

CMO COUNCIL

Message Maps and Gaps Report

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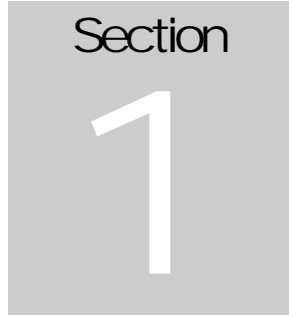
MAKING MARKETING MESSAGING MEANINGFUL

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Report Summary


A survey of the nation’s leading technology Chief Marketing Officers revealed that messaging is seen as both an increasingly strategic discipline as well as a largely untapped opportunity to build brand equity, establish competitive differentiation, and enhance sales effectiveness.


In a survey conducted by the CMO Council, cosponsored by the Customer Message Management Forum, Sales and Marketing Management Magazine, and Ventaso, over 100 Chief Marketing Officers were asked to comment on the topic of marketing and customer messaging, and its impact on sales effectiveness. The results were clear and compelling. Messaging is a vital element of the marketing mix, and thoughtful CMOs are investing resources in developing comprehensive messaging platforms, as well as ensuring that their sales teams are fully armed with this critical information.

- MESSAGE MAPS
AND GAPS

-  A Task Force of 20 Major Technology Company CMO’s

-  Over \$400B in annual revenue

-  Over 100 CMO’s surveyed via the web

-  Sponsored by CMO Council, CMM Forum and Ventaso

During the first three months of 2004, 20 CMOs from major technology companies agreed to be interviewed via telephone for approximately one hour for an in depth discussion regarding this topic of marketing and customer messaging. These interviews covered a broad range of topics within the messaging domain, and sought out both best and worst practices inside leading technology companies. The members of the Task

Force assembled for this project represent over \$400B in revenue in the technology industry.

We assembled a world class team of CMOs for this research: CMOs from Adobe, Oracle, HP, Symantec, Sun, EMC, ATT and several other leading companies agreed to participate. You can find the complete listing of interviewed CMOs in Section 3. Detailed qualitative interviews were followed up with a structured formal quantitative survey sent to the entire CMO Council membership in April of 2004 via the internet. To see the actual survey document, please refer to Section 4.

Over **100 responses** were received from marketing leaders. The results were clear and striking, and send an essential message to the industry about the power and importance of messaging as both an up and coming strategic discipline and a practical tool for marketers to help enhance sales effectiveness.

What Did We Learn?





Messaging is unquestionably an **increasingly vital and strategic tool for marketers**. Messaging is viewed as a source of brand equity, customer preference, and competitive differentiation by over 70% of the respondents to the survey. As sales reps deliver the company message, it is critical they be empowered with the knowledge and the tools to deliver the message well.

CMO's and sales executives both acknowledge that market and customer messaging efforts require substantial improvement

The survey points out, however, that there is **substantial opportunity for improvement** on the part of most marketing organizations in delivering marketing messaging that is both relevant and reflects the actual conversations sales teams are having with their customers and potential customers. **Less than 25% of CMOs were satisfied** or very satisfied with their sales team's ability to accurately and consistently communicate targeted messages to their customers. A companion survey to senior sales executives during this same time frame indicated a similar level of concern regarding messaging effectiveness.

Many of our conversations with brand-name technology firm Chief Marketing Officers had a strikingly common theme. In the last 12-18 months, major technology companies have developed a full appreciation

for the requirement to develop and communicate a full and robust messaging platform to the sales team, and ultimately to customers. The consensus of many of our CMO interviewees was that although they have made major investments in improving messaging over the last year, they still didn't 'get it right', and more work is in store in the coming year to truly develop a compelling messaging map and platform.

MESSAGING	
RISKS	
 Decreased Sales Productivity	This lack of strong message leadership and direction from marketing has many effects on an enterprise, according to the survey. The first and most worrisome, according to our CMO audience, is decreased sales productivity . Without a clear and crisp messaging platform, individual sales reps who otherwise might be high performers get bogged down and can't seem to reach the A performance level. This is an all too frequent result due to reps recreating corporate messaging to correspond to their own particular view of the market or opportunity. The consequences of this practice include wasted time as well as inconsistent and mixed messaging, which confuses the customer and extends sales cycles. Without a solid messaging platform, sales teams fall short in the key areas of value and solution selling – the most important messaging battlefield in today's economy . Lastly, as reps (especially new reps) struggle to understand and ultimately reinvent the messaging on products, new reps take much longer to become fully productive and existing reps ramp slower than expected on new products.
 Inconsistent or Out of Date Messaging	
 Poor value and solution selling and excessive reliance on marketing	
 Poor new rep ramp up and slow product launches	

While many CMOs were eager to claim that messaging has now become a priority and a strategic corporate asset, they were also quick to point out that the new priorities were only **slowly making their way into the sales culture** and organization. The fact that this strategic decision to elevate messaging to a higher level is a relatively new development is clear from the data. Only about 27% of CMOs we surveyed were confident that their sales teams were on-message with the platforms established by the corporate marketing organizations. This is a startling admission that marketing has a long way to go to deliver on one of its most fundamental requirements. Sales reps are still consistently cited as creating messaging on their own. The main reason stated for this was 'incomplete messaging in specific markets/divisions'.

Why has messaging been relatively slow to make its way to become a first tier priority for the technology CMO? The lingering effect of the technology bubble has brought into view the understanding that product-

centric messaging fails to distinguish a company, and a solution-centric approach is required. Moreover, the **work to develop a complete message map by industry vertical, application, and solution can be complex, challenging, time-consuming**, and require a cross-functional solution inside an enterprise. Companies have often found it necessary to build a messaging function inside the marketing organization, whose sole responsibility is to develop and communicate the messaging for the company. This work requires a change in mindset inside the marketing organization, making marketing work hand-in-hand with the sales organization to understand not just what products do, but the reasons why customers buy products, and the process by which a sales representative takes a customer through the entire selling cycle.

Emerging Best Practices

What can be done to improve this situation? What are thought-leading companies doing to take advantage of smart messaging practices? Additionally, what can this do for their overall competitiveness and the quality of the relationship with the sales organization?

Several best practices emerged from the survey and our research. In general, we did find a genuine commitment on the part of many thought-leading CMOs to invest significantly in enhancing and extending the messaging platform. After the technology ‘bubble’ years, when companies appeared to be buying technology indiscriminately, and the very challenging post-bubble period, where IT budgets shrank, most technology company CMOs find to compete successfully they must invest more in developing a differentiated, well understood message map and value proposition. While many of these initiatives have not been broadly implemented across all our survey respondents, we heard several common themes in our qualitative discussions with CMOs to know where things are heading.



“Market opportunities never map to a product, only a solution”

- CMO, \$2B Enterprise Software Company

Invest in the development of messaging appropriate to vertical and solution selling. Marketing and product management functions in the technology industry have traditionally focused on developing tools and collateral that document and explain a product's features and benefits – the ‘feeds and speeds’. However, the conversations sales reps have with customers increasingly center on the application of the product for a particular kind of solution need or vertical market. Competitive selling today

requires much more than simple product knowledge – it requires an understanding of how real customers will use the product, the stages of a typical sale cycle, and tools that are specific to each stage in the customer decision making process.

The creation of a complete ‘message map’ for all a company’s major markets was strongly advocated by many CMOs. The development of this

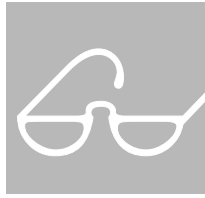
solution selling map required a change of mindset inside the marketing organization, in addition to an investment in time and people. Many of the companies surveyed were currently building or had already built a vertical or industry marketing function inside the marketing organization, staffed by a senior executive directly reporting to the CMO.

“We’ve become very value proposition centric. We nailed the message map, created the value propositions, and translated that into useful sales and messaging tools”
said one thoughtful software”
- CMO \$3B Consumer Software Company

The surveyed audience consistently felt the development of solution playbooks and vertical market guides for the sales teams were very important. This was considered to be especially important for new business units, divisions or product initiatives that addressed a market opportunity different than their company’s core market. Often we found that the source of a company’s messaging discontent lie in new markets where the initial messaging efforts had missed the market, and resulted in a slower than expected product acceptance.

Nevertheless, the survey respondents as a whole have **done a poor job in actually delivering** these materials to date. The average response regarding satisfaction with vertical and solution guides was below the mid-point of the response range (which would indicate an average level of satisfaction). Only 10% of those surveyed would agree or strongly agree that they did a good job with vertical market guides for the sales team.

In contrast, companies who made this investment, enjoyed a very high level of satisfaction in the sales organization. Several of the larger companies surveyed had created and published this messaging map online.



Work in partnership with the sales team to define messaging platforms early in the cycle

It is clear that the days of ‘lone ranger’ behavior on the part of the marketing department are over. The days where marketing could live in the ether and create tools without sales guidance and direction are past. The trend is clearly emerging where **sales and marketing need to take joint responsibility for the development of the messaging platform.** Nearly 50% of the respondents to the survey said the sales organization was ‘quite involved

“Marketing and sales become silo organizations, and what marketing produces sits on a shelf”
said one leading technology CMO

or very involved’ in crafting and refining the messaging platform for the firm. Instilling the internal **discipline to subject any new messaging to external sales review** is a practice that results on a better messaging document, better sales acceptance and buy-in. According to our survey, a very high percentage of respondents (nearly 60%) proactively seek out sales management review and approval on

any new major messaging initiative. Many of the CMOs interviewed had established close relationships in particular with field sales management to **‘pre-test’ the messaging platform** before unveiling to the broader sales audience. Some marketing organizations have even taken to building cross-functional teams from marketing and sales that jointly define the necessary sales tools.

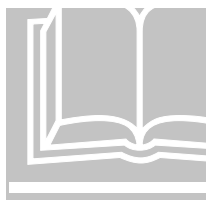
When asked the broader question: “What is the single most important thing that your company does to ensure that messaging accurately reflects the conversations sales and channel organizations are having with customers?” The response was clear and consistent, summarized by the common themes: “Have a constant dialogue with the sales team” and “Regularly sit-in and listen to customer conversations.”

One area where many companies still find room for improvement is in canvassing the broader sales organization for comments on messaging and tools. CMOs gave companies low grades if they employed a formal feedback mechanism in place for the entire sales organization to comment and make suggestions on messaging materials.



Provide sales teams a single web-based means to access important messaging information. Messaging material – good or bad – is neither used nor useful unless the sales organization has access to it in an efficient and well-understood manner. Many surveyed companies expressed a common frustration that the organic growth of multiple divisional, regional, and product web sites had made it **extremely difficult for sales reps to quickly and easily find the necessary messaging materials**. Many of the companies interviewed were in the process of major IT projects to develop and/or consolidate into a single worldwide portal marketing materials and messaging collateral. Part of this new portal included the creation of a “simple to understand taxonomy” for categorizing product, solution and region based information, as well as the incorporation of enhanced search tools to find the needed material. In general, the universe of surveyed companies graded themselves fairly low on this area. Only about 20% of surveyed companies felt they did a good or very good job in this area – meaning that for the typical enterprise there is still substantial room for improvement.

Those who had migrated to the **single portal model** expressed great satisfaction with the results. As might be expected, the largest companies in our survey expressed the most interest and commitment to this activity.



Routinely and aggressively audit the usage and satisfaction of the sales team with the collateral, sales tools, and messaging platforms developed by marketing. It is common folklore that much of what gets produced by marketing is routinely ignored by sales. The point of our analysis was not to perpetuate a myth, or suggest that marketing is not capable of creating valued and used tools. But current reality is that there

“We track every single marketing deliverable...we’re killing things left and right “
- CMO \$60B Systems Company

is still a **great deal of shelf-ware sitting in collateral warehouses** or storerooms. Over half of our survey respondents characterized their existing audit process for messaging and sales tools as ‘informal and anecdotal’. Then it is no surprise that the typical CMO felt a substantial opportunity to improve the usefulness of the materials they create to

support the field. Only 24% of our respondent companies are regularly auditing sales tool usage and canvassing the field to understand the effectiveness of these tools.

Our research highlighted that the most progressive of our survey respondents made it **a priority to audit how the tools they create are used** by the sales organization, and canvas the field regularly to understand what is really considered useful. Now that the majority of solutions and sales collateral are delivered electronically, it is well within the grasp of a marketing organization to build a real-time analytical capability to understand what sales material is being used. It is a simple step further to also survey the field for material efficacy. The audit process becomes a valuable feedback mechanism for the marketing organization to stay in touch with the needs of the sales team, and a way to keep the pulse of the conversations they are having with customers. The most successful companies in our survey were moving quickly in this direction.



To enhance sales effectiveness, provide tools to help the sales team customize messaging and collateral material to the particular opportunity

According to our survey, as much as 40% of a typical sales reps time can be spent in pre and post selling activities creating presentations, customizing messaging, and getting ready to engage the customer. Much of this work is repetitive, and takes away from the most valued activity – time with the customer. Forward thinking companies are investing in systems that can assist the sales representative in dynamically and quickly authoring messaging and sales tools that are tailored to unique customer requirements. By **eliminating or reducing repetitive, time consuming work**, sales teams can improve their productivity, provide more personalized assistance to the customer, and address a larger number

“Our new program has resulted in a significant improvement in rep productivity, material quality, and messaging consistency in sales presentations”
- CMO \$1B Semiconductor Company

of customer opportunities. One CMO in the semiconductor industry claimed that this new strategy resulted in a significant improvement in “productivity, quality and consistency in sales presentations”.

A program for customizing sales messaging tools to particular opportunities can also have side benefits. One of the most often mentioned is the **elimination of rogue marketing** efforts by sales reps.

Getting the Message Out to Sales



When we asked what the most effective vehicle was for communicating messaging platforms that could accelerate sales cycles and enhance rep productivity, we found that marketing and sales groups had differing perceptions. For the marketing team, not surprisingly, the favorites were **New Sales Rep Training, Peer Coaching and Role Playing, and Quarterly Sales Meetings**.

The consensus was that it was very important to educate a new sales rep early in their tenure at the company, to instill a strong understanding of messaging, and to prevent bad behaviors and inconsistent messages from becoming a part of their vocabulary. The cost (and lost revenue opportunity) to retrain is always much larger than the cost to train well in the first instance. A close second in the survey was Peer Coaching and Role Playing and Quarterly Sale meetings.

For the sales respondents to our survey, Peer Coaching and Role Playing was the overwhelming favorite – suggesting that **sales reps still find the most comfort in practicing their art with a peer who has already ‘learned the ropes’**. Enterprise Sales Skills training followed, listed as the second most important vehicle. Understanding the dynamics of selling inside complex and multi-tiered organizations, as well as general sales skills for communicating strong value propositions was considered uniquely valuable by sales teams.

The Payoff of Message Mapping and Sales and Marketing Alignment



Senior executives pursue change for a purpose. And the **payoff for effective messaging is better company performance**. Our research indicated a very clear linkage between many of these best practices in the survey and superior financial performance. Each survey respondent

was asked to report their performance relative to their peer competitive group over the last year on three financial criteria: revenue, market share, and profitability. We were then able to correlate specific marketing and sales behaviors and outcomes with this reported comparative financial performance.

At the highest levels, companies with sales forces who understand the messaging platform well **outperform the market by a substantial margin, both in revenue, market share, and profitability.** Further, companies with complete vertical and solution marketing platforms and playbooks also outperform the market. Lastly, companies whose sales forces acknowledge above average or high satisfaction with the corporate messaging tools also result in better revenue when compared against their peer competitive group.



Task Force Members

This Task Force was assembled in January 2004, and composed of Chief Marketing Officers of many of the technology industry's leading companies. The following industry luminaries agreed to participate and contribute to the work of this effort.

Melissa Dyrdal, SVP Corporate Marketing - **Adobe**

Anne Nelson, EVP & CMO - **Ameritrade**

Connie Weaver, EVP Public Relations - **AT&T**

Vinay Goel, Director of Marketing - **Check Point Software**

Nancy Bhagat, SVP Global Marketing - **Computer Associates**

Polly Pearson, VP Global Field Marketing - **EMC**

Gerard Corbett, VP Branding & Corporate Communications Group - **Hitachi America**

Susan Huberman, VP Corporate Marketing - **Iomega Corporation**

Scott Meyer, CMO - **Lawson Software**

Robin Selden, VP Worldwide Marketing - Logitech

Mark Jurlait, VP Worldwide Enterprise Marketing - HP

Sue Barsamian, VP Strategic and Corporate Marketing - Mercury Interactive

Gregory Jorgensen, SVP Worldwide Marketing - Network Associates

Ellen Minter, VP Industry Strategy & Marketing - Oracle

Doug Brownridge, VP Corporate Marketing - PMC-Sierra

Robert Pickell, VP Worldwide Marketing - Quantum

Don Frischmann, SVP Communications & Brand Management - Symantec

Andrew Lark, Vice President Global Communications & Marketing - Sun

George Skaff, VP Marketing - Wyse Technology

Survey Co-Sponsors

Ventaso

Ventaso develops software that helps increase marketing and sales effectiveness. Our mission is to continually improve sales and marketing's ability to articulate and consistently communicate the value of their solution in a way that's relevant to the customer's specific business requirements. We empower marketing to create, manage and deploy sales-ready messages, and help sales people improve the interactions with their prospects through on-demand coaching and automatic customer-centric documents and presentations. With Ventaso, marketing becomes more relevant to revenue production, and sales people are more productive.

Customer Message Management Forum

The Customer Message Management (CMM) Forum is dedicated to helping companies increase the impact of marketing support on sales effectiveness. Specifically, the CMM Forum defines and establishes best practices for creating, delivering and managing marketing messaging that conforms to the way sales people sell, and reflects the conversations they are having with customers.

Sales and Marketing Management Magazine

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