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**WINFIRST MARKETING**

**THE 7 PILLARS  
OF B2B  
DEMAND  
GENERATION  
SUCCESS**

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MARKETING

## Introduction

For winning B2B companies, the Demand Generation function is the engine that drives the company's growth and success—delivering an ever-increasing flow of qualified opportunities for the sales team to close, with predictable results.

However, the breadth of marketing's role and the constraints of team resources often inhibit its ability to execute all aspects of the demand gen system well... and ultimately, results suffer.

The good news is that there is a clear formula that can ensure success, even when resources are constrained. It starts with creating a comprehensive demand generation system. A well-designed system provides the foundation for long term demand gen success, ensuring:

- Accelerated pipeline creation
- Predictable results
- Maximum ROI

At WinFirst Marketing we begin with the system itself—ensuring that it is designed to enable the company's growth goals for the long term. Before a single lead is generated, marketing teams should ensure they've established this foundation for success.

With this in mind, we created this checklist -- a simple yet powerful reference tool for marketing teams to ensure that they create and sustain the foundation for demand gen success. Included are the 7 core pillars of a successful demand generation system, along with a description and some useful online resources.

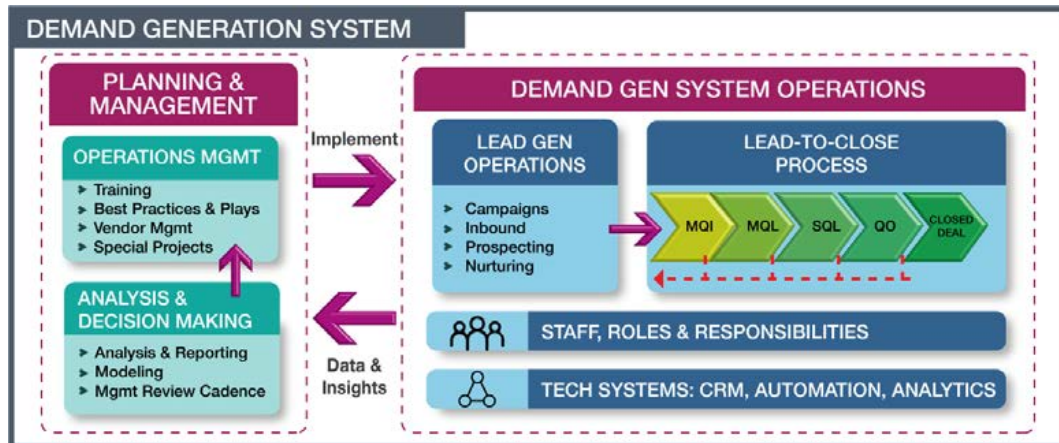


## 1. Codify the Demand Generation System

Demand gen success requires well-tuned coordination of people, process, and technology. The overall set of these moving parts is your **Demand Generation System** -- it defines the what, when, how and who of every step in the lead to close (LCP) process.

A well defined system is vital to success. At WinFirst we created the Opportunity Creation Acceleration™ Framework, a template that we use with clients to establish their high performance demand gen systems.

### WinFirst Marketing OCA™ Framework



It sounds simple, but the majority of companies fail on the simple process of documenting and formalizing the system itself. To do it correctly:

- Assign a champion/owner, and have them lead a quick effort to define each step in the LCP process, working in collaboration with the broader team.
- Ensure all key stakeholders are involved in the effort—primarily sales leadership, sales ops, the CEO, the head of finance, and the relevant marketing team members.

The outcome of this process is a document (typically PowerPoint) that serves as the "constitution" for your system.

- Just as the US Constitution defines the mechanisms of government, your Demand Gen System doc defines all the inner-workings of your pipeline operation.
- It serves as training material and a reference guide for current and future employees.
- And like the US Constitution, it needs strong support from the leadership team and needs to be held "sacred" by all employees, as well as relevant channel partners or vendors that participate in your LCP process.
- Finally, to close out the analogy, like the US Constitution, yours can be changed as needed, but only by a formal process that involves agreement and support from the leadership team.



See WinFirst Marketing's process and methodology: <http://winfirstmarketing.com/system-design-modeling/>



## 2. Build and Work Your Pipeline Model

At the core of your system is a quantitative model (typically excel) that demonstrates the inputs and outputs of the demand gen system. The model incorporates the conversion rates between each stage of the LCP process, and is used to predict the outputs (opportunities, deals, and bookings) based on differing inputs (budget, people, and lead gen campaigns).

The model has many uses and should be a core tool in the daily operations of the team. Importantly, all leadership reviews of the demand gen function should be based on the model and the pre-agreed key metrics and KPIs. This makes reviews productive, as you can focus on the deltas between actual results and the model predictions (both good and bad), and can focus on insights, analysis and any

	<p>changes (if any) that result from the analysis.</p> <p>See David Skok's landmark series on building a sales and marketing machine: <a href="https://www.forentrepreneurs.com/sales-marketing-machine/">https://www.forentrepreneurs.com/sales-marketing-machine/</a></p>
	<p><b>3. Formally Differentiate and Define Roles within the Lead-to-Close Process</b></p> <p>Prospecting, Qualifying, Closing Deals, and Managing Clients are four very different roles along the spectrum of sales. Each role requires different skill sets, training, incentives and even personality types.... This is basic division of labor, (a concept that goes all the way back to Plato!), yet most companies do not clearly define and differentiate amongst them.</p> <p>As marketing is responsible for creating quantifiable pipeline, it's key to have a qualifying function within the marketing team. This is the vital top-of-the-funnel role that processes the early stage leads and identifies the ones that may become sales opportunities in the foreseeable future. This team needs to work very closely with the marketing team, as their customer outreach is highly dependent on the campaign(s) that generated the initial customer lead.</p> <p><b>*Bonus Tip*:</b> Consider creating a "No Handoff" process, particularly for high value leads. Given that different roles and team members are responsible for different pieces of the LCP chain, it is commonplace for leads/prospects to be "handed off" from one person to another. A BDR might make the first call and set up a meeting, but the meeting is run by an account exec, and if it moves forward, it might be handed off yet again to an outside sales rep. While the handoffs make sense for internal operations, the customer experience is often suboptimal... particularly when they face questions they've already answered, or hear pitches they've already heard. We like a "No Handoff" model wherein the initial point of contact at your company for a given prospect (usually a BDR or SDR) remains involved throughout their customer journey. Division of labor rules still apply, but rather than facing a series of handoffs, the customer is shepherded through the process by their original contact point.</p> <p>See Aaron Ross's overview from Predictable Revenue: <a href="http://predictablerevenue.com/specialize">http://predictablerevenue.com/specialize</a></p>
	<p><b>4. Always Measure and Know Your Pipeline Throughput Capacity</b></p> <p>Another area that is too often overlooked is an assessment of the throughput capacity of the funnel. This is particularly pronounced in the early stages of the LCP process where your team must process large volumes of early stage leads.</p> <p>To manage this well, use a throughput model that is connected to your overall Demand Gen system model (Pillar 2). The key variables are:</p> <ul style="list-style-type: none"> <li>• the elements of work performed per rep per unit of time (for BDRs this is typically calls, emails, meetings and then an overhead allowance)</li> <li>• the number of reps in each position.</li> </ul> <p>These factors set the team capacity, then the lead gen activities and campaigns need to align. For example, a common BDR metric is calls/day and the normal range varies between 60 -100. So, a team of 4 BDRs making an avg of 80 calls/day should process 1600 calls per week or about 6400 per month. If you expect an average of 6 calls/lead (a common industry standard), then the team can handle approximately 1000 new leads/month.</p> <p>This helps you determine if you have sufficient throughput capacity given the business goals, and to manage it on an ongoing basis. It also is very useful for peak planning—for example, when planning tradeshows that generate thousands of leads, you need to assess how the team can process the leads and consider supplementing the team with temp resources to manage the peaks.</p> <p>Insight Squared published an excellent in-depth article with guidance for capacity planning for the BDR and Sales teams: <a href="http://www.insightsquared.com/2016/12/capacity-planning-model-for-bdr-and-sales-team/">http://www.insightsquared.com/2016/12/capacity-planning-model-for-bdr-and-sales-team/</a></p>

**\*Bonus Tip\*** – A platform specifically designed for the inside sales or BDR function is critical to success, particularly as you plan to scale. These platforms make the inside teams much more effective, and automate the capture of key data for management, reporting, analysis.



### **5. Design the Right Incentives – Particularly for New Customer Acquisition**

Repeat sales to existing customers are crucial for overall company growth and success. Indeed, the first deal to a new customer is almost always a small fraction of the overall customer lifetime value, where the bulk of the revenue of a customer comes in years two and three and beyond. And of course, closing repeat orders from an existing customer is far easier than closing the first deal with a new customer (this translates directly into lower cost of sales, and overall profitability).

As vital as the recurring revenue from your existing install base is, new customer acquisition is the true driver of growth, particularly for early stage high growth companies. And herein lies the potential challenge – sales to existing customers entail larger deals, and are generally much easier. Where would you spend your time as a rep if the only metric is bookings or revenue? Without the right incentive structure, your salesforce will gravitate to the existing install base at the expense of pursuing new customers.

There are many valid approaches to overcoming this phenomenon—paying higher commission rates, spiffs or special bonuses for new logos, or simply setting minimum thresholds of new deals... It could also be solved by maintaining different teams (closers vs. account managers, see Pillar 3). Just be sure to plan ahead and actively monitor the team to ensure that cumulatively the team is spending sufficient time on both new and existing accounts.

See the following article for good methods for designing the right incentives:

<https://www.itagroup.com/insights/achieve-sales-and-marketing-alignment-incentives-and-recognition>



### **6. Enact, Implement & Enforce**

Once you've defined and documented the system (Pillar 1), established your models (Pillars 2 and 4), and established the team roles and incentives (Pillars 3 and 5), you have the core elements in place of a well-defined demand gen system. Now you need to *operationalize* it. Make sure it sticks and doesn't become "shelfware". This entails two key steps:

First, go back to the company leadership team that was involved in the process of defining the system, and ensure they buy-in and are committed, and will assist you in making sure it is the "law of the land". Make sure they are sold on the value of the system and understand the requirements that it will place on their teams. Look them in the eye... get them to commit! This is critical as inevitably some aspects of the demand gen system will meet resistance. Sales and Marketing people—particularly those that work in high growth, dynamic environments—are pre-disposed to chafe at the perception of "too much process". But the data that your system depends on requires people to follow defined process during their daily tasks. It takes a little extra effort and discipline to follow these procedures, and sometimes requires a little carrot-and-stick cajoling to make sure they adhere to the defined process. This enforcement is always better coming from the leadership of the relevant group, vs. one of their peers.

Second, now that you have the air-tight and unwavering support of the sales and company leadership, it's time to promulgate the system. You need to sell it. Hold team meetings and 1x1 sessions with key folks on the sales team, ad sales ops team. Make sure you explain the value of the new system in WIIFI terms ("what's in it for me"?). Adherence to the system will lead to accelerated sales cycles, closed deals, and ultimate money in their pockets.

In the first month or two of the new system, monitor very closely. Be patient -- following the procedures is not second nature to most folks. Gently encourage and remind the team to follow the procedures. Look for opportunities to streamline or simplify. Be sure to over-praise folks for adhering to new processes. Don't break out the big stick too early or you might be labeled the "process police" and resistance will build. Rather, nurture the new system along until you see it running smoothly and the process deviations become the exception, rather than the norm.





## 7. Execute Lead Gen Campaigns with Adherence to Best Practices

Lead generation is the most important sub-function within the overall demand generation system. With a well-defined demand gen system (as outlined above), you've met the key pre-requisites for running effective lead gen campaigns. Now, it's time to execute, generating the leads that will feed the funnel. Execution of campaigns is the biggest factor that determines the results of your demand gen system.

There are endless techniques and sources for lead gen, with new ones emerging each day. But don't let the range of options or the apparent complexity of lead gen slow you down. Regardless of the options that you select to construct your marketing mix, there are a handful of best practices that apply across the board:

1. Model expected results and measure effectiveness against the model's predictions
2. Use your models to select the campaigns that are predicted to yield the best ROI
3. Use a portfolio approach in defining your marketing mix – you should have a range of campaigns that differ across key characteristics (type of campaign, CPL, volume and timing of leads produced, etc.)
4. Incorporate all activities that generate actionable leads into your planning and modeling – beyond pure lead gen campaigns, incorporate inbound leads, prospecting, and nurtured leads into your models (And of course, each of these activities have their own unique set of best practices)
5. Develop the core internal materials for each lead-generating campaign and activity. At minimum, each campaign should have a one-page overview that describes the lead gen activity, the target lead profiles, the unique messaging required, and the expectations in terms of volume and timing of leads. A unique script and supporting email templates should be created and used for quick training sessions before the campaigns start running.
6. Apply the campaign specific best practices to each campaign – webinars, live events, social media advertising, and content syndication all generate great leads, and all differ dramatically in terms of the planning and execution of the campaigns. Start by leveraging public domain materials on best practices for each of the types that you include in your mix...and develop your own internal playbooks and best practices based on your experiences in the market. Make these documents available as a resource to internal employees and relevant partners, and use them as training materials. A key function of marketing is to maintain these docs as part of the institutional "code" of your demand gen system.

## Final Thoughts

This brief checklist provides a very high-level view of the foundational elements that must be in place for a high-performance demand gen system. Successful design and execution of demand generation relies on significant expertise, experience, human resources and investment. For questions on this doc or other demand gen topics, please contact us at [info@winfirstmarketing.com](mailto:info@winfirstmarketing.com). We'd love to hear from you!