MARKETBRIDGE

EXECUTIVE WHITEPAPER

A Roadmap for Modern B2B Go-to-Market®

Part 2: Operations and Analytics

An essential guide on the processes, technology, & analytics needed to meet revenue goals

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A COMPREHENSIVE RESOURCE ON

Running a Go-To-Market Team

In Part Two of "A Roadmap for Modern B2B Go-to-Market®," the series transitions from growth design to building the analytics and operational backbone that enables growth. Today's organizations grapple with aligning their strategic objectives (Part 1) and operational realities (Part 2) with overarching goals. Part Two outlines a blueprint that empowers revenue leaders to fine-tune their operations, leverage cutting-edge technology, and harness the transformative potential of data analytics to thrive in the intricate landscape of B2B enterprises. This encompasses two main topics: ***Operations and Analytics***.

Operations connects the dots between strategy and execution, ensuring a seamless transition from opportunity identification to revenue realization. At the same time, ***Analytics*** give revenue leaders the tools they need to diagnose problems, measure results, and optimize operations on the fly and over the long run.

Learn more about this series
market-bridge.com/B2BGTM

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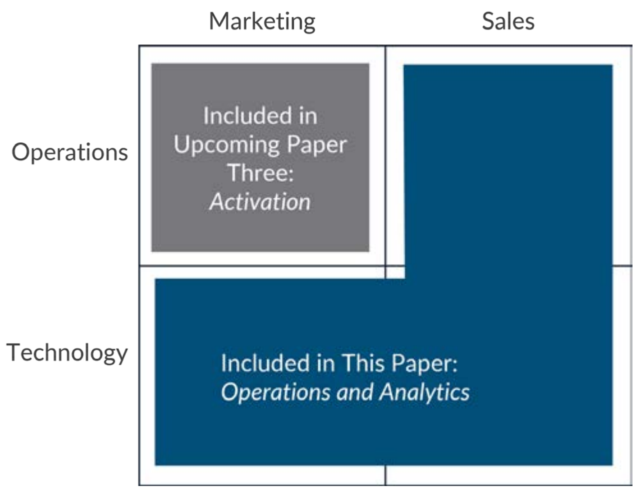
Revenue Operations

Business-to-business go-to-market is one of the most complex functions of an enterprise. Because B2B transactions are larger, more bespoke, and more complex, the processes and policies required to make them happen—from opportunity identification to selling to order fulfillment—are necessarily advanced. The goal of revenue operations, however, should not be simply "paving the cow paths;" instead, talented operations managers should always look to simplify operational mechanics as much as possible, while implementing best practices to enable revenue growth.

A Note on Scope:

Revenue Operations is a relatively new term, emerging from the realization that marketing and sales—traditionally siloed operations in both B2C and B2B companies—serve the same purpose (revenue generation) but with different methods. Their ultimate integration—particularly via technology and shared measurement KPIs—can drive significant performance improvements. This shift towards integration is in full swing; nearly 90% of B2B organizations are proactively redefining their marketing and sales integration and alignment.[1]

Revenue Operations' scope includes operations (or management) and technology across both marketing and sales. However, in this paper, we will cover only sales operations; marketing operations will be dealt with in more detail in the final whitepaper of this series on Activation.



Sales Operations

Sales Operations comprise the activities required to organize, incentivize, and measure sellers' activities. The Sales Ops team must be data-driven, but at the same time—because they are dealing with highly paid agents of the company who ultimately produce revenue—they also function more like a sports franchise's front office.

Ultimately, Sales Ops' goals are to recruit, incentivize, and deploy selling resources to drive scalable revenue growth for the company. Sellers are dependent on Sales Ops for fair guidelines and compensation schemes. Sellers must trust their Sales Ops team; this trust is earned over the years by deploying science-based, stable, and clear territories and compensation plans.

Sales Compensation

Sales compensation programs are remuneration schemes designed to financially reward commercial resources, primarily based on their performance outcomes. These plans encapsulate fixed salaries and variable pay, including commissions, bonuses, and other incentives tied to individual, team, or business-wide sales objectives. Their purpose is to create a financial incentive for sales professionals to achieve and exceed their targets, thereby directly contributing to the company's financial success.

These programs should reinforce behaviors that parallel an organization's strategic goals, providing the structure for successfully executing sales motions. Sales compensation schemes can be tailored to focus on new customer acquisition, customer retention, and account expansion, among other goals, or some mix of the three.

Traditionally, compensation programs are often viewed as an operational line item and an executional requirement for commercial organizations. This mindset views them as a necessary cost of doing business, an expense to be managed and minimized, and it undercuts the strategic value that a well-designed sales compensation program can bring.

When implemented effectively, however, intentional sales compensation programs can act as a potent strategic lever, aligning strategy with execution. They can drive sales behaviors that contribute directly to organizational goals, enhancing overall efficiency and driving down the expense-to-revenue ratio. A well-aligned sales compensation program can motivate the sales force to target profitable customers, sell the most strategic products, and focus on long-term customer relationships.

An often overlooked yet critical benefit of well-built sales comp programs is seller recruitment and retention. A slight increase in sales representative attrition can increase sales costs by 4-6% and reduce revenue attainment by 2-3%.[2] Sales compensation programs that are both fair and rewarding are a top factor for attracting and retaining seller talent.

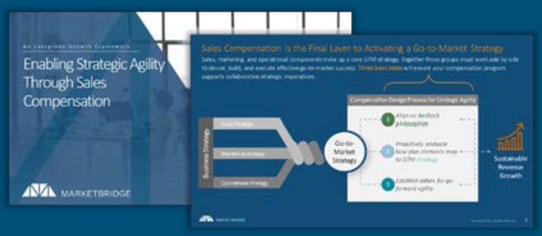
Principles

Sales compensation programs should be based on bedrock values that will guide consistency and foster cultural alignment. Overarching principles—such as fairness, transparency, and meritocracy—should underpin compensation decisions, justifying them in sellers' minds. Over time, these values solidify, so getting them right at the start is essential.

Once core values have been established, compensation plans should be mapped to corporate and go-to-market strategy. Concretely, this means that compensation should drive broader business objectives such as revenue growth, market expansion, or product innovation. Because corporate strategy changes more often than core values, regular reviews ensure that the compensation plan remains relevant and effective as the business environment evolves.

Values and strategy will vary from company to company, but effective plans will satisfy three key objectives:

1. **Position the company as an employer of choice**, offering competitive rewards for new and existing sellers.
2. **Motivate resources to act as agents for the company**. This means achieving sales targets, advocating for the company's values, building strong relationships with customers, and always working in the company's best interest.
3. **Minimize the financial risk from runaway costs**, striking a balance between incentivizing high performance and maintaining financial sustainability. This may involve setting caps on variable pay, implementing clawback provisions, or using other mechanisms to ensure the plan does not result in unforeseen financial burdens for the organization.



ACCESS THE FRAMEWORK >

Enabling Strategic Agility Through Sales Compensation

Best Practices

Simplicity

While it is tempting to cover multiple scenarios when designing sales compensation programs, overly complex designs are almost always counter-productive, confusing the agents who must enact them. Renowned author Stephen Covey summarized this theme in his book *Seven Habits of Highly Effective People* when he said, "Organizations should aim to keep the main thing the main thing." By this, he means organizations should focus only on their central goals and objectives—which should be as few as possible.

Streamlined plans that demonstrate a clear link between performance and pay motivate sellers by helping them understand what they are working toward and why. By contrast, over-engineered plans are not only difficult to implement but also increase the potential for resources "gaming" the program for maximum profit at the expense of key execution targets by obscuring the relationship between performance and pay.

Organizations seeking simplicity should avoid these common pitfalls when structuring compensation plans:

- **Design around edge cases**: Plans become overly complicated when they attempt to account for every possible scenario, many of which may be unlikely or insignificant.

- **Solve upstream issues with a downstream mechanism**: Compensation plans are not the place to address broader organizational problems or strategic misalignments.
- **Too many non-core elements**: Including too many bonuses or incentives—such as "SPIFs"—outside the main compensation structure dilutes focus and adds unnecessary complexity.
- **Reflection of competing product priorities**: When plans pull in too many directions, they can undermine strategic focus and create confusion among the sales team.

SPIFs: Special Performance Incentive Funds

"Sales Performance Incentive Funds" (SPIFs) are short-term incentives, typically cash bonuses or other financial rewards, given directly to salespeople for selling specific products, achieving certain goals, or performing specific actions. They are designed to motivate and reward salespeople for exceptional performance and can be used to promote new products or to drive sales toward strategic objectives. They are often used in addition to the standard sales commission structure.[3]

Annual Review

An ever-changing business environment—where strategies shift, commercial resources evolve, and competitive landscapes alter—demands compensation programs that are dynamic and adaptable. A formal annual review ensures that compensation programs align with market trends and company strategy. Annual reviews should examine four key areas:

1. **Seller achievement**: 35%-45% of sellers should achieve or exceed their on-target earnings
2. **Strategic alignment**: Product, solution, and geographic goals should be met in 95% of scenarios
3. **Financial impact**: Comp plans should not negatively impact EBITDA even at maximal payouts
4. **SKU and market changes**: New products, competitors, and buyer needs should be reflected

Annual reviews can result in changes to comp plans—but the default should be to keep things stable. Approximately 80% of organizations change their sales compensation plans at least once every two years. While understandable, significant changes often come at a cost. Drastic alterations to the structure or mechanics of a sales compensation program can cause confusion and uncertainty among sales teams. This can undermine the motivational power of the program and can even lead to higher attrition rates and lower program participation, especially among indirect sales channels.

Thus, while it's necessary to regularly review and tweak sales compensation plans in response to evolving business needs and market conditions, these changes should be carefully considered and implemented to minimize potential disruptions to the sales team's performance and morale.

Agility

To avoid such costly redesigns, sales compensation programs should strive for "agile durability," a balance between adaptability and consistency. Rather than being overhauled every year, these programs should be designed to have "legs" well beyond a single fiscal period.

Achieving this equilibrium calls for a proactive evaluation of plan elements, considering how these can be modified over time, within and across program periods. If an organization uses a tiered commission structure that provides higher rates for higher sales levels, for instance, the tiers' thresholds or the commission rates could be easily adjusted as needed. Alternatively, if the strategic focus shifts to emphasize profitability over volume, the organization could introduce a sliding scale tied to commission profitability. Such strategic adjustments allow the sales compensation program to remain relevant and effective as the business environment evolves without necessitating major overhauls that could disrupt sales operations or diminish the plan's motivational power.

Role Alignment

In addition to agile durability, sales compensation programs must align with the nuances of each role within an organization. Failing to do so can lead to frustration and suboptimal performance.

Take the example of Account Managers (AMs) and Business Development Representatives (BDRs); both play vital roles in a sales organization, but their responsibilities, skills, and objectives differ significantly. AMs focus on nurturing existing relationships and expanding business within their accounts and could, therefore, be incentivized based on account growth and customer retention. BDRs, by contrast, are typically tasked with generating new leads and setting up sales opportunities, so their compensation could be more closely tied to the number of qualified leads generated.

By aligning compensation to each role's specific objectives and responsibilities, organizations can drive more efficient resource deployment, reduce turnover, and enhance the execution of their sales strategy.

CASE STUDY

Designing Best-in-Class Sales Compensation Programs

SaaS Company Drives 40% Increase in Opportunity Value with Best-in-Class Competitive Compensation

- ✓ Designed a pay-per-performance model that incentivized the sales teams to exceed their targets, increasing booking numbers and opportunity value
- ✓ Increased competitiveness in the recruiting market with the new enterprise/specialist selling roles
- ✓ Kept costs neutral throughout the process to further optimize revenue, product, and team growth

Sales Quotas

While sales compensation plans provide an overall structure and philosophy for aligning commercial efforts with strategic goals, determining the levels at which organizations pay sales quotas for "on-target" work is a critically linked activity that must balance seller motivation and financial risk management.

Sales quotas are time-bound goals that directly influence the incentives a seller receives, and as such, they are vital tools for evaluating and driving performance. When set correctly with transparent data to back them up, quotas can enhance motivation and morale among sellers by creating a clear pathway toward success, laying out achievable targets that sellers can strive for. Additionally, accurate quotas improve the predictability of sales costs and sharpen forecasting precision, providing valuable insights for strategic planning.

Balancing the strategic needs of the business and its sellers requires an approach that blends art and science. While intuition and experience play a role in this process, a data-driven method ensures fairness and relevance. By analyzing historical performance, market trends, and individual capabilities, quotas can be set in a way that resonates with sellers and aligns with the organization's broader goals.

Approach

While quotas are set for individuals, they must be set within the parameters of the overall business. There are two main components to consider: goal coverage and affordability.

Goal coverage is the degree to which revenue goals by territory, industry vertical, or business units are accomplished when all quotas are added together. In most cases, the sum of all individual quotas will exceed business objectives by a healthy amount. This de-risks the business and makes financial goals more likely to be achieved.

To set goal coverage, start with financial goals for the upcoming fiscal year—usually set as bookings (deals sold in a certain period) or revenue (accounting revenue recognized in a certain period.) The typical benchmark is that the total quota should exceed (cover) these targets by between 20 and 40%. In other words, if a direct sales force is expected to hit a $100M revenue attainment for a year, the total sum of quotas for each rep to achieve their OTEs (on-target earnings goals) should be between $120M and $140M.

Affordability is the degree to which total payout varies in different financial scenarios. For simple sales models, this may not be an issue. For example, in a model where one seller covers one territory, and sellers are paid a percentage of booked revenue, the total payout will have a linear relationship to sales. However, this is not the case with overlapping territories, stacked selling teams, and more complex compensation plans that pay out differently by product, customer type, or retained versus acquired revenue. These more complex plans can have edge cases where the payout is unaffordable.

Monte Carlo simulation models are a best practice when managing affordability risk. Monte Carlo models are essentially linked spreadsheets—sometimes called "models"—with parameters for each business variable. These models should not be complex. They should output total variable compensation payout and revenue achievement based on changes in key variables, including the percentage of the sales force who meet or exceed their quota, macroeconomic changes, contract renewals, marketing success, and general variability.

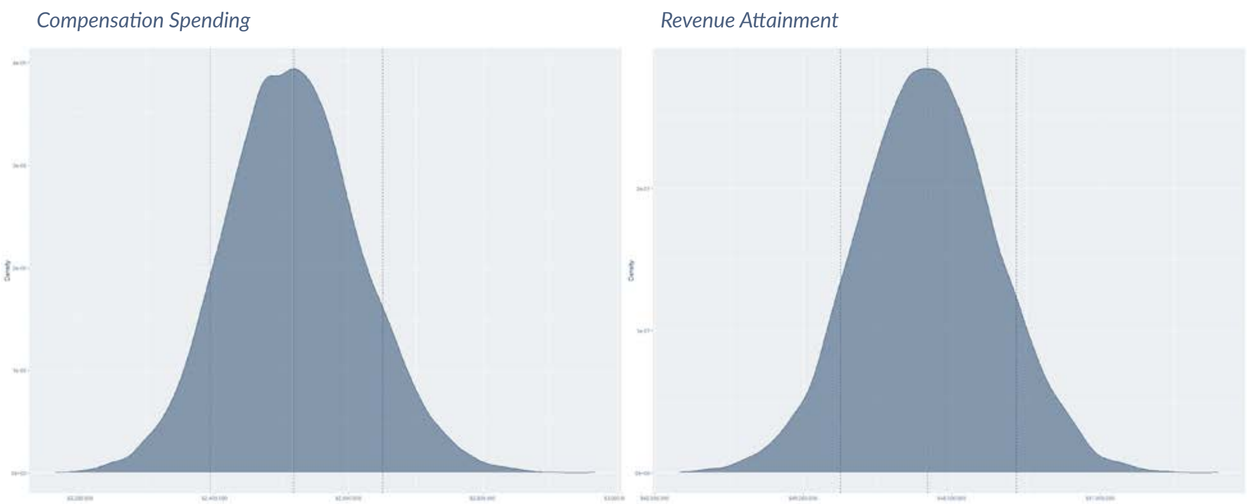


Figure 1: Likely compensation spending and corresponding revenue attainment simulated over 10,000 trials for a sales force with 50 sellers and a $1.5M OTE per seller, based on a number of factors.

When building these models, looking at past revenue attainment for each seller is essential. Typically, rep achievement follows a log-normal distribution. It's sometimes helpful to look at seller achievement in "good," "normal," and "poor" years. In Figure 2 below, the median seller will achieve about 55% of his or her goal in a "poor" year, whereas in a "good" year, the median seller will hit his or her goal. In every case, a few sellers will achieve 150% or even more of the goal—and those individuals tend to be consistent YOY.

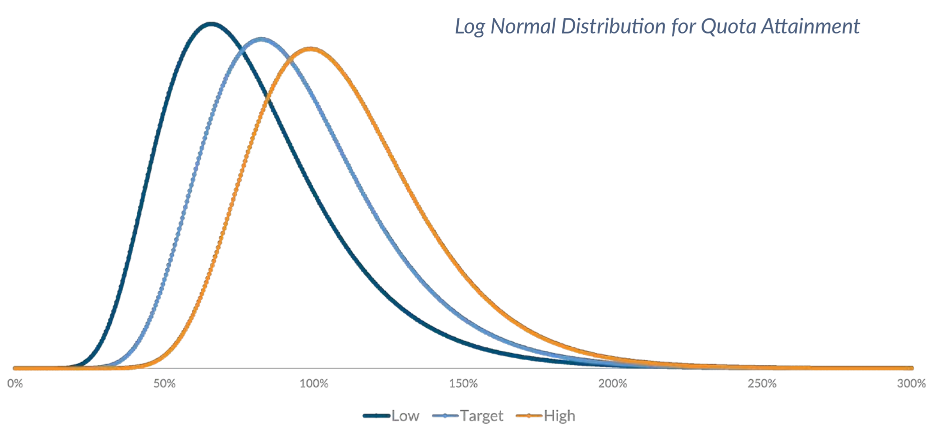


Figure 2: Sample curves showing percent attainment of goal for a population of sellers in "low", "average", and "great" years.

If these curves are systematically biased in one direction or another, this could indicate a problem with quota setting:

- **Low**—the median of reps hitting their on-target earnings (OTE) numbers consistently in the 50-60% range (the orange curve in Figure 2 above) could indicate over-aggressive quota setting. Organizations with over-aggressive quotas typically have high rep turnover, as individuals stop believing that attainment is possible. Over-aggressive comp plans are common in organizations with poor product-market fit, where executives put heroic (and often unrealistic) pressure on the sales force to deliver.
- **High**—most reps hitting their OTEs year after year (the green curve in Figure 2 above) could indicate a too-easy comp plan. Organizations with easy-to-achieve comp plans can suffer from low productivity, stagnant growth, and account "hoarding," making it harder for new sales reps to break in.

OTE: On-Target Earnings

On-target earnings, or OTE, is a modern term essentially meaning "quota." It is the total compensation that a seller can expect if they hit their target—including base salary and incentive compensation—considering any accelerators that kick in once a certain performance is achieved.

Once quotas are determined, it is critical to communicate with the sales force about the specific mechanics and what-ifs of how the numbers were set. Generally, the plan structure (base, pay curves, and any special performance incentives) and the numbers themselves (quotas / OTEs) should be communicated in one session, one-on-one, with each seller. These sessions ensure sellers understand their compensation plans and decrease the chance of surprises late in the fiscal year. Good communication both addresses concerns and increases motivation.

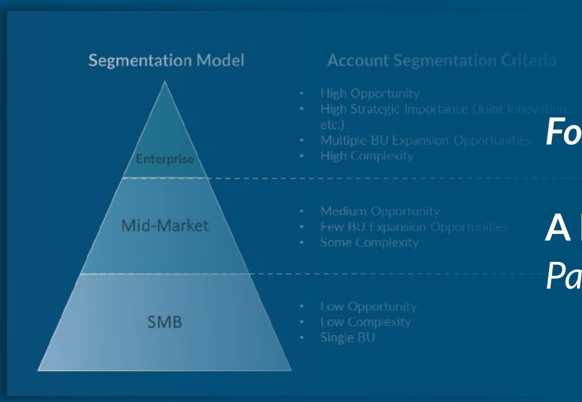
To maintain clarity and motivation throughout the year, continuously track and communicate seller achievement. Best practice is to send an email monthly to each seller showing their progress and detailing what their compensation would be today if the fiscal year stopped (or the quarter or half, if they are paid on those timeframes). These emails can be automated, but sales managers should be aware of what is being communicated instead of waiting for sellers to come knocking. This is the sales equivalent of the well-known mantra on annual performance reviews—nothing communicated at the end of the year should be remotely surprising to the employee.

Territory Design

Territory design in a B2B sales organization involves more than simply dividing sales territories among sales representatives. It is a strategic process that aims to optimize sales coverage, maximize revenue potential, and improve overall sales effectiveness. Smart design is critical; poor territory allotment can lead to high representative turnover and inefficient lead follow-up. However, when done correctly, optimization of sales territories alone can increase sales by 2-7%.[4]

Effective territory design efficiently allocates sales resources, ensuring that sellers have enough—but not too many—accounts or prospects to manage, allowing them to provide adequate attention and support to customers. This right-sizing drives growth, balancing challenging goals for individual sellers while also matching accounts with a seller's unique skills or capabilities.

Territory design begins with segmentation: Categorizing customers based on relevant criteria such as geography, industry type, company size, and customer needs and preferences. Well-designed segmentation schemas enable focused and targeted sales efforts while minimizing complexity.



For more on segmentation, read:

A Roadmap for Modern B2B Go-to-Market
Part 1: Growth Design

Options for Territory Segmentation

Historically, most companies' territories were designated mainly by geography, sometimes neglecting other vital components, such as revenue potential, vertical industry, or account size. This was due to the predominant face-to-face nature of selling; travel was expensive, and geographically clustered accounts helped control costs. This type of design is still used in face-to-face intensive industries like pharmaceuticals or where municipal legal boundaries form natural barriers, like insurance.

Reps constrained within a tight geographic footprint gain a deep understanding of the local market but can struggle to develop the expertise required to serve a wide range of accounts. Typically, geographic territories are a poor fit for companies with large, complex product lines or who serve a wide range of industries. In these cases, different methods of account segmentation are beneficial.

Product-Based	Account Size-Based	Vertical-Based	Dynamic	Geography-Based
+ Sellers specialize in specific products, and can provide detailed expertise to customers	+ Larger teams can effectively cover more use cases in larger accounts	+ Unique use cases can be described by industry experts	+ Optimal solution in time as leads are routed to the resource best suited to close	+ Efficient, easy, and stable solution, perfect for small accounts
- Lack of fungibility can cause inefficient resource stacking	- Fast growing small accounts can be under-covered, or see rapid switching of account reps	- Vertical experts are expensive, and travel tends to be high as industries are geographically dispersed	- Lack of stability in account coverage can lead to poor morale and buyer frustration	- Unrealistic for sellers to master each accounts' unique industry, structure, or needs

Figure 3: Five options for territory design.

Product-Based Territories

Product-based territories may be appropriate when use cases differ significantly between industries—or products differ by industry. Here, sales representatives focus on specific products and can give detailed information and support to their accounts. When territories are built around products, pre-sales specialist roles might not be needed, saving costs. However, when accounts use more than one product, overlap and unwanted competition can occur.

Account Size-Based Territories

Segmenting around account size is extremely common, especially for technology companies. Small accounts are typically assigned to more junior resources, while larger accounts are covered by more senior reps—or larger teams altogether. It isn't uncommon for a Fortune 50 company to have dedicated coverage (one rep only covering that account).

A rep assigned to small and medium-sized businesses might have 500 or more accounts in his or her territory. It would be impossible to have meaningful relationships with each, so typically, only those accounts that demonstrate interest receive real attention (other than marketing touches sent in the rep's name). Companies sometimes decide that smaller accounts should instead be covered by channel partners, such as value-added resellers (VARs), systems integrators (SIs), or even retail.

Industry Vertical-Based Territories

Industries have different needs, structures, and economics. The vernacular of other industries can be significantly different; it can be challenging to code-switch when shifting from manufacturing to healthcare to insurance. Buyers can sense when a rep doesn't know his or her stuff, making it harder to develop trust. Industry-based territories are typically used for large enterprises (typically more than 1,000 employees—although demarcations between account sizes are arbitrary). Reps assigned to cover industries typically develop their expertise over their careers, working for multiple companies. It is typical to recruit specific reps into industry coverage jobs, ensuring that their expertise can have an impact on day one.

Dynamic Territories

Dynamic territories consider geography, account size, product, and vertical. In this approach, leads are routed to the best sales resource depending on all four variables plus capacity. Leads are covered with optimal skills while not overburdening already stretched resources. This can help increase win rates, lead response times, and conversion rates, but it is not without downsides.

Dynamic routing eliminates the concept of ownership for reps, which is an important motivator. Without a set territory, agents must be confident in the routing algorithm, as conflicts concerning conversion credit are common. Because the unit of coverage is a lead, one rep can cover an account in one quarter and another in the next. The initial rep might have done most of the leg work to warm the follow-on lead, but crediting will go to the second seller.

Sizing Territories

Equitable and balanced territories maximize sales opportunities while keeping the sales team motivated. This means ensuring that each sales representative has a fair chance of meeting their target and that no territory is significantly disadvantaged. This balancing exercise must be done concurrently with quota setting, where the same balance between realistic likelihood of achievement and motivation is in play.

To balance territories, organizations must first evaluate the sales potential of each existing or "known" account. Typically, known accounts have active billings or a history of active billings in the past three years. Each known account should be characterized both by current billings and by account potential. Historical account size, growth, vertical dynamics, number of employees, and relevant products are typical inputs for a pro forma account potential model.

Adding and balancing unknown accounts can be more difficult because these companies typically don't already exist within the CRM system. The best approach to define this universe varies by company size: Larger enterprises can be discretely identified and scouted. For example, an analyst could be assigned to find all mid-sized insurance software companies by searching the internet and then adding these to a territory. However, when specific account-territory mapping becomes too complex, territories can be redefined by rules-based grouping. For example, all small software companies in the Midwest region might belong in a specific territory, and it's then up to an individual seller to find them (or handle them when they come in as leads).

With a list of scored accounts (or rules-based groupings), organizations can move to balance territories between sellers (or partners). Organizational, capacity, and role design exercises—discussed in our previous whitepaper—are key inputs, ensuring that territories have enough selling "weight" and role specialization. Estimating the workload required to cover each territory, including travel time, is critical. If a seller is assigned too heavy a workload, some accounts may not receive adequate attention. This process is iterative; in many cases, it results in the creation of new territories, which, in turn, necessitates re-balancing existing regions as accounts are reallocated.

When building territories, it is essential to take existing relationships into account. Sellers assigned to one account for multiple years have likely developed solid relationships and expertise. Switching too many sellers from account to account has the potential to decrease productivity.

Territory mapping software can help visualize data and optimize territory design. Territory mapping software combines GIS (geographic information system) technology elements with optimization routines. Sellers, accounts, and territory objectives can be loaded, and scenarios can be run optimizing specific metrics while constraining others. For example, a constrained number of account executives—say, one hundred—could be set while maximizing geographic closeness with a particular concentration of minimum industries within each territory.

Best Practices

Minimize Complexity and Stick with the Rubric

Territory design, like any optimization exercise, can have only one true objective (e.g., minimizing travel time or maximizing industry similarity); every other input is a constraint. Simple methods can easily be explained to sellers, thereby avoiding feelings of unfairness—perhaps the most common negative emotion when assigned a new territory.

It can be tempting to "break the rules" when building territories. A seller might want a specific account, or a manager might be tempted to manually move the highest potential accounts to the best historical sellers. However, these one-offs typically drive resentment for the individual left with the short end of the stick and, over time, create confusion. Instead of back-solving territories, get the assignment rubric correct up front and stick with the results.

Efficiency

While territories based solely on geography have lost favor to industry-, product-, and account size-based segmentations, including geographic location as an element of each territory, can help drastically reduce travel costs. Territories spread out over multiple regions or states require significant travel between customers and may hinder the ability of representatives to meet face-to-face. While this mainly applies to organizations operating through in-person meetings, it does not exempt more virtual companies. Accounts split across different time zones can also create challenges for representatives due to late or early meeting times, causing misalignment of working schedules. By assigning the right representative to the right territory (but not vice versa; see the previous best practice), organizations can leverage each seller's unique skills to enhance customer engagement and drive better results.

Annual Review

Stability is important to sellers. Stable territories enable sales representatives to foster relationships with customers, becoming experts on specific accounts as well as the industries and markets they work in. While territories should be simple and stable, accounts change, sellers are hired and leave, and entire verticals emerge. This process happens over years and decades, so territories must adapt to the times.

Even so, territories should not be adjusted mid-year. The implications for revenue attainment and compensation will be negative, no matter how well-intentioned the changes are. Instead, they should be adjusted in minor ways during the planning process each year. This should be done concurrently with an annual review of sales compensation.

Technology

In addition to establishing sales compensation, quotas, and territories, organizations must also equip sales teams with the necessary tools and resources. While traditional sales methods revolved around cold calls and landline phones, today's interconnected technological landscape and the multitude of customer engagement channels demand a more digital approach. This is what buyers prefer; 35% of B2B buyers are willing to spend >$500k or more through digital only channels.[5]

Transitioning to digital sales, however, requires acceptance throughout the organization. Many legacy firms struggle to implement the technology needed to build a cohesive omnichannel experience despite customers' demonstrated preference for digital channels for learning, shopping, and transacting. We will closely examine the motions of digital selling in the forthcoming "Part 3: Execution and Engagement," but here, we will first explore the technology infrastructure required.

B2B Go-to-Market Technology

Sophisticated sales operations can come with a steep overhead cost. Time spent cataloging leads and opportunities, segmenting accounts and buyers, and executing sales and marketing motions can cause marketers and sellers to miss out on key growth opportunities. Sales and marketing automation technology has the potential to dramatically increase human productivity by cutting down the time it takes to do these formerly manual activities.

However, technology can be more than a productivity enhancer. Account-Based Marketing (ABM) technology can "follow buyers" through their search, showing them the right offers at the right time and then providing them with a selling resource only when they are ready for a personal conversation. Content Management software can map the right whitepapers and presentations to specific buyer-product intersections. Customer Relationship Management (CRM) software knits account, contact, and opportunity data together for a complete view of an enterprise's pipeline.

Despite its incredible potential, implementing and adopting new technology has always been frustrating for go-to-market professionals. Implementation—the configuration, data import, and deployment of a specific piece of software—can cost tens of millions of dollars in consulting fees, often on customization that ends up neutering some of the best features of the original product. Even after a successful implementation, technology adoption requires a lot of evangelization, particularly with the sales force.

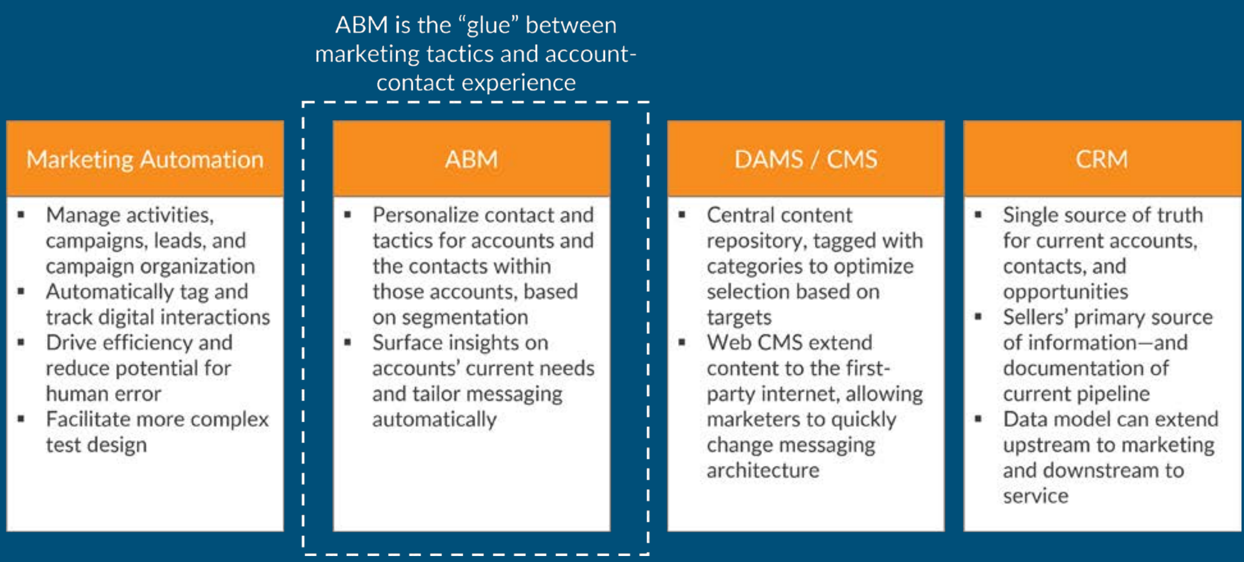


Figure 4: The four basic building blocks of B2B marketing and sales technology. Account-Based Marketing (ABM) can be confusing, but it is perhaps best thought of as the "personalization glue" between basic Marketing Automation and a lead's experience on third- and first-party websites.

Account-Based Marketing (ABM)

B2B buyers are no different than B2C buyers. Every time they open a web browser or an app, walk down the street, or watch television, they have one foot in the work world and one foot in the personal world. The buying journey they experience, just like that of a consumer, can span every imaginable channel and every imaginable publisher on those channels. Managing this journey from the customer's perspective is complicated; it is a natural use case for technology.

Marketing Automation technology can adapt and distribute campaigns and marketing collateral across these channels and publishers, targeted to individual buyers or ecosystems of buyers at companies, hence the term Account-Based Marketing (ABM). Orchestration of ABM campaigns requires a clear understanding of customers, accounts, relationships, and media behavior at scale—a perfect technology use case.

Customers respond better to more personalized interactions. Personalization was historically the domain of human sellers, but increasingly, it can happen up the marketing funnel. Third-party touches (e.g., banner ads on publishers outside your domain) can be tailored to a buyer or influencer's company name, department, or specific technology needs. ABM platforms ingest and process lists and firmographics but also adapt by considering customer actions and demonstrated interests, tailoring the learn-shop-buy journey until a lead is ready to hand off to a seller.

With an effective ABM system, organizations can identify new customers at any touchpoint and track where each account is in the purchasing process. By monitoring the online activities of accounts, marketers can automatically deploy online marketing content to drive engagements to the next stage of the buyer journey, optimizing advertising budgets across channels. Ongoing optimization tracks how effective each channel and piece of content is in driving lead progression, adjusting rules on the fly to improve performance.

Marketing Automation Systems

Marketing automation systems aim to take the most time-consuming aspects of marketing out of human hands, improving efficiency and reducing errors. A hybrid of project management, database management, and lead management systems, their data model is built around five key objects: prospects, leads, campaigns, assets, and activities.

- **Prospects** are uncontacted individuals—usually sourced via a third-party list—that might be targeted.
- **Campaigns** (and their sub-components, sometimes called cells or tactics) are organized containers of marketing efforts. For example, there might be a "drive cross-sell campaign" with email, direct mail, and retargeting tactics.
- **Assets** are the creative assets—direct mails, emails, videos, or any other types of content—that make up the elements of campaigns.
- **Activities** are the discreet interactions with prospects, such as emails sent or clicked, display ads clicked, or forms filled out.
- **Leads** are known individuals who generally show interest in a product (but not always).

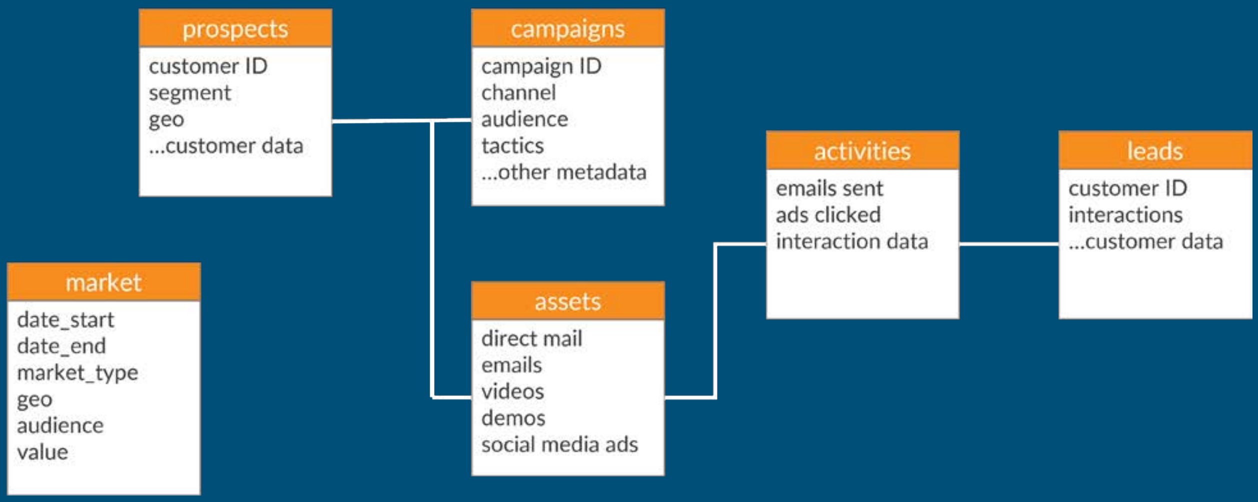


Figure 5: The basic Marketing Automation data objects. We need to keep track of the prospect universe, our campaigns, assets, and activities, and the leads they generate.

Marketing Automation Systems typically support two broad B2B direct marketing categories:

- **Push (Outbound) campaigns are designed to elicit a response from a prospect by explicitly asking for something.** These are almost all email-based. While still prevalent, their effectiveness for prospect outreach drops year after year. Most broad-reach email campaigns have meager response rates and sometimes can have negative utility. However, "push" can effectively activate known contacts with some relationship, usually via newsletters or value-added content.
- **Pull (Inbound) campaigns are designed to be found**—either through paid search or media—and then acted upon. This is commonly called content marketing. Most B2B prospect marketing campaigns are evolving towards this tactic.

Push (Outbound) Campaigns

Email campaigns for existing relationships remain a critical aspect of many marketing efforts. To optimize email effectiveness, content must be delivered to the right people, with the right messaging, and at a time when it is likely to be opened and not ignored. Automated marketing systems leverage historical data to personalize messaging and optimize timing for maximum engagement. Greater levels of personalization increase the chances of continued positive interactions and future sales, as 77% of buyers desire more targeted content throughout the buyer journey.[6]

Nurture or "drip-feed" campaigns are an excellent way to maintain customer interest without burdening a sales representative with consistent manual engagement and tracking. By monitoring prospect activity, marketing automation systems can determine when to send emails or retarget buyers on web properties to maintain interest. Specific actions can also be set up to trigger an email or targeted advertisement to move the prospective customer to the next stage of the purchasing process. This can be extremely helpful when working with smaller, less productive accounts that do not receive as much attention from the sales rep as their high-priority counterparts.

Pull (Inbound) Campaigns

Content marketing is increasingly popular but hard to do right. Content quality must be very high to drive a download—but the return can be astronomical, particularly if the content is directly relevant to the buying occasion. There is no shortcut to producing excellent content, but marketing automation platforms can make converting that content to leads and revenue much more efficient.

HubSpot, one of the early marketing automation leaders, started as a content marketing platform. In the HubSpot model, landing pages for content are generated by the marketing automation platform. These pages are hosted inside a company's website (content management system). Alternatively, pages can be tagged with cookies and embedded with content download forms that integrate into the marketing automation system.

In either case, once content is downloaded and forms are filled, a lead is created, which can be nurtured (by marketing—see drip-feed campaigns above) and handed off to sales as an opportunity.

Popular Marketing Automation Platforms: HubSpot, Marketo, Eloqua, and Salesforce Marketing Cloud

CRM / Salesforce Automation Systems

Customer Relationship Management (CRM) systems—called salesforce automation systems—are essentially centralized databases organizations can use to track accounts, contacts, opportunities, and sales activities. CRM systems are to sales and marketing what enterprise resource planning (ERP) systems are to finance and operations. In a way, their data tables become the operation they are meaning to organize.

While every company's CRM system will be customized, the primary objects remain the same:

- Leads are usually linked with the Marketing Automation system. Leads are passed from Marketing to Sales. Leads can be converted into Opportunities once qualified. This is the infamous marketing-sales handoff—generally a point of friction.
- Accounts represent each company that a seller company does business with. Accounts can be hierarchical, with headquarters, subsidiaries, and branch offices.
- Contacts represent each individual inside an account and contains information about their role. When contacts move between companies, this can be mapped.

- **Opportunities** represent a potential deal. Opportunities generally have stages of likelihood, and won opportunities are converted into sales.
- **Products** are sometimes linked to the ERP system and are the specific things that can be sold into an account. They typically have pricing logic embedded.

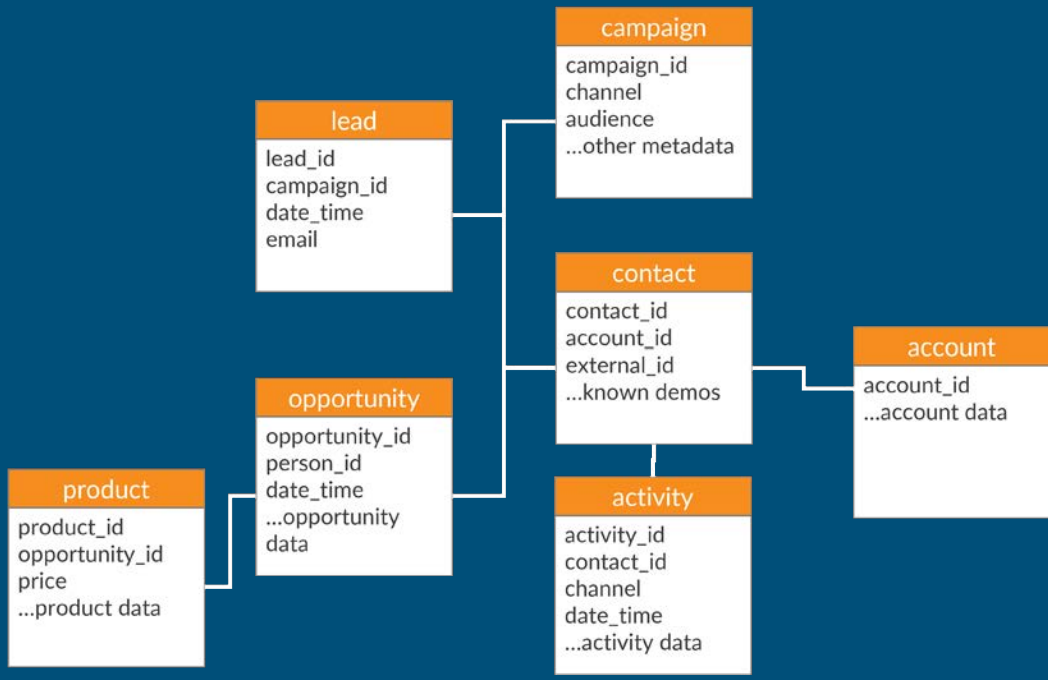


Figure 6: The basic CRM data structure. Contacts are members of accounts; opportunities are assigned to contacts; and we track our activities against those opportunities.

CRM systems provide value throughout the sales funnel. With centralized customer data, every customer-facing team works with the same up-to-date information about accounts. Managers can easily measure gaps-to-goals for leads, meetings, and bookings and quickly adjust, adding efforts in soft areas. Access to a single source of truth list of updated contacts and accounts also helps avoid redundancy and double coverage.

Organizations can also follow individual contacts at accounts. With large numbers of customer contacts in the CMS, it can be challenging to keep track of certain critical information, such as when individuals move jobs or get promotions. Integrating CRM systems with other programs, such as LinkedIn, can provide alerts for significant changes, potentially opening doors for new business and generating new leads.

Newly generated leads can also be routed to sales representatives through the CRM. Organizations can set assignment rules based on a round-robin format or according to sales territory design using criteria such as zip code, lead score, or product of interest. Sales performance on these routed leads is tracked through the CRM and can be automatically analyzed to produce actionable insights for management and sales representatives to improve performance. This reported sales data can also quickly turn into reliable forecasts through the system to predict future performance. Analytics and projections can be customized and organized into dashboards to show only relevant and essential information for the user.

Popular CRM Platforms: Salesforce.com or "SFDC," Microsoft Dynamics, Zoho CRM

Digital Asset Management Systems (DAMS) and Content Management Systems (CMS)

Content is increasingly king in B2B marketing. Rich, value-added content, such as whitepapers, PowerPoint presentations, videos, and articles, drives higher engagement than old-fashioned "call me" type messaging. Buyers are burned out on sales calls; they want information and, in many cases, are willing to listen to a soft sales pitch in exchange for this information. This implicit quid pro quo is increasingly the basis for many sales leads.

However, not all content is right for every audience. Engineering-minded buyers need technical content, and businesspeople need content that quickly reaches the main points. One piece of "core" content—usually a detailed framework—can spawn many tailored pieces designed for specific audiences or used in different channels.

There are two layers of content management technology in most B2B organizations. The first layer is the Digital Asset Management System (DAM). This content database serves as the upstream "source of truth" for content. It holds PDFs, text, video, emails—pretty much anything marketing or sales use in the go-to-market process.

In a DAM, content is collaboratively edited in the cloud, enabling marketing and sales to access, edit, and use it from anywhere. This centralized collection of collateral can also be organized into folders or workstreams for more straightforward navigation and access based on designated individual roles.

CMS's are increasingly integrated with DAMs. They deliver content to audiences digitally on a company's website, pre-authentication or post-login. Initially, a CMS was synonymous with website software. Open-source frameworks like Drupal and WordPress allowed marketers to bypass HTML and CSS coding to generate websites quickly and scalably—their taxonomy, pages, assets, and tags. Now, CMS systems are designed to deliver content anywhere on first-party digital properties and to integrate with third-party publishers. Content can be tailored for specific audiences or individuals amid a buying decision (the retargeting use case.)

Headless CMS systems automatically adapt content into any presentation format—for example, a document can be rendered automatically as mobile-optimized text, a PDF document, or a laptop-scale webpage—so each content item only needs to be created once. Generative AI promises to push headless CMS further, potentially automatically morphing text-based content into visual content and even video.

Popular DAM and CMS Systems: Adobe Experience Manager, Drupal, WordPress, Salesforce Experience Cloud

Putting it All Together

A best-in-class B2B go-to-market organization deploys each of these technologies to deliver a seamless experience to customers. Customers don't know or care whether they are a lead or an opportunity, what territory they are in, or what channel partner they have been assigned to. However, the data silos that can emerge between systems can result in customers "experiencing a company's org chart"—which is never a good thing.

The integration job required to knit together Marketing Automation, CRM, CMS, and ABM systems can be as or even more challenging than implementing individual systems. This work is about data: where it originates from, how it is transferred, and how categories are defined. Category mismatch—when the taxonomy defined in one system doesn't match that in another—is extremely common. Something as mundane as the options in a picklist in one system not matching those in another can cause major downstream disruptions.

Integration challenges can be minimized by defining and widely sharing the data schemas of each platform. For example, the industry hierarchy definition in CRM should match the definition in ABM and Marketing Automation. Furthermore, when changes are made to company-wide taxonomies, there should be a clearly defined method for propagating these changes through each system.

Best Practices

Marketing and Sales Collaboration

A typical sales and marketing dashboard (enabled by the integrations mentioned above) allows teams to operate in tandem. With information from Marketing Automation, ABM, and CRM in one place, the marketing team can see how their leads are converting to sales, and the sales team can better understand how leads and accounts behave outside of their scope.

One of the most common seller complaints about marketing is poor lead quality. Good marketing automation platforms dynamically score leads, ensuring they are handed off when they are likely worth pursuing. Machine learning models—which use signals like title, company size, industry, marketing behavior, velocity through stages, and company news—can predict which leads will convert and which are likely a waste of time. Best practice marketing organizations update their scoring rubrics continuously to account for the signals of a valuable lead.

Focus on Use Cases, Not Features

Before investing significantly in technology, organizations should first document their current marketing and sales business processes absent technology. These use cases should be cataloged into "keep," "improve," and "discard" buckets.

Keep use cases should be replicated in the new software. It is essential to vet that the software can support these; we have seen too many occasions when a "basic" feature—like uploading external lists to run a mail campaign—was assumed to work, only finding out it was pretty much impossible (or incredibly clumsy) when it came to implementation.

Improve use cases are current processes where the new software can improve efficiency and effectiveness. For example, a drip campaign might be in place based on manually tagging a lead or contact as "interested," with a standard, unchanging set of activities scheduled at various intervals. This campaign might be improved with software by adding dynamic content, activities, and automated initiation.

Discard use cases are usually obsolete processes made redundant by technology. It can be tempting to port all existing processes onto new technologies, but asking whether these processes are genuinely needed is worthwhile. For example, say new leads are reviewed in a weekly meeting between marketing and sales. Each lead is examined and transferred if they meet the sales teams' criteria. This might not be necessary with an AI-based lead quality tool that a new software provides. Identifying and eliminating these redundant processes is critical to driving the efficiency gains that marketing and sales automation software promise.

Creating new use cases based on the platform's capabilities can be tempting. After all, this is how software vendors market and sell their products. Vendors display features, and executives base their decisions—consciously or subconsciously—on those features. Even so, new features should only be adopted if their use cases can be clearly defined as net beneficial for the business.

Align Budgets

The price tags for large enterprise implementations of Salesforce or Adobe can total up to $50 million over three years—and that's just the setup. Post-setup, per employee, per month (PEPM) fees range from $100 to $500. CFOs are understandably hesitant to invest this amount of money into non-working dollars or to take on a significant ongoing operating expense.

There are significant diminishing returns on technology spending. While the big enterprise players offer more bells and whistles, a 10X price increase might only provide 10% more functionality. There are excellent "basic" options for CRM, marketing automation, and content management systems. For example, HubSpot offers a free CRM for businesses to log and track marketing and sales interactions. Although this probably won't remain free forever and may not have all the bells and whistles that Salesforce's "Unlimited" platform offers for $330 per user per month, it is an excellent option in budget-constrained situations.

Data Integration

When adding new marketing or sales automation software into a business, most enterprises face a data "chicken or egg" problem: does the system create its data, or is it dependent on other systems for its functions? The answer is almost always "both," depending on the use case. For example, the customer database in a CRM instance must start somewhere; keying in each account from scratch isn't feasible. However, at this point, decisions must be made on whether the CRM system will be the source of truth, the master data, or whether it will depend on another system—say, ERP—for its account hierarchy.

Each one of these decisions is critical. To aid in defining the data strategy (sometimes called a master data management strategy), each key data object (a database table or a dataframe in a data lake) should be identified, with two key attributes defined:

1. **Initial Source**—Where will the first snapshot of data come from?
2. **Ongoing Updates**—Should the table be:
    a. The source of truth (master data)
    b. Updated one-way from an upstream master source
    c. Update both ways (sync)

Integration tools and platforms like Zapier or MuleSoft can reduce time-to-market and make data pipelines easier to build, but they do not replace the hard work of defining the rules for data flow. The most straightforward use case is the system becoming the source of truth (origin point) for new data. In this case, a read-only query from other systems will suffice, whether done via API or updating a central data warehouse.

Likewise, the use case is fairly simple if the new system needs to read data from other systems. However, timing and speed can be limiters. For example, if an ABM system needs access to an account's purchase history to make a real-time segmentation decision, any API call must be tested for speed and uptime. A safer solution could be to cache the necessary data in a temporary table updated daily or hourly.

The "sync" or bi-directional update use case is most difficult and should be avoided unless absolutely necessary. In this case, each field in (at least) two systems must be logically identified as primary or secondary. If primary, then updates to this field would take precedence; if secondary, vice versa. True syncing, where updates in any one system overwrite those in all others, is possible but dangerous. Even if archiving past values, conflicts can easily occur, creating a morass of bad data.

Data pipelines must be tested rigorously before deployment to avoid costly stoppages in workflow. All SaaS marketing and sales automation platforms offer sandbox versions, but testing data flows can be more challenging. It is difficult (and expensive) to set up a complete sandbox version of the enterprise data warehouse, extant marketing technology, and the new system to ensure flows will work. Instead, quality and testing teams should focus on bite-sized tests of real-world data transfers. In other words, real accounts, names, and behaviors should be used in tests to capture the greatest number of possible edge cases.

Usage

Once technology is deployed, it has to be used. Technology operates like a flywheel; it generates value only when users enter data, which in turn provides value for more users who enter more data, and so on. With this in mind, it's not surprising that the most common failure point—particularly for CRM—is poor utilization. Sellers, in particular, avoid using technology, instead creating their own spreadsheets and home-grown methods to achieve their quotas.

To gain user adoption, technologists must become marketers. The features that initially drove the selection of a given platform should be described and sold to the users. Users need to understand that their data will make the platform better—and should understand how to take maximum advantage of the features that will make their lives easier (and get them paid.)

Initially, paying users—particularly sellers—might make sense to use the technology. Managers are understandably reluctant to spend on anything other than end results, but at least for the first year, paying for data can make sense. After all, companies pay for third-party data. Data entered by a company's employees is automatically first-party and owned—and is almost always higher quality.

Revenue Analytics

Marketing and sales analytics are the left brain of the B2B go-to-market organization. "Analytics" comes from the Greek *ana leuin*, meaning "untying a knot." Analytics isn't necessarily quantitative; analysts are tasked with getting to the truth, given complex information.

Five Key Jobs to be Done

There are five basic jobs (see Figure 7) for a marketing and sales (go-to-market) analytics team, ranging from basic (what) to arcane and complex (how, what's upcoming).

- ***The What*** job is about reporting the facts. How many leads are we generating, how quickly are leads moving through the funnel, how much are we spending on marketing, and how is each rep doing versus their goals? This is the most basic, and also the most important, "table stakes" job. Fortunately, it can be mostly automated via business intelligence tools.

- ***The Why*** job is most akin to "untying a knot," the true analyst job. Analysts answer never-ending ad hoc questions from executives on almost any topic imaginable. This process cannot be automated; analysts need fast access to clean data and sound data science tools to get results.
- ***The Who*** job has to do with accounts and customers—segmenting them, targeting them, and getting them the right content. It provides the strategic input for Account-Based Marketing (ABM).
- ***The How*** job is about measuring marketing and sales: How did we get this lead? And what can we do to get more of them? In B2C companies, media mix modeling (MMM) is commonly used to get these answers. This is trickier for B2B companies—but just as critical.
- ***The What's Upcoming*** job predicts what customers will do or respond to. It is the "action" side of account-based marketing and depends on machine learning techniques (predicting and classifying based on signals).

WHAT?	WHY?	WHO?	HOW?	WHAT'S UPCOMING?
How much, how many reporting showing progress-to-goals, conspicuous misses, and areas for increased investment	Answers to questions and analytics-generated insights that lead to big decisions	Audience-profiling, segmentation, and persona development	Multi-touch attribution and marketing mix optimization	Predict customer attitudes and actions and intercept at the right time
End-state: 80% automated	**End-state: 20%** automated	**End-state: 50%** automated	**End-state: 50%** automated	**End-state: 80%** automated
▪ Sometimes seen as table stakes, but it is difficult to get right ▪ Typically solved via: – A marketing performance database, with a well-built metadata infrastructure and… – Tabular OLAP-ish reporting such as Business Objects ▪ Dashboards can help—but they are not a panacea	▪ Driven by data detectives—a specific archetype of data scientist who are impatient to get to meaningful answers with multiple levels of digging ▪ Empowered by: – Clean, comprehensive data, whether in "lake" or "warehouse" format – Fast compute environments and open-source, reproducible tools (R, Python)	▪ A clear understanding of the audiences that the brand is successfully or unsuccessfully connecting with ▪ Based on a three-part combination of behavioral data, purchased data, and primary research ▪ Can leverage audience dashboards, but ultimately must be enhanced with clear, audience-focused analysis and storytelling	▪ What most business owners really want—a clear answer to what channels are driving what value, and how much more or less to invest in each to reach the efficient frontier ▪ Requires some combination of econometric time series analysis, last-touch attribution, and prospect-graphs ▪ Empowered, again, by fast compute environments and open-source tools	▪ Known as "predictive analytics" or "machine learning" ▪ The goal is to build algorithms that correctly classify customers (for example, by their optimal service…) ▪ …or predict when and which customers will do something ▪ Correctly instrumented, sets of predictive models can create individualized experiences that drive value

Figure 7: The five key revenue analytics jobs.

The What: Reporting

Reports function as the daily lifeblood of sales and marketing executives. Accurate, near-real-time data on what's working and what isn't provide the guidance needed to adjust territories, campaigns, compensation, channel mix, and other levers to hit annual goals.

Types of Reports

Activity-Based Reports

Activity-based reports provide insights into the actions and engagements that drive a B2B marketing and sales process. They highlight the day-to-day activities of sales and marketing teams and their interactions with prospects and customers.

Lead Generation Reports track the volume and sources of leads entering the sales funnel. They offer a granular view of which marketing initiatives are bringing in potential customers and track:

- The number of new leads generated in a given period by source or channel
- The sources of leads, such as webinars, whitepapers, trade shows, or organic search
- Lead-to-opportunity conversion rates
- The lead response time and follow-up efficiency

Engagement and Interaction Reports measure how prospects and customers respond to marketing and sales efforts. They help assess the effectiveness of different content pieces, channels, and sales strategies. Like most reports, they depend on good categorical tagging (metadata). Typical engagement and interaction reports include:

- Email engagement metrics, including open rates, click-through rates, and conversion rates
- Social media interaction levels measured by likes, shares, comments, and direct messages
- Webinar and event attendance and participation rates
- Number of touchpoints before a lead converts
- Time spent on key web pages or content assets

Performance-Based Reports

Performance-based reports, on the other hand, look beyond activities and assess the results and outcomes of sales and marketing efforts. They serve as an indicator of the overall health and efficiency of your go-to-market strategy.

Sales Conversion Reports measure the effectiveness of the sales process by tracking how leads move through the sales funnel, eventually converting into opportunities and finally into sales. Sales conversion reports are rate-based reports concerning motion, speed, and effectiveness. Typical sales conversion reports include:

- The conversion rate of leads at each stage of the sales funnel
- The average length of the sales cycle from initial contact to close

- Seller and territory conversion rates, average deal size, and time-to-close

Pipeline and Revenue Reports offer visibility into the current and future health of the company's revenue stream by tracking leads and opportunities by stage. They help understand the total pipeline value at a given point in time, how it is distributed across stages, and how it is moving. Pipeline reports can be further divided into balance sheet reports, which track value by stage at a snapshot in time, and income statement-type reports, which track how many leads, opportunities, or dollars move from one stage to another in a given period. Typical pipeline reports include:

- Average deal size
- Total number and value of opportunities by pipeline stage
- Pipeline velocity
- Win/loss ratio, at a point in time and over time

Campaign Performance Reports assess the effectiveness of specific marketing campaigns in generating interest, leads, and, ultimately, revenue. Typical campaign performance reports include:

- Campaign reach and frequency versus target audience
- Number and value of leads generated from each campaign, the cost-per-lead, and the cost-per-dollar
- Campaign return on investment (ROI) and cost per acquisition (CAC)
- Ultimate lead-to-opportunity conversion rate by campaign

Forecasting Reports

Forecasts allow B2B companies to anticipate future sales and market movements, hopefully avoiding surprises. They can be done in two very different ways: scientifically and financially. Scientific forecasts try to determine the most likely outcome based on what is known. They are true forecasts.

Financial forecasts are goals that the finance department collaboratively develops with sales and marketing. They are committed to by the go-to-market team, and then finance uses those forecasts in its commitments to the board and, ultimately, to investors and lenders. Marketing and sales may push back on finance-driven forecasts if they feel overly aggressive or unrealistically optimistic.

Sales forecast reports anticipate revenue and diagnose areas of potential concern—whether specific seller territories, products, verticals, or geographies. These reports use historical sales data, win rates, and sales pipeline analytics to estimate future sales. Reports typically include:

- Expected (scientific) sales volume over a given period, considering seasonal trends and sales cycles
- Probability of closing opportunities currently in the pipeline
- Analysis of forecast accuracy over time to refine predictive models
- Financial forecasts (commitment) revenue by period (monthly, quarterly, annually)
- Forward conversion probabilities at each funnel stage

Customer Reports

Customer reports provide insights into the cost of acquiring customers, their value over time, and the results of targeted marketing efforts, which are vital for making informed strategic decisions.

Customer Acquisition Cost (CAC) reports calculate the total cost of acquiring each new customer; this data is crucial for understanding the efficiency of marketing efforts and guiding budget allocation. CAC depends on the Measurement (How) job—which has to consider not just the last touch marketing channel that drove a lead but also upper-funnel impacts and the contributions of the sales team.

Customer Lifetime Value (CLV) reports sum the discounted value of future revenue or profit expected from a given customer. This helps in deciding how much to invest in acquiring and retaining customers. CLV reports use historical data to estimate future cash flows. Concretely, customer churn rate, margin, and average purchase value (monthly or otherwise) are used to forecast the value of the entire relationship with a customer.

Reporting Best Practices

Quality

To be trusted, go-to-market reporting must match reality. Sales reps and marketers know what is broadly happening in the market and their accounts; if reports don't have "prima facie" or "face" validity, they will quickly be abandoned.

When implementing business intelligence reporting, start simple. While one might want the laundry list of reports discussed in the previous section on day one, starting with one report (e.g., the balance sheet view of the pipeline from leads to opportunities to sales) is often a better approach. Once that report is trusted and used, the analytics team can move on to tackling other challenges.

Establishing a common data language—sometimes called a taxonomy—is also a critical enabler for data quality. Channel, audience, geography, and product categories should have the same set of possible values in every system—including every source system. As noted in the Technology section above, designing CRM, Marketing Automation, ABM, and CMS systems with the same "picklists" will make it much easier to build accurate reports.

Duplicates are a common problem for go-to-market reporting. Duplicate contacts and accounts plague CRM systems, and duplicate prospects and leads commonly gum up Marketing Automation systems. While there are automated tools that can scan for likely dupes, the process of weeding them out almost always requires human intervention. As always, removing upstream duplicates in the source system is easier than in downstream data warehouses, dashboards, and reports.

Data Integration

There are two basic options for sourcing data for dashboards and reports: Centralized or using the software's one reporting suite. Salesforce.com, for example, has a robust reporting and dashboard capability. If using an all-Salesforce stack, it might be possible to do all go-to-market reporting in one place. The advantages of this approach, at least on paper, are significant: there is no extra cost; data pipelines don't need to be created; and data in reports are updated instantly.

However, this is usually not a feasible approach. Even if all go-to-market automation technology is centralized with one vendor, many data sources must be considered. Financial, third-party agency vendors, surveys, and other data sources must be imported. At this point, these source systems' reporting capabilities will likely be overwhelmed.

It is thus generally preferable to adopt a centralized data warehouse (or data lakehouse) approach. In this approach, all marketing, sales, relevant financial, and third-party data are integrated in one place and updated frequently. Data flows into this central system are always one-way, from the source system to the warehouse, and can be made nearly real-time using the APIs that modern martech tools now support.

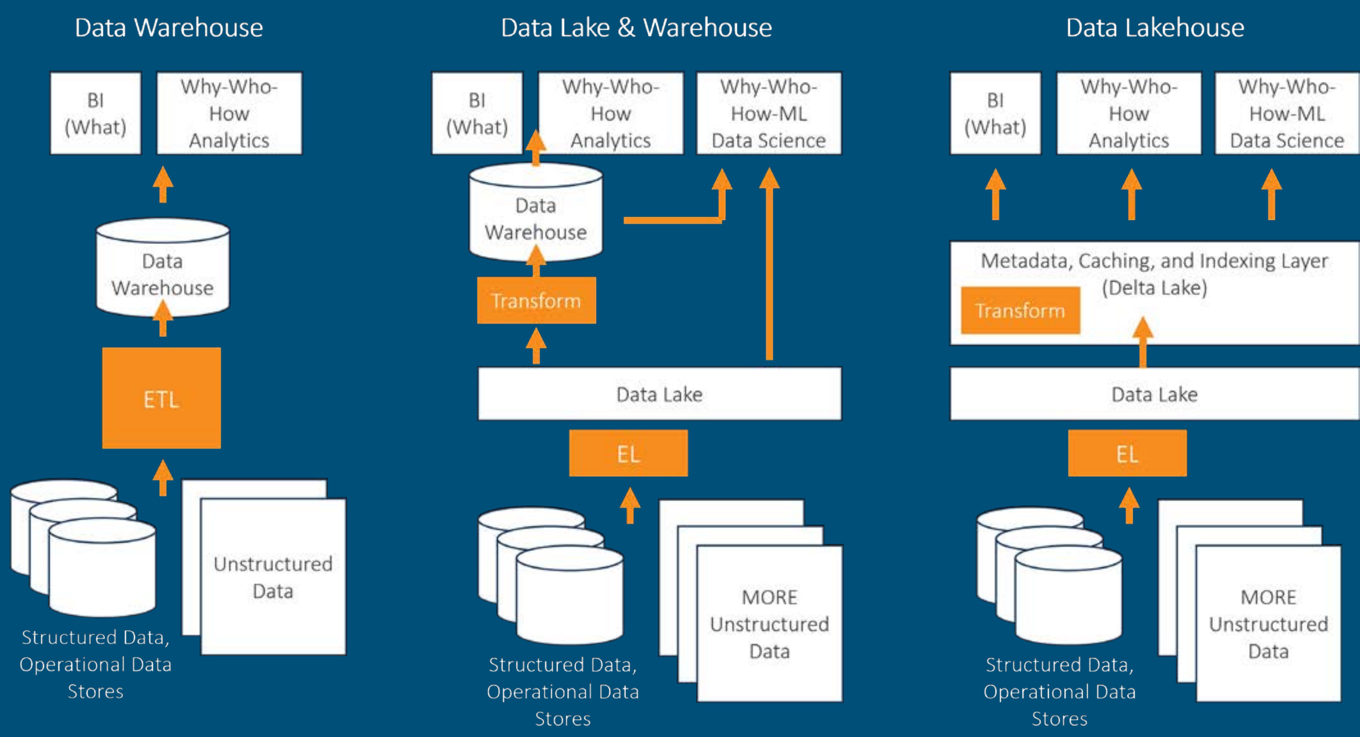


Figure 8: Three options for centralized data storage. The traditional data warehouse uses a relational database; adding a data lake gives analysts more flexibility; and a lakehouse abandons the relational database for a flexible schema data lake with bronze, silver, and gold levels of data quality. Many marketing and sales organizations are migrating to the lakehouse model, made popular by DataBricks.

Simplicity

Not everything should be a dashboard. As much as users and executives seem to want “eye candy,” most dashboards are over-designed, have too many visual elements, and seem to have been a competition to see how many graphical widgets could be added to one page.

The most used reports in B2B go-to-market organizations are tabular. They lay out rows, columns, and numbers. While “visually uninteresting,” these reports contain precise data that can be easily understood—and even copied into a spreadsheet for further analysis.

Charts do have their purpose, of course. Trends over time and apportionment of value between categories (such as channels) are almost always better displayed visually. However, before converting a table to a graphical element, ask if you are clarifying the story. Also, consider leaving the table in the report so the user can access the raw numbers without clicking anything.

The Why: True Analysis

Marketing and sales analysts are simultaneously the glue and the lubricant of a well-functioning commercial team. They perform the connective jobs and analyses that otherwise wouldn’t get done. The only thing consistent in their day-to-day is the inconsistency and diversity of their tasks.

Because their tasks are so inchoate, making the case for “data detective” type resources can be difficult. True analysts possess a combination of business and data science skills, are very curious, and are open to new ways of thinking. They also need to be reasonably good communicators.

It is common for analysts to emerge from entry-level sales positions. Business Development Rep (BDR)—the typical title for a sales scheduler and usually the first rung on the sales ladder—can be a grueling job. Often, frustrated BDRs resort to data analysis to find a better way to target and reach buyers. While these side jobs often frustrate the sellers they are assigned to, they represent potential in B2B go-to-market analysis.

Analysis requires the right kind of environment. While there are many options, there are three must-have requirements. First, analysts must have fast compute and cheap, limitless (in practice) storage. This means they should be able to handle anything from a small spreadsheet to a massive list of prospects or a log file from the website without submitting tickets, adding special storage, or jumping through procedural hoops.

Second, the analysis must be reproducible. Often, analyses make it into PowerPoint documents that cannot be replicated. A reproducible code base and good library skills minimize the potential for major decisions being made based on erroneous analyses and prevent the need to recreate a report from scratch in a year (or more) when resources move, and memories fade. Reproducibility depends on a text-based data science language—like Python, R, or SQL—and version control software, like Git and its cloud partner, Github.

Finally, analysts need data access. While IT has a critical security mandate, the hoops analysts jump through to access data from other systems or outside vendors can often delay work by weeks or months—or prevent its completion altogether. There is a case to be made that the most critical job for a head of go-to-market analytics is "path clearer" for the team, ensuring data access is granted in a timely fashion.

The ad hoc nature of "Why" analysis demands an agile project management approach. Agile project management, which seeks to deliver value faster while shortening the distance between doers and stakeholders, has become popular over the past two decades—particularly for software development. While "full agile"—with its Jira boards, complex backlogs, and high management overhead—is overkill for go-to-market analysis, a simple Kanban approach to listing, defining, and prioritizing tasks works very well.

In this approach (with a simple example in Figure 9), the analysis team maintains a list of cards, each defining the question asked, the stakeholder, and the due date. Cards are moved weekly or bi-weekly, and new cards are added as they come in. The team leader can then understand what's being worked on and when it will be done—and can communicate timelines to customers.

WHAT? "How much, how many" reporting showing progress-to-goals, conspicuous misses, and areas for increased investment	WHY? Answers to questions and analytics-generated insights that lead to big decisions	WHO? Audience-profiling, segmentation, and persona development	HOW? Multi-touch attribution and marketing mix optimization	WHAT'S UPCOMING? Predict customer attitudes and actions and intercept at the right time (ABM Action)
Add percentage to revenue chart 11/1	Post-mortem for LinkedIn campaign 12/1	Add role profiling to CRM 11/10	Refresh MTA using first-party data 11/1	Predictive model for lead value 12/1
Connect Salesforce.com to lead dashboard 11/5	Dig into drop in Territory A performance 12/10	Profile new leads coming through LinkedIn campaign 11/20	Connect with agency for above-the-line spend 12/10	Explore AI Chatbot for seller scripting 12/10
QA Q1 results in pipeline dashboard 11/10	Explore mapping Counties to DMAs 12/20	Build executive attitude polling tool for sales reps 11/25	Incorporate attitudes into two-stage MMM model 12/20	Update forecasting model for 2024 12/20

Figure 9: Example of a simple Kanban board for a B2B go-to-market analytics team

The Who: Targeting and Profiling

As discussed in "Part 1: Growth Design" of this series, B2B targeting must consider three unique dynamics: segment targeting, within-segment targeting, and within-account segmentation. Thus, the analytics team needs to understand the entire market all the way down to individual buyers and influencers inside companies.

From a data perspective, this means integrating up to six different types of data to create the target lists and buyer archetypes needed for marketing and sales execution:

- **Segment and Within-Segment Targeting**
    - Overall industry trends, including reports produced by governments, industry trade groups, and equity analysts
    - Third-party company firmographic data, including both public sources (10-Ks, SBO data) and purchased sources (D&B, LinkedIn, ZoomInfo)
    - Third-party behavioral data, including purchase intent data from companies like Bombora and TechTarget
    - Owned company data, generally sourced from the CRM system, including past purchase activity, current subscriptions, and locations
- **Within-Account Targeting**
    - Owned contact data, also generally sourced from CRM, including title, role, and inter-company movement
    - Survey data, including qualitative and quantitative research on the different archetypes of buyers and influencers in companies and what they value in solutions and products

Account Targeting

Parsing the account landscape is a “smaller data” job, typically entailing a maximum of a few hundred thousand accounts. Segmenting large accounts can be simple, typically using rules to categorize accounts based on industries, total revenue, or number of employees. However, complexity arises due to the underlying hierarchical data structure of the enterprise. For example, larger accounts might have tens or hundreds of branch sales offices. Other companies might have different business units in different cities—for example, a vaccine business in New Jersey and a therapeutic business in Maryland. Franchises are even more challenging. Tens or hundreds of franchisees might own hotels and restaurants under one brand banner.

To tackle this problem, analysts need to master the hierarchical table structure of accounts. Ideally, this will be reflected in the CRM system, where each table can be imported into the data science environment with joining IDs included. Saleforce.com, for example, has a concept of “unlimited hierarchy,” where a parent account can have unlimited levels of subsidiaries hanging below it.

When building segments, analysts will need to understand precisely at what level accounts should be assigned (from an analytical perspective) and at what level they can be assigned (from a business reality perspective). For example, say that buying decisions are made at the franchise level for a restaurant chain. In this case, allowing franchise “families” to fall into different segments might make sense. However, these decisions generally are subordinate to business constraints; corporate guidance might be that segments must include all corporate subsidiaries.

Within Account Targeting

Ultimately, *the Who* job in B2B go-to-market analytics is about understanding buying relationships and ecosystems—the foundation of Account-Based Marketing (ABM). While ABM software—described above—operationalizes these concepts, the analytics team will always be out in front, mapping the complex web of relationships and influence within target accounts.

Using CRM data, key players within organizations can be categorized, including decision-makers, influencers, and end-users, whose involvement is crucial in the sales process. Decision hierarchies can then be mapped, considering the power dynamics and approval chains that could impact the purchase decisions.

Primary research can be woven together with behavioral (CRM) data to provide further insight into buyer and influencer archetypes. Qualitative research—interviewing buyers and influencers about how they make decisions—is a helpful first step in understanding how accounts operate. This can then be followed by quantitative research to hone in on specific value propositions, title naming conventions, and other details that will be useful in account-based marketing.

Whatever the source of insight to characterize buyers, influencers, and their relationships, any within-account segmentation exercise is only as good as how it is operationalized. Segments must be assigned back to leads in the marketing automation / ABM system and contacts in the CRM system with reasonable accuracy—say, 80%. This is where most segmentation and targeting exercises fall down, but several best practices can be followed to make success more likely (see Figure 10 below.)

Defining the actionability requirements upfront (2 and 3 in Figure 10) before beginning segmentation work is a critical but often missed step. If the overriding objective is perfect segment scoring, primary research might not be feasible. If needed, the questions that will be used to match research results to ABM and CRM databases (sometimes called “typing” questions) should be defined upfront before any other part of the questionnaire is designed. An even better approach is sampling only known contacts from your CRM system. This allows you to append insights to a “real” person, making the machine learning classification job much more precise.

The rate of true positives when assigning a contact or lead to a segment or persona is sometimes called the “assignment rate.” It is rare for this rate to get over 80%; anything over 70% should be considered excellent. The nature of the classification problem further compounds the difficulty; the predictive model not only has to put the contact into the right bucket, but it also has to not put it in another three, four, or five buckets. This is a “multinomial classification” problem and is one of the most challenging jobs in go-to-market data science.

10 Steps for Building Foolproof Customer Segmentations

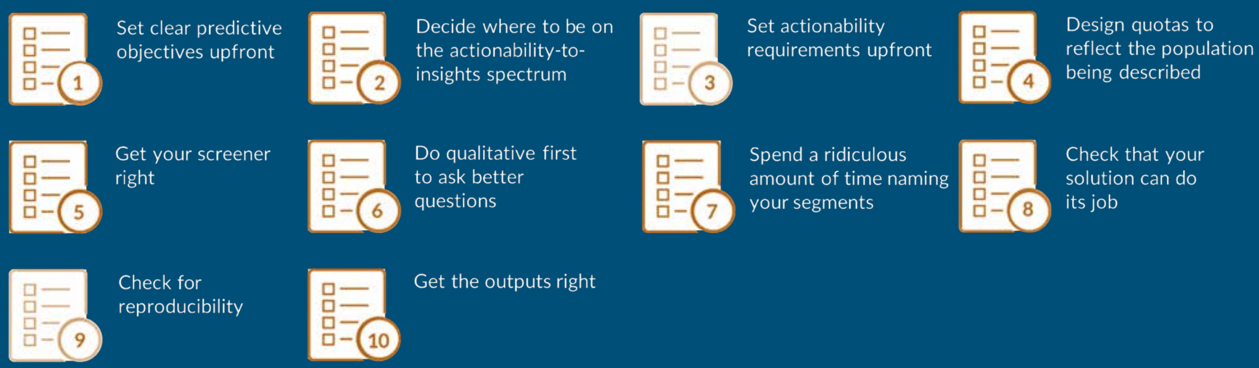


Figure 10: MarketBridge's framework covers these ten steps to ensure actionable segmentations. Clear scope (1,2) and pre-determining how assignment will be done (3,4) are most important.

ACCESS THE FRAMEWORK >

The How: Measurement

Marketing measurement is a hot topic. Everyone wants to know what investments work and which should be cut. In B2C marketing, there is a long history of using econometric models—called media mix models or MMMs—to understand how the marketing mix works together to drive sales. Digital marketing led to the creation of multi-touch attribution models or MTAs, which chain together events that a lead or sales have experienced on the public internet to apportion value to each channel. While marketing measurement isn't easy in the B2C space, the large volume of data in B2C spaces makes statistical inference possible, whether at the aggregated level (via MMMs) or at the discrete, deal, or customer level (MTA).

B2B marketing effectiveness measurement, on the other hand, presents several distinct challenges that require a more nuanced approach to capture the full spectrum of marketing's impact:

- **Small-n Deals**: B2B transactions often involve large deal sizes but a smaller number of transactions, complicating statistical inference. Each deal is significant, so individual wins or losses can throw off models. Measurement must be sensitive enough to account for the high stakes and low volume of B2B deals.
- **Multiple Objectives**: B2B marketing has more complex objectives, including awareness building and demand generation, expanded responsibilities in account-based marketing, cross- and up-selling, and sale and channel enablement. These challenging goals necessitate a measurement framework that simultaneously tracks and evaluates many outcomes, necessitating multiple methods.
- **Chunkier Tactics**: B2B marketing tactics tend to be more substantial and less frequent: think of major industry events, comprehensive programs, and in-depth enablement content. These "chunkier" tactics make it harder to measure impact continuously and granularly.
- **Long-Time Scales**: The B2B sales cycle can be lengthy, complicating time-based analysis. The lag between marketing efforts and their resulting sales can span months or even years, challenging

marketers to accurately attribute outcomes to specific actions.

- **Audience Complexity**: In B2B, the buyer's journey involves a complex ecosystem of decision-makers and influencers. This complexity makes assigning opportunities and success in a linear funnel model difficult, as multiple interactions influence the buying decision at various stages.
- **Sales Integration**: Personal interactions with sales representatives often play a pivotal role in the customer journey. This blurs the line between marketing and sales efforts, making it challenging to track and measure the impact of marketing initiatives independently.
- **Difficult-to-Sample Attitudes**: B2B buyers and influencers are more specific and diverse than B2C consumers. Accurately gauging how marketing activities influence their attitudes and preferences is challenging due to the difficulty in obtaining representative samples for research.

Approaching the Measurement Challenge

Given these challenges, a hybrid approach combining multiple methodologies is necessary for measuring B2B marketing efforts. Econometric, deterministic, test-based, and heuristic-based approaches must be blended to get a consistent picture of the return on marketing investment (sometimes called ROMI).

Separate Measurement by Marketing Objective

Separate measurement strategies for brand awareness, demand generation, and sales enablement are usually required in B2B. Awareness or upper funnel-focused marketing seeks to drive long-run attitudes among essential buyer and influencer groups over the course of years. On the other hand, demand generation tries to create and intercept interested buyers over weeks or months. Finally, sales enablement works through the sales force—using the sales force as a channel—to educate and convert buyers. Each of these activities should be separated in a mutually exclusive, collectively exhaustive, both from a budget and a tactic perspective.

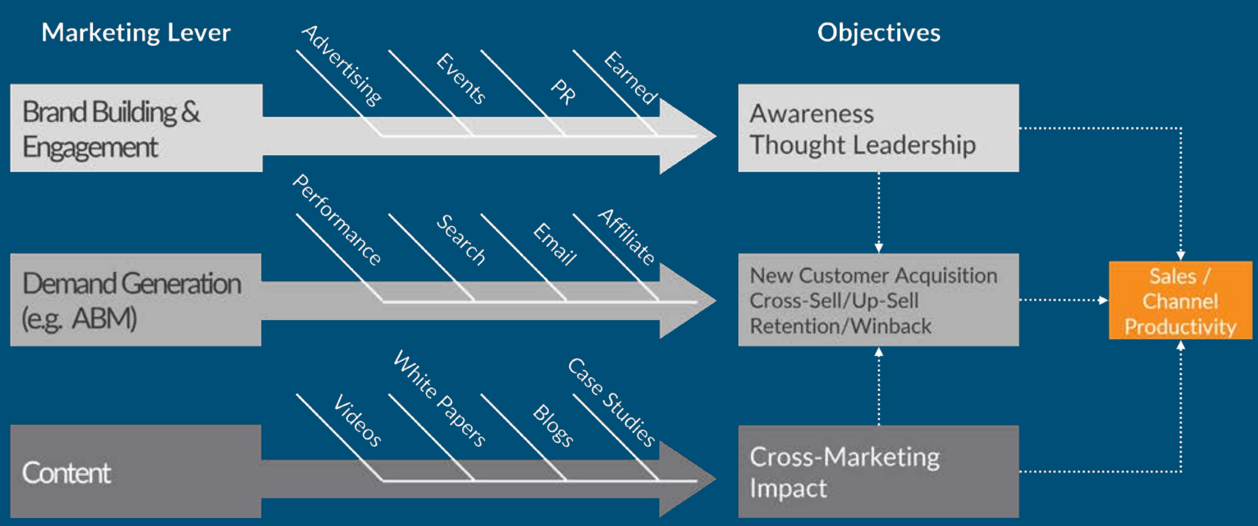


Figure 11: Separating investments by objective allows for different metrics and methods and gets all stakeholders on the same page about necessary jobs.

Hybrid Approaches

The core marketing attribution methods still work in B2B, but they must be taken with a grain of salt and then used to triangulate an overall marketing ROI answer. MMM, which uses a cross-sectional time series or "panel" data structure to infer how different stimuli drive sales, can be adapted for B2B by making the time granularity coarser—months instead of weeks or days—and by making accounts or pools of accounts the cross-sections. The errors will still be more significant than for an MMM from a consumer package goods (CPG) company, but the results will be usable.

MTA, which uses identity resolution cross-walks to find all of the content or marketing touches that an individual viewed or interacted with on the way to becoming a lead or sale, is also possible in a B2B context. Account-Based Marketing (ABM) systems often contain the same kinds of data found in a Customer Data Platform (CDP), which are used to fuel MTA analyses. The analysis is more complex for B2B because multiple buyers and influencers—in both their work and personal "personas"—drive an opportunity forward. Even so, it is possible to understand how different touches contributed to leads.

Testing can be more challenging for B2B due to long sales cycles and sales reps' reluctance to lose marketing support. Strict hold-out testing might not be possible, but B2B organizations should still run marketing and sales tests often, knitted together with a testing plan. This plan can include A/B testing for lead generation, piloting different event formats, and trialing new sales enablement tools with a particular set of sellers or partners.

Leverage Management Insights

Human judgment and expertise should be considered, especially in the complex B2B landscape. Incorporating insights from sales and marketing leaders can fill gaps left by data-driven models, especially in understanding the nuances of customer relationships and sales cycles. Sellers and partners, in particular, are wells of knowledge on what works and what doesn't. Instead of dismissing seller feedback or treating it in an ad hoc way, best-in-class B2B companies operationalize it with formal surveys. Sellers should be asked what works and what doesn't—across brand, demand generation, and sales enablement content. These scores should be taken seriously and merged with more quantitative analyses emerging from MMM, MTA, and testing.

Putting it All Together

B2B go-to-market effectiveness measurement requires hybrid approaches and clear, up-front communication. Hybrid approaches mean using multiple measurement methods—and creating a meta picture of results. These results will never precisely agree. avoid confusion or loss of credibility, it's critical to communicate the measurement approach up-front and acknowledge its imperfections. Gaining buy-in from the organization before results are produced will reduce confusion later.

<table>
<tr><th></th><th>Stim</th><th>Short-Term Response</th><th>Long-Run Response</th><th>Unified Model</th></tr>
<tr><td>Brand Building</td><td>Medium Granularity
Spend measured by channel, week, segment</td><td>MMM
Econometric approach estimates impact of brand, PR on pipeline or other hypothesized pathways</td><td>Exec Polling
Rep-based polling of key roles on pre-set attitudinal questions</td><td rowspan="3">Structural Model Driving to Revenue
▪ Each input is weighted according to both assumptions and observations
▪ Trap avoided when the burden of measuring precisely exceeds the benefit</td></tr>
<tr><td>Demand Generation, i.e. ABM</td><td>High Granularity
Performance media measured in CDP (customer data platform)</td><td>Direct / MTA / Agg MTA
Leads traced back to channels where possible</td><td>ABM Analysis
Buyer / influencer exposure to demand gen touches for entire deals</td></tr>
<tr><td>Content, i.e. Sales Enablement</td><td>Low Granularity
General sense of downloads and usage by sales force</td><td>CRM Tracking
Content used can be entered as a lead or opportunity progresses</td><td>Seller Polling
Which content works best at driving deals? What makes it good? Leverage tagging to optimize future content.</td></tr>
</table>

Figure 12: A hybrid measurement approach, communicated clearly up-front, will reduce confusion, and increase credibility down the line. Be up-front and realistic about precision!

What's Upcoming: Prediction

Machine learning is predicting outcomes or classifying things based on other variables. For example, say we want to understand the probability of a set of leads converting to opportunities in order to allocate scarce selling resources to the highest ROI scenario. We might know the content the lead downloaded, their company, their title, and how much of the form they filled out. We can use these signals and a historical set of leads that did or did not convert to build a model assigning each new lead a score for how likely they will be to convert.

This is perhaps the most common use case for predictive analytics in a go-to-market context: scoring leads, accounts, or opportunities based on their likelihood to turn into real dollars. The go-to-market data science team's job is to build, maintain, and make these models actionable. In a B2B context, predictive modeling poses its unique challenges.

First, signals are sparser; in other words, there is less to work with from a modeling perspective. In the example above, the lead might enter their personal email address or fake their title. Secondly, there are fewer observations to work with. Whereas a consumer business might see tens or hundreds of thousands of orders in a year, a B2B organization typically deals with one or two orders of magnitude fewer deals. This lack of "degrees of freedom" makes modeling more challenging.

One option is to outsource the predictive modeling job to software. Account-Based Marketing (ABM) platforms are built to optimize the audience, content, and channel to drive a lead or opportunity forward, considering contact and role dynamics. ABM platforms also have access to buyer intent data, which can improve predictions.

However, there is a danger to relying too heavily on black-box software for machine learning. Much can be learned from the individual features that predict success. As analysts build models, they start to understand the signals of value—and can discover other, non-intuitive connections that black box software can mix. Keeping at least a small department of predictive data scientists working with marketing and sales is worthwhile, even if AI tools deployed in ABM and CRM systems are promising big things. They can be empowered with the same toolkit that Why analysts use—access to data, powerful compute environments, and a reproducible code stack.

Conclusion

Go-to-market operations and analytics form the skeleton, nervous system, and eyes and ears of a company's revenue engine. They provide structure, insight, and communications, facilitating cross-function communication between sales and marketing. Analytics teams find the right channels and leads to focus on, while software drives efficiency and effectiveness for marketers and sellers.

Go-to-market Operations and Analytics departments do not fall under "working dollars," per se. Their people aren't out in the field selling—but without them, the sellers and marketing campaigns would be inefficiently deployed, confused, and ultimately ineffective. When designing and hiring your Operations and Analytics teams, remember that you are building the scientific, learning part of the go-to-market engine.

In the rapidly evolving landscape of B2B markets, integrating analytics and operations into go-to-market activities is not just a competitive advantage but a necessity. The convergence of these two disciplines will increasingly mean that every decision is data-driven, every action is measured, and every outcome is evaluated for continuous improvement. This synergistic approach paves the way for businesses to adapt quickly to market changes, optimize their resources, and sustain growth. As technology continues to advance—alongside an ever more complex business environment—the role of the Operations and Analytics teams will only grow in importance, acting as the navigators in the uncharted waters of the market.

Companies that excel in these areas will be positioned to identify emerging opportunities, mitigate risks, and meet the evolving needs of their customers. This will require a commitment to technological innovation, talent development, and a culture that values data and analytics literacy, scientific thinking, and cross-functional collaboration. Building and nurturing dynamic, analytical, and efficient go-to-market Operations and Analytics teams will ensure enduring success in a competitive global marketplace.

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