

## 10 Ways to Take Advantage of a Down Market

Every black cloud has a silver lining. After a decade or more of marginal cuts in SG&A, the Sales and Marketing Functions may finally have a turn at true reengineering. Current market conditions provide a unique catalyst for organizations to gain a significant and structural advantage by overhauling their sales and marketing functions. At MarketBridge we see this as an inevitable new wave of functional creative destruction. Here are 10 ways to get started now to realizing significant SG&A savings while beginning the journey to an innovative new go-to-market business model.

### 1) Make Everything in Marketing a Program and Cut Half of Them

Marketing organizations are typically organized to manage processes (campaign management, launch, product management, sales enablement, etc.). Yet, ironically, marketing teams rarely align around clear, end-to-end processes. Each process “silo” has a tendency to be self-preserving, fighting for their slice of the pie and driving their campaigns to market.

We have helped clients successfully put program management frameworks and capabilities in place to assess, link, reduce and streamline go-to-market requirements; resulting in fewer, bigger, better programs. Programs should be measured in terms of specific business objectives, and should have specific milestones, timelines and end dates. By putting all outbound activities into program “buckets,” they can be assessed for need, critical mass and effectiveness. A simple objective of cutting away half of the programs would allow a large number of orphaned initiatives to be linked to other programs for efficiency and concentration of resource. A significant number of poor-performing activities can be abandoned altogether.

This approach to “destroying” a legacy product-centric campaign planning model will be an important step toward a new generation of growth-segment micro campaigns, each measurable in discrete, 6-12-month business terms.

### 2) If It Isn't Digital, Don't Do It

There remains today a “digital divide” in B2B marketing, often explained by the generation of the CMO. Online and offline, above the line and below the line, the debates continue and the quest for integration lingers in the creative departments of agencies.

There is no line. Every major B2B outbound (and increasingly inbound) activity should have a digital component, and that component should be described and measured in specific use case terms. If your

business needs offline media to reach audiences and shape brand image, find a business-to-business reason to move the dialogue to the Web, and make the interaction the primary objective.

### 3) Create the Data and Change the Metrics

By going all digital, you go all measurable. But old Marcom metrics do not play well in this world. The era of measuring awareness and perceptions months after the fact seems archaic when you can measure tailored interaction scenarios in days or hours.

Precision targeting and micro campaign management require precision landing, prescriptive interactions and highly tailored metrics. It sounds complicated but it's not – you just measure what you set out to do. Will generic Marcom scorecards go away soon? Of course not – but they will only be useful as an end of period report on Marketing performance, they won't tell you what to do differently while you can still affect the outcome.

To produce these metrics you need to create the data. While waiting (for years) for the CRM and PRM capabilities to tie Marketing to the sales pipeline, allocating a fraction of the investment to Web analytics, smart Web production and user-generated information can not only fill the gap, but propel you to the future.

### 4) Plan to Grow and Move the Money

Once your Marketing teams have broken out of the product campaign push model, embraced tailored digital use cases and developed micro-campaign measurement capabilities, you are ready to commit marketing spending to a growth plan. Planning to grow will increasingly require precision market segmentation and targeting. For mega companies in low-growth markets, and smaller companies looking for places to scale with limited resources, pockets of growth can be small, with unique needs, and differing buying practices.

The marketing formula for success for each of these segments will require targeted, tailored go-to-market scenarios. Each will have its own interactions, from learning and consideration through partner and vendor collaboration to delivery and value realization. When marketing budgets are locked to continuing revenue targets the money is not free to invest in new interactions specifically tied to growth segments. Move the money to the growth targets in a material way.

### 5) Move a Third of Your Sales Force to High-Growth Segments

Once the marketing resources are aligned with growth segment customer and partner interactions, move sales resources as well, but move them to play the new roles required by the growth segment buying preferences. This will not only align sales expense with revenue growth, it will also drive productivity in mature markets and revitalize the sales force.

It takes a confident executive to move sales heads away from well-known customers and revenue sources. A well-defined growth plan grounded in market segment insights, with demonstrable marketing momentum, is a key requirement. An astute seller will be among the first to recognize the merits of

segment-targeted plans and tailored approaches. But moving the best performers to the leading edge of growth is counter-cultural. While change is in the air, do more than trim the low-performing ten percent out – move the top 20% from comfort zones to growth opportunities.

### 6) Move a Third of Your Sales Customers to Lower-Cost Channels

The most customer-centric companies know which customers are low performers. Which of those merit continued coverage by your best sellers, and which should be put into a medium-touch/low-cost maintenance mode? At the other end of the bell curve, which of your highest-performing customers would actually prefer fewer face-to-face sales meetings and improved day-to-day access to your resources on the Web or the phone?

Lower-cost channels, generally those that cost less than a direct sales force, get a bad rap as “low touch.” From the customer’s point of view, they can experience improved access and frequency of contact. The right combination of resellers, inside (tele) sales and Web interactions can create a far better customer experience than being the 18<sup>th</sup> or 45<sup>th</sup> account for a Field Rep.

Then, of course, there is the question of hidden costs and lower cost alternatives to your reseller channel.

### 7) Lay Off a Third of Your Partners

Legend has it that in the 1980s an IBM executive branded the reseller channel as “IBM Business Partners.” The term “partner channel” is commonly used in the Tech industry and large “partner management” organizations have grown and become advocates for the channel inside their sponsoring organizations. Yet resellers and service providers don’t really want a partner – they want a value-adding vendor.

We believe that the services provided by partner organizations are vitally important to the business models of OEMs and ISVs, and provide key elements of the end customer experience. But we also believe that too many companies have abdicated *all* end-customer accountability to their distribution channels. The new rules for go-to-market call for a *collaborative three-way relationship, selling and delivery model among customers, OEMs and channel partners*. Chances are a third of your partners won’t make that transition, either by choice or due to inertia. Partner with the partners who partner.

The hidden costs of carrying thousands of non-productive channel partners are far reaching. But the most important cost is the opportunity cost of not spending the vast majority of go-to-market resources around the most forward-looking and fastest growing customer segments, in the end-to-end “learn-shop-buy-use” modes they most prefer. Are you anchored in place by the past generation channel model? Find a way to focus on the one-third who will be part of the next model, and leave one-third behind.

### 8) Write Down the Jobs of Sales and Marketing

We have seen the benefits of technology support and the prerequisite process disciplines that have fueled productivity, quality and innovation in past waves of creative destruction. The day the IT priorities begin to fall the way of Sales and Marketing is the day that a solid IT business case is delivered, grounded by a solid

set of business requirements. At most companies this will require a new level of precision in defining marketing roles, outputs and metrics.

There will be major benefits of better defining and documenting the roles and outputs of each step of go-to-market: Overlapping roles that drive cost and complexity, functional gaps in executing new GTM requirements, ability to leverage shared central services, operational management touch points, new skills assessments, and so on. To some this will sound very basic, but chances are there are major role clarity and operational issues within and among your GTM functions.

If your company is confronted with cutting back Sales and Marketing Budgets, this is the time to step back from your current organizational model and define the most streamlined GTM operating model. It starts with a top-down mandate to define the work and the roles.

### 9) Appoint a Go-to-Market COO

Most companies have a Sales Operations function. In recent years most large Marketing organizations have created a Marketing Operations function. In a few cases the Marketing Operations leader has a cross-team role as the driver of an operational management system. In others the role is to develop and maintain marketing tools and processes. Most often the role has a cross-unit budget management responsibility. It is time to put real reengineering teeth into the role, merge it with Sales Ops, and elevate it to GTM COO.

The creative destruction and innovative rebuilding of Marketing as a key cornerstone of a higher-performing go-to-market function will require a transformational leader who can drive technology leverage and operational discipline in balance with creativity and strategic insight. The ambidexterity to be a responsive and focused partner to sales in driving revenue, while also being the steward of the brand, the driver of demand, the coordinator of market strategy and the manager of products is too big a job for the CMO, especially when the tools and data to prove the value of Marketing are still under development.

A GTM COO should carry the charter to reinvent the Marketing function in collaboration with Sales and Service functional leaders, with a mandate to enable organic growth and productivity and a goal to establish the platform and data to sustain leadership.

### 10) Throw Out the Org Chart

As soon as your company commits to embracing a new GTM model and making structural changes in Marketing and Sales, the existing org chart will become the single greatest obstacle to change. Organizations calcify around their roles, budgets, deliverables and relationships. And as often as not, the people with the most power are also most committed to the old model.

Start with a clean page and define the “business components” required to enable a new GTM business model that will drive organic growth and productivity. Which components should be delivered at lowest cost? Which components will help define your differentiation in growth markets? Which components will help you to scale faster on a more sustainable economic base? When you can answer those questions, only then can you redesign the organizational structure to best prepare your company for the future.

## Applying these Ideas to Your Company

These 10 ideas for driving major change in your go-to-market functions require a commitment to a new go-to-market success model. Current market conditions are allowing firms to undertake this type of ambitious transformation, and are creating a unique opportunity for forward thinking organizations to gain a significant advantage. At MarketBridge we are hard at work defining the operating principles and design points for the next generation go-to-market business model. Please join us in this discussion, and let us know if you would like to explore any of these ideas for your company.

## About MarketBridge

MarketBridge (<http://www.market-bridge.com>) is a global professional services firm focused on sales and marketing effectiveness. Founded in 1992, MarketBridge leads go-to-market strategies, operational transformations and managed in-market programs for Fortune 500 companies. Through a combination of deep expertise, analytic rigor and industry focus, MarketBridge solves the toughest sales and marketing challenges, helping CEOs, CMOs and CSOs improve performance and effectively integrate sales and marketing operations. MarketBridge is headquartered just outside Washington DC, with offices in San Francisco, London, Seattle and Toronto.

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