

REPORT: BIG IDEA

Why B2B Sales Success Requires a Holistic Account-Based Strategy

**ABM Is Not Enough – Account-Based Strategy Aligns
Marketing, Sales and Service to Joint Sales Success**



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EXECUTIVE SUMMARY

The business-to-business (B2B) marketing world is all abuzz about account-based marketing (ABM), which involves a targeted effort to focus marketing campaigns and budgets on a select set of pre-determined accounts. However, Constellation's research shows that an integrated account-based strategy (ABS) inclusive of marketing, sales and service teams produces better sales results than account-based marketing or targeted account selling on their own. ABS provides a framework for marketing, sales and service teams to work cohesively on a common approach to set joint objectives, identify target accounts and organize those accounts so that cross-channel campaigns can be launched and actionable insights can be used to improve new campaigns for greater sales success.

This report explains why a holistic account-based strategy maximizes the effectiveness of Marketing and Sales better than account-based marketing, provides five elements for account-based strategy success, showcases two success stories and provides three actionable tips for organizations to start an ABS program.

The report provides chief marketing officers (CMOs), chief revenue officers (CROs) and chief customer officers (CCOs) recommendations on how to design ABS programs for optimum results and showcases customer success stories for inspiration.

Business Themes	
 Digital Marketing & Sales Effectiveness	 Next-Generation Customer Experience

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A HOLISTIC APPROACH REQUIRES MORE THAN ABM

Practitioners of business-to-business (B2B) marketing have been enthralled by account-based marketing (ABM), which is defined as an effort to focus marketing campaigns and budgets on a pre-selected group of targeted accounts. However, Constellation's research demonstrates that an account-based strategy (ABS) that unifies the efforts of the services, marketing and sales teams in an account-based approach maximizes revenue better than account-based marketing alone. Organizations adopting an ABS approach see higher conversion rates and deal sizes and an increase in cross-sell and upsell opportunities. To understand the merits of account-based strategy, it is first important to understand the strengths of its constituent parts: account-based marketing and targeted-account selling.

Account-Based Marketing Is Top of Mind with B2B Marketers

Account-based marketing involves an effort to focus marketing campaigns and budgets on a

select set of targeted accounts and, specifically, to targets buyers and influencers at those accounts. These target accounts are groups that the selling organization has pre-qualified as ideal accounts with which to do business. The organization employing ABM may select target accounts based on a number of criteria, including industry, line of business or size of the organization.

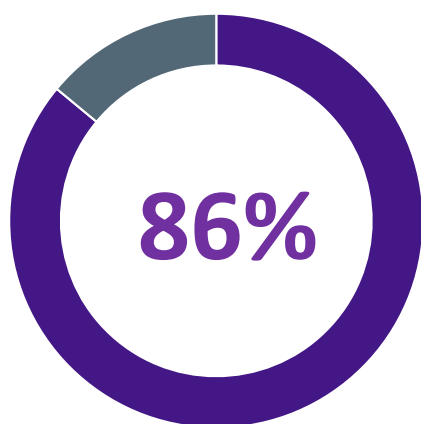
Many of Constellation's client marketing organizations have deemed ABM a "game changer", and there is overall enthusiasm from marketers about ABM (see Figure 1). *Eighty-six percent of Constellation's client inquires, advisory interactions and interviews with B2B marketers over the past year contained questions or discussions regarding ABM.*  *Ninety-two percent of those marketers have already started or are planning to start an ABM program in 2017.* 

Why B2B Marketers Should Care about Account-Based Marketing

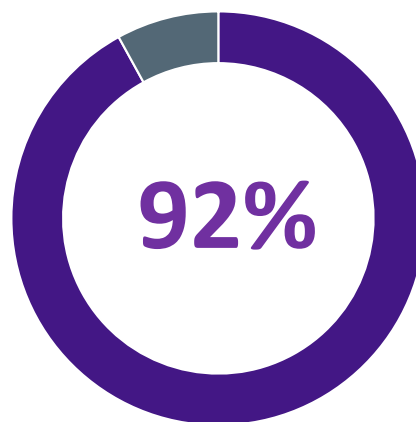
Constellation notes three primary reasons marketers should focus on ABM:

Figure 1. Constellation's Account-Based Marketing Inquiry Trends

Account Based Marketing is Top of Mind with B2B Marketers



*B2B Marketer
inquiries/advisory
about ABM*



*Have or plan to
start an ABM
program in 2017*

Source: Constellation Research

1. Targeting higher lifetime value accounts:

Customer Lifetime Value (LTV) is a key metric tracked by CEOs and boards of directors to predict the potential profit from a customer for the duration of the relationship. One idea is to prioritize accounts by LTV in services.

2. Maximizing the impact of marketing budgets and delivering higher campaign ROI:

B2B marketers have limited budget and resources. Concentrating budgets

on the accounts Sales wants to target enables marketers to make better campaign spending decisions. Organizations can also think about pooling budget with partners for joint ABM campaigns.

3. Shortening sales cycles and fostering sales and marketing alignment:

A targeted focus on select accounts and partnering with Sales to influence buyers in the middle of the sales cycle can shorten overall sales cycles. ABM can result in closer alignment

of Sales and Marketing because the process of identifying and influencing buyers throughout the sales cycle requires close collaboration between the two departments.

Target Account Selling Is Foundational for B2B Sales

Target account selling is the process of identifying key accounts that meet certain criteria important to the selling organization. Although the term account-based marketing is new, organizations have practiced target account selling for decades and it is foundational to B2B sales success. Sales territories are typically set by geographical location, industries, lines of business, product lines, company size and number of employees, with sellers developing their account plans and sales strategies based on these “territories” along with a list of target accounts. Sales methodologies such as Target Account Sales, SPiN Selling and Challenger Sale promote account-based sales strategies.¹

In the past, the marketing process of generating demand was about casting a wide

net and then filtering leads to Sales based on a qualification process. With ABM, marketers will need to work with sellers to understand what the specific target accounts are in order to develop a cohesive strategy.


WHY AN ACCOUNT-BASED STRATEGY DELIVERS BETTER RESULTS THAN ABM ALONE

Why is account-based marketing or target account selling not enough to maximize sales success? While ABM focuses on what marketing can do to execute on programs by account, marketers are still uninformed about how sales territories are distributed and assigned. And although sellers have a track record of success with target account selling, there still remains the challenge of aligning the marketing and sales teams on a joint account-based approach.

In addition, one key component critical to success is not addressed by either the ABM or target account selling approach – the services department. The services team

interacts directly with the customer and is best equipped to understand the state of the customer's satisfaction with the organization.

The services team can help with renewals and up-sell and cross-sell opportunities or provide sellers and marketers critical information such as when to pause marketing campaigns or place accounts in a dedicated renewal nurture track to personalize customers' experiences and increase the win rate. Without knowing which customers are satisfied or at risk, the effectiveness of a marketing or selling program is limited. Consider aligning all service team members on a similar account structure to Sales.

An account-based strategy that aligns Marketing, Sales and Service to a common objective to win and retain customers maximizes B2B sales success (see Figure 2). An account-based strategy (ABS) combines the best of account-based marketing, target account selling and account-based services into a unified account-based strategy. *Organizations adopting an ABS approach see higher conversion rates and deal sizes and an increase in cross-sell and upsell opportunities.* 

ABS consists of Marketing, Sales and Service working together on a common approach to set joint objectives, identify target accounts and organize those accounts so that cross-channel

Figure 2. An Account-Based Strategy Aligns Marketing, Sales and Service by Account



Source: Constellation Research

campaigns can take place and actionable insights can be gained to improve new campaigns.

FIVE ELEMENTS OF ABS SUCCESS

Constellation recommends organizations follow five steps to achieve success in account-based strategy.

1. Set Common Objectives

Organizations need to set joint objectives between Marketing, Sales and Service.

Marketers need to first understand how accounts are organized in the sales and service organization. Taking an ABS approach requires organizations to rethink the goals for Marketing, Sales and Service and focus on account identification, engagement and conversion.

How new account-based goals can be aligned:

- Marketing goals need to change from the number of leads generated to target account conversion.
- Inside sales organizations must identify a key account conversion metric.
- Service's goals and bonuses can be set up based on the number of upsell and cross-sell opportunities identified and passed to Marketing and Sales.

2. Identify Target Accounts and Contacts

Marketers can create the target account list and map the current contacts available by account. Create a marketing account plan and buyer's map by identifying the top buyer roles and then complete the whitespace with data augmentation.

The services team can help identify the attributes of the selling organization's best customers. Find the high-value customers with large spend or a higher propensity to buy

based on prior cross-sell/up-sell efforts. Many of these customers are dispersed within a territory.

For new accounts, use those best customer traits to create lookalike models that identify new accounts to market to. This is an area where B2B marketers can learn from their peers in business-to-consumer (B2C) marketing, where lookalike modeling is often performed. For example, if the best customers have procurement titles at mid-sized retailers, create campaigns focused on other mid-sized retailer procurement team members.

Personalized content is critical to effective engagement. Develop the content strategy by aligning materials by role, industry, geography and sales stage.

3. Organize and Segment Accounts

Once the target accounts have been identified, organize and segment them by the following to create an account roadmap:

1. **Go-to-Market:** Organize by geography, vertical, market, size, line of business and other go-to-market criteria.
2. **Status:** Add the account status. Is it a new target account? A current deal in flight? A previous opportunity lost to a competitor? Or a dead deal as the prospect never made a decision?
3. **Relationship:** Finally, group the accounts according to any external relationships such as the account being a customer of a partner, reseller or competitor.

Not all accounts are created equal. As accounts are organized, consider aligning the marketing and service teams accordingly. An additional idea is to identify and include the organizational persona of the prospective account (see Figure 3). Organizational personas are helpful in understanding the impacts of the sales cycle.

Figure 3. Constellation's Organizational Persona Framework



Source: Constellation Research

Designing sales strategies for organizational personas is discussed in detail in the report, [Sales by Design, Not by Challenge](#).

4. Design and Launch

Cross-Channel Campaigns

Now that the accounts are identified and organized, marketers are ready to engage customers and prospects with a cross-channel approach. Coordination between Marketing,

Sales and Service across multiple program channels while targeting specific accounts is key to ABS success. The channels on which to engage customers include (see Figure 4):

- **Digital Channels:** Web personalization, content marketing, social media and digital advertisements.

Figure 4. Cross-Channel Campaign Coordination Is Key to ABS success



Source: Constellation Research

- **Physical Channels:** In-person events such as roundtables, conferences, tradeshow and targeted direct mail campaigns.

web pages, signing up for webinars or downloading content while deemphasizing the measurement of simple activities such as opening emails.

When designing campaigns, consider the following tips:

- **Shift from measuring the volume of activity to tracking meaningful engagement.** As an example, marketers could measure activities deemed meaningful engagement such as prospects viewing key product

- **Mobile-friendly campaigns are a must.** As more content is consumed on mobile devices, marketing campaigns need to be designed with mobile in mind. Constellation's research on mobile marketing shows 60 percent of adult U.S. mobile device users own more than one device. Twenty-eight

percent of those mobile users own three or more devices.² Before executing campaigns, ensure the design is mobile responsive and the call to action is clear.

- **Provide gradual levels of personalization.**

Be mindful of the “creepy” factor.

Personalization is an effective strategy, but deep personalization before a prospect has had some engagement can backfire.

Organizations must provide graduated levels of personalization based on interaction history to deliver an engaging and relevant experience.

5. Gather Actionable Insights from Analytics

Finally, draw insights by reviewing post-campaign analytics. Proactively look for opportunities to refine and improve the ABS process. Were there issues with account hand-offs? Are deals stalling midway through the sales process? These are opportunities for Marketing, Sales and Service to engage with each other and dissect the insights together in

order to help the account progress through the sales process.

ABS SUCCESS STORIES

Constellation selected two ABS success stories to highlight the effectiveness of ABS over disjointed account-based marketing and target account selling. These are ABS case studies of companies of different sizes and business models. They also chose different approaches to their ABS programs and experienced dramatic results from the programs.

A Growing Technology Company Used ABS to Accelerate Growth

Company Profile: A mid-sized technology company providing mobile marketing applications to enterprises. The company grew rapidly over the past three years and currently has over 500 employees globally.

ABS Program Details: The marketing and sales departments at the technology company already had a tight partnership. Both teams met with Service to select the initial set of

accounts used in the ABS pilot program. The campaign itself consisted of a series of personalized emails, marketing assets based on the prospect's prior interest, web advertisements and finally a direct mailer. When the prospect engaged and responded to the marketing activity, the inside sales team was ready with a follow-up plan. The ABS tiger team members met daily in the beginning of the ABS program to ensure follow-up on leads, monitored progress and could troubleshoot any potential problems in real time.

Success Metrics: The tech company saw its pipeline grow by 17 percent from the program. More impressive was the over 200 percent increase in the tech company's average deal size.

Enterprise IT Outsourcing Firm Targeted Prospects Jointly with a Strategic Partner

Company Profile: A large, publicly traded enterprise IT outsourcing company.

ABS Program Details: The company piloted an ABS program with a strategic partner. Both companies were able to combine budget and resources to collaborate on first identifying a set of 50 named accounts that fit the profile desired by both companies. Both companies worked closely to create a co-marketing campaign with a unified message. Playing to each company's strength, the outsourcing firm marketed to IT contacts at the target account, while the partner focused on business contacts. This approach enabled the companies to avoid overlaps with their marketing efforts, ensure a unified voice and work collaboratively to close deals.

Success Metrics: The ABS program saw a 32 percent conversion of the targeted accounts into the pipeline and through both companies' combined efforts closed two seven-figure deals in six months. Both companies also had a 200 percent increase in their average deal size resulting from the joint ABS campaign.

THREE TIPS TO GET STARTED WITH ABS

Ready for ABS? Constellation recommends organizations consider the following three tips to get started:

1. Consider Technology Selections Carefully

With the plethora of solutions under the “ABM” moniker, how can organizations discern which solutions can help them achieve their ABS goals? The truth is, most of the solutions out in the market today focus on only one aspect of the “account-based” equation. Some providers help with targeted advertising and some with account identification and others focus on data augmentation. Organizations can quickly be overwhelmed by the number of technology choices available. Constellation recommends prioritizing the following:

- **Identify solutions that are synergistic with the existing Sales and Marketing technology stack.** Only consider solutions that integrate with the organization’s

Customer Relationship Management (CRM) and marketing automation solutions. This is critical to creating a master record of engagement to track ABS success.

- **Prioritize data quality and complete the whitespace on account and contact information.** Organizations with data quality challenges should first perform a data cleansing initiative and prioritize identifying the correct contacts to market to. Consider using many of the external data augmentation solutions to help complete the whitespace on account and contact information.
- **Beware of disparate point solutions.** Constellation has seen many organizations make the mistake of buying too many marketing technology (MarTech) solutions to then only use a fraction of the functionality purchased. Organizations need to be realistic about the resources available as well as the ongoing configuration and maintenance requirements.

2. Start with a Pilot Program

Organizations should create a pilot program to test their ABS strategy with a small sample of accounts. Designate a dedicated team to oversee the pilot and provide a process to quickly address any issues during the program. Constellation recommends starting with a defined group of accounts such as opportunities lost to a competitor and cross-sell prospects or develop a set of accounts together with a partner or reseller.

3. Establish Regular Progress Reviews

Constellation recommends creating an ABS review committee. The committee should include members from Marketing, Sales and Service. Constellation recommends meetings held weekly as the ABS program launches, then gradually shifting to monthly. Use the regular ABS committee meetings to perform pipeline inspection, review account engagement activity and, for existing customers, discuss any changes in satisfaction level. Use the meetings to identify and fix issues on-the-fly. Also, remember to celebrate successes.

RELATED READING

- “Sales by Design, Not by Challenge”, Constellation Research, Cindy Zhou, September 29, 2016, <http://bit.ly/2dsBxi9>.
- “Mobile Marketing Best Practices for CMOs”, Constellation Research, Cindy Zhou, December 14, 2016, <http://bit.ly/2hBZvgo>.

ENDNOTES

¹ TAS, SPiN, Challenger Sale are examples of B2B sales methodologies. All copyrights belong to their respective owners.

² “Mobile Marketing Best Practices for CMOs”, Constellation Research, Cindy Zhou, December 14, 2016, <http://bit.ly/2hBZvgo>.

ANALYST BIO

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Cindy Zhou is Vice President and Principal Analyst at Constellation Research covering Digital Marketing Transformation and Sales Effectiveness. With over 18 years of practitioner experience in corporate marketing, product marketing, product management, and sales operations, Zhou has spearheaded marketing transformation at multiple technology companies. Her role is to advise Constellation's clients on strategies to light up demand generation, prove revenue contribution, and maximize sales productivity.

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Organizational Highlights

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- Experienced research team with an average of 25 years of practitioner, management and industry experience.
- Organizers of the Constellation Connected Enterprise – an innovation summit and best practices knowledge-sharing retreat for business leaders.
- Founders of Constellation Executive Network, a membership organization for digital leaders seeking to learn from market leaders and fast followers.



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