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CRM: Four Dirty Little Secrets of Marketing Automation

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In the heat of a sales cycle, marketing automation vendors tell you all the great news about how their systems will increase conversion rates, improve sales effectiveness, and save time. When used properly, marketing automation systems do all that. What the sales reps don't tell you is...

A Marketing Automation System without Content is an Empty Shell

Marketing automation systems are content engines in disguise. Unlike simple e-mail blasting systems (which enable horizontal campaigns), a marketing automation system's real value comes from their vertical marketing campaigns that do "drip marketing" of carefully sequenced messages and content. You can't buy "content packs" for these lead nurturing campaigns from anybody. Somebody has to plan out what all those sequences of messages will be, and then write the e-mails, create the landing pages, and produce the PDFs or other downloads that will inform and motivate the prospect.

If you don't have the budget to produce that content or the people who can think through all the nurturing sequences, there's really no point in buying a marketing automation system. Make sure that you somebody good in marketing or one of their agencies is on the hook to deliver this content.

Unfortunately, this is not a one-shot requirement. As your marketing message, competition, and product offerings evolve, all the content needs to be updated. Further, best practices are to do split-testing of content, where two versions of key campaigns compete with one another to improve results. This means at least monthly monitoring of test results, and periodic updates to evolve the content.

Marketing Automation Joins Marketers with Sales People

The whole point of a marketing automation system is to deliver fewer, much higher quality leads to your telesales or other business development people. This means that your marketing department needs to be brought culturally and organizationally closer to the sales team. Take it from me, this can be a challenge in itself.

The marketing VP needs to assign people to work the marketing automation system who are organized and can deliver on schedule, but not people who are overly analytical or heavily deliberate. They need to have a resilient attitude and realize that their customers are the telesales team. It's best practices to set up an SLA and an incentive team so both the sales and marketing folks are pulling the same direction. You might be surprised how often that's not the case.

Integration is Effectiveness

To be effective, Marketing Automation systems need to be tightly integrated with your sales force automation system. The goal of marketing automation — a well-nurtured lead that is willing to take things further — means that the prospect has to be delivered to your telesales team (or whatever the next step of your sales process is) fast. Studies by market researchers show that the "next step" has to be within hours, so you can't wait for an overnight batch update.

Further, the people working the prospect will need to see a lot more than just the name and phone number. They need to know what the prospect has already seen, and what they've reacted to. Best practices are to show your team the entire sequence of communications and responses the marketing automation system has had with the prospect, so they get the basis for a good live conversation.

This integration is best done with everything in one place, so all of the email sequences, web registrations, downloads, and phone calls are in a single chronological list.

Scoring Needs Tuning

Marketing automation systems use a range of scoring systems to gauge the state of readiness of the prospect, and to promote the ones that are the highest quality. Typically, the scoring systems contain explicit elements (attributes of the prospect's profile), implicit elements (scores based on their actions), and time-based functions (more recent actions are more important than older ones).

Off the shelf, the systems will have coefficients and sensitivities set for all the scoring elements. But they are merely a starting point, and there may be dozens of factors that need to be adjusted to fit your customer base. The factors need to be tuned to optimize the quality and conversion rate of the prospects, and the tuning should really be done in two stages. The first stage is to minimize the reject-rate of the prospects produced (as measured by "dead lead" or "no deal" percentages from the telesales team). The second stage — that's trickier and takes longer — is to maximize the closed deal value at the end of the pipeline (as measured by number and value of sales cycles completed).

Naturally, these scoring factors can't be set in stone. As you get new products and develop new vertical campaigns, the implicit and time-based scoring factors will need to be re-tuned.

David Taber is the author of the new Prentice Hall book, "Salesforce.com Secrets of Success" and is the CEO of SalesLogistix, a certified Salesforce.com consultancy focused on business process improvement through use of CRM systems. SalesLogistix clients are in North America, Europe, Israel, and India, and David has over 25 years experience in high tech, including 10 years at the VP level or above.

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