

From: CMO Council [postoffice@cmocouncil.org]
Sent: Wednesday, 23 July 2008 9:08 a.m.
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Subject: Unifying Sales and Marketing Still a Challenge



CLOSING THE GAP

The Sales & Marketing Alignment Imperative

NEW REPORT IS NOW AVAILABLE 

UNIFYING SALES AND MARKETING STILL A CHALLENGE FOR MANY COMPANIES, REPORTS CMO COUNCIL

New Study Shows Only 40 Percent Have Formal Programs, Systems and Processes to Integrate and Align Critical Sales and Marketing Functions

PALO ALTO, Calif. (May 28, 2008) - A new global study by the Chief Marketing Officer Council shows that many companies worldwide still lag in their ability to integrate and align sales goals with marketing activities, thus reducing the overall business performance of their organizations.

Over 55 percent of some 506 sales and marketing professions surveyed by the CMO Council and its CLOSE community say their companies have yet to, or are only planning to, implement formal programs, systems or processes for unifying sales and marketing functions. In contrast, of those who have, nearly 50 percent report success in synchronizing and optimizing these often-polarized areas.

While many recognize the benefits of better partnering across these key demand-generating functions, they are being stymied by lack of processes and systems, siloed operations, insufficient management mandate, and ineffective reporting and organizational structures. Still more respondents seem to be stuck in corporate culture-biases about sales and marketing roles, making alignment and collaboration a treacherous bridge to cross.

When marketers were asked how they viewed sales, 40 percent said they had some top producers but there was mostly a need for improvement. In comparison, sales professionals tended to have a very tactical view of marketing with only 10 percent seeing marketers as market-savvy and on-target with demand-generating campaigns. The vast majority, 41 percent, rated marketing marginally on their ability to provide good content and the right sales support materials. However, respondents agree that the top three measures of sales performance and productivity are lead quality and ROI, conversion and close rates, and level of action on opportunities - all very tactical and all tied directly benefited by a deeper alignment and integration between sales and marketing.

"Global businesses continue to suffer from a seemingly unbridgeable "divide" between their marketing and sales teams - a gap that undermines the efforts of the crucial corporate functions necessary to generate demand, capture revenue and gain competitive advantage," said Donovan Neale-May, executive director of the CMO Council. "There's a critical need educate management about where and how marketing should be powering both the go-to-market process and every step of the lead generation, qualification, closing and account reactivation cycle."

Key findings from the CMO Council's *Closing the Gap: The Sales and Marketing Alignment*

Imperative report showed that:

- Less than 20 percent of respondents say their sales and marketing organizations are extremely collaborative; most felt the two groups had intermittent relations and interactions.
- In looking at ways sales could add value to marketing messaging and communications, survey participants felt engaging strategically with customers to better understand issues and needs was the most valuable contribution.
- In contrast, two of the most important roles marketing could play in optimizing sales performance were fielding campaigns that generated and nurtured leads and opportunities, as well as providing customized value-selling content and presentation materials.

"We all understand and accept that the customer must be at the center of any organizational relationship. However, neither sales nor marketing is effectively leveraging customer data and insight to form deeper, more connected relationships with the customer," commented Neale-May.

Barely 12 percent of sales and marketing professionals say they have a well-integrated, real-time view of all customer interactions, while only 37 percent report good visibility into prospects, pipeline, deal flow and conversion rates. By comparison, 20 percent indicate that marketing hands off leads to sales yet marketing has no insight into conversion and close outcomes, 13 percent say most leads are never captured, qualified or acted upon, and about 11 percent report they have no on-premise or on-demand CRM system in place.

- Among those who have CRM applications, only 13 percent view the application as highly valued and widely deployed, while 42 percent see growing acceptance and adoption.
- While CRM systems tend to be mandated and adopted across the sales organization, they tend to be more selectively embraced by marketing teams in business units and departments.
- Data analytics, reporting and forecasting tend to be the biggest deficiencies in optimizing the functionality and usability of current CRM solutions. The top three areas highlighted by nearly 50 percent of respondents were the ability to easily create analytic reports, customization of the application and forecasting capabilities. Real-time and historic analytics placed a close fourth (40%) adding to the call for more analytics and user friendly tools.
- While 50 percent of those surveyed said they had pretty good or extensive visibility in to customer accounts and business activity, the other 50 percent said they had trouble finding customer account data, did not have enough information, or none at all.

Respondents to the survey were drawn from all industry sectors with over 43 percent in companies with annual sales of \$100 million or more. The average sales cycle is 2 to 6 months (36%) with 14% of respondents claiming a sales cycle of 1 to 2+ years. Nearly 70 percent were drawn from BtoB companies. Virtually all companies operated in North America, over 50 percent in Europe, 47 percent in Asia, 30 percent in Latin America, 26 percent in the Middle East and nearly 20 percent in Africa. Over 35 percent of responding companies had more than 1,000 employees and 65 percent had less than 1,000 employees.

About the CMO Council

The Chief Marketing Officer (CMO) Council is dedicated to high-level knowledge exchange, thought leadership and personal relationship building among senior corporate marketing leaders and brand decision-makers across a wide-range of global industries. The CMO Council's 3,500 members control more than \$90 billion in aggregated annual marketing expenditures and run complex, distributed marketing and sales operations worldwide. In total, the CMO Council and its strategic interest communities include over 6,000 global executives

across 57 countries in multiple industries, segments and markets. Regional chapters and advisory boards are active in the Americas, Europe, Asia Pacific, Middle East and Africa. The Council's strategic interest groups include the Coalition to Leverage and Optimize Sales Effectiveness (CLOSE), Brand Management Institute, and the Forum to Advance the Mobile Experience (FAME). More information on the CMO Council is available at www.cmocouncil.org.

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