

An overhead view of a meeting around a wooden table. On the left, a man in a light blue shirt looks at a document with green bar charts. In the center, a woman with dark hair looks at a smartphone. On the right, a man with a beard and glasses looks at a laptop. At the bottom, a woman with blonde hair smiles. The table has a laptop, a red mug of coffee, a white mug of coffee, glasses, and various documents with charts and tables.

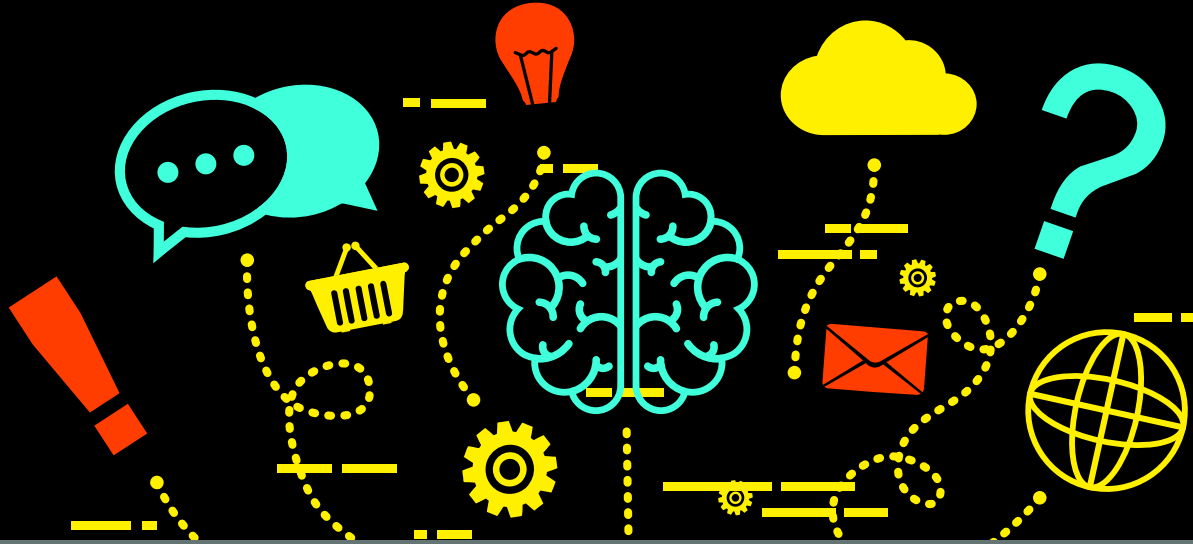
# The Evolution of the Sales and Marketing Relationship

What You Need to  
Know to Adapt

**SmartBug.**

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# The History of Marketing & Sales

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In early 2014, HubSpot and LinkedIn surveyed several marketing teams and found that although most marketers agree that their sales teams are collaborative, 59 percent admit that they do not have a formal service-level agreement (SLA) with sales. In addition, 40 percent have yet to define rules and criteria for marketing- or sales-qualified leads for their company.

While the data are surprising to some, it certainly isn't breaking news that marketing and sales teams don't always mesh. They should work simultaneously and cohesively, but why is it that they don't?



To start with, marketing professionals are wired differently than sales professionals. Marketers are the protectors of the brand, the voice of the company, and the company's content kings. At the end of the day, a marketer wants to represent the company in such a way that the right prospects want to learn more and existing customers keep coming back.

Conversely, sales teams are responsible for converting marketing qualified leads into opportunities and closing the sale. Their bottom line is turning that lead into a customer and their goals are simply different—finishing the job after a marketer creates the leads.

Sales teams also differ because they often relate to people on behalf of the brand through one-on-one interactions. Rather than using the website or social channels as their core communication tactic, they use their individual personalities and well-developed sales strategies to close the sale.

In the modern world, companies shouldn't overlook conflicts between these two revenue-generating departments as there are digitally driven, automated, and effective ways to create team synergy.

# The Evolution of the Buying Process

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## Why We Must Adapt

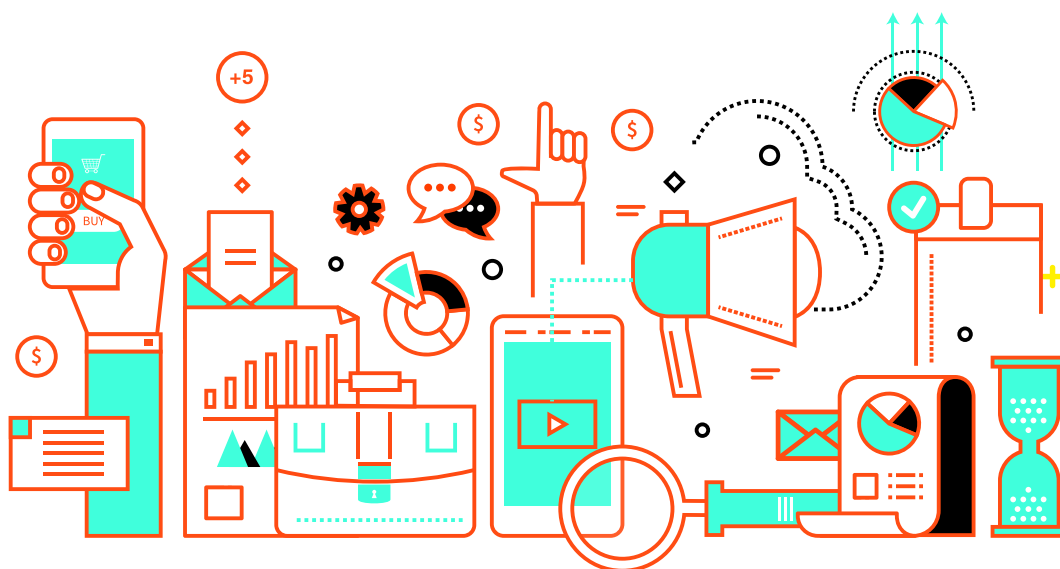
Some marketing and sales teams are working together by utilizing SLAs which define lead quality. This is largely a result of our hyper-digital world, which is also causing a shift in the typical buying process. For example, before the internet and search engines, you might drive down to your local appliance store, talk to a salesperson and purchase the vacuum that is most promoted by that salesperson. The salesperson was responsible for building trust, educating the buyer on the ins and outs of the industry and product offerings, and then closing the sale.

Today, you might Google the “top-rated vacuums” and check out reviews, see product features, watch videos, and find the best price available across a variety of vendors. This is a clear shift in the way we make decisions, with less time in the sales process along with more research up front. With so much information readily available online, a lot more responsibility is shifting to marketing teams to create materials that resonate with the consumer’s research.

And sales teams are talking to much better educated consumers. We no longer need to educate prospects on the industry, product offerings, or exceptional reviews in person, nor do our buyers seek that information from a salesperson. Between 55–90 percent of B2B and B2C customers research information online before ever speaking with a sales representative. It is becoming more and more clear that because marketing is in charge of educating leads first, a healthy relationship with sales is imperative.



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# How Inbound Marketing Helps Us Adapt

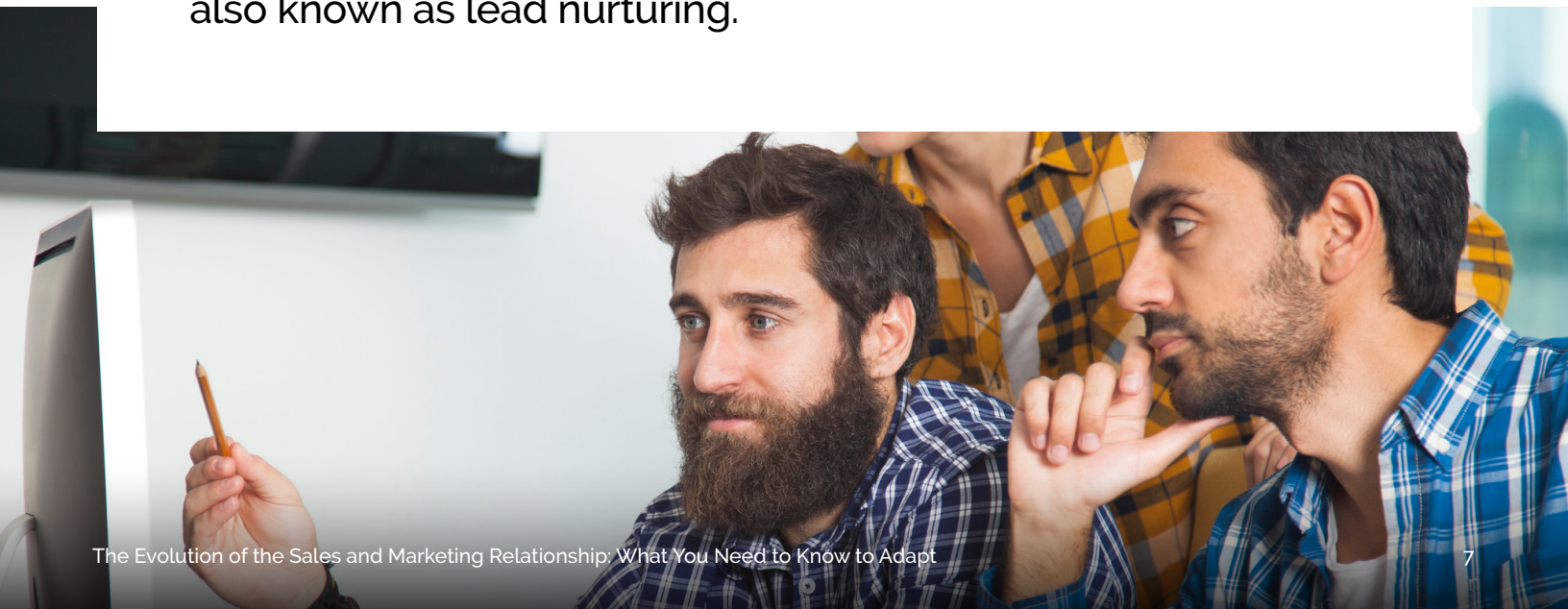
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## First of all, what is inbound marketing?

The inbound methodology brings customers to a company by providing valuable information to prospects while they research and explore online. Marketers create content that is tailored to ideal buyer persona pain points. That content is distributed through blogging, social media promotions, and SEO, among others.

When a visitor has been attracted to a website, they can be nurtured into leads through a valuable content offer in exchange for information, such as a name and email address.

Some of these leads are ready to be passed to sales but many new leads need to be nurtured closer to the sales team's qualification criteria. This can be done via email automation, also known as lead nurturing.



## This process is what can align your marketing and sales teams.

Let's review our example from above. Before you began your online search, an inbound marketer working for XYZ Vacuum Cleaners executed a few inbound tactics:



Published *The Complete Guide to a Selecting Great Vacuum* e-book



Numerous blogs promoting the new e-book



Optimized XYZ Vacuum Cleaners' website for SEO





The potential customer easily finds the guide and is drawn to its unbranded and informative nature. Upon further research, the person might visit a store to ask about XYZ's products or read online reviews.

The sales team's involvement depends largely on the company. If XYZ Vacuum Cleaners has not sold a vacuum all year, they may be more apt to pass every lead onto sales, but if they are thriving, they may choose to use marketing automation to help close the sale.



**Between 55–90 percent of B2B and B2C customers research information online before ever speaking with a sales representative.**



# Gaining Sales Buy-In

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The first step to evolving the marketing and sales relationship is for marketers to help their sales counterparts understand the elements of inbound marketing, from the buyer's journey to the benefits of marketing automation platforms like HubSpot. Some of the best ways to convince a company to embrace inbound include:

## **1 Start Generating Leads**

By launching an initial inbound marketing campaign with premium content and blog posts, you can start to bring traffic and leads to your website, and then pass them on to sales.

## **2 Gather Your Own Data**

In the past, it hasn't been easy to measure ROI from marketing campaigns. Without a closed-loop reporting tool, marketing did their thing and sales did theirs when it came to reporting. Marketing would place ads, and sales would follow up. Each had their way of measuring success, but it wasn't always easy to put everything together. With a closed-loop reporting tool like HubSpot, you can know where marketing is most successful in generating leads and revenue.

### 3 Show Them Proof

There are tons of proof points that show inbound marketing works, including:

- Inbound marketing delivers 54% more leads into the marketing funnel than traditional outbound leads.
- Inbound leads costs 61% less than outbound leads.
- Companies that blog generate 126% more leads than those that don't.
- 61% of U.S. consumers have made a purchase based on a blog post.
- 70% of consumers prefer getting to know a company via articles (not ads).
- Social media produces the marketing leads of tradeshows, telemarketing, direct mail, or PPC.
- Companies that automate lead management see a 10% or greater increase in revenue in 6-9 months.



# Creating a Service-Level Agreement (SLA)

All of the information that marketing and sales share—from goals, processes, and even the tools used to make the relationship successful—should be documented in a service-level agreement (SLA). This ensures both teams are held accountable and on the same page.

## Create Goal Statements

Many marketers will set generic goals like:



Spread our brand presence on social media



Purify our brand by establishing a stronger voice



Increase leads over the next quarter



While important, these goals lack several critical components that make them actionable. Sales teams have been much better at setting goals, but they aren't always communicated to the marketing team. For a successful relationship, they need to work together on goal setting and share strategies to achieve them.



**Sales teams have been much better at setting goals, but they aren't always communicated to the marketing team.**



When discussing goals, it is important to consider the following in creating goal statements:



### What are you going to achieve?

- When creating a goal statement, be specific about what you want to achieve and the purpose of the goal.
- Do you need to reach a monthly/annual revenue goal by a certain date?
- Is there a certain lead generation target you need to reach for a campaign?

**For example:** Generate 50 percent more leads by the end of the year.





## How will you achieve this?

- What do your marketing and sales teams each need to contribute to achieve this goal?
- What will each team plan to do to ensure this happens?

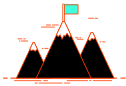
**For example:** A revenue increase of \$10,000 by the end of the year may mean that marketing has to help generate 50 percent more leads by launching an inbound campaign, and sales must close 25 percent of those leads by following up within one day to all qualified leads generated.



## What challenges could you encounter?

- It's great to have a goal and a plan to get there, but are you being overly optimistic?
- Are there budget constraints that could stand in the way?
- Do you lack the internal resources to build an inbound campaign?
- Does your sales team have the time to follow up within 24 hours?





## What are your milestones?

- Most of your goals likely happen quarterly or annually. To ensure you are on track along the way, set milestones. This allows you to adjust your strategy if you aren't making the mark.



## What are the rewards and consequences?

- Knowing how you might benefit from achieving the goal is important because it helps motivate the entire team. On the other hand, knowing the consequences helps push you to achieve the goal through the fear of expense.





## Calculate Benchmarks

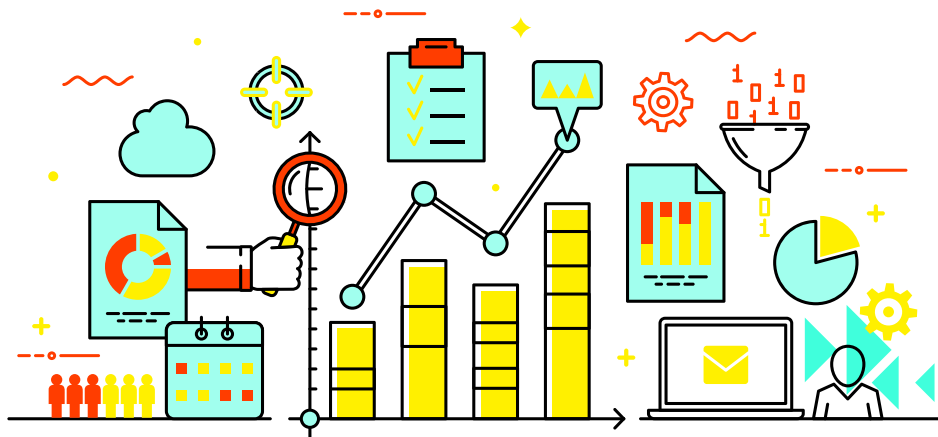
Once you've established three to five goal statements and added this to your SLA, you can take things one step further by calculating benchmarks based on revenue goals.



### Calculate marketing side of goals

In order to calculate the marketing side of goals in the SLA, you'll need the following four metrics, which you can gather from your marketing analytics tool (like HubSpot) and your CRM:

- Total sales goal in terms of revenue quota
- Percent of revenue that comes from marketing- versus sales-generated leads
- Average sales deal size
- Average lead-to-customer close percentage





## Do some calculations

- $\text{Sales quota} \times \% \text{ revenue from marketing-generated leads} = \text{marketing-sourced revenue goal}$
- $\text{Marketing-sourced revenue goal} / \text{average sales deal size} = \text{\# customers needed}$
- $\text{Customers} / \text{average lead-to-customer close \%} = \text{\# leads needed}$



## Re-evaluate marketing's SLA benchmarks

Over time, many factors can impact the numbers used in your calculations so it's a good idea to recalculate them every month or every quarter. To do so, create a spreadsheet that tracks your goal calculations by month. It should include the following:

- Number of marketing-generated leads
- Number of those leads that became customers
- Revenue from those closed customers
- Total revenue closed that month from marketing-generated leads
- Total revenue closed that month
- Average sales cycle



## Calculate the metrics

- $\frac{\# \text{ marketing-generated leads that became customers}}{\# \text{ marketing-generated leads}} = \text{lead-to-customer close \%}$
- $\frac{\text{Revenue from closed customers}}{\# \text{ of marketing-generated leads that became customers}} = \text{sales deal size}$
- $\frac{\text{Total revenue closed from marketing-generated leads}}{\text{total revenue closed}} = \% \text{ revenue from marketing-generated leads}$



# Defining Marketing- and Sales- Qualified Leads

Since many leads will move down the funnel through lead nurturing, one of the most important elements that marketing and sales teams can discuss are the differences between a marketing-qualified lead (MQL) and a sales-qualified lead (SQL).

While definitions vary by company, here are several characteristics you can use to come up with your definitions:



## Behavior

One of the most important factors that differentiates a lead from a MQL or SQL is their behavior on your website or how they engage with your company. For example, Company A may notice that first-time visitors are just as likely to purchase as a repeat visitor, while Company B's leads aren't likely to convert until they've visited the site three or more times.



There are some general behavioral characteristics that can be monitored and utilized in lead qualifying, including:

- First-time visitor versus repeat visitor
- The lead's conversion count or the number of times they fill out a form
- The lead's stage in the buying cycle
- The lead's source (i.e., LinkedIn, organic search, and so on)



## Demographics

Your website's forms can be a goldmine for gathering lead qualifying information. Some examples of information you can gather and use include:

- Role
- Company
- Pain points
- Budget



## Progressive Profile

Because extra form fields can decrease lead conversions, you shouldn't ask for all the information you want on one form. With progressive profiling, when a visitor fills out a form on a website landing page for the first time, they are required to only answer a few form fields. The next time that visitor fills out a form, you can replace the existing form fields with new form fields to gain additional lead intelligence.



## The Service Part of the SLA

When you discuss goals, you will likely talk to your sales team about what each of you need to do to be successful, but you should also take this a step further. Marketing will need to know how sales will follow up with leads and also when they will do this. This is important because timing really does matter for close rates. According to research published on Forbes.com studying over 10,000 companies, when leads are called in five minutes, the odds of contact are 100 times higher compared to thirty minutes. Thus, if marketing is going to promise X amount of qualified leads this month, sales also needs to promise to follow up quickly and efficiently with these leads.

# Tools to Help Adapt

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The digital age has brought many advances in marketing and sales tools, including automation and CRM platforms. They not only help both teams work together, they can also provide a significant amount of business intelligence to executives.



## Closed-Loop Marketing

Your company likely already has tools for marketing like automation software and tools for sales like a CRM. This is great, but often times both tools don't integrate. Closed-loop marketing integrates your marketing software with sales' CRM system. This type of marketing gives you the ability to see which channels are most successful at closing sales and which ones may need some work.

If you use HubSpot for marketing automation, you can integrate CRMs like Salesforce, Sugar CRM, and Microsoft Dynamics. Even better, if your sales team doesn't use a CRM or the CRM you currently use isn't optimal, you can use the new HubSpot CRM for closed-loop marketing.



## Lead Scoring

Lead scoring is a valuable tool that allows you to automate lead qualifying by placing a value on a lead based on online behavior and demographics gathered from forms. It is especially valuable to companies that are generating more leads than they can manage manually. With HubSpot, leads who are given a particular score can be stored in a smart list for sales to easily monitor.



## Workflows

While workflows on HubSpot are beneficial for lead nurturing campaigns, they are also beneficial for internal notifications. For example, when a sales-qualified lead converts on your website, the workflow tool can be used to notify your sales team.



## Sidekick

Sidekick is a HubSpot tool that plugs into email applications and offers lead data and instant notifications for lead revisits and activity.





## Social Media

Marketing usually takes the steering wheel on social media, but it is also beneficial to get your sales team up to speed on using social, too. Not only will prospects research your sales team via social media, they can also use social media for prospecting and reaching out to leads or customers.



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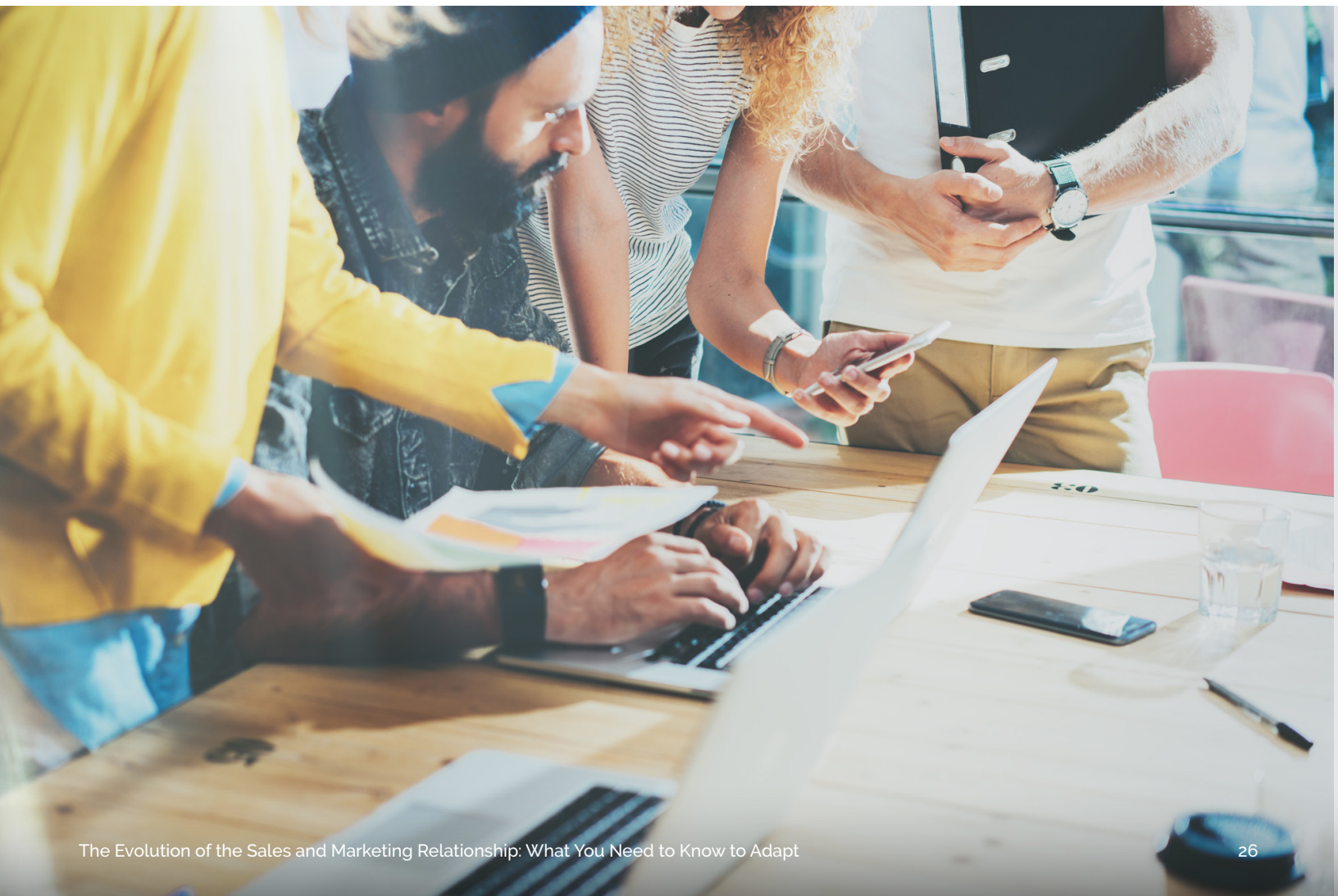


# Partner with Sales on Content

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Although marketing has always been responsible for creating content, your sales team may actually be a goldmine for ideas because they work so closely with prospects and customers.

Content should reflect the typical questions prospects ask, their pain points, and what type of information they would find helpful on your website. In addition, producing content for a website or blog takes a lot of manpower. You may even want to offer incentives to those who help contribute to the blog.



# About SmartBug

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SmartBug Media is one of a handful of HubSpot Diamond partners in the world and is the highest-rated agency in the history of the HubSpot ecosystem. We also boast the highest ROI documented from any HubSpot partner—3,558% and 14,500% ROI on a six-month and three-year campaign, respectively. At Inbound 2015, SmartBug Media was the most recognized agency, having won or been named a finalist in nine awards.

SmartBug Media is one of first the HubSpot partners to implement growth-driven design and was an inaugural member of the HubSpot COS Advisory Board. For more than seven years, SmartBug Media has been helping businesses increase sales leads, close more customers, and enhance the reach of their brands. From building comprehensive online marketing programs to designing new websites, driving leads through social media or sales enablement, we're an extension of your marketing team that delivers.

**For a free inbound marketing or web design consultation, or to learn more, visit [www.smartbugmedia.com](http://www.smartbugmedia.com) or call [949-236-6448](tel:949-236-6448).**

# About the Author

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Amber Kemmis is an Inbound Marketing Consultant and Team Lead at SmartBug Media. Using her psychology background, leadership experience as an in-house marketer, and nearly two years as an agency inbound marketing consultant, she helps industry-leading companies build and implement inbound marketing strategies that go beyond generating buzz to completely bridging the gaps between sales and marketing to create sustainable and predictable ROI.

**Have a question? Curious how we can help grow your business?**

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