

## THE STATE OF SALES & MARKETING ALIGNMENT IN 2018



*How Leading B2B  
Companies Drive  
Growth by Aligning  
Go-To-Market Teams*



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It continues to surprise us that sales and marketing alignment is still a hot topic. We think that's because it's so hard to get it right. And when done right, it's a real competitive advantage. It leads to higher revenue growth, greater profit, and a more productive and higher performing team environment overall. And it's way more fun!

We started studying sales and marketing alignment in October 2015 with an industry survey. We wanted to understand how it contributed to success, where companies were encountering challenges, and most importantly, why other companies were just not interested in it. The results of that work are referred to in this report, and were the basis for the best-selling book, *Aligned to Achieve: How to United Your Sales & Marketing Teams into a Single Force for Growth* (Wiley, 2016).

Fast forward two years later and you'll see that, while we've made some very good progress as sales and marketing professionals, many issues still exist. And there are some new obstacles to grapple with.

In this new report you'll get a fresh perspective on what makes alignment particularly hard in 2018, you'll learn from the leaders making progress, and you'll get suggestions for how to think about the impact of things like the account-based movement, artificial intelligence, and the effect of the Millennial generation.

We hope our recommendations help you make progress in your own journey to sales and marketing alignment. We'd love to hear your thoughts on our blog and via social.

Here's to alignment!

# ALIGNMENT DRIVES VALUE

**36% more business growth**

*according to SiriusDecisions*

**36% higher customer retention**

*according to MarketingProfs*

**27% faster profit growth**

*according to SiriusDecisions*

**38% higher sales win rates**

*according to MarketingProfs*

**10% more reps hitting quota**

*according to SiriusDecisions*

## Why are we still talking about sales and marketing alignment?

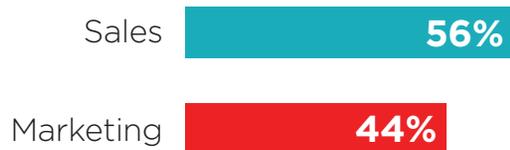
In theory, the benefits of alignment are obvious: more collaboration, more accurate targeting, higher win rates, and on and on. But B2B sales and marketing teams aren't universally aligned, and are only slowly moving in that direction. Mary Shea and Shanta Samlal-Fadelle from Forrester Research write in their 2017 report, *"The misalignment between sales and marketing teams continues to be a hot topic, even after a decade of B2B firms trying to solve this problem."*

Some would say that, when sales are good, no one wants to rock the boat by implementing new strategies. Others would add that, when sales are bad, no one wants to rock the boat by implementing new practices.

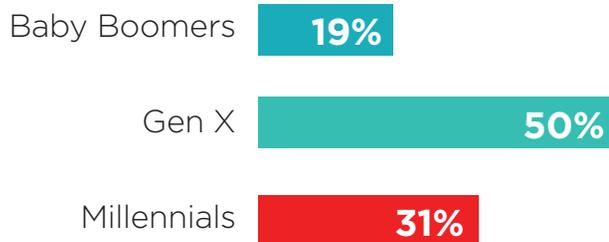
With that in mind, we again asked more than 500 sales and marketing professionals about their views of each other and alignment in general. This year's report reflects a cross-section of industries, ages, and geographies, allowing us to compare how their perspectives on alignment might vary. Now let's dive into the results!

## Respondent Demographics

### RESPONSES BY TEAM:



### RESPONSES BY GENERATION:



### RESPONSES BY COMPANY SIZE:



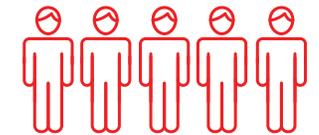
### GEOGRAPHY:



50% Female



50% Male



39% US West Coast

19% US North East

13% US Midwest

12% US South

17% International



SECTION 1

*Blockers*

## The Top Alignment Challenges: Data and Communication

If you're reading this report, you probably already have your own point of view on the major blockers to sales and marketing alignment. From fundamental differences in performance measurement, to broken lead hand-off points, there are plenty of opportunities for disconnect between the two teams.

Both sales and marketing agree that insufficient data on target prospects, along with communication issues, are among the biggest barriers to successful alignment. What's surprising is "lack of accurate/shared data on target accounts and prospects" scored on the bottom half of our survey just two years ago, but this year has skyrocketed to the top. This shows how fast data is becoming an integral part of sales and marketing processes.

### What are the biggest challenges to aligning sales and marketing?

CHALLENGES	2018	2016
Lack of accurate/shared data on target accounts and prospects	43%	27%
Communication	43%	49%
Measured by different metrics	41%	40%
Processes are broken/flawed	37%	43%
Lack of accountability on both sides	25%	26%
Reporting challenges	21%	27%

## THE ALIGNMENT ALPHABET:

The road to alignment is paved with modern tactics, all of which have helpful acronyms. Here are a few to keep in mind as you read through this report.



**ABM:** Account-Based Marketing replaces the broad, shotgun approach to sales and marketing with highly-targeted tactics, messages, and plans focused on ideal customers within a finite market.



**ICP:** Ideal Customer Profile defines customers who are a great fit, and who have the highest potential customer lifetime value.



**TAM:** Total Addressable Market is every account that matches your ICP, whether they're in your database or not.

## Data Challenges

Data's value is increasingly obvious, and it's relied upon to drive more frequent and more granular decisions. Data's presence in the alignment discussion, however, might come as a surprise, but in truth it's a fundamental forcing function. Data impacts the whole customer journey — it's collected, analyzed, and leveraged to make decisions across the entire lead funnel. But the value of data degrades when it exists in siloed systems, or when there isn't a data management process in place to ensure accuracy of data throughout systems.

The fact that both sales and marketing see shared, accurate data as a challenge to alignment illustrates that there's a lack of visibility across teams. Everything from planning to forecasting to lead scoring relies on data, so it's imperative to break down silos and build a single source of truth that both teams can utilize and agree on.

## Communication Barriers

Like many problems in life, communication is a top issue. Working effectively requires you to look beyond the past and toward the future. This can be very challenging, but it's the basis of well-aligned teams, and you're really looking for root causes and potential solutions, not for mistakes. In the beginning, it might seem like you're getting bogged down, but open and clear communication helps to keep alignment moving forward, no matter how tedious the work becomes at times. Also, recognizing that you can't do it alone helps you be more open and engaging.

### RECOMMENDATIONS:

- ✓ Hold regular, collaborative “smarketing” meetings
- ✓ Make marketing programs decisions transparent to sales
- ✓ Review key definitions (MQL, SAL, etc.), lead scoring logic, and hand-off service level agreements
- ✓ Explore investing in sales and marketing automation technologies to bring transparency across the customer journey
- ✓ With everything, remember to never “set it and forget it”! Review processes and communicate changes at least quarterly

“

***“People talk about how important alignment is, but they’re only taking baby steps...Everyone recognizes that it’s important, but it’s also difficult. There needs to be more of a cultural change, an elimination of the politics, and a CEO who makes it a priority. It’s just not happening.”***

*- Barbara Giamanco, B2B sales expert, advisor and author*

## What Sales and Marketing Want from Each Other

An adversarial relationship between sales and marketing has been the norm for decades. This is largely due to the fact that sales and marketing are focused on totally different fundamental goals and don't pause to ask what the other needs. To bring light to the issue, we outright asked both teams what they need most from their counterparts.

### ***No shock here...Sales wants better quality leads.***

After decades of B2B marketers being driven to generate *more* leads, it's clear that sales would rather focus on fewer leads with a greater chance of closing than more leads of varying quality. The desire for better quality is clearly a targeting issue on marketing's part, and a holdover from the days of aiming for quantity.

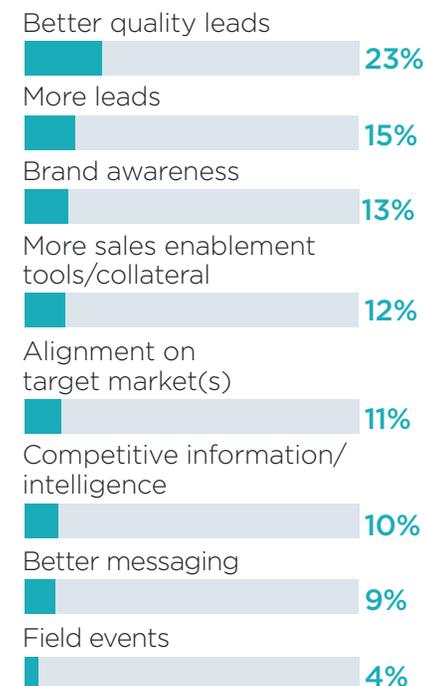
Sales would gladly take fewer high-quality leads if they knew their efforts would be rewarded. Better leads also means sales can spend more time on just the deals that matter, which further increases win rates. Marketing and sales should together focus on understanding their ideal customer profile, determine their total addressable market, and start targeting those accounts with precision accuracy.

### ***Hey sales, marketing needs better quality from you, too.***

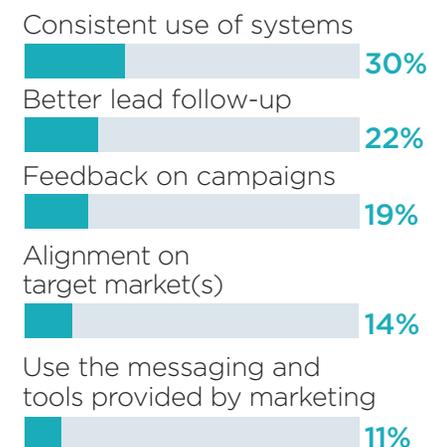
Marketing's response to the question of what they need from sales is directly related to the challenge of shared data on target prospects. Their top need, "consistent use of systems", reflects not only marketing's reliance on sales-generated data, but also their frustration with the data quality. It also underscores the desire from both teams to improve "shared" data in order to fuel stronger alignment with their counterparts.

As marketing gets more deeply involved throughout all stages of the funnel, their actions and successes are directly impacted by the quality of data captured by sales. This data grants necessary visibility into lead, opportunity, pipeline, and forecast insights, and ultimately informs marketing what works and what doesn't. Without consistent use of systems by the sales team, marketing loses complete line of sight into the outcomes of their efforts.

### **Sales: *What do you need most from marketing?***



### **Marketing: *What do you need most from sales?***



## Let's Talk Pipeline — What a Communication Gap!

The discussion of pipeline should be a regularly occurring activity between sales and marketing, right? But we all know that it's rare, if it happens at all. What's worse, not only can't we agree on how often we discuss pipeline, we can't agree on pipeline itself.

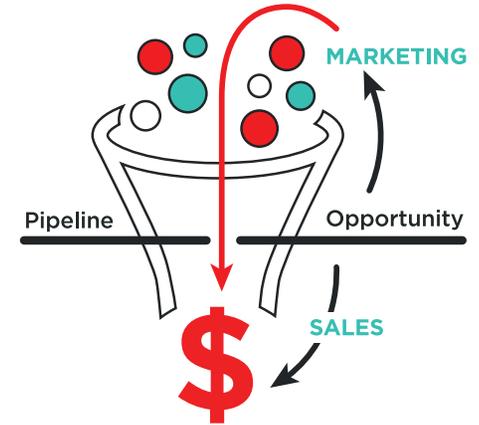
Pipeline is the combined dollar amount of opportunities sales believes they can close. We've seen typical sales win rates to be 25-30%. **This means they need 3x-4x pipeline in order to make their revenue targets.** This is the number to align around.

### **Marketing talks with sales about pipeline all the time.**

Fifty-eight percent of marketers claim to meet with sales to discuss pipeline least monthly or more frequently. In essence, most marketers feel that they meet very often with sales to discuss pipeline. To say that marketing is optimistic about their pipeline discussions is an understatement.

### **Sales talks with marketing about pipeline almost never.**

A full one-quarter of sales said they never meet with marketing to discuss pipeline, and another one-third said they only meet quarterly or less. Combined, that's 58% of sales who said they meet with marketing from quarterly or less to discuss pipeline — the exact same percentage of marketers who claim to meet monthly or more! This disconnect is easy to fix and must change.



### **How often do you meet with the other team to discuss pipeline?**

Weekly	21%
Monthly	21%
Quarterly	14%
<Quarterly	18%
<b>NEVER</b>	<b>26%</b>



<b>WEEKLY</b>	<b>31%</b>
Monthly	27%
Quarterly	11%
<Quarterly	12%
Never	19%



## ***The truth is out there, whatever it may be.***

OK, so most marketers think they talk with sales about pipeline often, yet most salespeople think they rarely talk with marketing about pipeline. What are we doing wrong? And, since these results are similar to what we found in 2016, why are we doing nothing to remedy this issue?

The fact that the views from these two perspectives are so directly opposed points back to the top challenges to alignment: data and communication. Does marketing define pipeline so differently from sales that there is no agreement on when it's being discussed? Is pipeline data being shared openly or is it solely in the hands of sales? Do the meetings need to be explicitly called "Sales & Marketing Pipeline Discussion"?

Whatever the cause, it's clear there is a wide gap between how our two teams perceive pipeline discussions. What's also clear is that this should be easy to remedy, starting with a shared definition of pipeline and an open and transparent discussion of pipeline.

### **Marketing:**

**1.5X** more likely than sales to say they meet weekly.

### **Sales:**

**2.3X** more likely to say they never meet with marketing.

## **SALES + MARKETING = SMARKETING**

To encourage alignment and communication, leading organizations schedule frequent, recurring meetings between sales and marketing to cover the following items:

- ✓ **A rolling six-week calendar that reviews past, current, and future marketing campaigns**
- ✓ **Results of recently completed marketing campaigns and follow-up expectations for sales**
- ✓ **Update on immediately pending marketing campaigns**
- ✓ **Overview of bigger or more strategic items on the schedule, such as product releases or events**
- ✓ **Open discussion and brainstorming on challenges and process hiccups**

## What Gets Measured Gets Done

Sales' success will always be defined by quota attainment. Their job is to close deals, first and foremost. Marketing metrics, on the other hand, are a bit more fluid. Lead volume has generally been marketing's driving metric over the years, but contemporary measures like share of voice, content views, marketing influence on revenue, and others seem to come and go. It can leave marketing rudderless, or it can push them back to what they know: volume of leads.

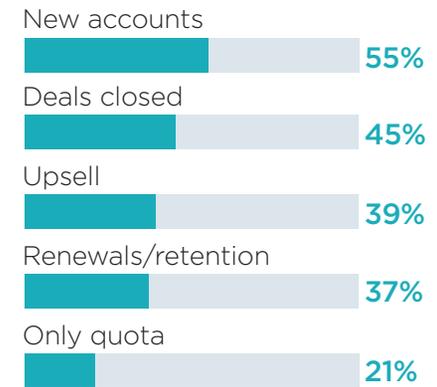
Our survey results seem to be telling a different story, however.

### ***Sales should sell more and keep customers happy.***

Sales reps are still aiming for quota, of course, but there's also been a shift to capturing the value within current customers and keeping those customers happy. **Sales respondents who say they are measured by new accounts fell from 62% in our 2016 survey to 55% in 2017.** Still a majority, but a striking decline that would suggest the increasing importance of annual recurring revenue (ARR), customer retention, and successful renewals.

### **Sales: *In addition to quota attainment, how else are you measured?***

*Select all that apply.*



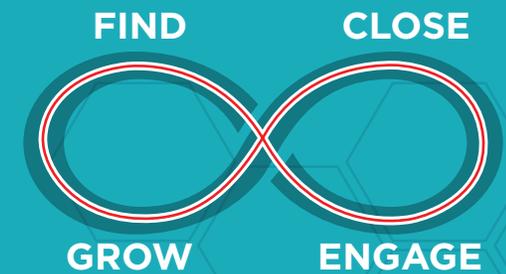
## The path to steady revenue is more important than new revenue.

Sales respondents measured by upsell increased from 30% in 2016 to 39% this year. That's a **30% increase**. What this shows is that revenue is important, obviously, but revenue from current, happy, ideal customers is more attractive. That's probably because it's easier to win, faster to deliver, and less expensive to engage with an existing customer that you already know. This trend is also forcing companies to rethink the traditional customer lifecycle, turning it from a finite straight line into a continuous relationship.

Marketing is traditionally less involved in helping sales build revenue within the existing customer base than they are in driving demand from net-new business. This is rapidly changing, and building your go-to-market approach around this new funnel helps companies better adjust to the shifting landscape.

Furthermore, isn't your ideal customer also a happy customer? When you're better equipped to serve that customer exactly what they want, everyone is happy. This doesn't just generate revenue, it generates "good revenue." **The ideal customer renews at a higher rate, buys more, and takes less effort to maintain.**

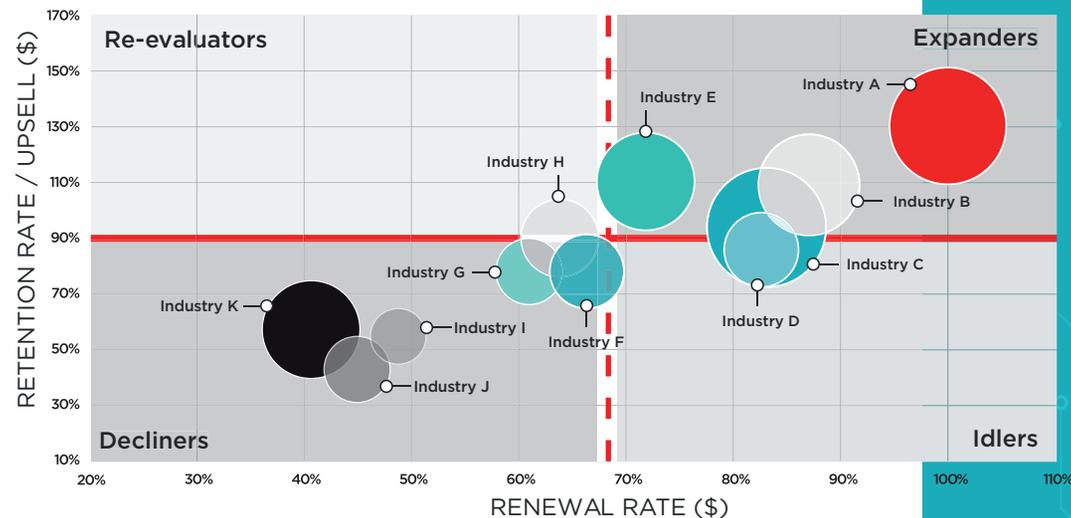
Creating an ideal customer profile (ICP)—the "expanders" in the chart below—helps you identify other similar accounts. Bad revenue comes from customers in the other three quadrants, since they don't tend to renew, don't buy more, and have lower odds of staying with you as a vendor. In other words, focus more effort on the customers you know want to buy from you.



More and more, companies are using this *new funnel*, shown above, to reflect the stages in a modern customer lifecycle.

**Customers are targeted with the goal of a long-term relationship that creates customer advocates**, not just a short-sighted deal closing that results in one-time revenue.

## IDEAL CUSTOMER PROFILE MAPPING



## Marketing is finally helping sales sell.

This year's results signal marketing's increasing shift towards alignment with sales on revenue-based metrics. What this points to is marketing's growing responsibility for helping sales sell. Marketing is shifting towards giving sales higher-quality leads that contribute to more pipeline and more of the right revenue.

Dave Kellogg, CEO at Host Analytics, is also seeing this gradual shift in marketing from being measured on more leads to being measured on winning not just new customers, but more of the right customers:

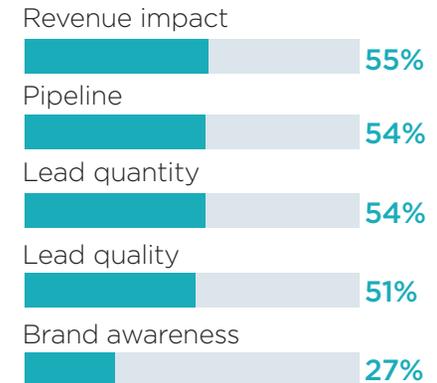
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**Today, as more and more marketers are measured by marketing-sourced new ARR, they are focused on cost-effectively generating not just opportunities, but opportunities-that-close, looking all the way through the funnel to close rates. Tomorrow, as more marketers will be measured on the health of the overall ARR pool, they will be focused on cost-effectively generating not just opportunities-that-close but opportunities that turn into the best long-term customers.** - Dave Kellogg, CEO at Host Analytics

While the implied trend from these results points to both teams coming closer together, it's not an easy task. And while marketing is measured more and more on metrics tied to revenue, it's clear that sales is still captain of the revenue ship.

### Marketing: *How are your marketing efforts measured?*

Select all that apply.





SECTION 2

*Progress*

## The Average Organization is Still Below Average

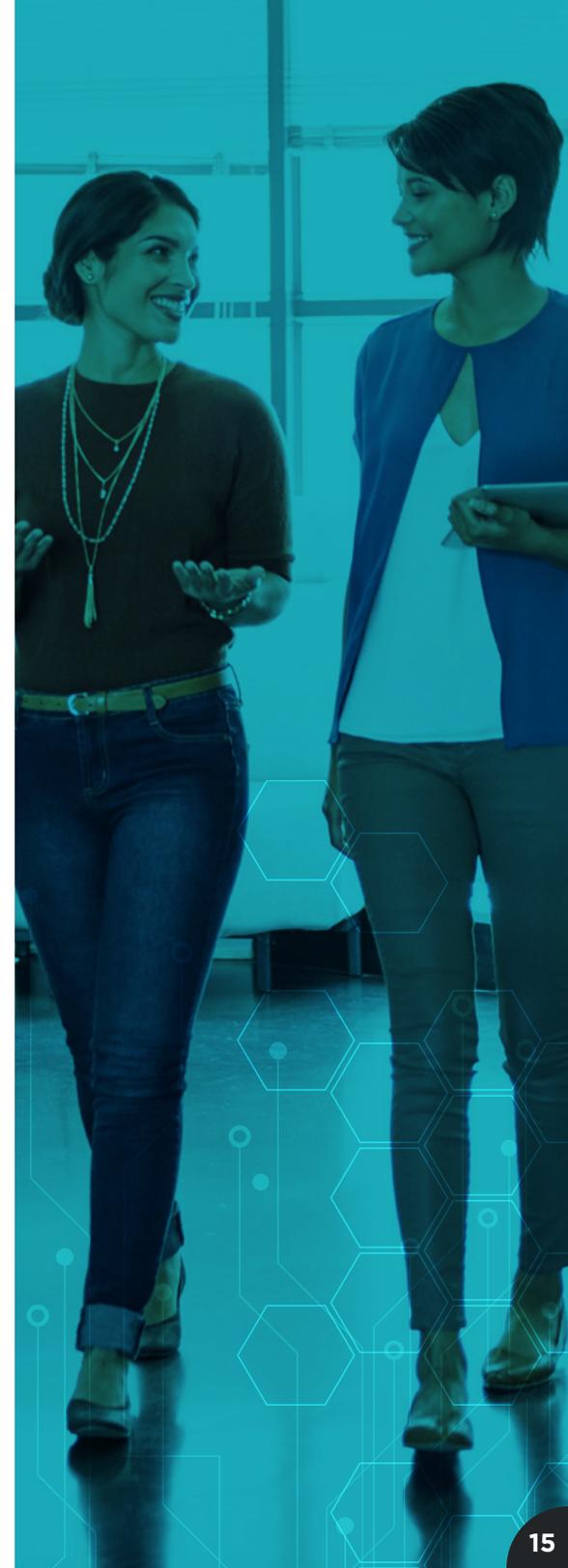
We asked both sales and marketing where their organizations were on the go-to-market maturity spectrum (image on next page). On the bright side, their answers were closely aligned, indicating both teams tend to agree on their level of maturity. Unfortunately, the bulk of the respondents see their organizations on the immature side of the spectrum.

### **More than half of respondents (54%) rank themselves low on the go-to-market maturity spectrum (Fragmented or Automated).**

They're still using manual and ad hoc tactics to support dated sales and marketing approaches. Even those that are using advanced automation tools are struggling with disconnected systems, siloed data, and limited cross-system visibility between the two teams. These companies have the potential to make significant strides by working together to build a solid go-to-market foundation. This includes defining their ICP, identifying their TAM, and focusing on achieving data consistency and transparency.

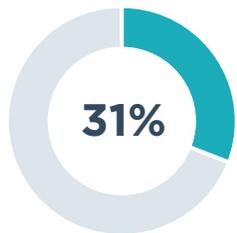
On the bright side, one-third considered their company to be at the Aligned stage of the spectrum. It's clear that simply being in the earliest stages of alignment is fairly advanced compared with the overall market. To know that more than half of your competitors are behind with respect to their go-to-market maturity should add some element of comfort to those in the Aligned maturity stage. Their ability to have marketing work well with sales, focus on the right campaigns, and standardize on one set of data indicates a level of maturity that most companies have yet to achieve.

Finally, a mere 15% of companies see themselves as having an advanced go-to-market maturity (Orchestrated and Dominant). These bleeding-edge companies are well-oiled machines and have an unfair advantage due to their enterprise-wide alignment and use of data science as a weapon. If you're not this advanced, **simply determining your TAM and focusing on the right accounts is a great way to even the playing field as you compete against these highly-aligned companies.**



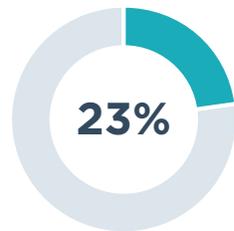
# Go-to-Market Maturity Model

*Where is your organization on the go-to-market maturity spectrum?*



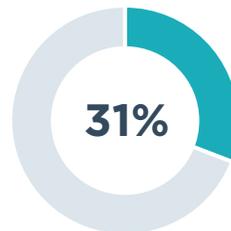
## FRAGMENTED

- Ad hoc, manual
- Random acts of sales enablement
- Focused on quantity, list buying



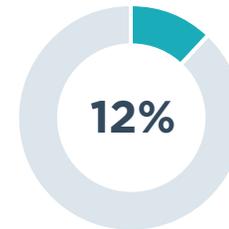
## AUTOMATED

- Consistent data collection + volume
- 3rd party data feeds
- Islands of MA/CRM



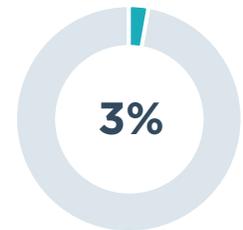
## ALIGNED

- Focused on right campaigns, sales initiatives
- Sales/marketing align
- Identified addressable market: shared view
- Single source of truth: MA/CRM
- Continuous refresh



## ORCHESTRATED

- Proactive/ prescriptive account-based strategies
- Touch governance across the customer lifecycle
- True consultative selling
- Strategic CIO initiative



## DOMINANT

- Iconic + magnetic + unfair advantage
- Enterprise-wide alignment
- Data science is a weapon
- Sustained leadership

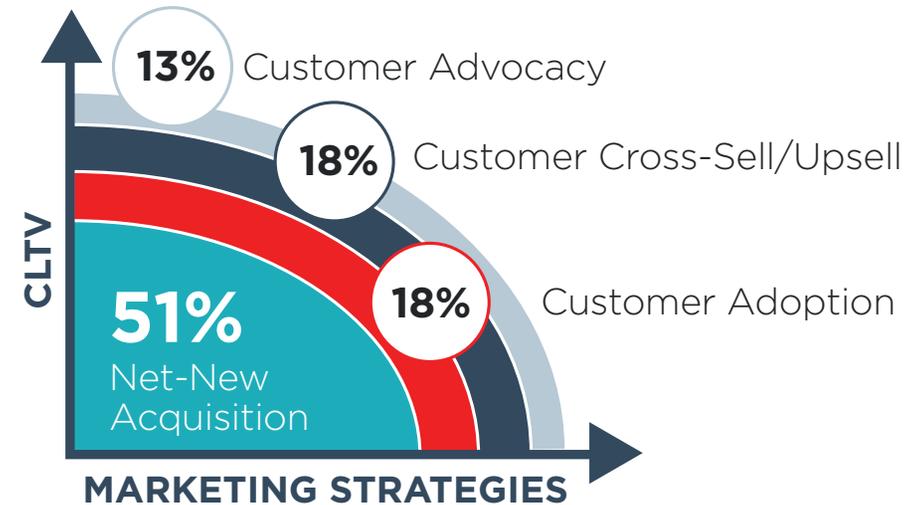
Targeting Intelligence

## Marketing's Split Approach and Divergence from Sales

We noted earlier that sales is increasingly focused on generating revenue from existing customers. Marketing respondents say that they split their activity almost evenly between net-new customer acquisition (51%) and nurturing/growing current customers (49%). Efforts devoted to current customers is also nearly evenly split in thirds between ensuring successful customer adoption, equipping sales with cross-sell and upsell efforts, and getting customers to advocate for their brand.

Of course, with half of marketing's efforts aimed at current customers, having the right customers would make that even easier. Spending time on defining what makes an ideal customer, then targeting just those customers, will naturally lead to more customers who want to use your products, advocate for your brand, and buy more. Again, ICP and TAM are the foundational steps towards alignment, and actually support what marketers already spend half of their time on.

**What percent of your marketing efforts are focused on the following stages?**



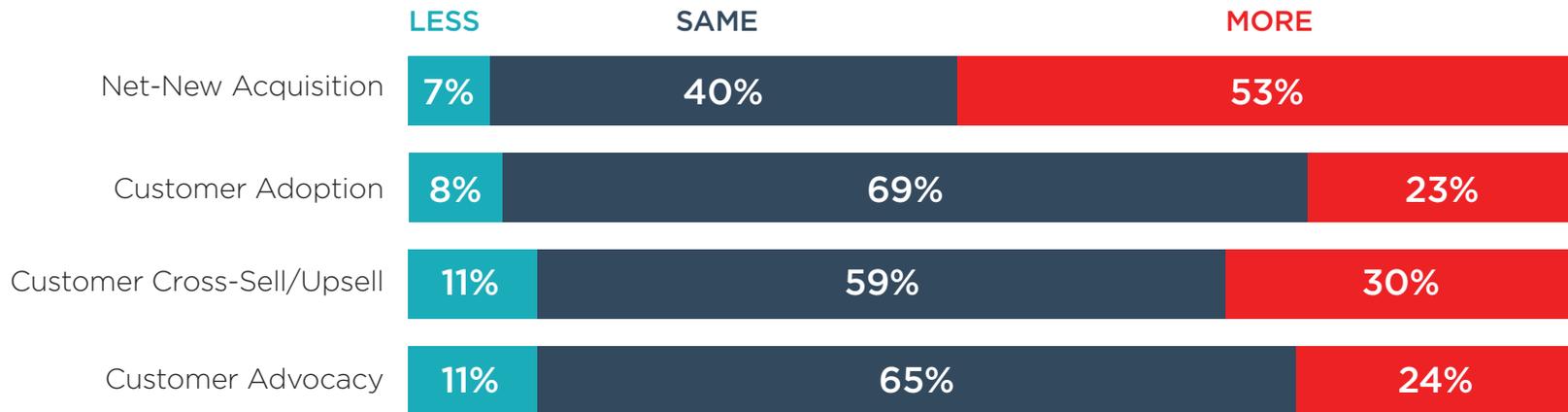
*Based on concepts shared in ["The New Customer Marketing Lifecycle in the Engagement Economy"](#) (MarTech Today).*



What's interesting is the contrast between where marketing spends their time and where they invest their budget. We previously noted that marketing splits their activity evenly between acquiring new customers and nurturing existing customers. Yet from a budget standpoint, marketers have significantly increased spending in net-new customer acquisition.

Growing investments in the post-sale customer phases (adoption, cross-sell/upsell, and advocacy) are all notably less frequent. So marketing continues to invest money into the more expensive activity of winning net-new customers, while they test the waters in how they can make an impact in customer expansion.

### *How has your investment in the following stages changed in the last year?*



## Changing the Way We Target New Customers

Since acquiring new customers has always been a major focus of both sales and marketing, and has been nearly since the dawn of capitalism, you'd think that most companies would be both proficient and advanced. Sadly, that's not the case.

When asked to gauge the accuracy in measuring their TAM, more than half of respondents (53%) say their companies were either doing it on an ad hoc basis, or not at all. That mimics a survey conducted at SiriusDecisions Summit 2017, where 58% of attendees put themselves into those same two buckets.

You may already be familiar with SiriusDecisions' Demand Waterfall, a concept they introduced more than a decade ago. In 2017, they unveiled a significant update, shown here, which added "Target Demand" as the first stage of the revenue management process. *This stage, representing the growing trend towards identifying and relying on TAM, shows the foundational need to define a potential market before doing anything else.*

The idea behind Target Demand is that all of the efficient and creative demand generation in the world will be wasted if the targeting is off. We advocate that marketing and sales work together on understanding their TAM as the very first step. But is anyone doing it this way? With that in mind, we asked respondents to categorize their experience with TAM.

About 47% of respondents say their organization reviews their TAM at least annually, which is encouraging. But unfortunately more than half of companies analyze their TAM less than annually, or worse, not at all. It's time for companies to address this!



Source: SiriusDecisions

### *How accurate is your organization's measurement of your Total Addressable Market (TAM)?*



### PRO TIP:

Download our recent eBook, "[Do You Know Your Total Addressable Market?](#)" to learn more on how to define your ICP, determine your total addressable market (TAM), and use account-based marketing (ABM) to engage and win more of your ideal customers.



SECTION 3

*Attitudes*

## Bright Spots...With Some Shadows Lurking

### SALES AND MARKETING RELATIONSHIP ON:

Defining  
value propositions

Identifying target  
segments & accounts

Defining & executing  
field programs

Sharing knowledge about  
customer buying processes

Reporting results  
of joint activity

VERY STRONG

STRONG

WEAK

VERY WEAK

We asked survey respondents to rate the strength of the relationship with their counterparts on a variety of sales and marketing fundamentals. **The area with the most need for improvement is illustrative of the alignment divide: reporting results of joint activity.** For those who can't come together on reporting the success of their alignment, they have to step back and evaluate their alignment at a higher level. Those in this bucket account for 36% of sales respondents and 39% of marketing respondents, representing the darkest spot, showing that sales and marketing as a whole still have work to do in building their relationship around alignment.

“

***Alignment has to start with the CEO and it has to be a key priority of the entire executive team. But then it's up to sales and marketing — mostly marketing — to follow through, get sales' attention, and show them why alignment matters.***

- Barbara Giamanco, Founder and CEO, Social Centered Selling



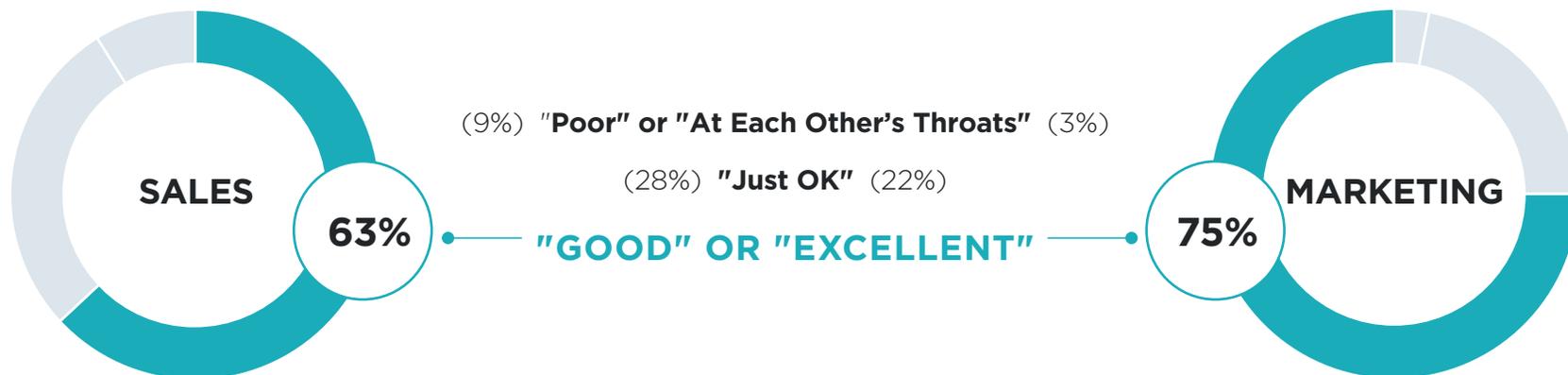
## We Like Each Other...So Why Can't We Work Together?

We asked both sets of respondents several true or false questions to gauge attitudes towards each other. These ranged from what one thinks the other spends their time on to whether or not we're even friends. Looking specifically at the latter, nearly three-quarters of sales (72%) and nearly all of marketing (88%) say they are friends with their colleagues on the other team.

**Even more, 88% of sales say false when asked if “marketing people are doormats”, and 93% of marketing say true when asked if “sales is a difficult job”.**

In general, the majority of respondents—greater than 90% on both sides—say their relationship is OK or better, with the vast majority categorizing it as good or excellent. Sales, though, seems to be a gloomy bunch, as they are 2.6 times more likely than marketing to categorize their relationship as poor.

### How would you describe your relationship with the other team?



But that landslide likeability seems to fall down as we further investigate our attitudes towards each other. Sales overwhelmingly feels that marketing focuses on or measures the wrong things, while one-quarter to one-third of marketers say that sales isn't really engaged in alignment-centric issues.

***What each team really thinks of the other (percent responding with true):***

WHERE SALES HAS ISSUES WITH MARKETING	WHERE MARKETING HAS ISSUES WITH SALES
Marketing spends most of their time on branding and events 61%	Sales people are single-celled organisms that chase revenue 34%
Marketing teams don't measure anything important 29%	Sales people don't listen 33%
I could do a better job in marketing than my marketing coworkers 28%	I could do a better job selling than my sales colleagues 23%
Marketing has their head in the clouds 27%	Sales bullies marketing 21%



What these results show is that both sales and marketing have levels of animosity, much of which might be based purely on miscommunication or a lack of communication. For example, that 61% of sales thinks that marketing spends most of their time on branding and events could be based on the company-wide awareness those activities receive, while marketing essentially fails at talking with sales about pipeline on a regular basis. In other words, sales sees flashy events and slick branding moves, but doesn't hear marketing when they're talking about pipeline or alignment.

The ultimate insult, however, is the volume of each side saying they could do a better job than their counterparts. Roughly a quarter of each said they could excel at the other's job, indicating both sides miscommunicate about what they truly do, how much time they spend doing it, and how difficult it is to get right.

Giamanco has a suggestion for this: **switch roles for a bit**. *"Everyone should shift seats for two months," she says. "I've advocated this for over a decade. How can you understand the other world unless you've lived it? Any new sales rep coming on-board is rarely productive for the first couple of months, so you're not going to impact revenue. But what you're doing is making an investment up front and giving your sales team more respect for marketing."*



## Millennials Make an Impact

At 30%, Millennials made up nearly one-third of the respondents. That's a significant percentage, both from the perspective of this survey and from the perspective of the volume of Millennials now in the workforce in general.

Millennials are also making up a greater portion of the buying units faced by B2B sales and marketing teams. A Forrester Research report, *"Millennial B2B Buyers Come Of Age,"*<sup>1</sup> points to the characteristics of Millennials that should influence how you engage with them. These include a social-media driven reliance on existing connections and relationships, a need to have a high level of trust with the seller, reliance on third-party validation and reviews, and their move away from phone calls to text messages and more modern modes of communication. Millennials will research, on average, as many as ten online sources before making a purchasing decision. As the entire business world is becoming more and more reliant on, and driven by, technology, Millennials have a natural advantage.

**Millennials responding to our survey were split 57% marketing and 43% sales, and had answers that were similar to their older colleagues...except in two glaring areas:**

- 1 Millennials are rising fast!** Nearly half of Millennial respondents (46%), are already at manager level or above. While that's less than the overall level of the entire group of respondents (60% are manager or above), it's interesting to see that many managers in a population so young.
- 2 Millennials are much more skeptical of their counterparts.** In the relationship questions, Millennial sales respondents were much more likely to say that marketing doesn't measure anything important (37% for Millennials versus 29% overall) and that marketing has their head in the clouds (40% versus 27%). Similarly, Millennial marketing respondents were much more likely to view sales as single cell organisms chasing revenue (46%) than their older



### KEY TAKEAWAY

**By 2020, Millennials will make up 46% of the workforce.<sup>2</sup>**  
That's just two years away!

1. Source: Mary Shea, principal analyst serving B2B marketing professionals, has written numerous [reports](#) and [posts](#) covering this topic.

2. Source: Brack, Jessica, and Kip Kelly. "Maximizing Millennials in the Workplace", 2012.



SECTION 4

*Value*

Alignment just makes sense. Teams that work closely together, who collaborate and track compatible metrics, and who are aimed at the same targets, should obviously be more effective than those who don't do those things. However, the proof is in the revenue pudding, and everyone likes to be shown the benefits of any strategy.

We asked all respondents if their company fell short of, met, or exceeded revenue goals last year. Combining both teams' answers, roughly one-third (34%) of respondents say they exceeded their goals, while 28% fell short. It's a bit less positive than the 2016 results, which had 38% exceeding goals and just 22% falling short.

***Did your company deliver against revenue goals last year?***



## It's Simple: Leading Companies Are Aligned

Those who exceeded revenue goals are 2.3 times more likely to report high levels of alignment than those who fell short of revenue goals. Unsurprisingly, the rest of what we found echoes the fact that alignment leads to higher levels of overall success.

### HERE'S HOW LEADERS EXCEED REVENUE GOALS:

**2.3x**

more likely to report high levels of sales and marketing **alignment**

**1.7x**

more likely to have sales and marketing meet **weekly or monthly** to discuss pipeline

**2.0x**

more likely to measure sales on **customer satisfaction**

**1.6x**

more likely to measure marketing on **lead quality**

**2.6x**

more likely to invest marketing dollars to **increase cross-selling** to current customers

**3.3x**

more likely to regularly **review their target market**

**5.3x**

more likely to **identify their go-to-market maturity level** as orchestrated or dominant

For the laggards, **78% of sales respondents and 69% of marketing respondents** say they are at the low end, with fragmented or automated maturity.



SECTION 5

*Predictions*

When asked what trends they predict will be most prominent in 2018, 52% of combined sales and marketing respondents say that **sales would become more consultative and less transactional**. That's a clear sign that older sales tactics continue to be shown the door.

The changing buyer is also reflected in the second-place response: 36% say companies will become laser-focused on ideal customers versus selling to anyone with a pulse. That response fits well with the previously discussed trends towards selling and marketing to current customers, since closing just any deal is a short-term play and can result in higher levels of unhappy customers. **These results show that companies are focusing on higher-quality targets from intelligently-scoped markets, and we see that trend continuing.**

The rise of artificial intelligence is also evident given the third-place response (32%) that AI and machine learning fuel decisions on the best target markets. Making decisions by some data and some "gut feel" is fast being replaced by software using petabytes of data and algorithms to make better decisions. As you ask Alexa to play your favorite song, let Google automatically fix your photos, and rely on smart security cameras to tell you who's at your door, it's clear that AI is quickly becoming an indispensable and ubiquitous tool. **That AI is moving into B2B sales and marketing isn't surprising. It's not only going to continue, we predict it's going to be integrated into sales and marketing workstreams seemingly overnight.**

Sales and marketing alignment is gaining steam, but 28% of respondents think it will go much, much further, with **marketing and sales operations merging into one revenue operations team**. We're already seeing the value of operations as they become the de facto IT/go-to-market teams of leading companies. Plus, with their visibility into sales, marketing, and customer data, they'll be well-positioned to read the tea leaves and influence the business strategy well beyond just sales and marketing.

Also interesting is that just 25% of respondents say **Millennials will have a major impact in buying and selling in 2018**. Since one-third of our respondents (and the workforce as a whole) are already Millennials, this is likely due to Millennials already having had a major impact on B2B transactions.



**PRO TIP:**

Find out more about these predictions in our [\*"Top 5 Predictions for the Future of Sales & Marketing Alignment"\*](#) infographic.

## Fingers Crossed, You're Finally Making Tangible Changes in 2018

Predictions are fun, but where companies are already planning to make changes or investments reflects a more accurate view of the road ahead. We asked both teams where their companies plan to make changes or investments related to their go-to-market maturity. The responses directly reflect the trends we noted above, with alignment, customers, and data netting the top places.

At the very top, respondents say that they already plan to strengthen alignment between sales and marketing in 2018. That means companies are giving it more than just lip service, and that results are both believable and being proven at the earliest stages enough to warrant more investment and attention.

With an increased focus on revenue from current customers, respondents say their companies are investing to enhance the customer experience across the entire lifecycle. Since more companies are measuring sales on revenue generated by renewals and cross-sells/upsells, it makes sense that they also see the need to keep their current customers happy. That old adage that says [it costs 5- to 25-times more](#) to get a new customer than keep a current customer is finally making its mark!

Finally, companies will start or increase account-based sales and marketing (ABM) execution in the next year. ABM is a direct offshoot of sales and marketing alignment, specifically the need to jointly define and understand the right targets.

***What investment(s) and changes does your company plan to make in the next 12 months that will help you advance your go-to-market maturity?***





SECTION 6

*What's Next*

Our 2016 report titled “[Crack the Code of Sales & Marketing Alignment](#),” offered insights to those struggling to align their teams, and wanted to really find out what was and wasn't working. However in 2018, leaders have moved beyond trying to understand alignment's benefits and are now working to not only implement alignment practices, but to advance the steps they've already take.

Alignment is still a struggle for most companies. What has changed, however, is that alignment has now proven to be not just another B2B trend; it's a business imperative for 2018 and beyond, and it will soon separate the leaders from the laggards even more than it already has. If you're not on the path to alignment, you're already behind. Luckily for you, we've distilled our survey results, plus the insights of dozens of analysts and experts, down to this helpful list.

## 5 Strategies for Alignment Success in 2018 and Beyond

### 1 **Data is the key to sales and marketing alignment success.**

The data you have on customers and their activities is no longer just the historical record of your interactions; it's the essence of your business and must be used as the fuel for growth in today's B2B market. As new technology (AI, machine learning) solutions become more prevalent and relied upon, it will be critical for companies to have clean, accurate, and consistent data. Getting sales and marketing together to standardize data, agree upon definitions and metrics, and maintain data quality are precursors not only to alignment, but to fueling new technologies.

### 2 **Sales and marketing must communicate as if they were a single team.**

Communication was the number one blocker to alignment in 2016 and is tied for first place in 2018. But this shouldn't be so difficult. Start scheduling joint meetings to discuss pipeline and campaigns. Have marketing consistently “ride along” on sales calls. Get sales involved with campaign planning. As our teams become more and more aligned, the ability to effectively communicate will separate those who win most of the time from those who lose most of the time.

### 3 **Defining and targeting your total addressable market (TAM) is the foundation of successful alignment.**

The shotgun approach to sales and marketing no longer works. There's too much noise in the market and in prospects' inboxes. The only way to stand out is to know who you're targeting, and why and when they buy, and it can't be done effectively unless both sales and marketing buy in it. Developing an ideal customer profile (ICP) and using it to determine your total addressable market (TAM) will help sales and marketing know exactly who to target, why they need your products, and when they need them.

### 4 **Sales and marketing must jointly define, discuss, and be measured on pipeline.**

The best way bring sales and marketing together is to revolve everything around pipeline. It's the single metric that both teams can impact, and it gets both teams speaking the same language. Both sales and marketing must be in complete agreement on what pipeline means, how it's measured, what data is used to define it, and how successful they're being in increasing it.

### 5 **Defining, focusing on, and nurturing your ideal customers is everyone's job.**

Both sales and marketing are rethinking their go-to-market approach. As companies target and win more of their ideal customers, those customers will account for more revenue and more growth opportunities. As the revenue mix shifts, both sales and marketing must also devote more effort and resources to focus on nurturing current customers. Campaigns for adoption and upsell/cross-sell should increase accordingly, for example, and the salesperson persona required for success will shift as well.

## The Results Are In: Alignment is a Winning Strategy

This report found that leading companies—those who exceed their revenue goals—are more likely to understand their target market, more likely to focus sales and marketing on current customers, and much more likely to be in the advanced stages of go-to-market maturity.

Leading companies are also much more likely to have high levels of sales and marketing alignment. Aligned companies grow faster, win more often, and achieve higher profit levels.

Those are huge rewards, so it understandably takes a major effort to achieve sales and marketing alignment. But this survey also shows the effort isn't Herculean, and all it takes is a methodical approach following proven steps. **Use the same data across your company, and make sure it's clean, accurate, and up to date. Understand your ideal customers.** Find other accounts just like them. Engage them with a pitch that's relevant and timely. Keep your customers happy. And work together on all of this!

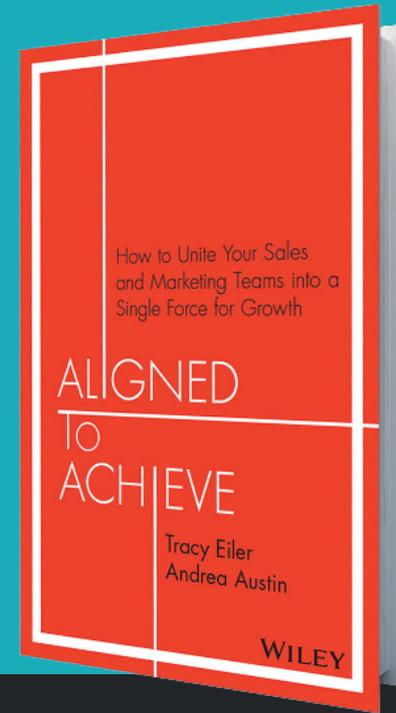
Unsurprisingly, especially in 2018, success comes back to data. You can be the leader in your market if you first spend the time to ensure your data is going to give you the right answers. You might need more data, you might need better data, but you definitely need good data. **For alignment to work, you also need both sales and marketing working from consistent data.** That means finally living up to the talk about a “single source of truth” and eliminating disconnected systems and siloed data. It also means agreeing on what pipeline means and how it's measured, how an ideal customer is defined, and how both teams are measured.

Alignment is a journey. If you're convinced of the need to further align your teams, start talking with your counterparts in sales or marketing. Because, no matter how good your data or processes or products, if you aren't talking and coordinating, your results will be far less impactful than they could have been.



## Ready to get more advanced?

Check out the best-selling book, *Aligned to Achieve: How to United Your Sales & Marketing Teams into a Single Force for Growth*



For more resources on sales and marketing alignment, visit [www.insideview.com/resources](http://www.insideview.com/resources).  
Contact us at +1 (415) 728-9340 or email [salesteam@insideview.com](mailto:salesteam@insideview.com).

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InsideView powers the world's business conversations. Its leading [targeting intelligence platform](#) helps sales and marketing teams quickly identify new opportunities, and effectively connect with prospects and customers. InsideView is the only company that begins with the industry's most accurate company and contact data, and enhances it with relevant, real-time business insights and authentic connections. More than 20,000 companies use InsideView data to find and qualify the best targets, engage with more relevancy, close more deals, and retain and expand accounts. InsideView's headquarters are in San Francisco.

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