THE MSP AND SALES MARKETING METRICS: MOVING AWAY FROM VANITY NUMBERS

ARE YOU SLEEP-WALKING THROUGH YOUR MARKETING AND SALES?

The typical MSP is often too busy working in their business to work on it. With hardly any marketing and sales staff, if at all, they are too caught up working on the client's IT requirements to focus 100% on their marketing and sales strategies. That's not to say they don't spend on MSP marketing and sales activities, they do invest, but are often unaware of the results. If this sounds like you, then here's something for you to think about:

You are pumping in thousands of dollars into marketing...

PPCs, email campaigns, print campaigns, social media marketing, purchasing lead lists, even marketing trainings and investment in expensive marketing tools... BUT...

But are you measuring the ROI? Do you know what is working and what is not?

Most MSPs are not aware if their investment in marketing and sales is actually paying off. This means, they just continue to blindly burn money on marketing and sales tools and campaigns. If they 'feel' something is not working--as in, they are not really getting many leads, or there is no real change in their business turnover, they just tend to jump to the next new marketing tool or strategy--without looking to fix what they already have and this switch from one MSP marketing/sales tool to another just continues perpetually. What you need to understand, as a MSP is, If you want your marketing dollars to give you the results you seek, you need to measure the ROI on your marketing. You cannot fix what you can't measure and jumping from one marketing strategy or tool to another, will not help you succeed--knowing which tool works and what results it gives, will. So, how do you go about it?

LEARN WHAT ARE THE KEY METRICS THAT YOU NEED TO MEASURE

Tracking key metrics and understanding what works and what doesn't is really the ONLY way to MSP marketing success. To be able to do this, you need to know what are the key metrics for you in the first place. Traditionally, marketing metrics were looked at from just marketing's perspective--MQLs, cost per MQL, cost to generate a quote or cost of proposal. But it doesn't really help. These traditional metrics are what we call 'vanity metrics'. Vanity metrics don't really serve the purpose. Your marketing campaign may have generated thousands of leads...so what! You may have generated leads through various marketing and sales activities such as

- Lunch and learn
- PPC
- Cold calling
- List buying
- Referrals
- Content marketing (Blogs, whitepapers, articles)
- Organic web leads
- Email campaigns
- Social media
- Events (Tradeshows/webinars/podcasts)

But, how many of them closed? How many of them actually brought revenue? That is the real measure of marketing success.

Number of MQLs generated, cost per lead, cost per quote are all vanity metrics...they are fool's gold. It's time to move away from vanity metrics...It's time to ask "So What?"

## A new perspective to marketing metrics— the 'bottomline' effect

It is time to look at what REALLY works. The whole idea behind investing in marketing is to generate more business. So, it makes sense that we look at this as one of the key metrics when judging marketing's effectiveness. How is marketing contributing to the sales pipeline? What is marketing's impact? What's its role in converting a lead to an opportunity and finally in closing? Getting answers to these questions will help you determine the effect your marketing activities have on the bottomline.

THE NEW BUYER'S JOURNEY AND ITS EFFECT ON YOUR SALES AND MARKETING

The buyer's journey has changed drastically over time. The old buyer's journey was linear, with each stage clearly demarcated and one starting after the other finished. This meant marketing and sales processes were simple and closing deal was fairly easy. But not anymore. Leading research firm, Gartner has identified 4 key stages in the new buyer's journey, namely:

- Problem identification
- Solution exploration
- Requirement building
- Supplier selection

The 'New' buyer's Journey: Source: *Gartner*


Source: Gartner
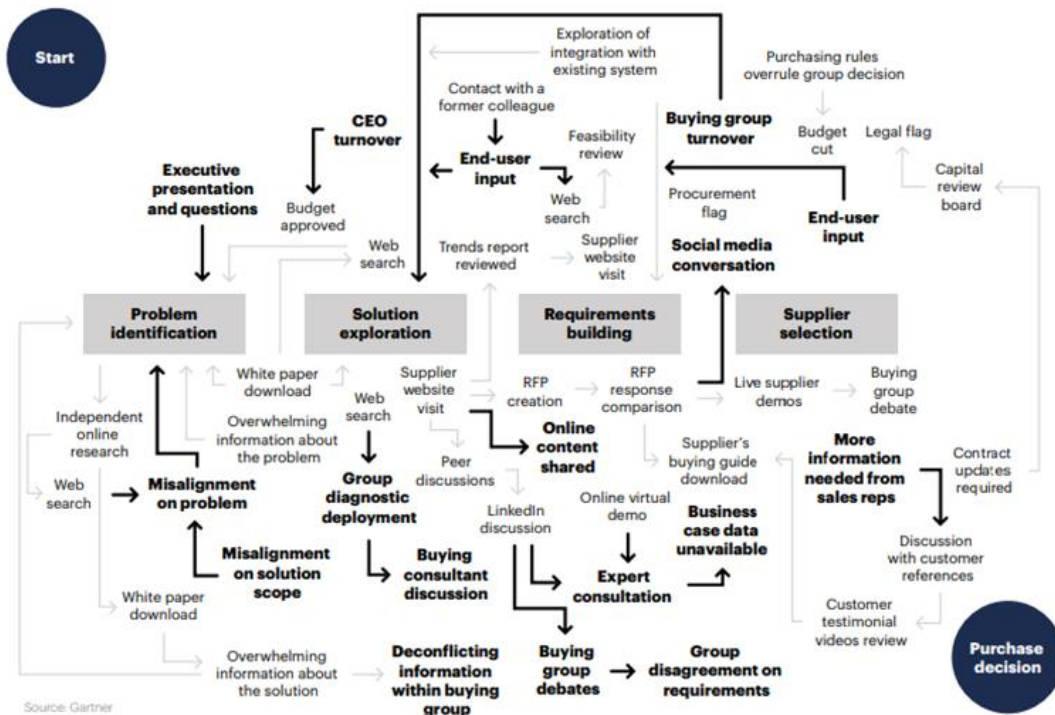
The buyer's journey through these 4 stages is anything but linear. It is chaotic, doesn't follow any specific route and is heavily impacting the seller's ability to close. Your buyer today is much more empowered than what they were 10 years ago. In fact, a study by SiriusDecisions asserts that approximately 70% of the buyer's journey is done online. Do you know what that means for you? It means, they are through with almost 70% of the sales cycle, before you get into the picture.

This statistic turns the traditional role of marketing on its head. Marketing's chance to influence the buyer is now lesser than before and closer to the end of the sales cycle. So, marketing's role now has to extend beyond its traditional boundaries, onto selling and closing. Sales on the other hand, lacks visibility into lead behavior, for example, when buyers at the top of the funnel conduct their own research, MSP partners have no visibility into their activities — even if it happens on OEM (Vendor) domains. Moreover, content and assets are not aligned with this new, non-linear buyer's journey. These factors negatively impact sales velocity--sales's ability to close deals quickly and also result in sharp value leakage--loss of leads in the transition between marketing and sales.

LET'S TAKE A LOOK AT THE 'NEW' SALES FUNNEL

The new, non-linear, digital buyer's journey has given resulted in drastic changes in the typical sales funnel. The 'new' sales funnel is characterized by a sharp drop in leads as sales takes over from marketing. This means, though marketing continues to generate leads, sales' capacity to close them is diminishing--in terms of number of leads closed and also in terms of sales velocity. The time taken to close leads is much higher now, reducing sales velocity and the number of leads lost when the marketing-to-sales handover happens has increased. This sharp lead drop off and low sales velocity propels a rise in lead acquisition costs.
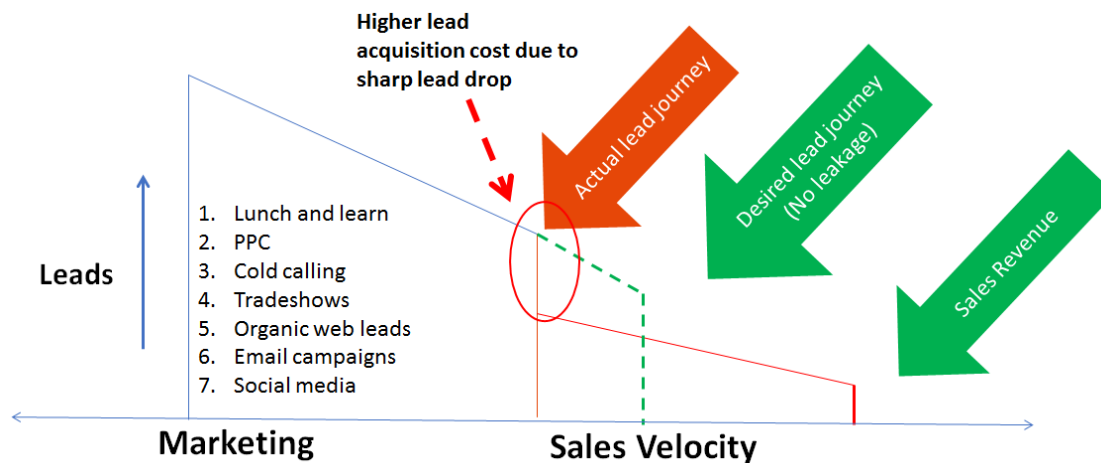
Move away from vanity metrics...here's the real deal

The aim is to tackle the challenge of unaccounted leads, covering every metric, every angle by tracking core marketing and sales metrics. The newer, more relevant metrics are as follows-

- Sales
  - Sales velocity
  - Total customer acquisition cost

- Leads
    - How many leads came in from each source
    - What is their closure rate
    - What is the cost per lead, per source
    - Lead-to-opportunity ratio
    - Opportunity-to-closure ratio
- Campaigns
    - How many marketing/sales campaigns were executed
    - How many leads were generated
    - How many leads were warmed up
    - Cost per lead, per campaign
- Content & assets
    - Asset consumption by sales
    - Asset consumption by prospects

Takeaway

- To track 'real' marketing performance, move away from vanity metrics
- A true measure of marketing's success is its impact on bottomline
- The non-linear buyer's journey has impacted sales velocity negatively
- To be successful, you need to arrest the drastic lead-drop between marketing and sales
- Sales and marketing need unobstructed, common, visibility of lead behavior
- Content and assets need to be aligned with the new buyer's journey for sales and marketing success

About Mindmatrix & MSP Advantage Program:
Mindmatrix offers Channel & Sales Enablement software for direct and indirect sales channels. Mindmatrix is the only provider of a Single Unified Platform that combines PRM software, Direct Sales and Channel Enablement, Channel Marketing Software, Marketing Automation software and Marketing Asset Management. Mindmatrix takes you through every step in the sales process from lead to revenue, enabling your salespeople and channel partners to sell more, faster.

Through its MSP-IT Advantage Program, Mindmatrix works with hundreds of MSPs, integrators and VARs to make their marketing easy and effective. Mindmatrix empowers MSP sales and marketing teams with Marketing Automation, Sales Enablement and Asset Management tools, Content and Managed Marketing Services to enable MSPs, VARs and integrators to generate leads and close deals more effectively.