
A Guide to successful Marketing and Sales alignment

SIX ESSENTIAL STEPS FOR SUCCESSFUL
MARKETING AND SALES ALIGNMENT



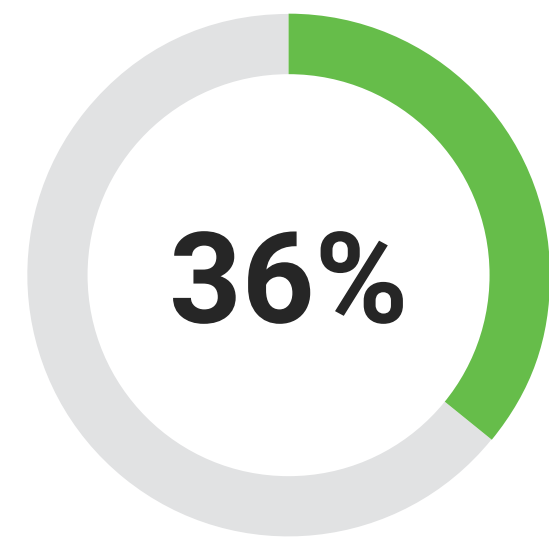


Today's buyers are no longer dependent on the vendor as the sole source of information about their products and services, **instead preferring to educate themselves.**

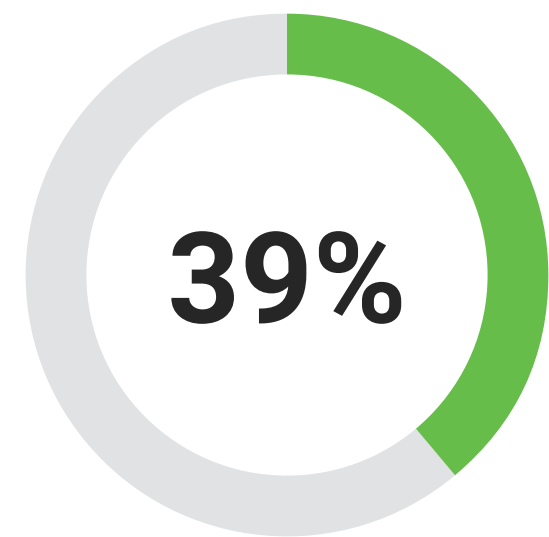
And as the buying process continues to be influenced by various powerful external forces, **greater alignment between Marketing and Sales organizations is not only desirable, but imperative.**



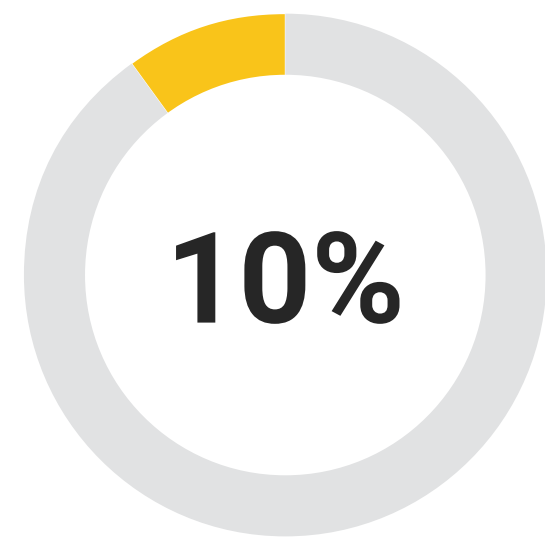
The proof is in the numbers: Aligned teams achieve better growth



higher customer retention rate



higher annual revenue growth than companies with non-aligned teams



decline in revenue growth on average for non-aligned companies

There are highly aligned Marketing and Sales teams out there who have realized substantial improvements in key performance metrics, including a 36 percent **higher customer retention rate**¹, and an average of 39 percent **higher annual revenue growth** than companies with non-aligned teams².

Predictably, less well-aligned companies report a 10 percent **decline in revenue growth on average**³.

So here's the challenge: Historically, Marketing and Sales teams have worked independently.

They work off different metrics, possess dissimilar personalities, and utilize disparate systems.

This relationship creates tension and inefficiencies.

Oftentimes, Marketing criticizes Sales for not generating revenue from the leads produced; while Sales complains that Marketing doesn't deliver good content or quality leads, despite burning through the budget.

ENDNOTES — ^{1,2}The complete guide to sales and marketing alignment(<https://sopro.io/added-value/blog/complete-guide-sales-marketing-alignment/>)

³missteps that fracture sales and marketing alignment (<https://www.bizjournals.com/bizjournals/how-to/marketing/2020/03/3-missteps-that-fracture-sales-and-marketing.html>)



Six essential steps for successful Marketing and Sales alignment

It's time to get to work on getting aligned. Here's our definitive list of the **six essential steps** for achieving successful Marketing and Sales alignment:

01.

Create a common, shared lead taxonomy.

02.

Coordinate the lead passing process.

03.

Ensure both teams have the same objectives and metrics.

04.

Integrate the process with automation tools.

05.

Conduct joint pipeline reviews.

06.

Create a service level agreement to drive joint accountability.

Without further ado, let's proceed to step one.



01

Create a common, shared lead taxonomy

In any relationship, whether business or personal, it's hard to communicate if you don't speak the same language. And in a relationship as complex and dynamic as the one that typically exists between Marketing and Sales, a shared understanding of the fundamental terms and definitions is essential.





Create a common, shared lead taxonomy

Step one in our process, involves creating and agreeing on a shared lead taxonomy for your organization. Though some details may differ, here are the typical stages you'll want to consider as you create your own lead taxonomy:

- 1 Anonymous lead** – An early-stage unknown web visitor.
- 2 Known lead** – A lead who has begun to increasingly engage with your brand and has provided you with a name or an email address, for example, to download a piece of content from your website.
- 3 Engaged lead** – A lead who is known to you and has begun to engage more and more with your brand through website visits, webinar attendance, content downloads, etc. The engaged lead has also begun to accumulate a lead score through the various interactions with your brand.
- 4 Marketing Qualified lead** – When an engaged lead reaches a specific lead scoring threshold, it then becomes a Marketing Qualified Lead (MQL). It's now mature enough to be passed over to Sales or a Telequalification team.

- 5 Telequalified lead** – When the Telequalification team follows up with an MQL by phone and determines that the lead has potential to become an opportunity, it is a Telequalified lead (TQL).
- 6 Sales Accepted lead** – When the Sales organization accepts an MQL from Marketing, or a TQL from the Telequalification team, it becomes a Sales Accepted Lead, or SAL. Depending on the particulars, the Sales team will sometimes do further qualification before moving the SAL to the next stage.
- 7 Opportunity** – When Sales is satisfied that the SAL meets their criteria, it then becomes an opportunity that Sales is actively trying to close.
- 8 Won or lost** – Depending on the outcome of the sales process, an opportunity typically becomes either an opportunity won or an opportunity lost.

But what exactly is a lead taxonomy?

Lead taxonomy is a common naming and categorizing classification system that keeps Marketing and Sales on the same page. It helps create order and avoids confusion. By clearly defining the different stages a lead must pass through during the B2B buyer journey, a foundation for Marketing and Sales alignment is created.

One of the most daunting barriers organizations face during this crucial step is that Marketing and Sales often have very different ideas about what constitutes a lead. If you're a Marketer, for example, you might consider a lead to be anybody who has given you their email address when they download a piece of content from your website.

If you're in Sales, you likely have a very different idea. To you, a lead has to meet strict criteria. For example, have they clearly articulated a need for your product or service? Do they have a budget? And have they identified a specific timeframe for making a purchase?

The fact is, both of these are valid definitions and represent different lead stages. When creating your organization's lead taxonomy, you need to account for these and all the other stages the lead passes through during the buyer journey.



02

Coordinate the lead passing process

With a new lead taxonomy, it's now time to figure out how leads are passed from one department to the next without any leads falling through the cracks.





Create a common, shared lead taxonomy

This process consists of systematic coordination between Marketing, Sales, and Telequalification, of when – and how– to pass leads from Marketing to Sales to drive pipeline. This usually involves the Marketing team handing off MQLs to the Sales team, where they become SALs. In many B2B organizations, a third team, the Telequalification team, operates as an intermediary between Sales and Marketing.

This **“three-in-a-box”** arrangement can help ease the transition of MQLs to the Sales team, and by adding an extra qualification step, increases the likelihood these leads will turn into solid opportunities.

The process works like this:



When an engaged lead reaches a lead scoring threshold.



It gets passed to a Telequalification rep, who is tasked with contacting the lead by phone to further qualify it.



If the rep determines that the lead meets the qualification criteria, he or she then passes the lead on to Sales.



Before proceeding to the next step, spend some quality time together as a Marketing and Sales revenue team to determine the process that makes the most sense for passing leads within in your organization.



03

Ensure both teams have the same objectives and metrics

With your lead passing process firmed up and agreed to, step three of our process finds Marketing and Sales aligned on key shared objectives and metrics.





Ensure both teams have the same objectives and metrics

As a unified revenue-generating team, everyone needs to be aligned around the financial health of the organization and have a clear understanding of shared goals, and how progress will be measured. It's particularly important during this step to agree on what Marketing will contribute to the overall pipeline, and also to define Marketing's required pipeline coverage target (3X, 4X etc.).

This latter metric ensures that Marketing is on the same page as Sales, and both are striving towards the same goal. To measure the efficiency of your united front, focus on the following metrics.

Recommended Measures	Rationale
Marketing Qualified Leads (MQL)	Measures overall volume of marketing-driven leads that appear to be exhibiting buying behavior
Sales Qualified Leads (SQL)	Measures quality of marketing-driven leads
Cost/MQL & Cost/SQL	Measures overall marketing efficiency
Pipeline Coverage	Ensures marketing is focused on creating enough pipeline to hit the sales target
Revenue	Keeps marketing focused on contributing throughout the buyer journey, helping sales to nurture closed won deals



04

Integrate the process with automation tools

Marketing and Sales must use powerful tools – Marketing Automation and CRM – together to achieve tighter integration and more efficient workflows.





Integrate the process with automation tools

In many organizations, these systems operate in silos. Marketing tracks, nurtures, and lead scoring using marketing automation, and Sales manages the end-to-end sales process and all customer relationships using a CRM system.

In more tightly aligned teams, both Marketing and Sales can benefit from the data and insights each system provides as they work to achieve shared revenue goals.

For example, the marketing automation system can be used to provide hyper-targeted lead nurturing throughout the buyer journey. This allows you to create segmented communication to leads using any field, stored in either system, from industry to job role, and from company to buyer journey stage.

Marketing automation systems are a rich source of

analytics, allowing Marketing to optimize program performance and measure return on marketing investment (ROMI). These analytics can in turn be delivered to Sales, and injected directly into the CRM system.

As you might imagine, the resulting insights can help everyone understand the digital body language of leads and build a much more informed account plan. The more your team can work together to automate as many aspects of your lead management process as possible, the easier it will be for everyone to perform at a higher level.



05

Conduct joint pipeline reviews

This step is arguably the most important step in our entire process.





Conduct joint pipeline reviews

On a weekly or monthly basis, Marketing and Sales on all levels of the organizations need to get together in the same room or Zoom call and conduct a pipeline review.

During these sessions, both teams will review:

- | | |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| <hr/> 1 Pipeline for the current month of quarter. | <hr/> 4 Historical conversion and close rates based on pipeline rolling in and out. |
| <hr/> 2 Pipeline for the following month or quarter. | <hr/> 5 Do they have enough pipeline to hit this month's target, the following month's target, etc. |
| <hr/> 3 What gaps exist. | |

Marketing and Sales are together analyzing these critical metrics and more importantly, they are together identifying gap actions that Marketing, Sales, and Business Development are going to drive to hit the target.

When addressing gaps in pipeline, it is essential that Marketing have integrated campaigns that align with sales plays. There should be a clear line of engagement in marketing campaigns with sales plays that are consistent with one another, and that Marketing is running the same campaigns as the sales plays in market. There is nothing like miss alignment than Marketing focusing on new logo acquisition while Sales is focused on enrichment.



You've made it to step 5. Marketing and Sales are now aligned on definitions, processes, goals and technologies.



06

Create a Service Level Agreement to drive joint accountability

With your lead taxonomy and lead passing process sorted, and a plan in place to make the most of your automation tools, you now need a way to make sure everyone is living up to their side of the bargain.





Create a Service Level Agreement to drive joint accountability

Step six in our process involves putting a service level agreement (SLA) in place between Marketing and Sales.

An SLA is a rulebook of sorts that sets out in detail what level of service each team can expect from the other at the various phases of the revenue generation process.

This agreement is important for achieving stronger alignment because it gives both sides specific goals to work towards and tends to prevent disagreements and conflict that may arise.

One foundational component of any SLA between Marketing and Sales is an agreement on Marketing's total contribution to sales pipeline and the percentage this represents of the total pipeline.

On the Sales side, there needs to be an agreement on the length of time Sales has to make contact with a marketing qualified lead once they've received it from the Marketing or Telequalification teams.

As you work out an SLA that makes the most sense for your organization and revenue model, consider including some of the following key metrics for each of the Sales and Marketing organizations.

Marketing	Sales
% of pipeline	Lead follow up time
Total revenue goal	Number of follow-up attempts per lead
# of qualified leads	Number of meetings booked
Lead scoring threshold	Average lead-to-customer close %



According to insidesales.com, if a rep responds to a Marketing Qualified Lead in less than five minutes, the odds of contacting that lead are a hundred times higher than if you were to wait 30 minutes.



Conclusion

It may seem hard to believe that Marketing and Sales could ever fully aligned, but these 6 steps make Smarketing (the integration of sales and marketing) for your organization in reach. The relationship will rarely be linear--conflicts and disagreements are inevitable, but aligning these two teams will produce unheard of growth for your organization. With collaboration, communication and these 6 steps—you'll be on your way to increased revenue and more efficient processes.

Here's to Smarketing!

For more information on how to better align your Marketing and Sales teams, check out our [Marketing and Sales Alignment services](#).

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