![SiriusDecisions — Intelligent Growth™]

The Economics of Sales/Marketing/Product Alignment

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SiriusDecisions

Our Business

Advisory

Designed for executives and teams to help define strategy and support the execution of key initiatives. Provides access to benchmark data, as-needed access to analysts, and best practice research – including operational models and frameworks.
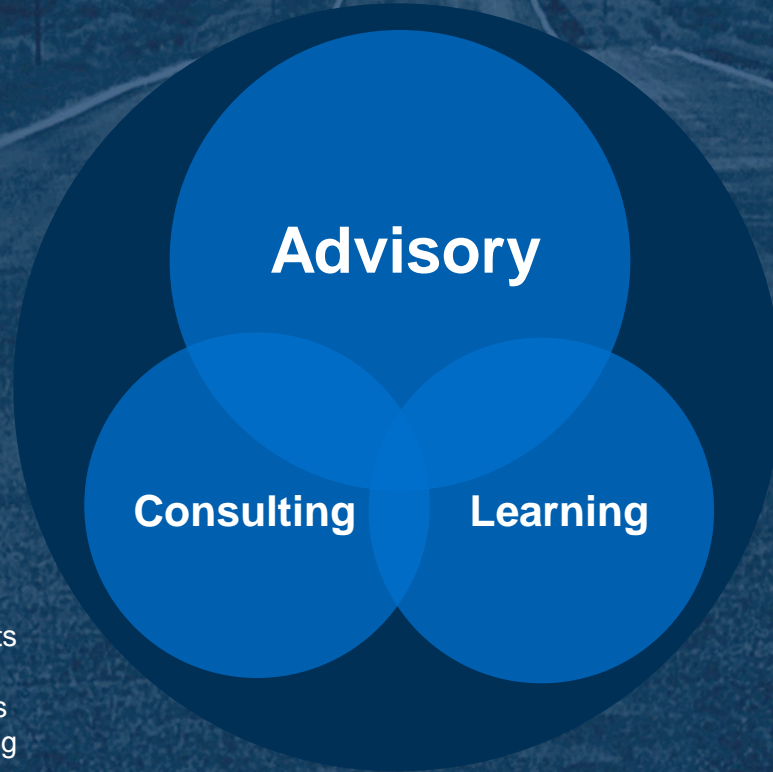
Research-Informed Consulting

Research-informed assessments, workshops and project engagements that support key initiatives. Our consultants are experienced leaders in your field who apply Sirius thinking and tools to help solve the challenges you face.

Research-Enabled Learning

Our learning solutions address practitioners' skills gaps and extend core concepts across teams to enable consistent execution.

Advisory

Consulting

Learning

What Is the Impact of Alignment?

Marketing

Sales

The alignment between sales, marketing and product is the hallmark of a high-performing organization

Product

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Executive Summary

- **Key issues**
  - All organizations want to align sales, marketing and product, but many lack the understanding of the potential impact
  - Achieving alignment is a journey, requiring a roadmap on where to start and the milestones to get there
  - Organizations and markets change, which challenges the ability to stay aligned and impacts growth
- **What you will walk away with**
  - An understanding of the impact alignment can have on revenue and profitability
  - A framework that shows the critical phases of alignment
  - A description of each phase of alignment and what is required to progress from phase to phase

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Methodology

1. **Benchmarking data: Reviewed 400 companies' benchmarking results from 2006 to 2014**

   - Evaluated high performers vs. peers
   - Analyzed external data sources on market growth
   - Explored areas of alignment that made a difference

2. **Quantitative survey: Reviewed questions answered by 300 b-to-b sales, marketing and product management leaders**

   - Analyzed key issues in achieving alignment
   - Explored the barriers to alignment

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Why Alignment Matters

Findings from our analysis

Measuring Alignment

SiriusPerspective: A company's growth is driven by a combination of controllable and uncontrollable factors.
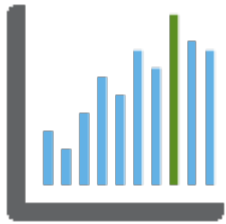
Market	Competitiveness	Efficiency	Alignment
• Industry Growth • Market Conditions	• Relative Pricing • Product Positioning • Innovation	• Profitability • Sales and Marketing Spend • Financial Performance	• Interlock Processes • Measurement System • Service-Level Agreements • Pipeline Impact

Marketing   Sales   Product

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Finding: High Impact Is About the Uncontrollable

SiriusPerspective: Creating exceptional growth beyond the market average requires product competitiveness, operational efficiency and strong organizational alignment.

Why Do Companies Grow?

Alignment   5% - 36%

Competitiveness + Efficiency   12% - 34%

Market Growth   48% - 79%
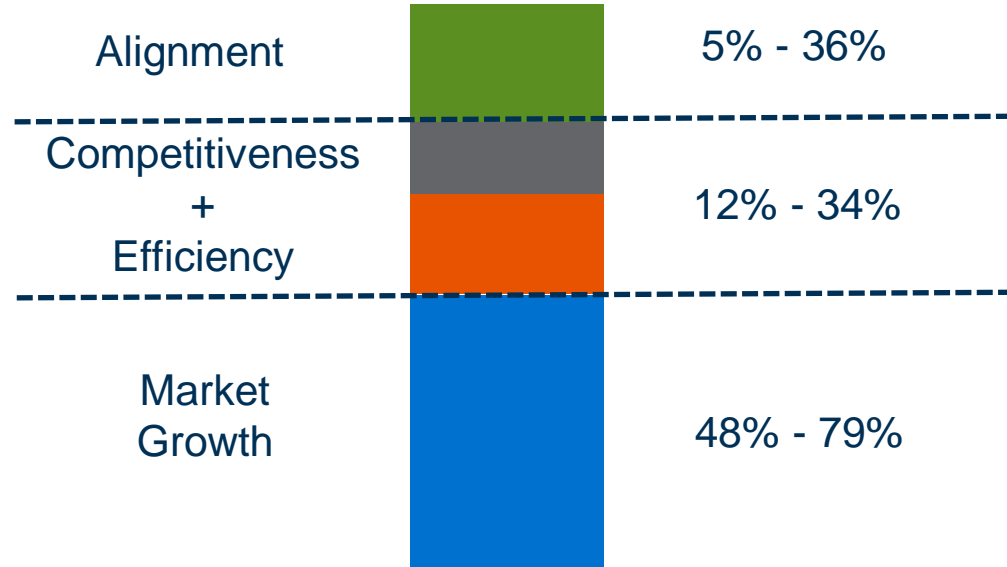
To grow faster than peers requires alignment

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Alignment Quotient

SiriusPerspective: Measuring the impact of alignment starts with evaluating the development of five key elements.

Interlocking Processes **+** Measurement System **+** SLAs **+** Waterfall Performance **+** Pipeline Impact

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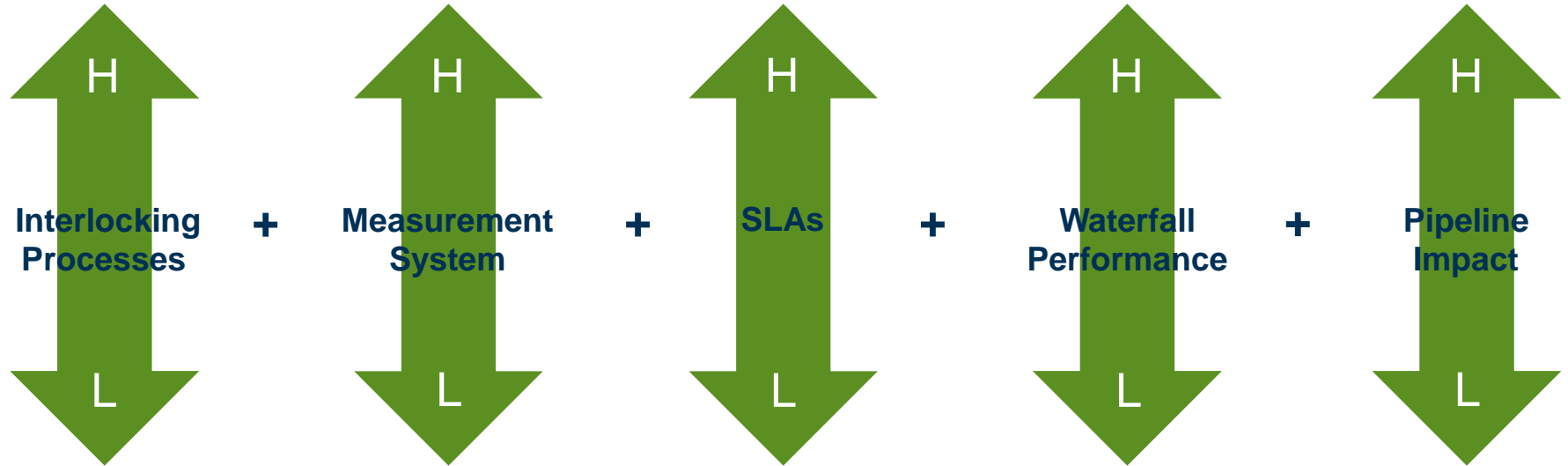
Finding: Alignment Is *The* Difference

SiriusPerspective: Companies that are more aligned have a significant strategic advantage over their peers.

- Most struggle to stay here

- A strong foundation is required to move from here

Competitive Solution / Market Driven	**Aligned: Growth** 19% Faster Revenue Growth
Misaligned Just Beginning, Scaling or Stalled	**Aligned: Profit** 15% More Profit

% Rev Growth (vertical axis)

Alignment (horizontal axis)
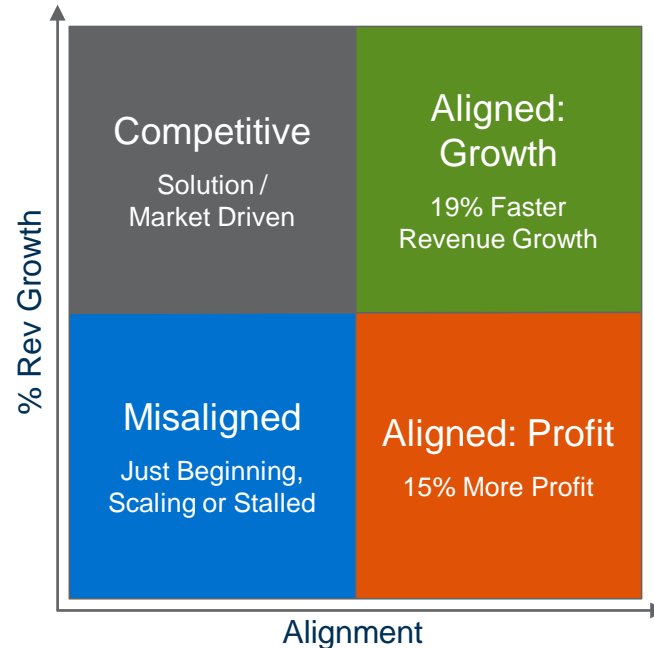
- Staying aligned is not a destination and change without focus

- Efficient companies grow faster and create more profit

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Finding: Four Phases of Alignment

SiriusPerspective: Alignment is a journey, not a destination − to achieve best-in-class performance requires continuous attention and focus.

Phase I
Foundation
Alignment of strategy, processes, goals and measurement

Phase II
Scale
Repeatable processes, technology and organizational interlock

Phase III
Comprehensive
As alignment is applied further, dynamic market conditions challenge results

Phase IV
Efficient
Maintaining growth with alignment while driving efficiency

% Rev Growth

Revenue

Profit

Inconsistent Alignment

Alignment

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Finding: Alignment Is Continuous

SiriusPerspective: Staying aligned is often challenged by a changing business landscape.

Change in Leadership

New Organization Structure

Acquisition/New Business Model

Change in Business Strategy

% Rev Growth

Alignment

Revenue: High Alignment

Revenue: Low Alignment

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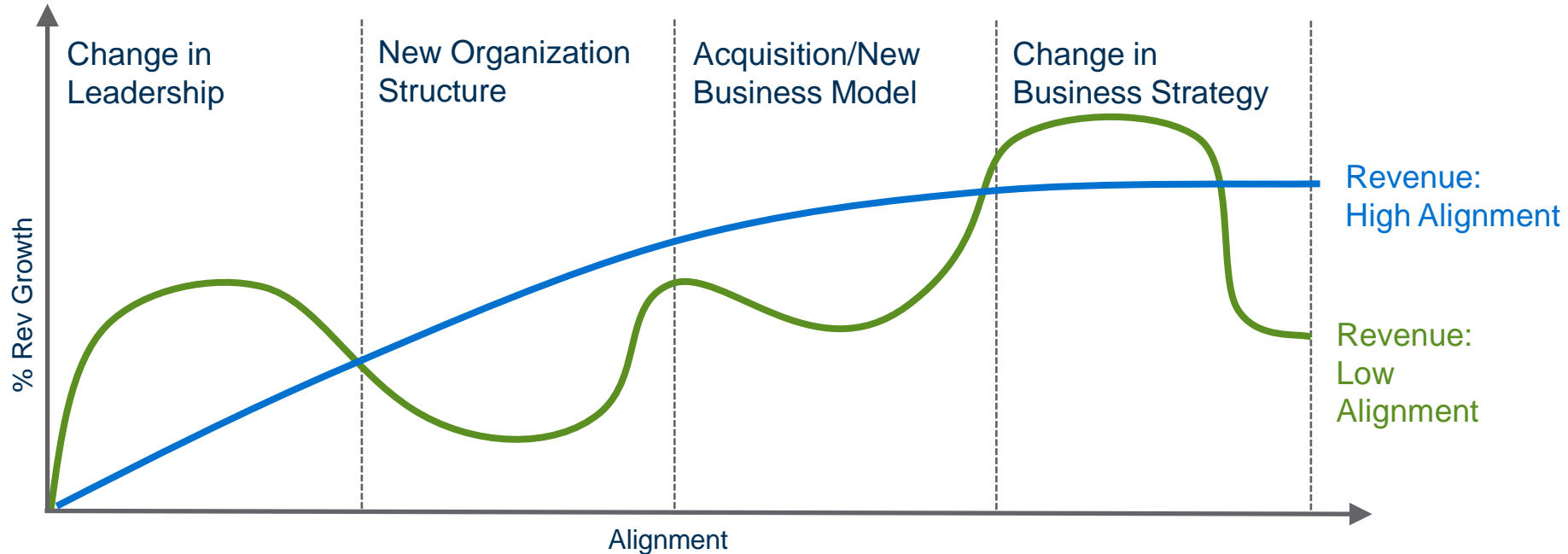
What Do Leaders Say?

SiriusPerspective: Sales, marketing and product leaders believe internal processes are the biggest barriers to alignment, with sales effectiveness making the biggest impact.

Top Barriers to Alignment

| | Internal Processes |
| Technology |
| Skills |
| Leadership |
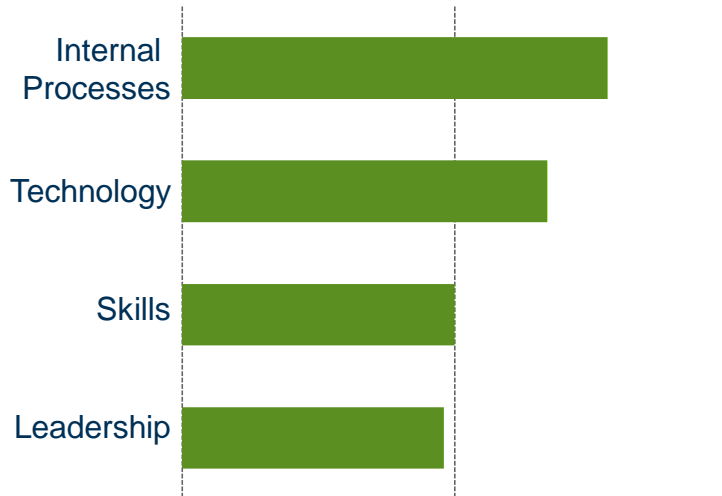
Impact to Alignment

	Marketing	Sales	Product
1	Sales Effectiveness	Sales Effectiveness	Lead Quality
2	Clarity in Buyer's Journey	Better Pipeline	Sales Effectiveness
3	Customer Satisfaction	Lead Quality	Clarity in Buyer's Journey

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Getting to Alignment

What are the phases that organizations go through?

Getting to Alignment

SiriusPerspective: When evaluating the alignment quotient, a series of aligning factors drive high scores.

Interlocking Processes		Measurement System		SLAs		Waterfall Performance		Pipeline Impact
H		H		H		H		H
L		L		L		L		L
+		+		+		+		

Interlocking Processes
- Growth Strategy
- Go-to-Market
- Processes
- Organization

Measurement System
- Processes
- Measurement
- Technology

SLAs
- Processes
- Organization

Waterfall Performance
- Processes
- Measurement
- Technology

Pipeline Impact
- Processes
- Measurement
- Technology
- Organization

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Managing the Phases of Alignment

SiriusPerspective: Six key factors drive alignment, moving organizations to progress from phase to phase while increasing revenue growth or profitability.

	Phase I **Foundation**	Phase II **Scale**	Phase III **Comprehensive**	Phase IV **Efficient**
	Alignment of strategy, processes, goals and measurement	Repeatable processes, technology and organizational interlock	As alignment is applied further, dynamic market conditions challenge results	Maintaining growth with alignment while driving efficiency
Technology	Enabling technologies			
Processes	Interlocking processes			
Measurement	Agreement on metrics and KPIs			
Organization	Organizational alignment			
Go-to-Market	Marketing, sales and product approach			
Strategy	Agreement on growth strategy			

Alignment

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Building the Foundation

SiriusPerspective: Achieving and maintaining alignment requires a roadmap of strategies to technologies.

	Phase I Foundation	Phase II Scale	Phase III Comprehensive	Phase IV Efficient
Technology	Base	Dashboard	Architecture	Knowledge
Process	Interlock	System	Hierarchy	Advantage
Measurement	Productivity	Impact	Insights	Predictive
Organization	Leadership	Ecosystem	Coverage	Leverage
Go-to-Market	Buyer	Experience	Spectrum	Dynamic
Strategy	Pillar	Pillars	Priority	Adaptable

Alignment

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Building the Foundation

	Phase I **Foundation**	Phase II **Scale**	Phase III **Comprehensive**	Phase IV **Efficient**
Technology	Base			
Processes	Interlock			
Measurement	Productivity			
Organization	Leadership			
Go-to-Market	Buyer			
Strategy	Pillar			

Growth Pillar

Markets
Buyers
Offerings
Productivity
Acquisition

Alignment

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Building the Foundation

	Phase I **Foundation**	Phase II **Scale**	Phase III **Comprehensive**	Phase IV **Efficient**
Technology	Base			
Processes	Interlock			
Measurement	Productivity			
		Marketing	**Sales**	**Product**
Organization	Leadership	• Buying cycle model	• Value stream mapping	• Customer lifecycle
Go-to-Market	Buyer	• Digital strategy • Demand creation mode	• Channel model • Incentive comp plan	• Sales content • Launch model
Strategy	Pillar			

Alignment

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Building the Foundation

	Phase I **Foundation**	Phase II **Scale**	Phase III **Comprehensive**	Phase IV **Efficient**
Technology	Base			
Processes	Interlock	Marketing	Sales	Product
Measurement	Productivity →	• Waterfall metrics • Web analytics • Sourced/ influenced	• Pipeline metrics/waterfall • Forecast management • Onboarding	• Win/loss • Product performance • Product certification
Organization	Leadership			
Go-to-Market	Buyer			
Strategy	Pillar			

Alignment

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Building the Foundation

	Phase I **Foundation**	Phase II **Scale**	Phase III **Comprehensive**	Phase IV **Efficient**
		Marketing	**Sales**	**Product**
Technology	Base			
Processes	Interlock →	• Relative targeting • Lead definition and SLAs • Demand type • Campaign framework	• Competency model • Channel enablement model • Onboarding process • Sales productivity model	• PMM Model • Messaging architecture • Product to solution • Product launch
Measurement	Productivity			
Organization	Leadership			
Go-to-Market	Buyer			
Strategy	Pillar			

Alignment

Building the Foundation

	Phase I Foundation	Phase II Scale	Phase III Comprehensive	Phase IV Efficient
Technology	Base →	• SFA • MAP • Analytics • Sales asset management		
Processes	Interlock			
Measurement	Productivity			
Organization	Leadership			
Go-to-Market	Buyer			
Strategy	Pillar			

Alignment

Alignment Roadmap

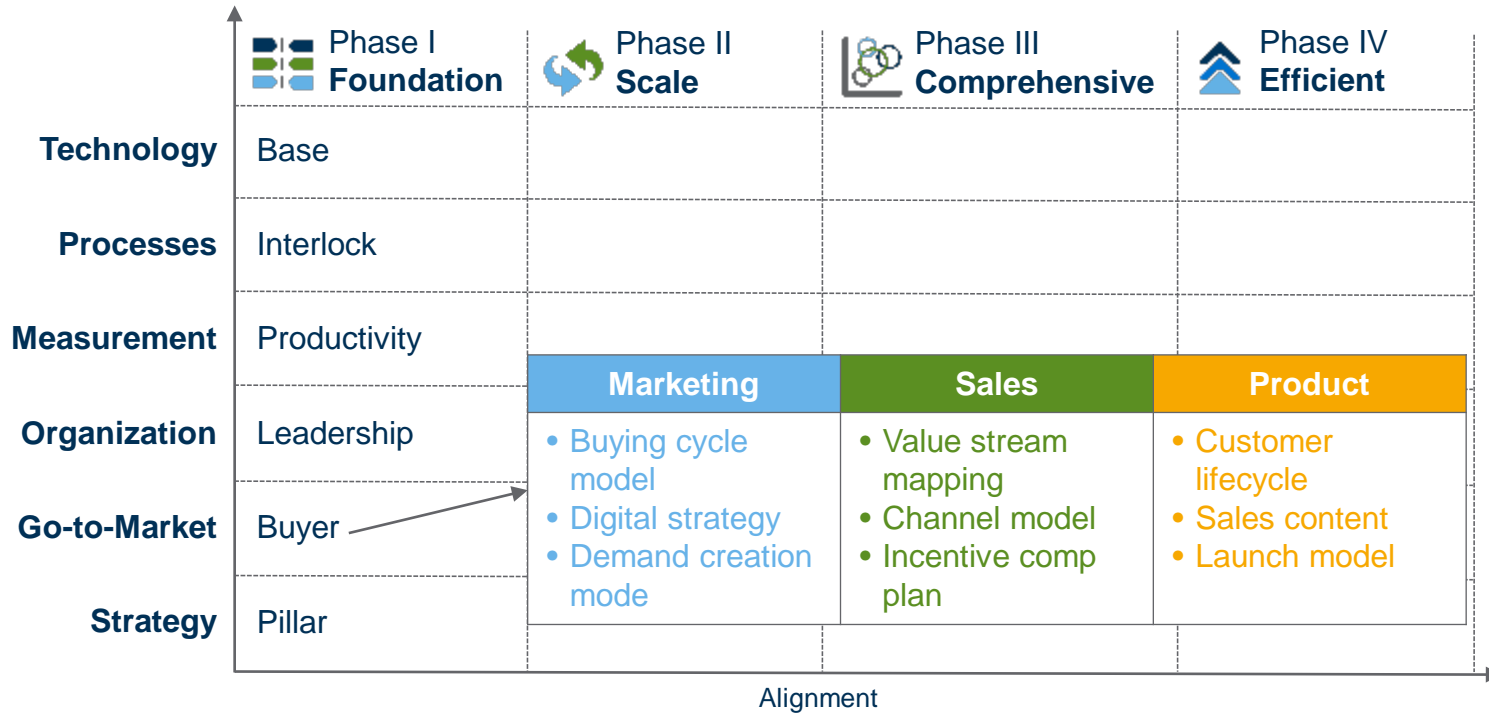|	Phase I Foundation	Phase II Scale	Phase III Comprehensive	Phase IV Efficient
Technology	Base	Dashboard		
Processes	Interlock	System		
Measurement	Productivity	Impact		
Organization	Leadership	Ecosystem		
Go-To-Market	Buyer	Experience		
Strategy	Pillar	Pillars		

Growth Pillar

Markets
Buyers
Offerings
Productivity
Acquisition

Alignment

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Alignment Roadmap

	Phase I **Foundation**	Phase II **Scale**	Phase III **Comprehensive**	Phase IV **Efficient**
Technology	Base	Dashboard		
Processes	Interlock	System		
Measurement	Productivity	Impact		
Organization	Leadership	Ecosystem		
Go-To-Market	Buyer	Experience		
Strategy	Pillar	Pillars		

Marketing	**Sales**	**Product**
• Customer experience • Re-evaluate segmentation • Evolving demand model	• Coverage model expansion • New logo/ customer coverage • Channel recruitment	• Customer lifecycle • Sales content • Launch model

Alignment

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Alignment Roadmap

	Phase I **Foundation**	Phase II **Scale**	Phase III **Comprehensive**	Phase IV **Efficient**
Technology	Base	Dashboard		
Processes	Interlock	System		
Measurement	Productivity	Impact		
Organization	Leadership	Ecosystem		
Go-To-Market	Buyer	Experience		
Strategy	Pillar	Pillars		

Marketing	Sales	Product
• Marketing incentives • Demand center/ shared services • Marketing operations • Content operations	• Sales incentives • Enablement/ operations model • Channel coverage model • Sales productivity model	• Product incentives • Roles in product • Portfolio launch • Content model

Alignment

Alignment Roadmap

	Phase I **Foundation**	Phase II **Scale**	Phase III **Comprehensive**		Phase IV **Efficient**
			Marketing	**Sales**	**Product**
Technology	Base	Dashboard			
Processes	Interlock	System	• Global KPIs metrics – marketing	• Global KPIs metrics – sales	• Global KPIs metrics – product
Measurement	Productivity	Impact →	• Business intelligence	• Propensity	• Customer lifecycle
Organization	Leadership	Ecosystem	• Reputation	• Territory optimization	• Marketing segment
Go-To-Market	Buyer	Experience			
Strategy	Pillar	Pillars			

Alignment

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Alignment Roadmap

	Phase I **Foundation**	Phase II **Scale**	Phase III **Comprehensive**		
			Marketing	Sales	Product
Technology	Base	Dashboard	• Lead nurturing • Lead scoring • Propensity analysis • Persona marketing	• Relative productivity • Sales communication audit • Partner experience • Channel incentives	• Budget planning model • Persona model • Innovation model • Value-based pricing
Processes	Interlock	System →			
Measurement	Productivity	Impact			
Organization	Leadership	Ecosystem			
Go-To-Market	Buyer	Experience			
Strategy	Pillar	Pillars			

Phase IV **Efficient**

Alignment

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Alignment Roadmap

	Phase I **Foundation**	Phase II **Scale**	Phase III **Comprehensive**	Phase IV **Efficient**
Technology	Base	Dashboard	• Single platform • Visual • Metrics/KPIs	
Processes	Interlock	System		
Measurement	Productivity	Impact		
Organization	Leadership	Ecosystem		
Go-To-Market	Buyer	Experience		
Strategy	Pillar	Pillars		

Alignment

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Alignment Roadmap

SiriusPerspective: Some have excelled in each phase of the alignment roadmap.

	Phase I Foundation	Phase II Scale	Phase III Comprehensive	Phase IV Efficient
Technology	Base	Dashboard	Architecture	Knowledge
Processes	Interlock	System	Hierarchy	Advantage
Measurement	Productivity	Impact	Insights	Predictive
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Go-to-Market	Buyer	Experience	Spectrum	Dynamic
Strategy	Pillar	Pillars	Priority	Adaptable

Alignment

FireEye

OnBase by Hyland

VERACODE

GE GE Healthcare

vmware

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Action Items

- Marketing
  - Establish a roadmap for alignment
  - Concentrate on the key processes of each alignment phase
  - Set the stage for the organization's journey
- Sales
  - Evaluate the increased productivity alignment will bring
  - Focus on key enabling SLAs and technologies
  - Lead the discussion on the growth pillar strategy
- Product
  - Examine alignment in the context of offering coverage
  - Create the key responsibilities and deliverables for all product-related roles

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