?

4. What market share does each product have?

5. What market share should each product have?
6. What products do we have that we question having?

7. What products are core to preserving your market position?

8. What products are no-brainers for your business?

9. What products require further investments to achieve their potential?

10. How should each product be marketed?

11. How should each product be sold?

12. Are our products confusing the marketplace?

13. Are any of our products in conflict with one another?
PHASE 3 – PRODUCT ROAD MAP

Develop the plan for bringing new products to market that solve additional market problems.

THE PROBLEM

You haven’t prioritized product investments on the greatest future opportunities...

Today, competition is fierce, so winning products can become obsolete overnight. So keep listening to the market and innovate your products faster than the competition. If your future success sits in your product road map, how can you ensure which future products will be winners?

THE SOLUTION

Complete the Product Road Map phase by answering the following:

1. What market problems are most attractive to address in the future?
2. How do we prioritize market problems by frequency, pain and access to budget?
3. What is our process for maintaining our road map?
4. What products are required to solve these new market problems?
5. Should the solution be a new product, a new release, a new bundle, etc.?
6. When can we be ready to release each new product?

7. Do we decline road map ideas that are not validated? For example, they’re only needed by a single customer or to match a competitive offering?

8. Do we embrace ideas that deliver new value? For example, solving a new set of problems for an existing market segment or opening up a new market segment?

9. Does each release solve a complete and useful set of problems?

additional notes
STEP 2 – BUSINESS PLANNING

How do you validate your investment decisions? Business Planning. This is where you test ideas from the Focus step. A product may sound good on the road map, but if it can’t be sold at a profit, can’t support a business plan and can’t be priced attractively in the market, it can’t be pursued. Winning Product teams treat each product investment as a business.

There are three phases to the Business Planning step:

**PHASE 4 – PRODUCT PROFITABILITY**

Monitor KPIs to determine how the product is performing.

**PHASE 5 – BUSINESS PLANNING**

Determine the market opportunity, justification for investment, and assessment of risk for each new product idea.

**PHASE 6 – PRICING**

Determine the price the market is willing to pay for a given product.
PHASE 4 – PRODUCT PROFITABILITY

Monitor KPIs to determine how the product is performing.

THE PROBLEM

You don’t know when to double-down on products that are profitable and fix/kill ones that are not...

An unprofitable product destroys value for your company. By profitability, we don’t just mean the difference between the cost to build a widget and the price the market pays for it. True profitability includes the cost to build, maintain, market, sell, install, support – you name it.

THE SOLUTION

Complete the Product Profitability phase by answering the following:

1. What is our cost to build each product?

2. What is our cost to market each product?

3. What is our cost to sell each product?

4. What is our cost to install each product?
5. What is our cost to support each product?

6. Have we leveraged activity-based costing to get a true view on product costs?

7. What is the profitability of each of our products?

8. Is each of our products profitable?

9. What is our plan to fix (or kill) the products that are unprofitable?

10. Are unprofitable products a strategic loss leader?

11. What other products does each product enable us to sell?
PHASE 5 – BUSINESS PLANNING

Determine the market opportunity, justification for investment, and assessment of risk for each new product idea.

THE PROBLEM

You’re not managing each product as an individual business...

Making product investments without a business plan created little chance for success. The best sounding ideas often run into problems when subjected to a business plan, or possible risks are identified that may prevent the product from becoming a successful business. Start to manage each of your products as a business.

THE SOLUTION

Complete the Business Planning phase by answering the following:

1. What market problems does this product solve?

2. What is the market opportunity?

3. What evidence proves the market opportunity exists?

4. How is this product aligned with the Corporate Strategy?
5. What is the competitive landscape for this product?

6. What investment is required in this product?

7. What is the customer impact of this product?

8. What are our financial objectives for this product?

9. How feasible is it that we can build this product?

10. How feasible is it that we can support/service this product?

11. How feasible is it that we can market/sell this product?

12. What is our go-to-market strategy for this product?
13. What are the risks associated with this product?

14. How do we make go/no-go decisions on our products?

additional notes
PHASE 6 – PRICING

Determine the price the market is willing to pay for a given product.

THE PROBLEM

You don’t know how to price each product in a way that the marketplace will bear...

Cost-plus pricing is the easy way to set prices, but it doesn’t work. The marketplace doesn’t value your costs; they value the impact your product makes on them. Prices should be set based on this market impact. Your costs only matter when it comes time for you to decide if this product is one that should be pursued or not. Are you incorporating the market value in your pricing strategy?

THE SOLUTION

Complete the Pricing phase by answering the following:

1. What price will the market pay for this product?

2. Is this purchase decision highly competitive?

3. How is the competition priced for this product?
4. How much will a buyer be willing to pay for our product relative to the alternatives?

5. How can we make use of good, better, best pricing of our products?

6. How can we use bundles to maximize the price we can charge?

7. How do we use our internal cost to decide if a product is worth investing in?
STEP 3 – BUILD

After the go/no-go decision has been made in the Business Planning step, the next step is to actually build the product. This starts with the definition of use scenarios. These tell the story of how a user will leverage our product to solve their market problems. The use scenarios become product designs that feed into the development cycle. The last part of this step is to name and package the product to make it marketplace-ready.

There are three phases to the Build step:

**PHASE 7 – USE SCENARIOS**

Determine how someone will use the product to solve their market problem.

**PHASE 8 – PRODUCT DESIGN**

Design a product that solves the market need and is something your organization can deliver.

**PHASE 9 – PACKAGING**

Package the product into something the market will be compelled to buy.
PHASE 7 – USE SCENARIOS

Determine how someone will use the product to solve their market problem.

THE PROBLEM

You don’t know how your product will get used once it’s purchased...

Building an effective product doesn’t begin with just a set of requirements. Those can be misinterpreted in isolation. Anyone building your product needs to understand how the product will be used to solve a market problem. Without use scenarios, you risk building a product that meets all the requirements but is never usable. Are you letting your Internal Development team determine how the product should be used?

THE SOLUTION

Complete the Use Scenario phase by answering the following:

1. What jobs will our product be hired to do?

2. What is the problem we are trying to solve?

3. Who will use our product?

4. How will our product be used?
5. How have we validated these use scenarios with outside users?

6. What things must our product do very well to solve problems?

7. What things would be nice to include in our product?

8. How do we prioritize our use scenarios?

additional notes
PHASE 8 – PRODUCT DESIGN

Design a product that solves the market need and is something your organization can deliver.

THE PROBLEM

You haven’t designed a product that works...

The market won’t purchase products that are over- or under-engineered. The common cause? Designs that don’t meet the use scenarios. These products may sound good and show well, but will never be purchased. Is the Product team staying engaged in the product design or throwing the use scenarios over to the Development team too soon?

THE SOLUTION

Complete the Product Design phase by answering the following:

1. How does our product design make the use scenario come to life?

2. How do we ensure our designs solve the intended market problems?

3. What’s our process for ensuring our designs are not over- or under-engineered?

4. Who is responsible for product designs?
5. Who signs off on product designs to ensure they are right before development begins?

6. How do we determine what a user will really value in our design?

7. How do we match the value of a design element against our cost implications to build, market, sell, service, etc.?

8. How do our design decisions impact our product profitability?

9. What’s our definition of a minimally viable product to release?

(additional notes)
PHASE 9 – PACKAGING

Package the product into something the market will be compelled to buy.

THE PROBLEM

Your product package isn’t compelling in the marketplace...

Great products with poor packaging don’t sell. Poor packaging confuses market buyers. It adds friction to the buying process. It cannibalizes your revenue. A package that only partially solves a user’s problem is not a package worth buying. How can you best package your products into offers buyers cannot say no to?

THE SOLUTION

Complete the Packaging phase by answering the following:

1. What package does a user need to solve their problem?

2. What is our bundling strategy to maximize revenue and profits?

3. How can we incorporate good, better and best options to increase the purchase price?
4. How can our package result in an ecosystem of purchases that increase our revenue?

5. How can we market-test our package options before we release them?

additional notes
STEP 4 – LAUNCH

The fruits of all the product labor are realized at the Launch step. Your product is built and packaged, and you are ready to take it to market. This isn’t the end of the product management process; it’s the start of selling, which requires as much product management involvement as all the work in the previous steps. You must develop compelling messaging that will make the market stop and take a look at your new product. Launch plans ensure the entire organization is ready to engage in the successful launch of the product, and the Product team needs to continue to champion the product’s cause through the execution of that plan.

*There are three phases to the Launch step:*

**PHASE 10 – MESSAGING**

It’s critical that you communicate the value of your product and why someone would buy it over the competition.

**PHASE 11 – LAUNCH PLANNING**

Ensure the organization is prepared to take the product to market.

**PHASE 12 – LAUNCH EXECUTION**

Execute the launch plan to achieve the product’s business objectives.
PHASE 10 – MESSAGING

It’s critical that you communicate the value of your product and why someone would buy it over the competition.

THE PROBLEM

The market isn’t seriously considering your product...

You can’t expect buyers to determine the value of your product. You must spur them to action with compelling value props on how your product solves problems. Otherwise buyers won’t budge. Without clear messaging, buyers default to the product with the best price. Are you making your buyers work to understand your product or have you teed up the messages for them?

THE SOLUTION

Complete the Messaging phase by answering the following:

1. What problem exists in the market today?

2. How does our product uniquely solve the problems?

3. How do we communicate buyer value for our product?

4. How have we made use of personas in the development of our value props?
5. How do we tell a compelling story about how our product solves a set of market problems?

6. How do we ensure our value props are believable?

7. How do we ensure our messaging is user-centric and not product-centric?

8. How do we ensure our value props are not conflicting or confusing to buyers?

9. How have we made use of the competitive analysis in the development of our positioning?

10. How do we ensure our positioning is not the same as the competition’s?

11. How do our positioning statements substantiate what we know about our competitors?
**PHASE 11 – LAUNCH PLANNING**

Ensure the organization is prepared to take the product to market.

**THE PROBLEM**

You haven’t prepared the entire organization for the launch of the new product...

No one cares more about your product launch than you do. But that doesn’t mean your new product is ready for launch. You need to make sure the rest of your organization is ready for it. And that you won’t be left with a failed product because you missed the most critical step in your product life cycle up to this point. After everything that’s gone into the product to get it ready for release, it deserves a launch, not a failed escape. Are you ensuring the rest of the organization will be ready for your product’s launch?

**THE SOLUTION**

Complete the Launch Planning phase by answering the following:

1. What are our launch goals?

2. Who is our initial set of target customers?

3. How do we ensure organizational readiness for our launch?

4. What are our launch strategies? Land and expand, replacement, migration, upgrade, etc.
5. Who is responsible for launch preparation?

6. What is our launch budget?

7. What are our launch risks? And what are the mitigations to those risks?

8. Who are the buyers of our product? How are we going to reach them with launch?

9. What does Marketing need to prepare for launch?

10. What does Sales need to prepare for launch?

11. What does Service/Support need to prepare for launch?

12. What does Finance/Accounting/Billing need to prepare for launch?
13. How do we plan to address competitive responses to our launch?

14. How do we make the go/no-go decision for a launch?

15. How will we measure success/failure before, during and after launch?

16. How will we respond to these successes/failures?

additional notes
PHASE 12 – LAUNCH EXECUTION

Execute the launch plan to achieve the product’s business objectives.

THE PROBLEM

You haven’t sustained your execution for your product to gain traction in the marketplace...

All the planning and development in the world will not overcome poor execution. New initiatives die easy, as do new products. Only with a sustained effort can you overcome organizational and customer inclination to revert to old products. Are you letting fatigue of this new product prevent the business objectives from being met?

THE SOLUTION

Complete the Launch Execution phase by answering the following:

1. What are the time objectives for our product launch?

2. How do we measure progress against our launch objectives?

3. Where does product enablement live and who owns it?

4. How do we develop the product content needed to enable the Marketing team? The Sales team?
5. What should our training program include to build the necessary product skills/knowledge?

6. How do we ensure the team knows what product enablement tools are available and how to use them?

7. How do we incent the marketing/selling of the new product?

8. How do we reinforce our product enablement strategy through coaching?

9. What are the plays that need to be run during the product launch?

10. How do we develop reference customers and testimonials to build credibility around our new product?

11. How are we agile in our approach to launch execution?
12. How do we ensure we are willing to change and adopt based on learnings during launch?

13. How do we follow a product launch process to ensure repeated success?

14. How do we remain focused as other new products are launched?

15. How do we measure success and promote quick wins that generate excitement during launch?

16. How do we get ahead of possible issues related to the new product before they jeopardize the product success?

17. How do we measure our product against the initial business plan?
A CASE STUDY – PART 3

And now back to that case study. The Technology Company developed a Market Research capability in Part 1 and an effective Corporate Strategy in Part 2. Now they move on to creating the Product Strategy.

Here’s a look at how the Product Team operated before and after achieving strategic alignment:

<table>
<thead>
<tr>
<th>BEFORE STRATEGIC ALIGNMENT</th>
<th>AFTER STRATEGIC ALIGNMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Product Strategy was nonexistent. There was a product management process that included gates. However, anything could be run through the process and – with the right level of executive support – bypass the gating process.</td>
<td>The Product Strategy used the Corporate Strategy to set the product road map in motion. If a product did not address a market, win against a competitor or contribute to the company’s advantages, it was not even allowed to begin consuming product resources.</td>
</tr>
<tr>
<td>Products were invested in that were in response to the needs of a single customer or whose necessity was perceived to keep up with a single competitor.</td>
<td>Products were only invested in if they solved new market problems in an existing market or solved problems in a new market, thereby helping the company grow in existing markets or expand into new markets.</td>
</tr>
<tr>
<td>Product launches failed miserably. Products did not have goals so the company could not say whether product goals were met. However, many products failed to generate revenue equal to the R&amp;D investment, let alone the returns needed to make it profitable.</td>
<td>Product launches were successful, goals were clear, business plans were clear, launch plans were clear. And by partnering with Marketing and Sales, the Product Launch team was able to secure the support needed. Marketing was working to make buyers aware the new product existed, and Sales was turning the Marketing-generated leads into revenue.</td>
</tr>
<tr>
<td>Sales and Marketing dreaded new product launches. They never worked as they should and caused more problems with buyers than the teams could solve.</td>
<td>Sales and Marketing embraced new product launches. New product launches meant a new revenue source to boost their sales. Products were tested and truly market-ready when they were launched.</td>
</tr>
</tbody>
</table>
### BEFORE STRATEGIC ALIGNMENT

Product dreaded to hear from Sales and Marketing. When those teams wanted to talk, it was only to complain about a product or request a new feature that would secure the next big deal.

### AFTER STRATEGIC ALIGNMENT

Product embraced the relationship with Sales and Marketing. Each was viewed as a peer and a link in the value chain. Marketing could test product concepts and messaging at scale, giving Product the insights they needed to make real-time decisions, and, given the depth of their relationships, Sales had insights on buyers. As a result, Product jumped at the chance to learn more about the buyer and user base from Sales and Marketing, and incorporated this feedback into the product road map.
STEP 4: MARKETING STRATEGY
STEP 4: MARKETING STRATEGY
Your company’s Marketing department needs direction. This comes from the Marketing Strategy. It must build on the insights from the external marketplace and remain aligned with the Corporate Strategy while also addressing how marketing will build demand for the company’s products. It requires choices on which market channels to invest in and which ones to forgo. One of the main goals of the Marketing Strategy is to set up the Sales Strategy up for success.

Best-in-class marketing leaders can produce a copy of their well-articulated Marketing Strategy.

**HERE IS HOW BEST-IN-CLASS SALES LEADERS DEFINE THAT MARKETING STRATEGY:**

**What is a Marketing Strategy?**
A Marketing Strategy is an operating plan for a company’s Marketing department.

**What does a Marketing Strategy do?**
A Marketing Strategy allocates resources efficiently to drive revenues.

**What does it mean to use a Marketing Strategy?**
Using a Marketing Strategy means the Marketing department builds buyer preference for the company’s products.

Now you understand the definition of Marketing Strategy, so what’s next?

There are five steps to defining the right Marketing Strategy: Planning, Engagement, Org, Execution and Support. In the rest of this section we will dive into the details of each of the steps and provide guidance on how to accomplish them.
Follow the five steps above to enable the sales force to define the right Marketing Strategy to grow revenues. And the Sales team will get much better at achieving their goals.

But take caution, many Marketing teams that perform these steps fail. Why? They perform the steps out of sequence. Even the best intentions cannot overcome improper sequencing. The steps outlined above must be done in the following order, starting with Market Research (which was covered as a separate section in this document).
One other reason they fail is they are out of alignment with the other functions. The following checklist will help ensure your Sales Strategy is receiving the proper inputs from the other strategies and producing the proper outputs:

▶ **Market Research** – The primary feed into your Marketing Strategy. Market Research will tell you about the market in which you compete, the accounts to prioritize, how to engage buyers/users in an early-stage dialogue, and what they want from you at that point. You cannot start working on your Marketing Strategy unless you have a clear understanding of the market in which you are competing.

▶ **Corporate Strategy** – Your objectives will come from the Corporate Strategy. Is the company more interested in acquiring new logos, growing revenue or preserving the install base? And how should your Marketing team behave?

▶ **Product Strategy** – The Product Strategy defines what you need to talk to the marketplace about. You can have the best campaign executions in the world, but you need product to give you the problems and solutions to insert into your campaigns and to tell the Product team how the market responds.

▶ **Sales Strategy** – Your strategy and the Sales Strategy are the most closely tied of any of these. How many leads do you need to produce for Sales to make them successful? How are you going to get feedback to them on the leads handed over?

▶ **Talent Strategy** – Your strategy requires people to come to life. What types of people do you need? When do you need them? Your Marketing Strategy has defined your “A” player talent. The Talent Strategy is where those are sourced, hired, on-boarded and developed.
STEP 1 – PLANNING

Planning is where you develop brand, campaign, budget and data plans that – when executed – will make the number. This will help you plan how to reach your goal. You will know what budget is needed to set you up for success. You will know how your product/solutions will solve customer problems. You will know what campaigns to run and the content needed to attract buyers. You will know what data you need along the way to help you make decisions. With the right plans in place, you improve your chances of success.

There are four phases to the Planning step:

**PHASE 1 – BRAND PLANNING**
Define the image of the company in the eyes of customers, employees and partners.

**PHASE 2 – CAMPAIGN PLANNING**
Design marketing campaigns that attract buyers to your products/solutions.

**PHASE 3 – BUDGET PLANNING**
Determine the budget needed and how to allocate it to attain your goals.

**PHASE 4 – DATA PLANNING**
Define data required to drive marketing decisions.
PHASE 1 – BRAND PLANNING

Define the image of the company in the eyes of customers, employees and partners.

THE PROBLEM

Your corporate reputation doesn’t evoke a positive response from stakeholders...

Without action, a corporate definition of the brand promise means nothing to customers, employees and partners. Your brand plan must make the promise come to life. These cannot just be words – they need to become actions: actions that evoke the right emotional connection with key stakeholders. Because of social media, a single bad experience can jeopardize your entire brand image. Are you driving your brand into every possible customer interaction?

THE SOLUTION

Complete the Brand Planning phase by answering the following:

1. What are our brand promise requirements?

2. What are the key attributes of our brand?

3. How is our brand differentiated from the competition?

4. How are we living our brand in every interaction with customers, employees and partners?
5. What are our brand proof points?

6. How do we test our brand identity?

7. How are we measuring our brand value?

8. How are we adjusting to changes in our brand value?

9. How are we proactively managing the brand?

10. How are we swiftly responding to issues that could jeopardize the brand?

(additional notes)
**PHASE 2 – CAMPAIGN PLANNING**

Design marketing campaigns that attract buyers to your products/solutions.

**THE PROBLEM**

You haven’t launched campaigns that fill the pipeline with leads...

Even when campaign dollars are carefully doled out, the campaigns often do not attract buyers. Either the audience isn’t well defined, the wrong programs were chosen, the wrong activities were executed, or the offers were not well developed. How can you know in advance which programs, activities and offers will work?

**THE SOLUTION**

Complete the Campaign Planning phase by answering the following:

1. What types of campaigns do we need to run (awareness, competitive replacement, up-sell, cross sell, migration, new logo, nurture, renewal, etc.)?

2. For each of our campaigns, what are the objectives, budget, schedule and goals?

3. For each of our campaigns, which personas are we targeting? What content assets and market messages will compel them to respond?

4. For each of our campaigns, what activities should we run (blog, websites, webinar, email, social media, direct mail, trade show, etc.)?
5. For each of our campaigns, what are the offers, calls-to-action, media and lists?

6. For each of our campaigns, what KPIs should we track, and how should we report the data?

7. How do we measure the success of our campaigns?

8. How do we use campaigns to test new things?

additional notes
PHASE 3 – BUDGET PLANNING

Determine the budget needed and how to allocate it to attain your goals.

THE PROBLEM

You don’t know where to spend your dollars...

Have you ever had too big a budget? Most of us haven’t. With limited budgets, it’s critical to invest the dollars you have wisely – in programs that produce revenue – so your budget doesn’t get slashed in the future. How do you know what investment will produce the desired results?

THE SOLUTION

Complete the Budget Planning phase by answering the following:

1. How does our budget summarize how we are going to make our marketing objectives?

2. How does our budget summarize the costs associated with meeting our objectives?

3. What KPIs do we need to measure to know we are on track?

4. What is the execution plan that details what we will do in pursuit of the revenue goals?
5. What resources are needed to make the number (time, budget, people, etc.)?

6. What budget method is right for us (Percentage of Revenue, Competitive Benchmarking, Objective-Based, Affordability, etc.)?

7. How will we track spending to ensure we stay on track?

8. What is our desired return on marketing investment?

additional notes
PHASE 4 – DATA PLANNING

Define data required to drive marketing decisions.

THE PROBLEM

You haven’t applied Predictive Analytics to marketing...

We live in the era of Predictive Analytics. While data-driven decision making has become an expectation, many marketing leaders can’t implement it. Dirty data, systems issues, having lots of data but not knowing how to derive meaningful insight from it — it isn’t easy. But if you don’t find a solution to harness the power of Predictive Analytics, your competitors will.

THE SOLUTION

Complete the Data Planning phase by answering the following:

1. What data do we have?

2. What data do we need?

3. Where do we have data gaps?

4. Where does the data we need sit? How can we get our hands on it?

5. What is the data architecture design needed to provide the data we need?
6. What data is clean vs. dirty? How do we keep the data we need clean?

7. Who owns what data? What does this data ownership mean?
STEP 2 – ENGAGEMENT

Engagement is where you define the processes the Marketing team will use to interact with prospects and customers. This begins with demand to generate early-stage inquiries, then continues with a lead management process to nurture the inquiries to Sales-ready leads. As a world-class Marketing team, you should be capable of sourcing 30 to 50% of the sales pipeline.

There are three phases to the Engagement step:

**PHASE 5 – CONTENT PROCESS**
Determine the process for creating and distributing compelling content to attract target buyers.

**PHASE 6 – CAMPAIGN PROCESS**
Capture inquiries by generating awareness and interest in your products/solutions.

**PHASE 7 – LEAD MANAGEMENT PROCESS**
Nurture and qualify early-stage prospects into Sales-ready leads.
PHASE 5 – CONTENT PROCESS

Determine the process for creating and distributing compelling content to attract target buyers.

THE PROBLEM

You aren’t creating content your audience craves…

The amount of content available today has exploded. To get the ear of your potential buyer, you need a significant amount of relevant, compelling content. How will you keep up the pace and the quality of content?

THE SOLUTION

Complete the Content Planning phase by answering the following:

1. What are the content goals for the Marketing and Sales teams?

2. When, where and how do our buyers consume content?

3. What content do we have vs. need?

4. What trigger events put our buyers in the market?

5. What is our editorial calendar?
6. What content production schedule is needed to meet our content goals?

7. How do we get our content in the hands of our buyers?

8. How do we promote the content we create?

9. How do we test and constantly improve content?

additional notes
PHASE 6 – CAMPAIGN PROCESS

Capture inquiries by generating awareness and interest in your products/solutions.

THE PROBLEM

Your buyers don’t want what you’re selling...

Sales leaders always ask Marketing for more and better leads. Marketing often falls short because they rely on yesterday’s demand-generation programs, which no longer work. What campaign techniques are you missing that would resonate with your buyers?

THE SOLUTION

Complete the Campaign Process phase by answering the following:

1. What is our campaign process to generate inquiries?

2. How do we set campaign goals for ourselves?

3. How do we generate the necessary demand in both new and existing accounts?

4. How do we make use of an offer matrix in our campaigns?

5. How do we qualify leads?
6. How do we score/grade leads?

7. When should we route inquiries? To whom?

8. How do we measure campaign effectiveness?

9. How do we leverage marketing automation to generate more demand?

additional notes
PHASE 7 – LEAD MANAGEMENT PROCESS

Nurture and qualify early-stage prospects into Sales-ready leads.

THE PROBLEM

Need to plug your leaky funnel and keep your leads flowing...

It’s a constant struggle. Marketing and Sales aren’t on the same page when it comes to defining leads and opportunities. Often unqualified leads are handed off from Marketing to Sales too early. Sales learns to distrust the quality of the lead, putting less effort into follow-up or even neglecting the lead entirely. Opportunities slip away from right under Sales’ nose.

THE SOLUTION

Complete the Lead Management Process phase by answering the following:

1. What is our lead management process to generate Sales-ready leads?

2. What is the definition of a lead at each stage of the process?

3. What work flows are needed to respond to leads at each stage of the process?

4. What are our nurture pathways? What offers do we need along the way?

5. How do we make use of dynamic lead nurturing?
6. How do we make use of Lead Development Reps (LDRs) to manually nurture leads along the way?

7. How do we package the lead management process into a playbook that is available to LDRs when they need it?

8. What job aids do LDRs need to help them execute the process?

9. What is the profile of an “A” player LDR?
STEP 3 – ORG

It’s time to set up the correct organizational structure so the right people are in the right roles to execute the processes. Here, you will determine how to deploy the resources you secured in the Planning phase. Make sure they are the right resources to execute the processes defined in the Engagement step.

There are two phases to the Org step:

**PHASE 8 – MARKETING ORGANIZATION DESIGN**

Define the optimal marketing structure and necessary headcount to execute the Marketing Strategy.

**PHASE 9 – AGENCY MANAGEMENT**

Extend the capabilities of the Marketing team to achieve your objectives.
PHASE 8 – MARKETING ORGANIZATION DESIGN

Define the optimal marketing structure and necessary headcount to execute the Marketing Strategy.

THE PROBLEM

You need to create a marketing organization that works...

To meet the elevated expectations of the social and mobile business executive, a new organizational model may be required. Yet creating the new model can be complicated, disruptive and risky, because bad decisions result in costly setbacks.

THE SOLUTION

Complete the Marketing Organizational Design phase by answering the following:

1. How do we build the right team in connection to our customers’ information-gathering and purchase-making decisions?

2. Which organizational model will best accomplish our marketing objectives?

3. How do we incorporate contemporary models required in B2B marketing today?

4. What roles need to be filled? What are the responsibilities for each?
5. What headcount is needed by role?

6. How should each role spend their time?

7. How do we assess talent to ensure we have ‘A’ players in each role?

8. For capabilities we don’t have today, how do we determine if we should buy, build or outsource?

9. How do we accurately benchmark compensation for each role?

10. How do we determine what we want to pay relative to the benchmarks?

11. How should we transition from the structure we have today to the structure we need going forward?
PHASE 9 – AGENCY MANAGEMENT

Extend the capabilities of the Marketing team to achieve your objectives.

THE PROBLEM

You need to augment your team’s capabilities when an outsourcer can better accomplish the objective...

You simply can’t staff a specialist in every possible area of marketing. It’s cost-prohibitive to try to build all these capabilities yourself, and often only fractional resources are needed. You can’t afford to dilute your team with too many responsibilities and accept lower quality work. The answer is outsourcing. But this requires oversight because incorrect agency management will cost your team dearly. Are you getting the most from your agency relationships?

THE SOLUTION

Complete the Agency Management phase by answering the following:

1. What capability gaps exist in your current Marketing staff?

2. How do you assess if a gap should be filled internally or outsourced?

3. How do you select the right agency partners?

4. How do you start up a new agency relationship?
5. How do you give clear direction to your agencies?

6. How do you manage each of your agencies to make them a true extension of your staff and maximize their contributions?

7. How do you address issues with your agency partners?

8. How do you determine when an agency relationship is no longer needed?

additional notes
STEP 4 – EXECUTION

Execution is where you begin doing the work. At this point it is time to determine how you will produce content to meet the needs of Marketing and Sales. You need to execute campaigns and the lead management process to produce Sales-ready leads. You need to figure out how you are going to enable the Sales team. The data from the Planning step, which is needed for decision making, needs to be visible through reporting. Doing all of these things correctly will begin to bring your Marketing Strategy to life.

There are five phases to the Execution step:

**PHASE 10 – PRODUCT MARKETING**
Enable Sales and Marketing to convey the value proposition and positioning of our products.

**PHASE 11 – CONTENT PRODUCTION**
Produce highly relevant content in enough quantity to meet the objectives of the Marketing and Sales departments.

**PHASE 12 – CAMPAIGN EXECUTION**
Execute the campaigns to produce sales ready leads.

**PHASE 13 – LEAD MANAGEMENT EXECUTION**
Execute the lead management process to produce Sales-ready leads.

**PHASE 14 – FIELD MARKETING**
Implement local/regional/industry-focused marketing to drive leads.
PHASE 10 – PRODUCT MARKETING

Enable Sales and Marketing to convey the value proposition and positioning of our products.

THE PROBLEM

The market isn’t eager to buy your products...

Marketers often struggle to bring products and solutions to market. Finding the proper fit between a market and solution set requires the marketer to have deep customer insight. Often this is missing and the wrong solutions are pointed at the wrong markets, resulting in disappointing market share.

THE SOLUTION

Complete the Product Marketing phase by answering the following:

1. How do our product/solutions compare to our competitors?

2. Where are our products on the life cycle of adoption?

3. What are our positioning statements for each product?

4. What are our value propositions for each product?
5. What is our role in the product solution launch strategy?

6. How do we work with our Product team?

additional notes
PHASE 11 – CONTENT PRODUCTION

Produce highly relevant content in enough quantity to meet the objectives of the Marketing and Sales departments.

THE PROBLEM

You haven’t created buyer-centric content...

The demand for content to fuel your B2B sales funnel is never-ending. Marketing teams need content to feed campaigns. Sales teams need content at critical moments of a sales cycle to educate customers and prospects. The content must be customer-focused and relevant to customer needs. Without it, campaigns stall and deals push.

THE SOLUTION

Complete the Content Production phase by answering the following:

1. What content do we have? What content do we need?

2. How well are we executing our content plan, editorial calendar and production schedule?

3. Who is responsible for generating content?

4. How well are we meeting the content goals for the Marketing and Sales teams?
5. How are our buyers responding to our content?

6. Are we producing the right type of content (e.g., websites, blog posts, white papers, newsletters, curated content, third-party interviews, live events, video, webinars, surveys, contests, apps, widgets, slide presentations, infographics, print articles, etc.)?

7. What is the impact of our content?

additional notes
PHASE 12 – CAMPAIGN EXECUTION

Execute the campaigns to produce Sales-ready leads.

THE PROBLEM

You haven’t executed multiple campaigns flawlessly...

Increased competition in B2B marketing has forced companies to engage in agile Marketing Strategies, such as running multiple small campaigns per month. Yet most B2B Marketing teams are not set up as a campaign factory.

THE SOLUTION

Complete the Campaign Execution phase by answering the following:

1. Can we improve how we launch our demand generation campaigns?

2. How can we make campaign execution more repeatable and scalable?

3. Can we ensure no lead falls through the cracks?

4. What campaigns do we run to generate new customers?

5. What campaigns do we run to market to existing accounts?
6. How can we run sales prospecting campaigns to turn reps into effective lead generators?

7. What campaign KPIs do we need to track?

8. How can we iterate/improve campaigns to improve their effectiveness?

9. How do we measure the contribution from our campaigns?

additional notes
Execute the lead management process to produce Sales-ready leads.

THE PROBLEM

You aren’t managing leads for tangible results...

Lead management is still a new practice; so many companies struggle to do it well. It’s a specialized skill that requires familiarity with marketing automation technology, content and data. Finding those with the right fit of training and experience can be difficult.

THE SOLUTION

Complete the Lead Management Execution phase by answering the following:

1. Can we improve how we nurture our leads?

2. How can we make our management process more repeatable and scalable?

3. Can we ensure no lead falls through the cracks?

4. How do we source, hire, on-board and train our LDRs?
5. What campaign KPIs do we need to track?

6. How can we iterate/improve/nurture tracks to improve their effectiveness?

7. How do we measure the contribution from our lead management process?

---

*additional notes*
PHASE 14 – FIELD MARKETING

Implement local/regional/industry-focused marketing to drive leads.

THE PROBLEM

Marketing plans need field-level execution to maximize lead flow...

To connect with buyers, a single message through a single set of corporate channels only goes so far. The last mile of lead flow is at the field level. A lot of work goes into generating interest in the mind of a buyer, but general interest does not mean a lead is ready for Sales. More targeted communication that opens up a two-way dialogue is needed for Marketing to introduce Sales at the right time. Is your marketing plan forgetting about the last mile to connect with Sales?

THE SOLUTION

Complete the Field Marketing phase by answering the following:

1. What role does Field Marketing play between Corporate Marketing and Sales?

2. What are the Field Marketing objectives? How are these objectives aligned with Corporate Marketing?

3. What is the Field Marketing plan?

4. What campaigns does Field Marketing run?
5. Who drives the initiatives of Field Marketing – Corporate or the Field Sales team?

6. How can Field Marketing begin a two-way dialogue with prospects?

7. What field-level tailoring of marketing messages are needed to connect with buyers?

8. How does Field Marketing provide feedback to the Corporate Marketing team?

9. How does Field Marketing best partner with the Field Sales reps?

10. How does Field Marketing collect feedback from Sales?

11. How does Field Marketing help support the enablement of Sales?

12. How do we measure the effectiveness of our sales-enablement investments?
STEP 5 – SUPPORT

Support is where you help the Marketing team’s effectiveness by removing their nonprogram responsibilities and streamlining those that can’t be off-loaded. With marketing operations you will improve the efficiency of the team through process, technology, metrics and best practices. With systems you remove the administrative burden by automating core business process.

There are two phases to the Support step:

**PHASE 15 – MARKETING OPERATIONS**
Increase marketing efficiency through process, technology, metrics and best practices.

**PHASE 16 – SYSTEMS**
Automate the core business processes to increase the productivity of the marketing organization by removing the administrative burden.
PHASE 15 – MARKETING OPERATIONS

Increase marketing efficiency through process, technology, metrics and best practices.

THE PROBLEM

Need to increase marketing efficiency…

The number of marketing channels increases daily. The advancements in marketing technology produce an overwhelming amount of marketing data. The CMO is being held accountable as never before, and Marketing Operations has the task of keeping on top of all activities and performance. But Marketing Ops is a new discipline, and most Marketing Ops leaders are new to the role, adding challenge to a high-pressure job.

THE SOLUTION

Complete the Marketing Operations phase by answering the following:

1. What should be the objectives for our Marketing Operations team?

2. What is our data plan and how do we execute it?

3. What is our analytics strategy? How do we execute it? How do we incorporate predictive analytics?

4. What dashboards do stakeholders need to make decisions?
5. How do we track results at the campaign, program, activity, offer and content levels?

6. How do we replace qualitative with quantitative where possible?

7. How do we streamline and improve our budgeting process?

8. How do we make executive reports filled with marketing insight available with a single click?

9. What technologies does our Marketing team need to be effective?

10. What resources are required by the Marketing Ops team? What is each responsible for? How should they be structured?
PHASE 16 – SYSTEMS

Automate the core business processes to increase the productivity of the marketing organization by removing the administrative burden.

THE PROBLEM

You aren’t using automation to empower your Marketing team...

Your Marketing team spends too many hours on administrative duties, preventing them from generating more leads. Technology systems should be automating many of these tasks, but in reality the systems aren’t used well enough to increase the Marketing team’s productive time.

THE SOLUTION

Complete the Systems phase, by considering how you can leverage the following technologies to improve productivity:

1. Marketing Automation

2. Customer Relationship Management (CRM)

3. Email Marketing

4. Website Optimization/Analytics/Recommendations

5. Content Management System (CMS)

6. Social Media Management
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<td>Marketing Analytics</td>
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A CASE STUDY – PART 4


Here is a look at how Marketing operated before and after achieving strategic alignment:

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<th>BEFORE STRATEGIC ALIGNMENT</th>
<th>AFTER STRATEGIC ALIGNMENT</th>
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<tr>
<td>The Marketing Strategy was nonexistent. An annual marketing plan was created; however, it simply included a bunch of marketing programs that would run through the year.</td>
<td>The Marketing Strategy used the Corporate Strategy to understand its objectives. The Marketing Strategy was built around obtaining those objectives. It included all things required to be successful, not just the programs.</td>
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<td>Marketing developed messages internally and broadcast them to the market.</td>
<td>The Marketing team used the Market Research to gain a deep understanding of buyers and users. With this understanding they could put themselves in the shoes of the buyer, which resulted in crisp offers that leveraged the value props and unique positioning of the company.</td>
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<td>Marketing would respond to product launch needs on a reactive basis. Since Product was just one of many stakeholders that interacted with Marketing, the goal was to do some basic campaigns to communicate the new product. Given that product launches were not successful in the past, the Marketing team was biased toward believing that product launch campaigns did not perform well.</td>
<td>Marketing was included in product road map decisions early and educated on the benefits of the next new release. As a result, Marketing understood the market problems being addressed and was willing to work with Product to test new concepts. The feedback from the tests was used by the Product team and made Marketing feel like they were being heard.</td>
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### BEFORE STRATEGIC ALIGNMENT

Sales constantly complained that Marketing was not generating enough leads. One of the reasons Sales was not hitting their numbers was that the budget was being wasted on marketing.

### AFTER STRATEGIC ALIGNMENT

Sales and Marketing worked as partners. Sales was direct with Marketing on what was working and what was not. Marketing took the feedback and adjusted. When Marketing overachieved, they received the credit. When a Sales rep was struggling and Marketing bailed him out, they received credit. And when a lead passed to Sales was missing information or not fully qualified, Marketing gladly accepted it, addressed the situation, and tightened its processes to prevent it from reoccurring.
STEP 5: SALES STRATEGY
STEP 5: SALES STRATEGY
Sales Strategy is where the direction for the company’s Sales department is determined. It needs to build on the insights from the external marketplace and remain aligned with the Corporate Strategy while also addressing how Sales will achieve the revenue objective with support from the Product and Marketing teams. It requires choices on which sales programs to invest in and which ones to forgo.

**Here is how Best-in-Class Sales Leaders Define Their Sales Strategy:**

**What is a Sales Strategy?**
A Sales Strategy is an operating plan for a company’s Sales force.

**What does a Sales Strategy do?**
A Sales Strategy allocates sales resources efficiently to drive selling costs down and revenues up.

**What does it mean to use a Sales Strategy?**
The use of a Sales Strategy means the Sales executive will get the most out of his/her Sales force.

Now that you understand the definition of Sales Strategy, so what’s next?

There are five steps to defining the right Sales Strategy – Planning, Engagement, Org, Execution and Support. In the rest of this section we will dive into the details of each of the steps and provide guidance on how to pull them off.
Follow the five steps above to enable your Sales force to define the right Sales Strategy to grow revenues organically. And your Sales team will get much better at doing what they are trying to accomplish.

But many Sales teams that perform these steps fail. The reason? They perform the steps out of sequence. Even the best intentions cannot overcome improper sequencing. The steps as outlined above must be done in the following order – starting with Market Research – which was covered as a separate section in this document.
One other reason they fail is they are out of alignment with the other functions. The following checklist will help ensure your Sales Strategy is receiving the proper inputs from the other strategies and producing the proper outputs:

- **Market Research** – The primary feed into your Sales Strategy. Market Research will tell you about the market in which you compete, the accounts to prioritize, how to engage buyers/users in a dialogue, and what these buyers want from you.

- **Corporate Strategy** – Your objectives will be set in the Corporate Strategy. Is the company more interested in acquiring new logos, growing revenue or preserving the install base? And how should your Sales force behave? Internally the Corporate Strategy will point you in the right direction.

- **Product Strategy** – The Product Strategy is what arms your gun with bullets. Having the best executing Sales force in the world does not ensure success; you also need products that solve market problems and are in high demand, and you need to provide feedback from the marketplace to the Product team.

- **Marketing Strategy** – Your strategy and the Marketing Strategy are tied the most closely together of any of these. How many leads do you need from Marketing to be successful? How are you going to give feedback to them on the leads handed over?

- **Talent Strategy** – Your strategy requires people to come to life. What types of people do you need? When do you need them? Your Sales Strategy has defined your “A” player talent. The Talent Strategy is where those are sourced, hired, on-boarded and developed.
STEP 1 – PLANNING

Planning is where you develop sales and data plans that will make the number. This will help you plan for how you will reach your goal. You will know what data you need along the way to help you make decisions. With the right plans in place, you improve your chances of success.

There are two phases to the Planning step:

**PHASE 1 – SALES PLANNING**

Define the plan for how you are going to achieve your revenue goal relative to your competitors.

**PHASE 2 – DATA PLANNING**

Define data required to drive sales decisions.
PHASE 1 – SALES PLANNING

Define the plan for how you are going to achieve your revenue goal relative to your competitors.

THE PROBLEM

You don’t have a clear plan to make your number...

The CEO hands a revenue number to the Sales and Marketing leaders and says, “This is what I need from you this year.” Without a revenue plan, the employees work disjointedly, and the probability of success plummets. Sound familiar?

Creating a revenue plan can be overwhelming. The number of variables — changes in products, prices and competitors — is staggering. And Sales and Marketing leaders are busy people with many other responsibilities.

THE SOLUTION

Complete the Sales Planning phase by answering the following:

1. What is the financial model that summarizes how we are going to make the number?

2. What is the financial model that summarizes the costs associated with making the number?

3. How will our sales break down across market segment, customer segment and Sales team?
4. What KPIs do we need to measure to know we are on track?

5. What is the execution plan that details what we will do in pursuit of the revenue goals?

6. What resources are needed to make the number?

7. What budget method is right for us (Percentage of Revenue, Competitive Benchmarking, Objective-Based, Affordability, etc.)?

8. How will we track spending to ensure we are on track?

9. What is our desired return on sales investment?

10. What budget do we need to meet our revenue goals?

11. What headcount do we need to get to meet our revenue goals?
PHASE 2 – DATA PLANNING

Define data required to drive sales decisions.

THE PROBLEM

You need Big Data applied to sales...

With dirty data, systems issues, and having lots of data but not knowing how to derive meaningful insight from it, it’s not simple. But if you don’t find a solution to harness the power of Big Data, your competitors will do so first, outmarketing and outselling you.

THE SOLUTION

Complete the Data Planning phase by answering the following:

1. What data do we have? What data do we need? Where do we have data gaps?

2. Where is the data you need? How can you get your hands on it?

3. What is the data architecture design needed to provide the data we need?

4. What data is clean vs. dirty? How do we keep the data we need clean?

5. Who owns what data? What does this data ownership mean?
STEP 2 — ENGAGEMENT

Engagement is where you define how the Sales team is going to interact with prospects and customers. This begins with prospecting to generate early-stage buyer interest. Even if you are supported by a world-class Marketing team, the reality is that Sales will still need to source at least 50% to 70% of your opportunities. This process definition continues through the sales process. The sales process must match the way buyers turn their initial interest into a decision to buy.

There are two phases to the Engagement step:

**PHASE 3 – PROSPECTING**

Fill the sales funnel with enough opportunities to make the revenue goal.

**PHASE 4 – SALES PROCESS**

Deploy a sales process tailored to how your buyers want to buy to improve win rates and deal sizes while shortening the sales cycle length.
PHASE 3 – PROSPECTING

Fill the sales funnel with enough opportunities to make the revenue goal.

THE PROBLEM

Need to get decision makers to say “I’m interested. When can we meet?”…

Until you can close or renew 100% of your revenue, your Sales team needs to generate new opportunities on an ongoing basis. One of the biggest obstacles to successful prospecting is getting the reps to do it, especially since traditional methods like cold-calling or batch-and-blast email have sharply declined in their effectiveness. How are you helping your team execute modern prospecting techniques?

THE SOLUTION

Complete the Prospecting phase by answering the following:

1. What does a buyer want from us when they are early in their decision process?

2. What programs do we need to implement to generate leads (social selling, referrals, off-line prospecting, etc.)?

3. What resources does the Sales team need when executing the prospecting processes?

4. How are we going to get the Sales team to adopt the prospecting programs?
5. How are we going to make the prospecting process easy to execute with technology?

6. How are we going to track metrics that indicate success and/or failure of the prospecting process?

additional notes
PHASE 4 – SALES PROCESS

Deploy a sales process tailored to how your buyers want to buy to improve win rates and deal sizes while shortening the sales cycle length.

THE PROBLEM

You need to win more deals in less time...

Decision makers are making purchase decisions differently today. Traditional sales processes, based on needs development and solution position, will cause the majority of your reps to miss the number. How can you change the process for the betterment of your company?

THE SOLUTION

Complete the Sales Process phase by answering the following:

1. What does a buyer want from us at the later stages of their decision process?

2. How will we know when a buyer exits one stage and enters the next one?

3. What is our process for turning buyer interest into a purchase decision with us?

4. What resources does the Sales team need when executing the sales process?
5. How are we going to get the Sales team to adopt the sales process?

6. How are we going to make the sales process easy to execute with technology?

7. How are we going to track metrics that indicate success and/or failure of the sales process?
STEP 3 – ORG

Org is where you set up the correct organizational structure so the right people are in the right roles to execute the processes. This is where you figure out how to deploy the resources you secured in the Planning phase. You need to make sure they are the right resources to execute the processes defined in the Engagement step and set them up for success by placing them in an optimally defined territory, assigning them the right quota and incenting them with a comp plan that reinforces the desired behaviors.

*There are six phases to the Org step:*

**PHASE 5 – SALES ORG DESIGN**
Design the appropriate sales organizational model and determine the proper headcount.

**PHASE 6 – CHANNEL OPTIMIZATION**
Select, sign and enable partners with whom you can secure the greatest share of resource commitments.

**PHASE 7 – TALENT PROGRAM**
Source, hire, on-board, coach, train and develop talent required to execute the Sales Strategy.

**PHASE 8 – TERRITORY DESIGN**
Create balanced territories by placing the right reps in the right territories.

**PHASE 9 – QUOTA SETTING**
Translate the corporate revenue goal into sales quotas that reflect the potential of each territory.

**PHASE 10 – COMPENSATION PLANNING**
Develop an incentive compensation program that stays within the corporate budget, attracts/retains top talent and motivates the desired behavior.
PHASE 5 – SALES ORG DESIGN

Design the appropriate sales organizational model and determine the proper headcount.

THE PROBLEM

You need to know the optimal number of Salespeople for you...

Understaffed Sales teams miss opportunities and fall short of revenue goals.

A bloated Sales team increases costs and hinders profits. Sales organizational models need to be revisited and restructured to keep up with the needs of the customers. A poorly executed reorganization can result in lost customers and superstar reps’ resignations.

THE SOLUTION

Complete the Sales Org Design phase by answering the following:

1. Through which sales channels do our buyers want to engage our Sales team?

2. Which organizational model best supports our buyers?

3. What level of sales specialization are our buyers willing to pay for?

4. What roles need to be filled?
5. What are the responsibilities for each role?

6. What headcount is needed by role?

7. What is the production and cost of each role?

8. How should each role spend their time?

9. How should we transition from the structure we have today to the structure we need going forward (Rapid Build, Safety Build, Pay As You Go)?

additional notes
PHASE 6 – CHANNEL OPTIMIZATION

Select, sign and enable partners with whom you can secure the greatest share of resource commitments.

THE PROBLEM

You need to align your sales channels with customer demand...

When sales channels overlap in their functions, both costs and customer frustration increase. How can you best allocate the channel mix to control costs and assure customer needs are satisfied?

THE SOLUTION

Complete the Channel Optimization phase by answering the following:

1. What is our ideal partner profile (i.e., what defines our ideal partner)?

2. Through which partner channels do our buyers want to engage our Sales team?

3. How do we ensure we have proper coverage across the channel network?

4. How will the channel sell our product?

5. How are our competitors using the channel?
6. How do we avoid/resolve channel conflict?

7. What is the economic model when we sell through the channel?

8. How do we select, recruit and on-board the right channel partners?

9. How do we enable our channel partners?

10. How do we structure our channel org model?

11. How do we measure the contributions from the channel?

additional notes
PHASE 7 – TALENT PROGRAM

Source, hire, on-board, coach, train and develop talent required to execute the Sales Strategy.

THE PROBLEM

Need to build a team of top performers...

The annual HR-driven process is antiquated and delivers little value. Sales leaders need to manage performance more aggressively but often don’t have the tools to do so.

Sales leaders struggle with recruiting top performers, on-boarding them effectively, retaining them and developing them into future leaders.

THE SOLUTION

Complete the Talent Program phase by answering the following:

1. What are our hiring profiles?

2. How do we assess talent to ensure we have “A” players in each role?

3. How are we going to recruit top talent and reduce the time it takes to fill an open position with an “A” player?

4. What candidate selection process do we use to hire top talent?
5. How are we going to on-board new talent to reduce the time to productivity?

6. What sales training program do we need to develop the competencies/skills/knowledge of the team?

7. What sales coaching program do we need to reinforce the right behaviors?

8. What sales performance management program do we use to develop existing talent?

additional notes
PHASE 8 – TERRITORY DESIGN

Create balanced territories by placing the right reps in the right territories.

THE PROBLEM

Need to allocate territories for revenue potential...

The allocation of sales territories is often based on criteria that have little to do with the proven effectiveness of the Sales reps. As a result, resources are poorly allocated and revenue targets are missed. Territories should be designed such that your best Sales reps work the territories with the most potential.

THE SOLUTION

Complete the Territory Design phase by answering the following:

1. What is the potential of each account?

2. Which accounts should we prioritize?

3. What is the optimal size of each territory?

4. How do we design balanced territories?

5. How do we assess the potential in each territory?
6. How do we set goals for each territory?

7. What is our process for territory planning?

8. How do we transition accounts when we change territories?

9. How do we communicate territory decisions to the team?

additional notes
PHASE 9 – QUOTA SETTING

Translate the corporate revenue goal into sales quotas that reflect the potential of each territory.

THE PROBLEM

Need to set realistic quotas...

Unrealistic quotas demoralize your Sales force and cause costly turnover. Profitability suffers. But even when they’re trying, Sales leaders find it difficult to accurately tie quotas to territory potential and the skill of the Sales reps.

THE SOLUTION

Complete the Quota Setting phase by answering the following:

1. What is the potential of each account each rep is responsible for?

2. What is the territory potential for each rep?

3. What is the production capacity of each rep?

4. What is our annual quota setting process?

5. How do we rationalize the organization quota across all reps?
6. How do we rationalize the quota of each rep against the organization’s quota?

7. How do we stress test quotas to determine where we are vulnerable?

8. How do we communicate quota decisions to the team?

additional notes
**PHASE 10 – COMPENSATION PLANNING**

Develop an incentive compensation program that stays within the corporate budget, attracts/retains top talent and motivates the desired behavior.

**THE PROBLEM**

Need to design and execute effective compensation programs...

Creating effective compensation plans can be a complicated and overwhelming process. To do it well requires the analysis of data from multiple sources, factoring in critical sales effectiveness drivers such as territory potential and quota setting.

**THE SOLUTION**

Complete the Compensation Planning phase by answering the following:

1. How do we accurately benchmark compensation for each role?

2. How do we determine what we want to pay relative to the benchmarks?

3. What is the optimal compensation plan design for each role?

4. How do we calculate the cost implications of our compensation decisions?

5. How do we automate compensation administration through technology?
6. How do we communicate compensation decisions to the team?

7. Who should be part of the compensation plan committee to approve changes?

8. How do we measure the effectiveness of our compensation plans?

additional notes
STEP 4 — EXECUTION

Execution is where you begin doing the work. At this point it is time to figure out how you are going to enable the Sales team. You need to determine how you will drive adoption of the new sales initiatives. You need a process to keep a pulse on the sales pipeline/forecast. The data needed for decision making from the Planning step needs to come alive through reporting. Doing all of these things right will begin to bring your Sales Strategy to life.

There are two phases to the Execution step:

PHASE 11 – SALES ENABLEMENT

Get the right sales content into the hands of the right sellers at the right time through the right channel to move a sales opportunity forward.

PHASE 12 – FORECAST/PIPELINE MANAGEMENT

Analyze data to produce insights for Sales leadership.
PHASE 11 – SALES ENABLEMENT

Get the right sales content into the hands of the right sellers at the right time through the right channel to move a sales opportunity forward.

THE PROBLEM

Need to get the right content in the hands of the right people at the right time...

Millions of dollars and thousands of man-hours are wasted each year on creating sales programs that are never used in the field. Sales staff become numb to the constant flow of “new and improved” sales training programs. Eventually they just ignore them or, worse, pay lip service to them while each Sales rep continues to perform as s/he sees fit.

THE SOLUTION

Complete the Sales Enablement phase by answering the following:

1. What are the objectives for our Sales Enablement team?

2. Where does sales enablement live and who owns it?

3. How do we invite the Sales team to tell us what sales enablement they need?

4. How do we develop the content needed to enable the Sales team?
5. How do we communicate new sales enablement initiatives to the Sales team?

6. How do we package the sales enablement material into a playbook that is available to the Sales team when they need it?

7. What technologies are needed to facilitate sales enablement (mobile playbooks, sales portals, content management system, partner resource center, learning management system, etc.)?

8. What should our training program include to build the necessary competencies, skills and knowledge?

9. How do we ensure that the team knows what sales enablement tools are available and that they are able to use them?

10. How do we drive adoption of each new sales enablement initiative?

11. How do we reinforce our sales enablement strategy through coaching?
12. How do we measure the effectiveness of our sales enablement investments?

13. How do we stay agile in our adoption and incorporate learnings from successes/failures along the way?
SALES STRATEGY CONTINUED

PHASE 12 – FORECAST/PIPELINE MANAGEMENT

Analyze data to produce insights for Sales leadership.

THE PROBLEM

Need to produce accurate forecasts…

Deals that were supposed to close get pushed out to next quarter. Deals that were supposed to amount to millions dwindle into thousands as 500-unit forecasts become 50-unit orders. These forecasting issues hurt, causing a loss in personal credibility for the forecaster.

THE SOLUTION

Complete the Forecast/Pipeline Management phase by answering the following:

1. What pipeline KPIs should we focus on?

2. What forecast KPIs should we focus on?

3. What pipeline management process/cadence is needed to drive an accurate pipeline?

4. What forecast management process/cadence is needed to drive an accurate forecast?
5. How do we train the team on the forecast/pipeline process?

6. How should we account for big deals in our forecast?

7. How should we conduct quarterly business reviews that help us make the number but do not distract the team?

additional notes
STEP 5 – SUPPORT

Support is where you help the Sales team’s effectiveness by removing their non-selling responsibilities and streamlining those that can’t be off-loaded. With sales operations you will improve the efficiency of the team through process, technology, metrics and best practices. With sales support you will make the internal organization easy to interact with. With systems you remove the administrative burden by automating the core business process.

*There are three phases to the Support step:*

**PHASE 13 – SALES OPERATIONS**

Increase sales efficiency through process, technology, metrics and best practices.

**PHASE 14 – SALES SUPPORT**

Represent the field within other corporate functional groups, allowing the company to be easy to work with.

**PHASE 15 – SYSTEMS**

Automate the core business processes to increase the productivity of the sales organization by removing the administrative burden.
PHASE 13 – SALES OPERATIONS

Increase sales efficiency through process, technology, metrics and best practices.

Identify, design and create a set of reports that consistently satisfies the needs of the Executive Leadership team.

THE PROBLEM

Need to move from tactical to strategic...

The role of Sales Ops has become corrupted. It is a catch-all job without a defined role or set expectations. What’s worse, Sales Ops leaders end up working 80 hours per week with no end in sight.

Sales force automation systems allow you to create KPI dashboards. But Sales leaders often don’t know what to measure, how often to measure it or how to apply the results.

THE SOLUTION

Complete the Sales Operations phase by answering the following:

1. What should be the objectives for our Sales Operations team?

2. What is our data plan and how do we execute it?

3. What is our analytics strategy? Can it become predictive? How do we execute it?

4. What dashboards need to be provided to stakeholders to drive decision making?
5. How do we leverage Quarterly Business Reviews (QBRs) to make our number?

6. How do we make executive reports filled with sales insight available with a single click?

7. What technologies does our Sales team need to be effective?

8. What internal processes – pricing, contracts, comp, quotas, order management, etc. – need to be streamlined and/or off-loaded from the Sales team?

9. How should we track quota to revenue while providing visibility to the necessary stakeholders?

10. What resources are required by the Sales Ops team? What is each responsible for? How should they be structured?
PHASE 14 – SALES SUPPORT

Represent the field within other corporate functional groups, allowing the company to be easy to work with.

THE PROBLEM

Need to make it easy for customers to do business with you...

Even when Sales has great rapport with customers, the supporting departments may be bogging down the relationship. Contracts take too long to get through legal, and credit checks and price approvals delay important deals.

Modifying product configuration can stall an order. Your processes are making it hard for companies to do business with you.

THE SOLUTION

Complete the Sales Support phase by answering the following:

1. How can our pricing process help us close more sales while meeting our profit objectives?

2. How can our contracting process help us close more sales while not exposing us to unnecessary risk?

3. How can we automate our compensation administration?

4. How can we streamline our order management process?
5. How can we better enable our channel partner community?

6. How can we improve our territory design and quota setting processes to improve productivity?

7. What should be the rules of engagement inside our Sales team and with other parts of the organization?
PHASE 15 – SYSTEMS

Automate the core business processes to increase the productivity of the sales organization by removing the administrative burden.

THE PROBLEM

Need to use automation to empower your Sales team...

Your Sales team spends too many hours on administrative duties, preventing them from closing more sales. Technology systems should be automating many of these tasks, but in reality the systems aren’t used well enough to increase the reps’ selling time.

THE SOLUTION

Complete the Systems phase, consider how you can leverage the following technologies to improve productivity:

1. CRM/SFA

2. Mobile Playbooks

3. Knowledge Management

4. Partner Resource Management

5. Learning Management System (LMS)

6. Gamification
7. Compensation Automation

8. Contract Administration

9. Configure-Price-Quote (CPQ)

10. Territory Optimization

11. Social Collaboration

12. Predictive Analytics
A CASE STUDY – PART 5


Here is a look at how Sales operated before and after achieving strategic alignment:

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<tr>
<th>BEFORE STRATEGIC ALIGNMENT</th>
<th>AFTER STRATEGIC ALIGNMENT</th>
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<tbody>
<tr>
<td>The Sales Strategy was nonexistent. There was a spreadsheet model that showed how the Sales team was going to achieve its quota. Other than that, Sales submitted 10 funding requests a year to approve initiatives needed to help Sales succeed. If approved, these were executed in isolation and typically produced no sales lift.</td>
<td>The Sales Strategy used the Corporate Strategy to understand its objectives; the Sales Strategy was built around obtaining those objectives, and it included everything needed to meet those objectives efficiently because everything was connected in pursuit of the revenue goal.</td>
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<td>Sales drove activity to make up for poor conversion rates. “If we generate enough leads, we will hopefully close enough to make our number” was the typical approach.</td>
<td>The Sales team used the Market Research to gain a deep understanding of buyers, learning what buyers really wanted from them. They could tell if a serious deal was at stake or if the buyer was merely kicking the tires. With this understanding, Sales could approach each call most effectively, and, as a result, buyer engagement and win rates improved.</td>
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<td>Sales dreaded new product launches. A new product launch meant two days out of the field, many new KPIs to report upon, and a comp spiff that was merely a distraction since no one would attain it. Sales joked that new products would do more to prevent revenue growth than fuel it. Plus the products Sales had today were less attractive than they were five years ago.</td>
<td>Sales was included in product road map decisions early. This included being educated on the benefits of the next new release, both in terms of new capabilities for users and how buyers would buy the product. As a result, Sales was excited about the new conversations they could have with customers. Through training, Sales was comfortable having those conversations, and, once in the market, understood the market. Product continued to ask for feedback. That feedback was acted upon to address problems.</td>
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<tr>
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<td>Sales and Marketing were at odds. The two leaders were not speaking. Sales seemed to get all the blame for the declining revenue, yet Marketing was doing nothing to help.</td>
<td>Sales and Marketing worked as partners. Sales was direct with Marketing on what was working and what was not, and Marketing adjusted based on the feedback. When Marketing overachieved, they received the credit. When a Sales rep was struggling and Marketing bailed him out, they received credit. When Marketing was behind on a goal, they gave Sales advance notice and Sales would make up the deficit. Sales knew they could not succeed without the support of Marketing and were thankful for their contributions.</td>
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STEP 6:
TALENT STRATEGY
STEP 6: TALENT STRATEGY
Organizations can only succeed in the marketplace if they place the right talent in the right performance conditions. The research to this point has been focused on the performance conditions, but we will now shift our focus to the talent side of the equation, which is just as important. With weak talent, even the ideal conditions result in below-market performance. Strong talent in poor performance conditions also results in below-market performance. Only strong talent and the right performance conditions result in a winning formula for growth.

Talent Strategy is where the direction for the company’s Talent department is determined. It supports the talent needs of the other revenue-generating functions – Product, Marketing and Sales. Talent supplies the people required to execute the functional strategies, Market Research is useful to understand the types of talent the market values, and the Corporate Strategy defines the qualities that talent must embrace to fit in the internal organization.

HERE IS HOW BEST-IN-CLASS TALENT LEADERS DEFINE THEIR TALENT STRATEGY:

What is a Talent Strategy?
Talent Strategy is a benchmarked program that assesses, recruits, on-boards, develops and retains a team of top producing Sales and Marketing executives.

What does Talent Strategy do?
Talent Strategy helps executives build a great team to lead their Sales and Marketing departments.

What does it mean to use a Talent Strategy?
The use of a Talent Strategy means leaders will have confidence that their teams can execute the Product, Marketing and Sales Strategies.

Now that we understand the definition of Talent Strategy, we need to figure out what to do. There are seven steps to defining the right Talent Strategy: Profiles, Assessments, Sourcing, Hiring, On-Boarding, Talent Development and Succession Planning. In the rest of this section we will dive into the details of each of the steps and provide guidance on how to achieve your goals.
TALENT STRATEGY CONTINUED

7-STEP
TALENT STRATEGY METHODOLOGY

STEP 1
PROFILES
Develop the profile for an “A” player in each key revenue growth role.

STEP 2
ASSESSMENTS
Assess each member of the Corporate, Product, Marketing and Sales teams against their profile to identify talent strengths and gaps.

STEP 3
SOURCING
Proactively source talent capable of filling current or future Corporate, Product, Marketing and Sales positions.

STEP 4
HIRING
Hire top talent required to execute the Corporate, Product, Marketing and Sales Strategies.

STEP 5
ON-BOARDING
Shorten the road to productivity by providing new Product, Marketing and Sales leaders the necessary knowledge, skills and behaviors to perform in the job.

STEP 6
TALENT DEVELOPMENT
Produce an Individual Development Plan for each member of the Revenue Growth team that will correct or reinforce the necessary behaviors.

STEP 7
SUCCESSION PLANNING
Identify and develop candidates with the potential to fill key leadership positions in the future.
Following these seven steps will enable an organization to acquire the right Talent Strategy to execute the functional strategies, growing revenues as a result.

However, many teams have a good talent process, but fail to achieve their potential because they have not aligned the Talent Strategy with the other strategies:

- **Market Research** – Market Research will identify the talent needed to compete in the marketplace. The types of Product, Marketing and Sales people that the buyers/users value.

- **Corporate Strategy** – The Corporate Strategy will summarize how your company is going to compete in the marketplace, and therefore defining what talent is required to create your competitive differentiators and accomplish the Corporate objectives.

- **Product Strategy** – The Product Strategy will identify the talent needed to execute the Product Strategy. Do you need software developers or hardware developers? What sort of talent is required to address the market problems your products are going after?

- **Marketing Strategy** – Your Marketing Strategy requires resources for execution. Does that talent need to be strong at creative work, at messaging or possibly at nurturing leads? Or all of the above? The Talent Strategy needs to be able to acquire and develop talent to make the Marketing Strategy come to life.

- **Sales Strategy** – Your Sales Strategy is the most talent-intensive of the areas described here. The Sales Strategy will define how your Sales team is going to market, and therefore the type and quantity of Salespeople required to execute the Sales Strategy.
STEP 1 – PROFILES

Develop the profile for an “A” player in each key revenue growth role.

THE PROBLEM

Need to define the profile for a top performer...

In an organization, rarely do functions or functional leaders agree on the definition of an “A” player. Therefore HR tries to satisfy each open position with the unique needs of the hiring manager. This process is not sustainable or scalable and leads to larger variations in performance.

THE SOLUTION

Complete the Profiles phase by answering the following:

1. Who is responsible for defining our hiring profiles?

2. What competencies go into our hiring profile?

3. What accountabilities should go into our hiring profile?

4. What is the compensation that we are willing to pay for this hiring profile?

5. How do we make our profile something candidates and existing employees can be scored against?
6. How many unique profiles can we sustain across the enterprise?

7. How will we market our hiring profile to the outside world with a job description?

additional notes
TALENT STRATEGY CONTINUED

STEP 2 – ASSESSMENTS

Assess each member of the Corporate, Product, Marketing and Sales teams against their profile to identify talent strengths and gaps.

THE PROBLEM

Need to understand the current state of talent on your team...

A strategy will only produce the desired results if it is executed by the right talent. It’s one thing to think you have the right talent; it’s another to know if you do or if you have gaps that need to be addressed. Don’t be caught with a talent shortage that causes your revenue growth plans to fail.

THE SOLUTION

Complete the Assessments phase by answering the following:

1. Who is responsible for talent assessments?

2. How are the assessments going to be conducted?

3. How will we use the assessment output to understand if we have “A” players in each role?

4. How do we ensure talent assessments are consistent across the teams?
5. What is our development plan process to close the gaps uncovered in the talent assessments?

6. What are our talent strengths/weaknesses relative to our strategies?

7. What will we do with the findings of our talent strengths/weaknesses?
STEP 3 – SOURCING

Proactively source talent capable of filling current or future Corporate, Product, Marketing and Sales positions.

THE PROBLEM

Need a constant supply of top new talent for your team...

Sourcing is a neglected process until there is an open position. Then it becomes the most important process. This feast-or-famine approach to sourcing makes it impossible to attract a team of “A” players. Are you proactively sourcing “A” players from both inside and outside your organization?

THE SOLUTION

Complete the Sourcing phase by answering the following:

1. What are our current sourcing needs?

2. What do we estimate our future sourcing needs to be?

3. Who is responsible for sourcing?

4. When we find a qualified candidate, how do we use a virtual bench to keep them interested?
5. How do we blend traditional sourcing techniques with modern social techniques?

6. Who is responsible for our sourcing process? Who else contributes to it?

7. How do we reduce the time to fill an open position with an “A” player?

additional notes
STEP 4 – HIRING

Hire top talent required to execute the Corporate, Product, Marketing and Sales Strategies.

THE PROBLEM

Need to hire a team of top performers...

The typical hiring process is antiquated and delivers little value. Hiring managers need to test candidates in ways that mimic the daily experiences of the job. Without that, hiring decisions are made on gut feelings, which may or may not work out once the candidate comes on board. Do you know whether a candidate is an “A” player at the completion of your interview process or are you guessing?

THE SOLUTION

Complete the Hiring phase by answering the following:

1. What candidate selection process do we use to hire top talent?

2. Who is responsible for running the hiring process?

3. Who is responsible for making a decision at the conclusion of the hiring process?

4. How will decisions be made at the conclusion of the hiring process?
5. How do we use behavioral interview techniques? Competency interview techniques? Reference checks? Background checks?

6. How do we perform a work or job trial as part of the hiring process to see how the candidate will perform in the job?

7. How do we sell a candidate after an offer is extended to ensure they accept the job?

(additional notes)
STEP 5 – ON-BOARDING

Shorten the road to productivity by providing new Product, Marketing and Sales leaders the necessary knowledge, skills and behaviors to perform in the job.

THE PROBLEM

Need to reduce the time it takes to make new hires productive...

The lack of an optimized on-boarding process costs organizations big, both in terms of salary, hard costs, training and travel as a new hire ramps up and in soft opportunity costs while the new hire underperforms a fully ramped-up employee. With turnover a given in today’s business environment, the difference between a company growing and not growing can come down to the pace of ramping up new hires.

THE SOLUTION

Complete the On-Boarding phase by answering the following:

1. How are we going to on-board new talent to reduce the time it takes to make them productive?

2. How do we use learnings from the hiring process to develop a ramp-up plan for this new hire?

3. Who is responsible for ramping up a new hire?

4. How do we know if a new hire is on pace to achieve their ramp up?
5. How do we know when a new hire is fully ramped-up?

6. How do we use mentors to help new hires ramp up?

7. How long does it take us to ramp up a new hire?

*additional notes*
STEP 6 – TALENT DEVELOPMENT

Produce an Individual Development Plan for each member of the Revenue Growth team that will correct or reinforce the necessary behaviors.

THE PROBLEM

Need to constantly develop talent to keep pace with the market and ahead of the competition...

The annual talent review process is not sufficient to develop talent because organizations don’t come together to manage performance. From HR to Learning & Development, Sales Enablement, middle management and the individual contributor, everyone plays a role. The tools required to develop future leaders are often the ones lacking most.

THE SOLUTION

Complete the Talent Development phase by answering the following:

1. How do we keep a pulse on our talent development needs?

2. How do we ensure our talent is developing as fast as the market, buyers and competitors?

3. What sales training program do we need in order to develop the competencies/skills/knowledge of the team?

4. What sales coaching program do we need to reinforce the right behaviors?
5. What performance management program do we use to develop existing talent?

6. How do we ensure our talent development results in sustained changes in behavior?

7. How do we make use of individual development plans to develop talent?

8. What role does mentorship play in our talent development?

9. How do we measure the impact of our talent development program?

additional notes
STEP 7 – SUCCESSION PLANNING
Identify and develop candidates with the potential to fill key leadership positions in the future.

THE PROBLEM
Need to build a team of future leaders...

You never know when one of your key leaders is going to leave your organization. This open position can cripple your ability to achieve your revenue objective; therefore, you need a way to proactively identify who would backfill a critical role should there be an opening.

THE SOLUTION
Complete the Succession Planning phase by answering the following:

1. What are the key leadership positions for us this year? Next year? Five years from now?

2. What performance management program do we use to develop future leaders?

3. How do we identify internal candidates to place on the succession plans?

4. How do we constantly test candidates in order to assess their readiness to assume their next role?
5. How do we communicate our succession plans?

6. How do we transition candidates when the timing is right?
A CASE STUDY – PART 6


Here is a look at how Talent operated before and after achieving strategic alignment:

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<tr>
<td>Each function thought what they had on their team was necessary. The functions would pencil-whip the annual talent process in lieu of their own gut assessment.</td>
<td>The Talent Strategy helped the Corporate Strategy understand its objectives. The Marketing Strategy was built around obtaining those objectives. It included all things required to be successful, not just the programs.</td>
</tr>
<tr>
<td>Talent had published a hiring process, but the functions were using the pieces they thought were applicable. As a result, hires were made on a hunch that “this person may be an ‘A’ Player.”</td>
<td>The Talent hiring process proved successful. The new hire success rate doubled to 80%. The work trial and the reference check uncovered strengths and weaknesses in candidates the old process would have missed.</td>
</tr>
<tr>
<td>The Talent function was engaged when there was a problem. If someone quit or was fired, the expectation was that a new candidate would be found immediately. The functions were frustrated with Talent and Talent was frustrated with them.</td>
<td>The Talent function was proactively engaged with the company leadership, and every key role had a succession plan defined. Everyone had a development plan that was acted upon, not just talked about. Talent was becoming a competitive strength for the company. “A” players who were recruited wanted to stay, and, even better, they wanted to recruit other “A” players.</td>
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As a result of the strategy work, the Technology Company is well on its way to revenue growth. The stock price that was at a five-year low has doubled. Revenues that were declining 30% a year are now growing at 20%. New products are being well received by the market, and the transformation is in the early days of showing sustainable success.
PUTTING THE RESEARCH TO WORK
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PUTTING THE RESEARCH TO WORK

By working with leading organizations that have aligned their strategies, SBI has found that they embrace an annual strategic planning process. This example assumes a company is on a calendar fiscal year beginning in January and ending in December.

ANNUAL STRATEGIC PLANNING PROCESS

These leading organizations begin by validating their market research and corporate strategy in Q3. With this validation, they seek to understand changes in the market; industry; and buyer, user and competitor landscapes. They also use this as an opportunity to compare how well their corporate strategy is performing against a set of productivity measures relative to investor or board expectations. The purpose of this work is to update the baseline and account for emerging trends that will impact the upcoming year.
Following the validation in Q3, Q4 is the time for defining the product, marketing, sales and talent functional strategies. The purpose of the functional strategies is to define how the organization is going to address changes in the marketplace while enabling the company as a whole to achieve its corporate strategy. Once drafted, each strategy is reviewed with the other strategy owners. What emerges is a priority list of three to five key integration points. These integration points become the KPIs that get measured going forward. Without alignment, the teams will not be working well together. With alignment, a revenue growth plan will be in place that will optimize the investments.
Starting in Q1 when the new strategies are put into action, a weekly/monthly/quarterly operating cadence is launched. This ensures execution of the strategies happens and the teams stay in alignment.

On a weekly basis, functional leaders meet one-on-one to look for areas of misalignment.

The agenda for the call looks something like:

- Review status of action items from the prior week
- Discuss execution issues from each strategy
- Prioritize what each function owes the other function
- Share new market intelligence and its implications
- Set action items for the coming week

The monthly calls are a chance to review the KPIs as a team and ensure the organization as a whole is on pace to achieve the objectives. Larger scale alignment issues that are unable to be addressed in the weekly meetings are addressed here. The agenda for a monthly review looks something like:

- Review progress against each strategy’s objectives and KPIs summarized on a stoplight report. Green areas are celebrated, yellow areas investigated for emerging issues, and red areas addressed in terms of changes to the execution plan and/or expectations.
- Share new market intelligence and assess the implications.
- Work on one or two big issues that threaten alignment and/or execution.
The Quarterly Business Review (QBR) starts in Q2 and continues through the rest of the quarters. Typically this occurs at the beginning of each new quarter – January, April, July and October. The QBR is a way to review strategic assumptions and determine if they played out as expected during the quarter. This is also a time to review and update strategies to adjust to dynamic market conditions and address bigger alignment issues that were not addressed throughout the quarter.

The agenda for the QBR looks something like:

- Review financial performance
- Review the stoplight report
- Review market intelligence trends from the quarter
- Review/update the corporate strategy as needed for the coming quarter
- Review/update the product strategy as needed for the coming quarter
- Review/update the marketing strategy as needed for the coming quarter
- Review/update the sales strategy as needed for the coming quarter
- Review/update the talent strategy as needed for the coming quarter

The process repeats itself starting the following Q3.
CONCLUSION
CONCLUSION
CONCLUSION

We began this report by looking at the implications of having misaligned strategies. Then we explored how the 91% of organizations that suffer from strategic alignment problems can address the issues.

If you happen to be in the 9% that has your strategies aligned, congratulations. If 2015 is like 2014, then SBI’s research says you have a 96% chance of making your number.

However, if you are like the majority of sales forces and have the wrong sales strategy, you have a choice to make:

CHOICE #1  Continue with the status quo. If you feel you have aligned your strategies, then there is nothing to worry about. Or if you feel you can achieve your revenue objectives despite the pain from misalignment, then there is no reason to do anything differently in 2016.

CHOICE #2  Develop and execute a strategic alignment program that brings together the functional leaders across your organization and go through a strategic planning exercise that covers the six strategies in the rest of this document. It is all supported by an operating rhythm that will drive the strategic execution into your business.
If you pick Choice #2, then follow the guidance given in this report:

1. Start again from the beginning of this report.

2. Make your way through each of the six strategic steps, focusing mainly on your function but understanding the other functions as well.

3. Implement the annual strategic alignment process with your peers in 2016.

SBI wants you to make the number in 2016. We can help you. If you want help, go here.

If you have it covered, congratulations. Check in with our blog from time to time by clicking here. Periodic check-ins will keep you up to date on SBI’s latest research.

**Good luck in 2016.**