Check Your 'Alignment'

Aligning Business & Revenue Models and Leveraging Marketing Automation

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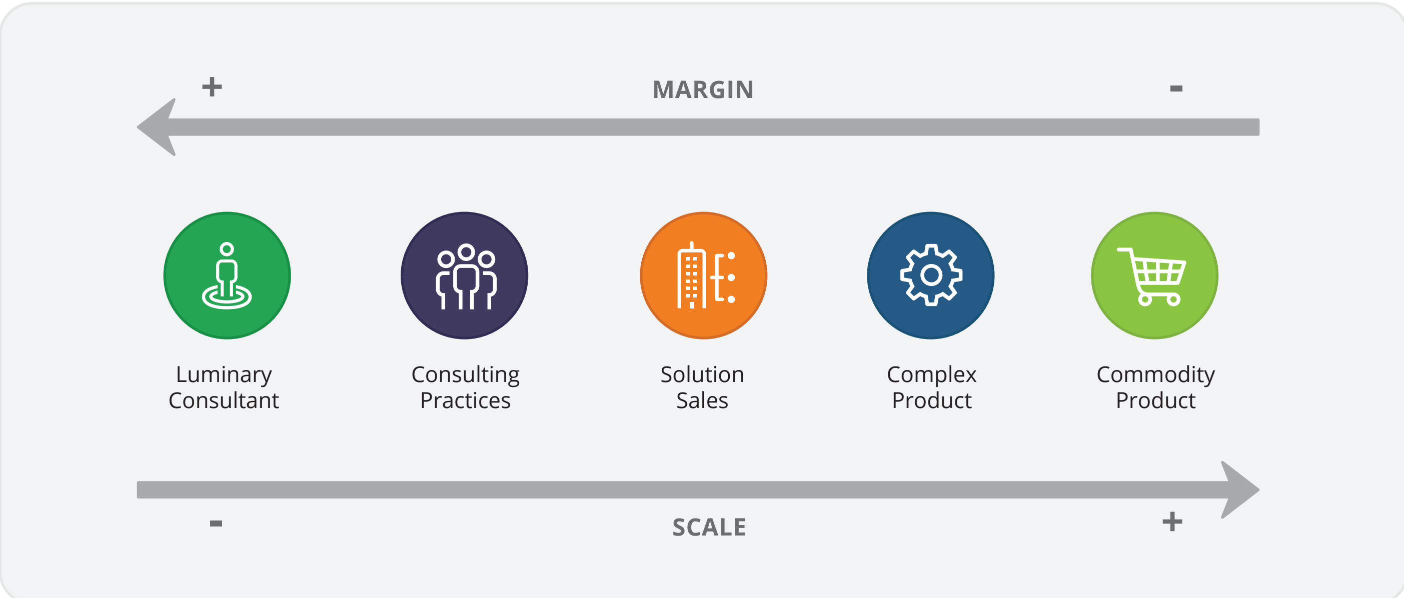
About the Author

John brings 30 years of experience working at the intersection of sales, marketing and technology. Before founding Revenue Architects, he held senior positions with IBM, Unisys, AT&T, Viant Corporation and The PA Consulting Group. He is an active speaker, and John launched the first Inbound Marketing Summit. **Sherwin Uretsky**, Revenue Architects Managing Partner, developed the Continuum framework to articulate how businesses need to align their revenue architecture and business architecture.

The Business Architecture Continuum

In the quest for sustainable and profitable revenue growth, businesses tend to move along a continuum between lower scale/higher margin offerings and higher scale/lower margin offerings. At one end of this continuum is the "luminary consultant" model, and at the other is the "commodity product" model.



There is no "right place" along this business architecture continuum. Selection is based on each individual company's business strategy and competitive environment. Quite often, the luminary consultant moves to the right in order to grow revenue. They work to codify or harden their 'secret sauce' in order to scale to a broader audience.

At the other end of the continuum, a "commodity product" company enjoys greater scale but typically suffers from low margins and competitive pressure. Typically firms at this end of the continuum want to move to the left, to become more of a value solution provider with a greater differentiation and higher margins.

When businesses move along the continuum, they often fail to restructure their "revenue architecture" – the strategies, systems and programs that fuel sustainable revenue growth.

A revenue architecture is your front office business model. The sales operating model and marketing programs will vary significantly along the continuum. Aligning revenue architecture with the business architecture is critical if a business wants to achieve sustainable, top-line growth.

How Marketing Automation & CRM Come Into Play

Marketing automation and customer relationship management (CRM) systems are integral parts of today's revenue technology stack, and they are used in very different ways across the continuum. Marketing automation and CRM systems help businesses:

Target customers more effectively. Businesses that attract, sell, service and retain the best customers see positive effects on growth and profitability.

Drive loyalty and referrals. By delivering relevant experiences, customers become more loyal and act as advocates, referring new customers.

Increase lifetime value. The longer the relationship and the greater the customer's understanding of the brand, the more opportunities there are to cross-sell additional products and services.

Sell and service more effectively. Deal sizes and win rates go up, cost of acquisition goes down, and customer satisfaction increases.

The ways in which marketing automation and CRM are used to engage and acquire customers vary widely across the five models. In this article, we consider each of the five models and review ways to take advantage of marketing automation and CRM. **Click an icon to jump to the models that best reflect your target clients.**

Luminary Consultant

Consulting Practices

Solution Sales

Complex Product

Commodity Product

The Luminary Consultant Model

The luminary consultant is a service business with high margins and low scale. Services and service delivery are highly dependent on the specific expertise of the business leader. Marketing, sales and service delivery are dominated by the leader, perhaps with help from assistants in supporting roles.

Marketing tends to be more inbound and less outbound. As the luminary is typically widely known and respected in his/her field of expertise, earned media with public relations and media exposure play a stronger role. Referrals also help drive revenue along.

Content is central to the marketing effort as the luminary may host webinars and be active on the speaker circuit and interviewed in the media. With steady inbound inquiries based on market awareness and visibility, it is important that the luminary efficiently manage the inbound lead funnel. This requires a way to facilitate the customer's ability to self-sell and self-qualify.

Sales cycles tend to be short and less or non-competitive, and managing a sales pipeline does not require a very formal process; however, managing contacts and relationships effectively is very important. A simple CRM works well.

Growth is constrained by the ability to deliver at scale and requires the expansion of a 'pyramid' of service delivery resources. To the extent a service pyramid develops, other members of the senior team will begin to take on more sales responsibility. This is where the model shifts toward a "consulting practice."

How can a luminary consultant use marketing automation and CRM?

Top of the funnel:
- Help customers self-educate and self-qualify
- Use content for efficient lead capture, lead profiling, and lead scoring
- Use landing pages to capture prospect information and build buyer profiles

Middle of the funnel:
- Keep prospects warm with automated nurture programs
- Personalize and target communications with custom fields and automated rules

Bottom of the funnel:
- Use CRM with less formal sales processes and pipeline management
- Build a rich contact profile, list memberships, history and interests
- Integrate with email to track conversation history

The Consulting Practice Model

For the consulting practice, marketing automation and CRM systems facilitate coordination of team sales and high quality, high-touch marketing programs in high-value markets.

The consulting practice is high-margin with increasing levels of scale. Service and sales are dependent on the top team of practice leaders. These leaders dominate a top-down marketing, sales and delivery approach. This is a seller/do'er model where teams both sell and deliver, and it is a model that is both expensive and time-constrained.

Marketing teams use a mix of inbound and outbound strategies, and the brand reputation depends highly on expertise and experience. Content marketing and media exposure also play an important role.

Demand for services may be strong, but higher competitive supply in the market adds pressure. A competitive sales process relies on differentiated messaging across the buyer's journey. Personal relationships and referrals also help drive revenue, while reaching scale relies on a more predictable and sustainable inbound lead flow.

High-value content, including case studies, presentations and webinars, is also important. As inbound leads have a high dollar impact, managing the inbound lead funnel is critical to help facilitate self-selling, self-qualification and lifecycle experience management.

So how can a consulting practice team use marketing automation and CRM?

Top of the funnel:
- Automated lead capture and management
- Self-sell lifecycle content like videos, white papers and case studies
- Landing pages with high-value gated content to convert leads
- Lead scoring and lead grading for decision support between marketing and sales
- Account-based marketing to orchestrate account relationships

Middle of the funnel:
- Alerts to fast track high-value leads to selling professionals
- Nurture programs for prospects that are not yet "sales-ready"
- Database segmentation and automated email for targeted nurture campaigns
- Tracking and managing leads and accounts across stages and teams

Bottom of the funnel:
- Easy-to-use CRM integrated into day-to-day activities
- Centralized data for account and contact management across selling teams
- Pipeline stages for priority and activity management in team selling
- Customer and account profile with memberships and history for a 360 degree view of the customer and account

The Solution Sales Model

In solution sales, marketing automation and CRM systems are critical for coordinating team-based sales and account management as well as executing a robust, multi-channel marketing program.

Solution sales strikes a compelling balance of being both high-margin and high-scale, yet competitive pressures are even more intense, and market changes can instantly disrupt revenue performance. The percentage of the "solution" that is represented by a hardened asset versus a service will vary, and different approaches to selling and marketing will apply accordingly.

Marketing and sales teams engage sophisticated inbound marketing strategies and active outbound prospecting. Marketing must develop a strong brand reputation and be able to articulate business value and ROI at the market level as well as with targeted prospects and accounts.

Account-based marketing strategies are more important, and marketing focuses on delivering premium accessible content and multiple cross-channel touchpoints to engage buyers across the lifecycle.

Events, presentations, webinars, case studies and infographics are all important elements of the content marketing ecosystem. Media presence and third-party reviews also help drive customer awareness and funnel performance. Inbound inquiries must be efficiently managed and nurtured through the lifecycle funnel. Demand may be strong, but solution sales is also a highly competitive industry, and the sales process is complex. Team-based selling to a committee of multiple buyer personas is the norm.

How can a solution sales team use marketing automation and CRM?

Top of the funnel:

- Multiple touchpoints (affiliates, marketplaces, website and social media) help channel leads into funnel
- Email marketing builds brand awareness in a competitive market
- Landing pages with lifecycle content convert leads at each stage of the buyer process
- Dynamic content delivers tailored messaging based on interests
- Forms capture lead information into CRM, avoiding manual entry
- Track and maintain multiple campaigns

Middle of the funnel:

- High-value prospect nurturing, lead grading and lead scoring
- Lead scoring and lead grading provide decision support for selling teams
- Fast track leads to sales with automatic alerts
- Nurture prospects that are not "sales-ready"
- Tailored communications enabled by marketing database and email automation features

Bottom of the funnel:

- Contact management with relationship insights and Life of the Lead, with list memberships, history of engagement, interests
- Account-level tracking and management
- Structured sales pipeline to articulate deal qualification, priority and resource planning
- CRM as a mission-critical application for day-to-day execution of selling roles

The Complex Product Model

Complex products enjoy high margins and even greater scalability, but competitive pressures are more intense. This type of product can be configured, but does not typically have a service component unless “close to the product” services are available or necessary.

Unlike in solution sales and consulting practices, teams working with complex products are almost exclusively focused on sales. The sales process is a complex, multi-step process where a sales team pitches to a committee of multiple buyer personas.

Typically salespeople are supported directly by a number of sales engineers or support team members who are specialized in the technical elements of the product. Account-based selling and personalized management of account relationships are the norm.

Inbound and outbound marketing and sales strategies are actively employed throughout the sales cycle. Brand reputation is critical, so a strong media presence and third-party reviews and marketplaces are important influencers on the buying process.

Marketing focuses on providing educational content (like presentations, videos, fact sheets, etc.) about the features and functionalities of the product as well as multiple other touchpoints to engage buyers. Inbound inquiries can be of high value and must be managed efficiently and effectively through the funnel. Nurture programs are also important for keeping leads engaged if they are not yet sales-ready.

How can a complex product team use marketing automation and CRM?

Top of the funnel:
- Brand awareness programs using a mix of paid, owned and earned media
- Affiliate marketplaces tracked using marketing automation
- Lead capture and lead management using landing pages with premium gated content and forms
- Buyer profile informing tailored value proposition and more predictive marketing
- Website visitor tracking and third-party data to convert leads to sales prospects
- Lead scoring and lead grading decision support
- Segment and automate complex rules-based nurture programs
- Track and maintain multiple complex campaigns
- Integrate call tracking

Middle of the funnel:
- Lead assignment rules help route prospects to the right sales person
- Notify sales in real time when a prospect reads an email or visits the website
- Lead scoring/grading and fast tracking qualified leads to sales
- Automated nurturing for leads that are not yet “sales-ready”
- Tailored communications and dynamic content based on marketing database insight
- Activity tracking with measures including pipeline size, deal velocity, sales forecasts and activities.
- Email templates to semi-automate consistent engagement and follow-up
- Capture new lead information and synchronize with CRM to avoid manual entry
- Micro-segmentation of marketing lists for upsell and usage campaigns

Bottom of the funnel:

- Accounts and contact management for sales and account teams
- Deal stage lifecycle management and 'ownership'
- Life of the Lead insights guide selling tactics and messages
- Sales pipeline stages for accurate forecasts and resource allocation
- CRM functionality as core system for sales reps
- Contact management and customer profile, list memberships, history of engagement
- Automated customer service applications

The Commodity Product Model

Businesses that sell commodity products typically want to move left on the continuum to differentiate and drive up margins. The revenue architecture for commodity products requires highly structured, activity-based and automated processes.

Sales processes are repeatable and scalable, and teams are trained on these activities and techniques. There is typically only one buyer persona (or sometimes just a few) involved in the purchase process, which is generally short-cycle, price-sensitive and not complex. Marketing is focused on demand generation and uses a variety of tactics to build brand awareness and drive customers to store fronts or to make direct purchases.

Salespeople, potentially with some technical support from sales engineers or specialists, engage in a repeatable process using standardized assets and content to support their efforts. Account-based selling typically plays a less active role.

Campaigns are typically high-volume, segment-focused, A-B tested, and highly automated. Communications seek to engage buyers at critical purchase moments. Brand reputation is important, as are price/value metrics, reviews and marketplace presence. Demand is high, but so is market competition.

Marketing is focused on increasing brand exposure and providing content and multiple touchpoints to engage buyers. Content is geared at helping the buyer in his/her purchase decision and often includes fact sheets, flyers and imagery related to the features and functionalities of the product. The role of a CRM system is transactional in nature and is less important for managing pipeline stages.

How can a commodity product team use marketing automation and CRM?

Top of the funnel:

- Advertising plays a significant role in brand awareness and drives customers to ecommerce and direct sales
- Marketing automation and CRM data enable targeted email marketing campaigns to drive purchase and repeat purchase behavior
- Metrics and testing options available through marketing automation help to fine-tune messaging and personalization strategies
- Marketing automation is critical for tracking and maintaining high-volume campaign activities
- Marketing automation helps capture new lead information and syncs automatically with CRM data to avoid manual entry
- Automation helps to segment the lead database and automate high-volume lead generation efforts across multiple channels

Middle of the funnel:

- Automatic alerts can notify sales in real time when a prospect/customer has read a new email or is visiting the website
- Lead assignment rules get prospects routed to the right sales person
- Using detailed customer information captured in the CRM and automated email campaigns, marketing and sales can easily deliver highly personalized communications to keep leads actively engaged
- Predictive marketing techniques that incorporate third-party data give insights into how to reach out to customers with the right information/offer at the right time
- Prospects that are not sales-ready can be nurtured and driven to different funnels until they're ready to buy
- Insights on lead behavior (gained through web visitor tracking and other tools) inform sales tactics and messaging

Bottom of the funnel:

- The CRM system tracks leads and sales transactions in a structured manner
- Email templates and campaign automation help streamline the purchasing process
- The CRM system can also be used to provide continual client support and services

Summary

In the quest for sustainable and profitable revenue growth, businesses tend to move back and forth along a continuum from high-margin/low-scale business to low-margin/high-scale business. It is critical that the revenue architecture – the product and process of sales and marketing – is aligned with the business architecture. We have identified five distinct business architecture models and explained some of the different approaches they use for marketing and sales. Depending on your business type, you can incorporate marketing automation and a CRM system to align your revenue and business architectures – and ultimately to maximize your revenue potential.

SharpSpring

SharpSpring is the marketing automation platform of choice for more than 1,000 digital marketing agencies and their 5,000+ clients. Since 2014, SharpSpring has provided its powerful marketing automation solution to businesses around the globe. In the short time since its inception, the company has gained significant market share from industry leaders with its competitive pricing, agency-focused business model, and robust platform.

Visit www.sharpspring.com for more information.

Revenue Architects

Revenue Architects is a marketing and sales consulting agency helping businesses achieve sustainable revenue growth. We work with a range of clients, including SMB and enterprise clients in B2B, financial services and health sectors. Services include Revenue Strategy to define differentiated growth plans, Revenue Systems to build the platform for marketing and sales and Revenue Programs to design and launch integrated customer acquisition campaigns.

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