

Stu Silverman [SalesRamp] | POSTED: 03.01.05 @00:21



### Who's to Blame?

It's no secret that the 'planets' of sales and marketing often don't align in new technology ventures. Often animosity exists between the sales and marketing groups as they pursue a common goal, increased revenue and market share. Clearly, the result is missed market and sales opportunities. Why does this happen?

When revenue targets aren't met, who's to blame? If you ask marketing, sales is missing the mark by delivering pitches that are 'off message' and pursuing largely unqualified leads. If you ask sales, the old adage describing sales as 'where the rubber meets the road' versus marketing 'where the rubber meets the sky' applies. Sales often feels that the marketing department crafts pie-in-the-sky value propositions that don't address the real needs of customers in the field.

Who's right? The polar opposite views of sales and marketing both have merit. Sales, faced with a new product to sell, often rely on a sales strategy driven largely by hope that a new product will catch on. The 'newness' of product, customers, and markets can lead the marketing department to more wishful thinking, as they craft messages merely guessing what drives the sale, not what really motivates the customer to buy.

An integrated, measurable approach that connects both sales and marketing has been proven to accelerate and sustain revenue growth. The key to bringing these disparate worlds together is organizing around customer pain points, specifically realizing which customers are likely to buy now, because they are in real pain, versus customers likely to purchase sometime in the future.

### When a Value Proposition Isn't

Value propositions are tricky business and subject to much debate in marketing circles. The common belief that value propositions should be crafted around product benefits, not merely features, is only a starting point. True value in the customers' eyes revolves around pain relief. If the customer is not in pain, he's not going to buy. It's just that simple. The benefit of buying has to be greater than the benefit of not buying. Typically, an event or 'crisis,' for example, a network interruption or security breach, motivates an immediate sale. Value propositions must address real customer pain, not just some marketing or engineering idea of what the customer values.

If your key marketing message revolves around a 'nice to have' tenet, it needs to be rethought in terms of customer pain points. Real-time feedback from customer prospects is key. A market validation study that identifies how real customers view your product, its value to their enterprise, and what events or 'crises' would motivate a purchase is required. Key questions such as "What

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would make you buy from an early stage company? How much pain are you in around this technology solution?, or How compelling is this new product category?” get beyond the general nature and extent of demand.

A commissioned market validation study varies significantly from an overall market demand study such as Gartner or IDC would supply. Going beyond identifying general market trends and competitive rankings, a market validation study pinpoints an immediate course of action required to ramp sales and increase revenue. Management and funding partners can confidently make ‘go-no-go’ decisions from a customer-focused market validation study.

In one market validation study for a new security offering, investors were hesitant to continue funding based on missed revenue targets and long sales cycles. Our research found that customers viewed the product positively, as it addressed a real security ‘pain.’ In fact, customers prioritized this high on their list of problems to solve and were budgeting for large procurements of the product category in the coming year. So, in short, our client was on the right track, just a bit early in the sales cycle. A decision was made to continue funding into the next year, which proved to be the right decision.

Since marketing and sales often don’t tie together what they know about the customer, a marketing validation study often provides the conduit for meaningful communication. Not only does a market validation study aid marketing in crafting a meaningful message based on pain points, it can help the sales team understand the characteristics of ready-to-buy customers versus merely interested parties. The goal here is a single version of the truth or the customer ‘pain’ that drives both marketing and sales priorities.

### **A Qualified Lead is a Customer in Pain**

The next step in solving the marketing and sales disconnect is to create an end-to-end lead development system, building a sales pipeline of truly qualified prospects experiencing the identified ‘pain.’ A qualified lead development program offers a predictable, repeatable process. There is no reason that the sales and marketing process can’t be as rigorous as engineering, operations or finance in its accountability. A sales model with measurable processes can further quantify the market validation study findings, providing a feedback loop for both sales and marketing.

Some of the measurements of effective lead development systems include leads per rep, sales cycle time, close ratios, and revenue per program. This type of criteria can predict the number of “qualified” leads possible in a given amount of time. The “qualified” lead closes at a higher rate and results in a shorter sales cycle, revealing a true revenue picture for your offering. After a relatively

# Sales is on Venus, Marketing is on Mars

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short amount of time, the sales force can provide real-time feedback about what customers value to the marketing department. With this feedback in hand, marketing messages can be further honed in the context of customer pain, the result being better qualified leads at the top of the sales pipeline.

Marketing and sales can work together if effective tools are in place that connect the functions around customer value and customer pain points. The results can be astonishing.

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