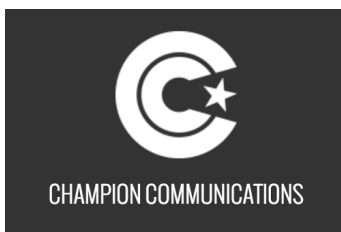


Bridging the Gap

The disconnect between sales and marketing efforts is impacting technology firms on the bottom line

The disconnect between sales and marketing efforts is impacting the bottom line of technology firms





Foreword

Glyn Hughes
Head of Business Development, techUK



techUK represents around 850 technology companies in the UK, with members ranging from leading FTSE 100 companies to innovative start-ups. Our association drives conversations in the technology industry. We are dedicated to providing our members with fresh insights throughout the business cycle to assist their growth and development within the UK.

Sales and marketing teams are the main agents of growth within most of the technology businesses that make up the membership of techUK, with both departments working to retain valuable customers and take on new ones.

We were approached by Champion Communications, a PR consultancy dedicated to helping B2B technology brands increase sales, and Pure Potential, a leadership and senior team development consultancy, with the idea of investigating how these agents of growth could be optimised for increased revenue.

By surveying more than 200 individuals working in sales and development roles within technology companies in the UK, we sought to understand the use of marketing collateral in B2B tech sales. The overriding feeling we gleaned from our quantitative and qualitative research was that there is a major disconnect and the two functions continue to work in silos. Sales and business development departments are not getting what they need from marketing and this misalignment is impacting the bottom line.

This study goes into some depth about the degree of disconnect between sales and marketing within the technology sector and the negative impact it is having on growth. We also seek to provide solutions in the form of key takeaways that can help bridge this gap and optimise revenues.

I do hope that this report is of use, provokes thought and ultimately helps you to sell more.

Introduction

There has never been a more fascinating yet challenging time to be in tech sales and marketing. The digital landscape has transformed the sales-cycle and customers are buying differently, sales teams are selling differently, and marketers are marketing differently. The dynamic has changed forever.

To better understand how the marketing and sales departments of technology companies are working together in this modern world, techUK in partnership with Champion Communications and Pure Potential conducted research amongst some 200 sales executives.

By combining this quantitative analysis with qualitative input from thought leaders within the industry, Bridging the Gap paints a picture of a disconnect that is damaging the growth potential of technology companies within the UK. We look at that divide, why it exists and how we can start to address it.

The disconnect between marketing and sales

The modern digital landscape is making it increasingly difficult to distinguish a marketing activity from a sales activity. In the past, sales was always at the sharp end – close to customers and the market – whilst marketing took more of a backseat strategic approach. This is no longer the case.

Online marketing enables brands to engage directly with customers in a way that would have previously been limited to the sales function. Throw social media into the mix and it's clear to see that marketing teams are carrying out the early stages of the sales cycle. Despite this, the two departments often operate in silos, completely separate from one another.

There could be a number of reasons for this such as a lack of alignment over objectives or even cultural differences between the two functions. These differences can often lead to each department not taking full advantage of the contribution the other can make in securing new business.

According to the 200+ individuals working in sales and business development roles that were surveyed, only 41% of marketing collateral was deemed useful in their efforts to secure new business.

Despite this disconnect, it was not all bad news. Any business able to more closely align marketing and sales stands to reap some serious benefits.

When asked what impact optimum marketing collateral would have on their sales conversations, the vast majority (93%) of respondents said that they would be able to increase their sales with nine out of ten (89%) stating that this would have a beneficial effect on the time and effort it would take to secure new business and lead to more lucrative deals (72%).

41%
of marketing collateral
was deemed useful in
salespeople's efforts to
secure new business
opportunities

If you had the optimum content and support from marketing, what impact do you think this would have on your sales activity?



93%

**The number of deals
would increase**



89%

**Deals would happen
faster and easier**



72%

**The profitability of
deals would increase**

These results suggest that there is a significant opportunity to realign marketing efforts without necessarily increasing marketing costs. This isn't about spending more money on marketing collateral but making sure that the investment is worthwhile and useful to sales departments. In short, sales teams are more likely to secure new business if they collaborate with marketing and this will have a positive impact on the bottom line.

So, how can the marketing department create content that is going to help the sales team initiate discussions with prospects, progress sales conversations and close deals?

Renata Randi, Chief Marketing and Alliances Officer, Logicalis



As a company, we operate in 26 countries around the world designing and delivering complex, business-critical solutions across multiple vertical sectors. In my experience, in the regions where sales and marketing efforts are more closely aligned, our leads tend to be of better quality, convert faster at a higher value, and generate stronger endorsements and referrals.

My goal is to ensure that marketing is part of business development as far as is possible. It is reassuring to see from this research that other organisations face the same challenges and the opportunities better collaboration between sales and marketing can bring.

Tom Adams, Marketing Director, Aptum Technologies



Earned media can be fantastic fuel for the social selling and outreach of sales teams. Most social platforms make it very easy to collate earned media and package it for salespeople to drop into LinkedIn, Twitter etc.

Making it seamless and easy is the key; giving control and governance of messaging to marketing and letting salespeople get those all-important third-party endorsements in front of their networks, is the key to campaign success.



What influences sales success?

The B2B technology sales cycle seems to get more complicated by the day. In its report, What Sales Should Know About B2B Buyers in 2019, Gartner says:

“The days of simply winning over a senior decision maker are long over, but it may be surprising how functionally diverse buying groups have become. Buying today is complicated by complex solutions, financial instability and data security concerns.”

The report goes on to say:

“B2B buyers respond by adding more and different types of stakeholders to their buying groups. Each new stakeholder brings individual diverse concerns, priorities and opinions to the table, making the buying process extremely difficult as they struggle to reach a consensus over the solution - or even the problem - that works for everyone.”

Gartner also highlights that B2B buyers are now younger and more inexperienced, which leads them to lack confidence in their ability to make buying decisions. This in turn, makes buyers more likely to settle for a course of action smaller and less disruptive than originally planned.

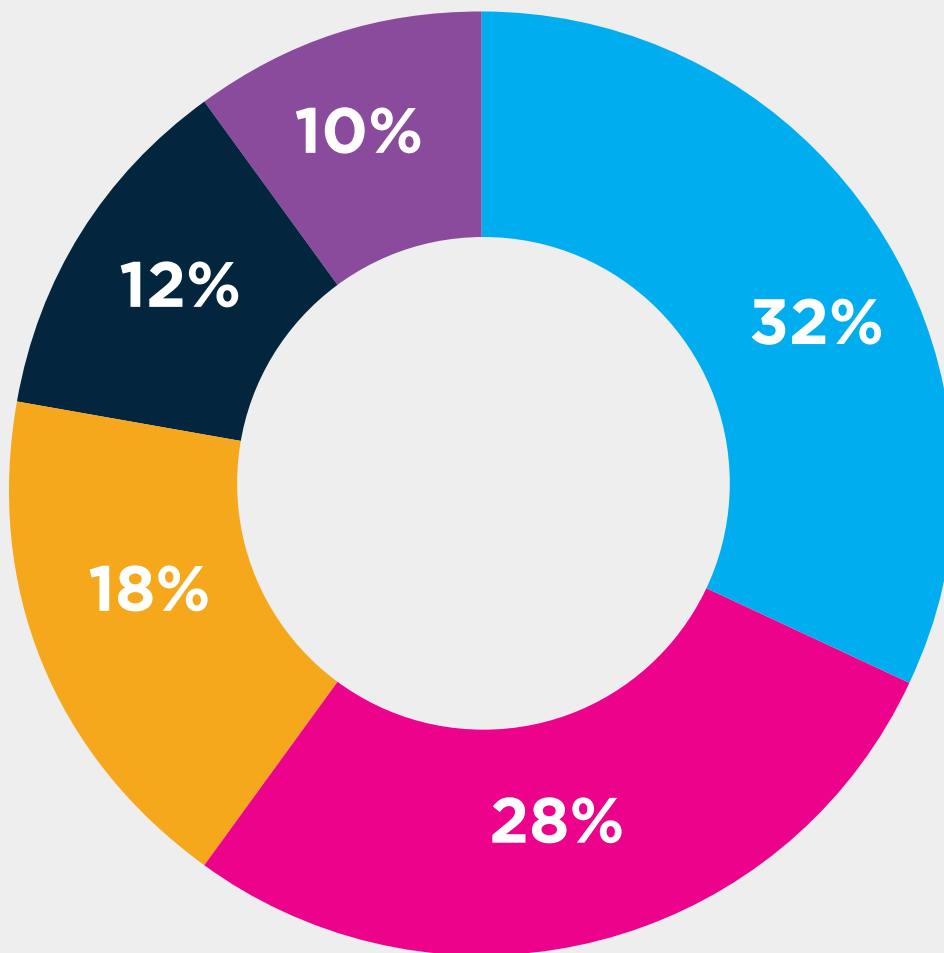
This is further exacerbated by the complexity of the B2B buyer journey, with a recent Gartner survey finding that 77% of B2B customers rated their purchase experience as extremely complex or difficult. These customers require information that helps them to simplify the purchase process and suppliers that are able to provide them with information that helps them to do so.

In fact, Gartner research shows that customers are three times more likely to commit to a bigger deal with less regret when suppliers provide them with information that is perceived as being helpful in advancing the purchase process. In this context, it is absolutely vital that salespeople are able to garner trust by proving credibility and validation of their company and its offering.

This is reflected in our research; when asked what would most significantly impact their ability to convert leads to sales, the most common factor cited was increased trust from prospects. Other factors included being able to provide third party-proof about their company's products and services closely followed by the leaders of their company being perceived as experts within their respective fields.

Businesses need to enable buyers to make the big decisions using marketing collateral that is consequential, informative and helpful.

What would help sales conversations?



-  Increased trust from prospects
-  If I had more third-party proof about my company's products and services
-  If my company had more credibility
-  If the leaders of my company were perceived to be experts
-  If my company had increased brand awareness

Christelle Fraysse, Chief Marketing Officer, Workbooks



For too many organisations, there's a disconnect between sales and marketing that's holding them back and impacting their bottom line.

A true partnership between both departments and a culture of transparency, enabled by technology, can help uncover unique insights into the sales process, fine-tune and optimise the sales and marketing strategies, as well as grow new business opportunities and increase revenues. Alignment can be truly transformational!

Ken Deeks, Director, The Amber Group

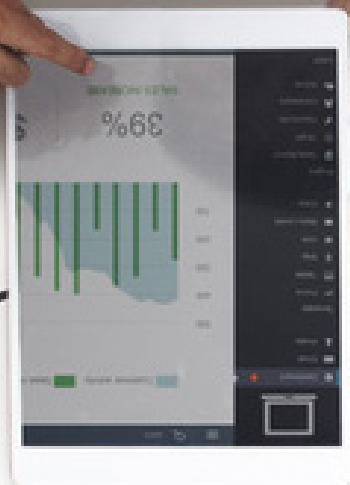


About 20 years ago, when I was chair of the Marketing group at techUK, we ran a workshop for about 30 marketers on how marketing can work closer with sales. I asked how many of them had been on a sales or customer visit in the last year.

Not one hand went up. It transpired that only one person in the room had EVER been on a sales call. Just that one simple action could have made a huge difference by

a) getting a better understanding of the challenges facing sales teams and
b) the changing needs of the buyer - with this cross-collaboration leading to stronger more meaningful relationships between the two.





Adobe

Marketing collateral – what’s hot and what’s not?

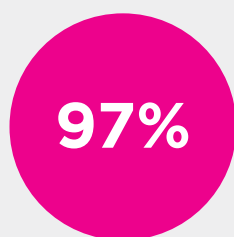
There are many reasons a company invests in marketing; from building brand awareness to investor communications or helping with recruitment.

For B2B technology companies, generating business growth is typically a primary objective that attracts budget and resources. However, our research suggests that a significant portion of this investment is not effectively being deployed.

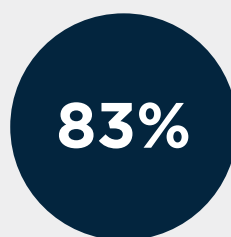
To better understand how this issue can be minimised, we asked sales executives which forms of marketing collateral were most useful in their sales conversations.

The collateral that topped the list in instilling trust and credibility in prospective clients were case studies, with almost all (97%) identifying them as useful and 84% believing that more case studies would result in more sales.

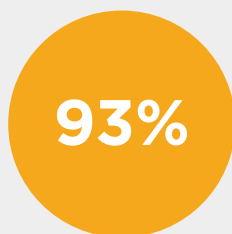
Which forms of collateral are able to generate trust, validity and credibility amongst your prospective clients?



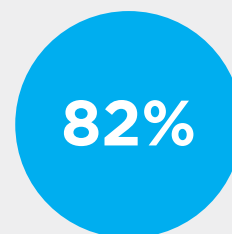
Case studies



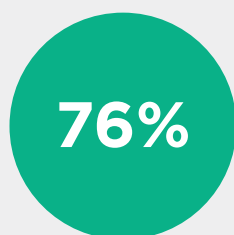
Blog posts



Earned media



E-books



Awards

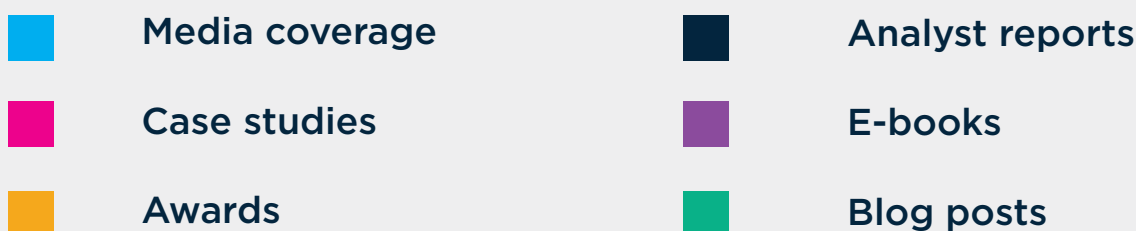
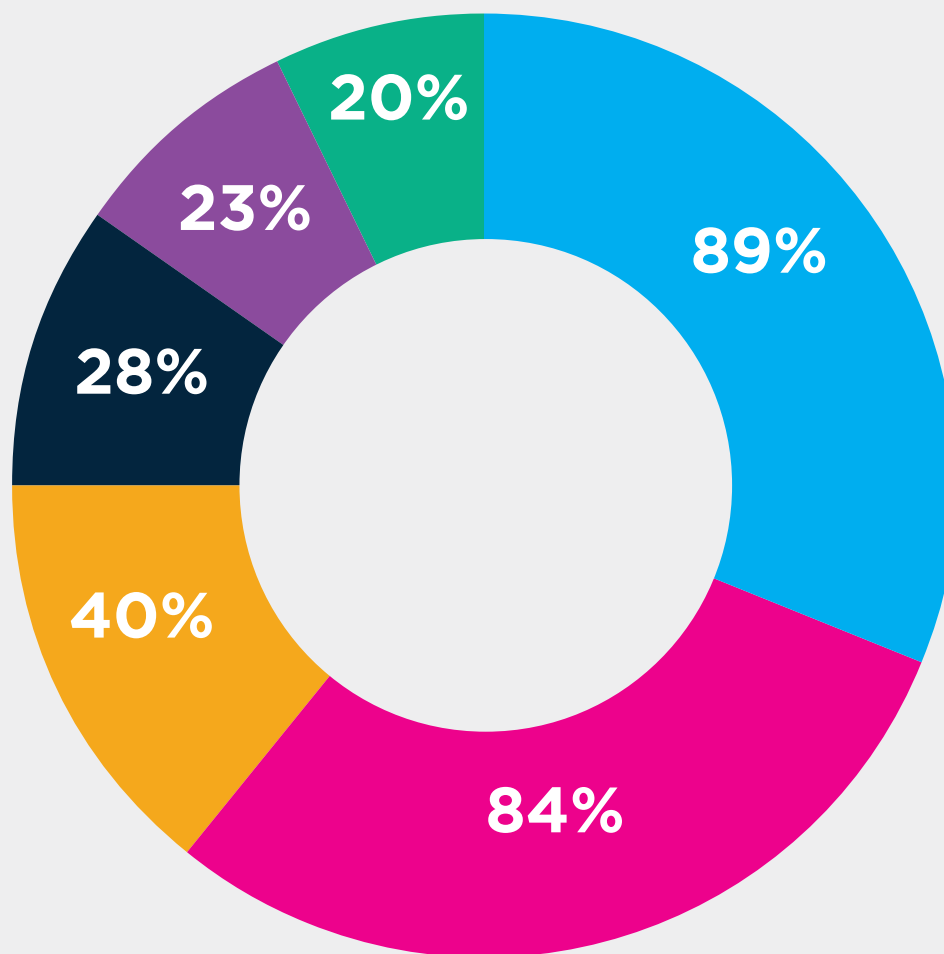


Annual reports

A similar number (93%) cited earned media to be useful in their sales conversations. Third-party endorsement plays a significant role in helping to develop trust so good earned media coverage can be one of the most effective sales tools when used correctly.

A problem that often arises is that business development executives do not have access to their organisation’s earned media coverage. Marketing are spending significant amounts of money on PR and earned media, but when they use it solely for brand awareness, its value is diminished. Our survey found that 89% of respondents believe that access to more earned media would enable them to make more sales.

Which of the following would you like more of to help you increase sales?



On the other hand, certain pieces of marketing collateral such as annual reports were identified as not being useful in conversations with prospects – 62% of respondents stating this to be the case. This was surprising given that annual reports provide a comprehensive snapshot of a company’s activities and financial performance. When created properly and with sales in mind, they can be a great piece of content to share with prospective clients.

Analyst reports also appeared to be under-appreciated with only 28% stating that access to these would lead to more sales. In addition to providing third-party endorsement, these reports bring credibility and recognition to a brand - what’s not to like?

Analyst reports from the likes of Gartner and Forrester could and should be used to help enable the buyer to make a purchase decision. An analyst report’s value is that it offers a credible, side-by-side, third-party evaluation of leading products in a category.

Conclusion

Our study reveals a clear divide between sales and marketing functions within UK technology businesses with this disconnect hindering the growth potential of companies across the UK.

Whilst many companies are aware of this disconnect and understand the benefits of aligning the two, they don't always seem to be able to bridge the divide.

It's not a question of allocating more budget to marketing, it's more about ensuring that sales teams are able to talk through the challenges they and their buyers are facing, so that the marketing strategy reflects their needs.

Key takeaways:

- **Identify barriers to sales;** establish what sales and business development teams are up against; What do they envisage as being opportunities or obstacles when talking to prospective clients?
- **Map the buyer journey unique to your organisation;** What are their pain-points? What do they need in order to buy from your organisation?
- **Foster internal collaboration;** Have your sales team input into your marketing strategy. Share your marketing collateral and PR successes
- **Measure what's working and what's not.** Review your marketing efforts from your sales team's perspective on a regular basis

A lack of alignment over objectives and cultural differences between internal sales and marketing teams can be overcome. Better organisation, communication and collaboration will ensure that sales and marketing departments are getting the best out of one another, and technology companies who get it right, will reap the rewards.

Alan Edwards, Founder, Why Marketing



The buying process is no longer linear and marketing and sales both have roles to play. It is likely that early stage pipeline is more dominated by marketing activity, while later stage more sales, but in both cases the other function continues to have a role.

Creating and using content effectively and exchanging information on the buyer will lead to more effective collaboration between the two. Putting the buyer at the centre and sharing responsibility across the entire journey rather than using a classic sales pipeline view can pay dividends.

Jamie Hancox, Managing Director, Buyingtime



Relationships between Sales and Marketing teams in the technology sector have become increasingly strained in recent years. Marketing perceive sales as being too “transactional” and marketing teams are tired of being “lead machines”. We are finding that the execution of “target account” programs pay off in several ways.

The projects force sales and marketing to align on a specific plan, tactical distractions are minimised, budgets go further focusing on smaller account sets, and everyone delivering the program across both functions becomes accountable.



CREATIVE

BE

TYPOGRAPHY LAYOUT

WORLD

TRENDY 10 MEANINGS OF COLOURS

think - customer

ID EA

75%

DEAD

the top 10 most common colors in the world

the most common colors in the world

100%

100%

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What the industry says

Neville Merritt, Director, Pure Potential



Marketing and Selling - what's the difference anyway?

This survey and results bear out the opinion I have had for a long time – that there is still a big opportunity for marketing and sales teams to help each other to generate more sales revenue. I have spent much of my career in sales roles, in marketing roles and ultimately in senior roles responsible for both functions. It is unusual to have had first-hand experience of both, but it has been an enormous benefit to me personally. I am convinced that salespeople would sell better if they had a deeper understanding of marketing activities, and marketers would have more impact on revenue if they had experience of selling. At the end of the day the customer doesn't care whether it is called marketing or sales – they are simply buying something and that is where we need to focus our efforts.

I started selling in the 1980s and at that time marketing had a limited role. They ran advertisements in journals, produced brochures and organised exhibitions. We had no internet, and our customers relied on conversations with salespeople to get almost all the information they needed to select the right product. Salespeople led the sale. Through the mid-1990s and into the 21st Century, marketing took on a much more significant role. With email marketing, websites and social media, they were able to create awareness, build engagement and pass part-qualified leads to the sales teams to close the sale. In some cases, customers could by-pass salespeople altogether and buy on-line.

This changed from about 2015 onwards when people started to mistrust previously reliable institutions, with highly publicised cases around politicians, the church, the police, news media, charities and of course “marketing”. What information could people trust? Social endorsement became very important in decision-making, with B2C and B2B customers doing a lot of research independently prior to purchase, making use of customer review sites, peer recommendations and independent reviews. The customer is now driving the sales cycle.

With this blurring of the roles of sales and marketing, we need to focus on something that remains consistent. Every customer follows a path, or “buyer's journey”, from the earliest acknowledgement of need, through the sales cycle, to becoming a customer advocate. At every stage of that journey, the buyer will need information, and this can be provided from sales or marketing resources, it doesn't really matter which. What matters is that the customers' needs are satisfied, and they continue along their buyer's journey, strengthening their engagement with the seller.

Research shows that only about 10% of a market will be actively engaged in a sales cycle, which means 90% are in some stage of latent demand and will buy some time in the future. If sales teams ignore the 90% who are “not buying” and only work with the 10%, they will be missing a huge opportunity to build engagement and strengthen the sales cycle when it happens. The 90% are about to start or are at the early stages of their buyer's journey and it is essential that both sales and marketing work together to support every stage of customer interaction.

Sales Enablement is a relatively new term which covers all the resources which can help salespeople close business; I think this needs to be broader. It must also include more sales involvement in marketing activities to help marketing support the early stages of the buyer journey, leading the better qualified and more highly engaged prospects moving into the active sales cycle.

Both sales and marketing help customers to buy, and revenue is the goal of every commercial business. Sales and marketing teams can achieve much more through closer understanding, better collaboration and common goals.

Richard Cook, Managing Director, Champion Communications



Let's use PR properly and impact the bottom line

In any commercially driven organisation, both marketing and sales executives need to be focused on the customer. That customer is often hard to identify and overwhelmed with the responsibility and implications of making the wrong purchasing decision about a technology or services that they are not familiar with.

Brent Adamson, Distinguished VP, Advisory, Gartner put it best when he said: "As hard as it has become to sell in today's world, it has become much more difficult to buy. The single biggest challenge of selling today is not selling, it is our customers struggle to buy."

In this context, the opportunity for sales and marketing to work together is profound, yet this research shows that as far as sales is concerned, this opportunity is not being capitalised on.

In my own experience of working in PR for the last two decades, I insist on meeting a sales team before taking on any brief. In most cases, it quickly becomes apparent that there is no substantive relationship between PR people and sales.

This has always struck me as a wasted opportunity. Public Relations provides third-party endorsement, credibility and validation that can build trust and make it easier to secure new business. In the hands of the right sales executives, an earned media programme can provide a dynamic catalogue of authoritative analysis that helps prospects feel more secure in their purchasing decisions.

Earned media has traditionally been seen, and measured, as "air-cover" with awareness, only having an impact at the top of the sales funnel. I believe this is wrong and B2B brands are missing a trick.

How can we ensure this earned media is an asset to sales? Firstly, the two disciplines need to talk to one another. In order to be of value to sales, PR pros need to understand what sales are up against and create earned media campaigns that respond to the challenges of a specific market. PR pros should be spending time with sales executives out on the road to gain a better understanding of the process and its pain-points.

The time has come to move beyond B2B PR that is vague and opaque. By working more closely with sales, PR can have a real and lasting impact along the entire B2B sales funnel.

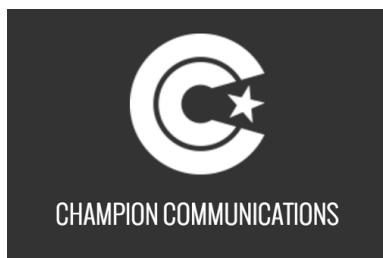


techUK represents the companies and technologies that are defining today the world that we will live in tomorrow.

Around 850 companies are members of techUK. Collectively they employ approximately 700,000 people, about half of all tech sector jobs in the UK. These companies range from leading FTSE 100 companies to new innovative start-ups.

The majority of our members are small and medium-sized businesses.

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Champion Communications is a PR consultancy dedicated to helping B2B technology companies sell more by generating awareness, credibility, validation and trust through the endorsement of earned media. Based in central London, with an international network of partner agencies, our clients include fast growth innovators and global enterprises.



championcomms.com | letstalk@championcomms.com | T 020 7030 3818



Pure Potential is a leadership and senior development consultancy which helps professionals, executives and board members expand their ability to lead their teams, attract great talent and continue to build their personal reputation. The company focuses on enabling leaders to look more closely at 'how' they lead, equipping them with improved skills and strategies to inspire, impact and influence their teams, their colleagues and their key stakeholders.

pure-potential.co.uk | info@purepotential.co.uk | T 01428 713399