



Integrating Sales and Marketing by Leveraging Customer Knowledge

Speeding the sales process and making marketing far more relevant

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Introduction

Selling is not what it used to be, and neither is marketing. Before information was widely available on the Internet, it was relatively easy for vendors to control what was known about a product through generalized marketing messaging but that situation has reversed. Increasingly, customers expect that product information, like the products themselves, will be tailored to their unique needs.

Often it falls to the sales representative to generate customized presentations, proposals, and even brochures or other collateral for customers, but that effort drains away valuable customer face time. Further, marketing messages and branding can be diluted when so many people become involved in the customization process.

The situation with messaging is a symptom of a larger change in which customers now dominate the sales process so completely that some analysts have begun describing it as a purchase process instead. With customers in charge, many vendors find that their role has become one of enabling the customer to make a purchase rather than directly selling. This new dynamic requires personalized communications designed and developed for specific customer needs even including differentiation by job types such as the CEO and CFO.

Successful selling in this environment calls for tighter integration between marketing — the people who develop messages — and sales — the people who interface with the customer and capture requirements — so that accurate, timely, and well targeted information can be delivered and, most importantly, so that deals can be closed. This integration is known as a “sales knowledge” strategy for the way it integrates company, product, and customer knowledge. Adopting a sales knowledge strategy can result in more predictable revenue growth, increased sales performance, improved marketing effectiveness, and enhanced customer relationships.

This Beagle Research Group Executive *White Paper* examines how the changing market is causing a realignment of sales and marketing and how one vendor, Pragmatech, is helping vendors align with their customers using sales knowledge strategies to successfully adapt to a new buying process.

Business challenges

The number of sales representatives making quota is a good barometer for a company and an even better indicator of the health of the economy. According to Jim Dickie, CEO of CSO Insights, a sales consultancy near Denver, when the economy was roaring ahead in the 1990's, the number of sales representatives making quota was over 70% (1). After

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the Internet crash and during the following economic downturn, that number briefly got below 50% though it has been steadily increasing during the last few years. In 2005, CSO Insights says the number of sales representatives making quota reached 59.1%. What is not revealed in the improving numbers, though, is the fact that the improvement comes at the cost of greatly increased effort. Several factors are decidedly different about selling today.

Mass customization

The advent of mass customization in the last few decades introduced the possibility that customers could get products specifically tailored to their needs. At first, customization simply required changes to peripheral components or characteristics but as time went on even products like blue jeans could be ordered specific to a person's body measurements. Among other societal influences, mass customization encouraged customers to consider their needs as unique, requiring unique solutions.

Mass customization has a down side: it makes economies of scale harder to achieve and requires more labor or automation to help keep costs in line. Mass customization means an almost limitless range of possibilities for any product category and exerts enormous pressure on vendors and their brands to be seen by customers as not simply a solution to a need but as *the* solution. Achieving that status requires the same customized approach to marketing and sales that was first introduced to manufacturing.

Buyers' market

As noted above and elsewhere (2), today's customers have been trained to think in terms of their uniqueness. Moreover, the plethora of products now on the market, which are very finely differentiated (see below) offer more choices to evaluate and more information to weigh which, rather than leading to clarity in decision making, only causes confusion and delays the purchase process.

It may be a buyers' market but the buyers are not obligated to purchase; they can, and often do, keep looking assured that there will be another vendor to more completely serve their needs and they are often right. A buyers' market requires better and more finely defined messaging and differentiation than ever. More importantly, the power exerted by buyers on the sales process has effectively turned it into a buying process, changing a sales representative's traditional role into that of a purchase enabler.

Product abundance

Making products has become so easy that many vendors simply release products with minimal market analysis, engaging the customer in an elaborate trial and error process. For example, according to "New Product News," of the 36,000-plus new products that were introduced in the U.S. in 2005, 80% will fail and few people have a sound understanding of which products will be among the survivors.

Nevertheless, survival is not a game of chance. Successful products have many attributes in common especially the ability of their sales and marketing organizations to map product capabilities to the real world needs of the user. With more products comes more information in the form of product data sheets, Web content, brochures, competitive information, and presentations. In a world where products are easy to make and require careful positioning and differentiation, the content required to assist the sales process mushrooms.

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Information overload

Mushrooming content drives numerous challenges for creation, cost, and distribution but, most importantly, when the content must be absorbed and understood by people, it causes information overload for the vendor as well as the customer. Vendor sales people spend more time than ever in training — trying to absorb new information as well as in trying to understand the nuances of micro-segmented markets. End customers have similar issues as they wade through information about products and services that could meet their needs but which are not exact matches.

Information overload is the end result of a cascade of causes and effects that started with developing the ability to better serve the needs of individuals. Overload becomes a significant challenge when sales reps attempt to customize generalized messages for each specific account, effectively bottlenecking the purchase and sales process.

Summary: Impact on the buying cycle

Changes in the way vendors make products and the ways customers regard themselves and their needs have shifted the vendor-customer relationship. The old dynamic of mass production, mass marketing, and mass consumption is losing steam and being replaced by a marketplace in which the buyer—not the seller—is the dominant actor. The resulting role reversal changes the sales process into a buying process and turns the sales professional into a purchase enabler.

The strong implication from these facts is that selling starts earlier than is widely acknowledged by the conventional sales process in which sales professionals identify business needs and buying influencers, and then sell to them. A better model for the new buyer-enabled purchase process is what is happening in the car industry.

Experts say that customer may begin shopping for a car on a manufacturer's Web site as much as six months before ever setting foot in a showroom. Manufacturers who wait until the customer crosses the threshold will be at a distinct disadvantage compared to those who routinely provide specific information about products aimed at different types of buyers. For these vendors selling starts when the customer first clicks on to the Web site—not when the customer enters the showroom.

As an enabler, the sales representative (and the whole vendor organization) must work to tailor solutions to customer needs. By presenting only the most relevant information at the right time in a purchasing process, a vendor can improve its chances of being regarded as a true solution and of being selected.

Whether the process is fundamentally considered purchasing or selling, the key to success will be providing the right content, at the right place and time. But in a market place divided into micro-segments it will not be possible to organize information effectively without automation. The next section addresses the challenges of information generation and management.

Dealing with demand on a microscopic scale

Companies deliver their messages and facts about their products in a variety of ways. A single product message aimed at the banking industry, and specifically at a sub-segment, such as treasury securities, can have numerous permutations. For example, the message might be required for a product brochure, Web content, presentations, and letters, and the information may need to be adjusted to address the specific needs of the CIO, the head of the treasury department, perhaps the CFO and CEO, and other stake holders who will affect the purchase decision.

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In this simple example, the message could easily require a dozen different permutations. Multiply this requirement by a vendor's product list and by the markets it serves and the number of different representations of a message can easily outstrip the ability of marketing groups to supply.

Historically, one solution to this challenge has been to let sales representatives build and edit some of their own materials. However, the downside of this freedom is overworked sales people, diluted marketing messages and incomplete or inaccurate messaging which can later affect product delivery and customer satisfaction.

Visualizing a solution

To understand the need and the power of automated marketing messaging, consider the following scenario.

Suppose a new sales representative needed to make a presentation to a group of decision-makers that included C-level officers of the target company. Traditionally, companies have provided representatives with standard presentations and, with experience, sales representatives become adept at selecting the most relevant slides and in developing additional slides that encompass the unique requirements of each customer. Expert sales representatives will stockpile these presentations for future use.

Unfortunately, such experience is not available to new sales representatives and their only recourse is to rely on others or to go with the general presentation. Each approach has its drawbacks, other representatives might not have time to help out and sales managers are at times too busy with other tasks leaving representatives to do their best. While the general presentation might be good, it may not stand up in the face of different markets and target audiences or a competitor's more experienced approach.

Instead of relying on help from others, a new representative should be able to tap into the same kind of stockpile more experienced representatives have at hand. Using a wizard or template and answering a few questions about the customer and the presentation, the new representative could generate a presentation that builds on company experience and strategy, in effect automatically tailoring the message to the needs and job titles of the audience.

The next few sections describe how organizations can put such a solution in place, not just to automate sales presentations or sales communications but for all communications with buyers and customers across the entire lead-to-sales cycle.

Implementing a Sales Knowledge System

Many sales and marketing departments already think in terms of tailoring messages within content that may describe product features, benefits, and advantages but also company information, references and more. Advanced practitioners also already think about the different audiences for their messages. For example, for a software product, a CIO may want to know about fast implementation while the CFO may want information about ROI and the CEO may be most interested in the top and bottom line growth potential for a solution. Finally, very sophisticated marketers may also recognize subtle differences in the messaging requirements of the CIO in a financial institution and a CIO in a manufacturing company.

Each message and message type represents an atomic element of information in the marketing arsenal and, ideally, each should be available for use without the need to disentangle it from other messages. Unfortunately, marketing messages are not readily available

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for reuse in most organizations, they are woven together in materials which are, of necessity, more generalized than customers may prefer. Thus, a generalized statement about ROI might be used, which, for example, might cause many CFO's to say, "But what about in a company like mine?"

Deconstructing a company's many messages requires implementing a sales knowledge system, which has as its foundation a sales and marketing knowledgebase capable of storing message elements and synthesizing the right message for a particular purpose and point in the buying or sales cycle.

A well maintained sales and marketing knowledgebase forms the core of the stockpile every sales person should have access to. Better yet, because the knowledgebase stores individual message elements without unnecessary entanglements, the elements can be readily deployed in numerous ways. Also, by storing and providing easy availability to company approved message elements, a knowledge base can always provide up to date information in forms that are immediately usable by sales people to generate presentations, proposals, letters, brochures, and more.

Storage, security, and management

Using a knowledgebase for marketing message management offers several additional benefits for storage and security. First, rather than managing the integration of diverse messages for generalized presentations and brochures, marketing professionals can target creation of information for specific purposes. For example, instead of spending time and money on creating a generalized brochure for the financial services industry, marketing can focus on specific messaging for the different needs of banking, securities, and insurance, ensuring that these components will be available when sales people have specific requirements. Marketing professionals can also use a management layer to make messages available for use — but not editing — by the downstream users thus preserving branding and focus.

A sales and marketing knowledgebase must also be able to flexibly store all of the different kinds of data that a marketing department can make including short statements such as specific answers to RFP questions, longer documents such as brochures, white papers, and graphics that can be useful in developing presentations and Web content. Ideally, change management options within the sales and marketing knowledgebase will help ensure that, for example, the most current quarterly results are the default when a user checks out "current company data" or "references".

Automated generation of personalized information from the knowledge base

A key requirement for any sales knowledge system is the flexibility to integrate with tools for document creation, presentation development, and Web development as well as internal tools such as wizards and templates.

For example, marketing may develop a common template for the initial presentation to the management of a target company in a specific vertical market. A company may determine that such a presentation should always contain the most current revenue and headcount information for the company. The template for a formal proposal might always contain certain company information or disclaimers. Also, a template should enable insertion of placeholders where information can be customized using exact names and titles, for example.

Finally, a sales knowledge system does not exist in a vacuum and must work well with other systems in the sales and marketing business process; typically that means SFA and marketing automation tools. Data such as account information and pricing held within

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these tools must be accessible by the knowledge system to reduce the amount of data entry and opportunity for errors. Lastly the SFA tool should be the system of record for all information that has been provided to the customer. At a glance the sales representative should be able to determine what was sent to the customer and when.

Solution requirements summary

The generation and management of marketing messages and collateral is not a difficult concept to master but it does require that organizations take a different approach to message and materials development. Constructing whole marketing pieces may be an ideal for many, but the increased demand for very specific information that many people require today makes that approach expensive and time consuming. Rather than developing whole pieces for specific purposes, building reusable components that can be deployed in multiple formats makes a great deal of sense in many situations.

Using a sales and marketing knowledgebase also changes the dynamic between marketing and sales because, in addition to demand generation, marketing now has greater involvement in and responsibility for the success of demand fulfillment. In conventional sales and marketing, sales people are never satisfied with the quality of leads and marketing is never satisfied with the follow up leads are given by sales. Involving marketing more deeply in the sales process puts sales and marketing people on the same side of the issue and can result in a better, more focused information delivery and better selling.

Pragmatech

Pragmatech provides a sales knowledge solution that helps sales organizations to be more effective and helps marketing teams to assure common messaging and branding. The solution uses a knowledgebase as the repository of marketing information that can be reused and personalized to the needs of a specific buyer during an organization's sales and marketing outreach. More than a stor-

Case Study

FileNet Corporation (NASDAQ: FILE) made a significant reputation as a document management company and continues to lead the market in document handling and storage today. However, when it came to actively managing its marketing messages, the company looked to Pragmatech for the sophisticated solution that its sales knowledge system and personalized communications tools could provide.

According to Mark Jones, director of the FUSION project through which Pragmatech was selected, the company had many of the problems usually associated with conventional message management — there was too much information stored in manuals, brochures and presentations that could not be easily repurposed. As a result, Jones said, “Customers were getting old information.”

More than that, sales had little ability to tailor a message to a customer, said Jones, “At a critical time in the sales process, the customer wants an answer in the context of their question, not documentation or a white paper.” A new sales management team and a desire to better penetrate the mid-market drove the decision to evaluate solutions. In an internal study, the FUSION team discovered that sales representatives were spending too much time on proposals, RFPs and presentations and that, combined with a goal of being more aggressive in proposing business to the mid-market, drove the decision to work with Pragmatech.

As a result of the FUSION project FileNet sales people are better able to match customer information requests with real content. The company can generate responses to RFPs and proposals faster than ever because its information is more granular and capable of being repurposed. And as the sales organization has become proficient with the product, they are using it more to answer customer and prospect inquiries delivering the right information at the right place and time. Most importantly, the customer feels like the company is being responsive — a great differentiator in any sales situation.

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age area, the Pragmatech Knowledge Center holds the sales and marketing knowledgebase of key messages for different customers based on their industry business problems and role in the organization.

The Knowledge Manager, which presides over the Knowledge Center, provides several valuable functions including tracking content ownership, usage statistics, refresh dates, expiration dates, and similar information. The Knowledge Manager also provides an integrated workflow system that alerts owners when expiration dates are approaching and helps to ensure that current information is used throughout the system. The Pragmatech system is also integrated with popular SFA and CRM products such as Salesforce.com and SAP which enable data sharing and recording marketing events within the SFA product.

Layered on the knowledgebase are several Web-based tools that provide for management, security, extraction, and integration with popular Microsoft Office products such as PowerPoint and Word. The Pragmatech solution fulfills many of the criteria that make an integrated sales knowledge system a useful asset to an organization—it manages the company's sales and marketing information and makes it easy to deliver the right message to the right buyers at the right point in the sales cycle.

Re-using knowledge

For the most part, companies already have marketing information use strategies; what they lack are strategies for information reuse. For example, the information about a company's solution aimed at a type of decision maker in a particular vertical market represents one consolidation of information. Unfortunately, because the information is combined in a specific presentation or brochure, it is not easily available for redeployment to a different vertical market, or the needs of a different type of customer.

Within the Pragmatech paradigm, rather than building a brochure, proposal, or presentation, a marketing department builds the construct—a template for instance—of what such a piece should always contain. For example, a template for a brochure might contain a section that discusses the business needs of the industry at which it is aimed, the challenges faced by a job type such as CFO, relevant product information, testimonials, and company background. When a sales professional needs a brochure, proposal, or presentation, he or she will use Pragmatech tools to select topics that assemble appropriate materials from the knowledgebase into the relevant output. In this case the output is a brochure but it could just as easily be email, a letter or other written content. Most importantly, in this approach, marketing can ensure that the most current information and material is always available, greatly reducing errors and misunderstandings caused by outdated information.

Knowledge Worker Applications

There are two keys to success in this paradigm — having pre-written information modules that can be stored in the knowledgebase and easily accessed, and defining templates or wizards that can channel the modular information into specific communications. So, a template called “first presentation to management of an insurance company” might be developed by the marketing department in a company that sells throughout the financial services market.

The presentation would be generated from the most up to date marketing materials, product specifications, and messages about benefits according to the standards embedded in the template. Most importantly, rather than developing a single presentation that might be aimed generally at financial services, the Pragmatech user can just as easily generate separate presentations for banking, finance, and insurance.

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The organization can consume information stored in the knowledgebase in three ways:

Ad Hoc Experienced users can simply access the knowledgebase's hierarchical structure or do a generalized search to identify information modules they need to develop simple documents such as e-mail and letters. With the ad hoc capability, the experienced user selects and includes relevant information into a document streamlining the writing task.

Template The marketing department usually sets up templates for things like white papers, brochures, proposals, replies to RFPs and RFIs, presentations and more. A template can be thought of as a pre-defined document or presentation "blueprint" designed by marketing to ensure company standards are adhered to and that the most up to date and relevant information is used. For example, marketing would ensure that the current and correct product information is available in the repository so that all templates would automatically use it rather than depending on cutting and pasting from older documents that may have worked before.

Guided The guided method is the easiest and is frequently used by people who are learning the system. In the guided scenario, the interface to the hierarchical storage is replaced by a wizard that presents checkboxes and pull down menus. In this way, the system can specifically tailor a document or presentation for an industry, a job type, a situation, anticipate competitors and more. Clicking on the appropriate answers results in a document or presentation.

Four modules for knowledge workers

The Pragmatech solution has four separate modules or Knowledge Worker Applications that produce the different styles of marketing output required.

Info Express A Web-based general purpose information inquiry tool, that can also be integrated with MS Word, that users can take advantage of when building short, content rich documents that have no formal structure such as a letter or e-mail.

RFP Express Also integrated with MS Word and oriented to the specific question and answer style of an RFP or RFI. This tool automates the selection of responses to questions helps ensure that all relevant information and standard terms and conditions are included in every RFP response and assists in formatting the response to the RFP.

Proposal Express A general purpose tool for MS Word documents that require more structure or that have specific objectives such as a statement of work, a pricing proposal, a brochure, sales letters or a white paper.

Presentation Express Web-based and integrated with MS PowerPoint, this tool enables users to build presentations using the same principles of guidance and template standardization as written documents.

Each tool accesses the same knowledgebase and supports templates and wizards that will formulate the information modules stored in the knowledgebase in ways that are appropriate to the format of the presentation or document called for.

Analysis and conclusions

In markets that tailor their products to the individual, it only makes sense that the same approach to marketing and selling would be needed or that much the same approach would be used to consolidate information. Automating the information personalization and dissemination process has taken a predictable turn in the hands of vendors like Prag-

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matech but though predictable, this technology has significant downstream implications for sales and marketing.

For example, to a very high degree, marketing is being brought more deeply into the process of selling than ever. By offloading some of the repetitive work of finding and manually packaging information and by systematizing the process, marketing departments can provide the entire sales team with best practices and the best selling information for their prospects and free up sales people to do what they do best.

A sales knowledge solution like Pragmatech's provides better personalized information that can lead to faster close rates, increased wins, and larger deal sizes. It also enables faster ramp up for new sales representatives due to better information flow and less job burnout and potentially less turnover.

Just as important, rather than simply developing leads, marketing can take an important role in the downstream process of positioning products to the customer throughout the sales process. From its new position, closer to the sales action, marketing can see in near real time what works for sales and what needs improvement and then make the improvement.

The Pragmatech solution to managing customer messaging will be most useful to organizations that sell expensive, complex, or new concept products and services—precisely the market that most effectively employs sales people. In recognizing the need for marketing message automation, Pragmatech may have pinpointed an important shift in how we sell.

The last two decades have seen a steady stream of sales effectiveness solutions each designed to improve sales output and while each has been somewhat successful, sales practitioners — especially managers — understandably continue to seek out additional improvement. We suggest that improving the sales process per se may have reached the point of diminishing returns. Expanding the definition of the sales cycle and finding new ways to

About Pragmatech

Pragmatech produces a suite of sales effectiveness products that enable sales and marketing people to automatically assemble presentations, brochures, proposals, letters, Web site content and other communications to precisely answer buyer and customer information needs.

The product suite includes a knowledgebase — the Knowledge Manager — that stores marketing information elements, and a series of wizard- and template-driven applications — Info Express, Proposal Express, RFP Express, Presentation Express and IncitePresentations — that incorporate the elements in a context appropriate manner. Pragmatech also offers ConnectionCenter, a bi-directional interface between Pragmatech sales effectiveness applications and leading CRM systems.

Pragmatech's active customer base numbers over 1,000 companies, who have realized higher win rates, shortened sales cycles, accelerated ramp-up time from new sales reps, increased channel sales performance and more consistent messaging and branding.

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deliver precise information to potential customers has the effect of improving the opportunities that go into the sales funnel and that may be a welcome change from constantly tinkering with the process.

Notes

1. Dickie, Jim and Barry Traylor, CSO Insights, based on data compiled in several annual *Sales Performance Optimization--Survey Results & Analysis* reports
2. Zuboff, Shoshana and James Maxmin, *The Support Economy*, New York, the Penguin Group, 2002

About Beagle Research Group

Beagle Research Group is a consulting and market research organization focused on emerging technologies and companies that will have an important impact on the way business is conducted in the years ahead. Our work is based on professional standards of quantitative and qualitative research which informs all of our publications.

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