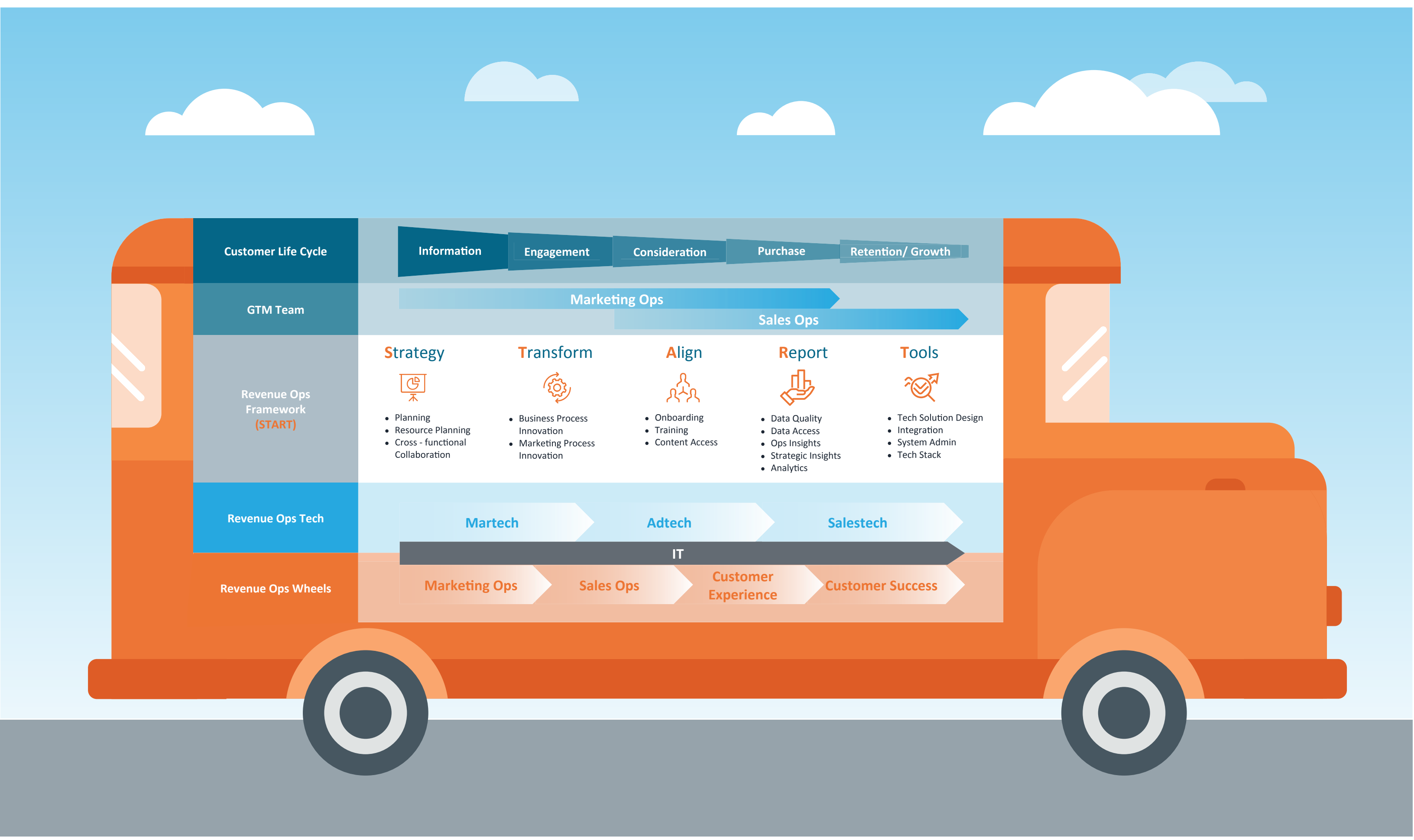
This is the age of revenue operations



Zylotech™

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This whitepaper will help you understand:

- What is revenue ops
- How your current stack across traditional sales cycle needs to be aligned
- What revenue ops means for the B2B sales cycle
- The results that can be expected in a revenue ops model

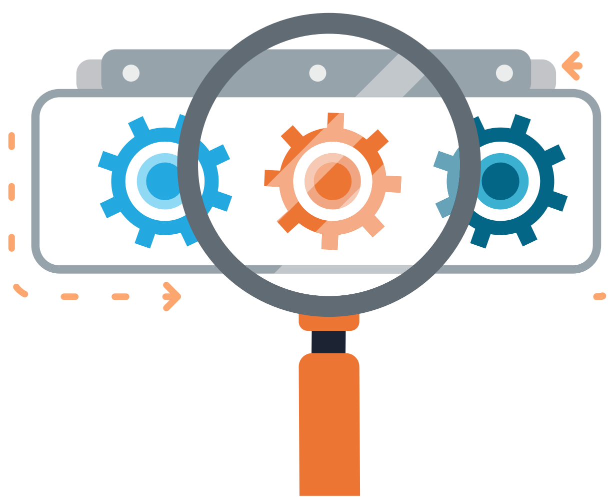
Introduction

The combination of sophisticated consumers and the ability to tap into technology to better track causes and effects is driving a paradigm shift in organizational structures. The strategy required involves an alignment among the marketing, sales, and customer operations departments to form a unified, coherent system known as revenue operations (revenue ops). Businesses have begun to realize that when the departments work in alignment, with all of them pulling the organization towards a common goal, the whole is indeed greater than the sum of the parts.

Ross Nibur, director of revenue operations and strategy at Toast offered his take on revenue ops in an InsightSquared blog:

> Revenue operations is about taking a more holistic, end-to-end approach to managing operations across your organization. What I've seen happen is a siloing in data structure and processes for marketing, customer, services, and sales teams. The problem is that you need data that will tell you the entire story in order to optimize your business. You can't think of your operations teams as individual systems that work together — they need to work as one machine.

InsightSquared is one of the organizations that hosts events around revenue ops, as does SiriusDecisions. This year's SiriusDecisions Summit also features analysts from Forrester. All that attention from major players in the field indicates that revenue ops is not just the term du jour, but an emerging framework for B2B success in today's data-driven world.



The rise of the CRO

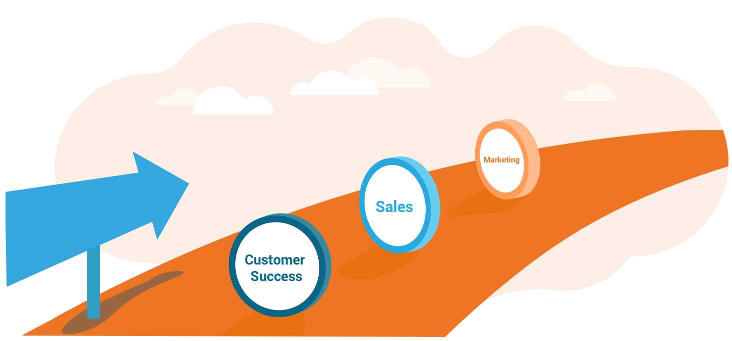
The increasing importance of revenue ops started to make an impression on businesses nearly a decade ago, so much so that a number of them added another title to the C-suite, that of the Chief Revenue Officer (CRO). In 2012, Forbes put the spotlight on the new role that was making such a big difference in a number of businesses.

As for the duties of the role, a CRO explained his position in a Venture Beat article this way:

> **The CRO's purpose is to align and optimize the entire customer experience with the aim of increasing revenue. We spend time thinking about common goals and metrics, often connected to KPIs and dollars coming in across the departments we manage.**

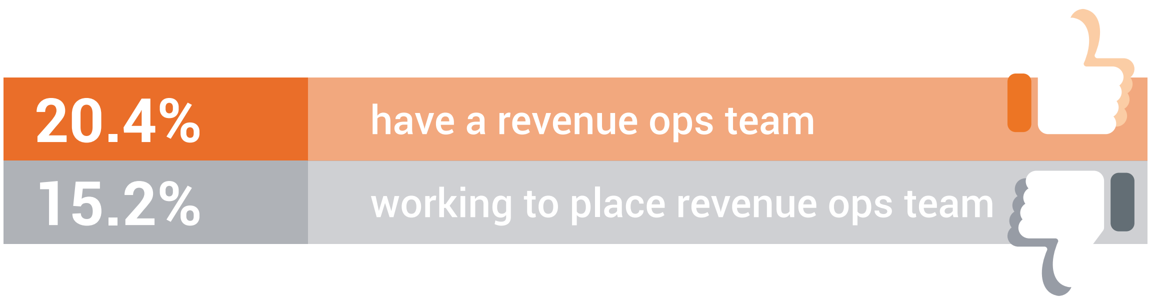
As revenue ops continues to gain momentum, the position of CRO has grown to the point where the case has been made for why every company should hire one. Zylotech has heeded that advice and just hired Pat O'Brien as its CRO. His observation is the following:

> **Revenue operations** is not just a new buzz phrase but a core business strategy to take information from various disparate business silos to normalize, analyze, rationalize, and activate the data for the benefit of the larger business. This ability creates a new norm centered on the needs of the client, from initial product evaluation all the way through a comprehensive needs analysis and the requisite return on investment. Ultimately, the CRO must enable management to garner the insight as well as the foresight to establish a world class set of standard operating procedures to keep the organization oriented toward B2B success.



Revenue ops is still emerging

While the attention paid to the CRO position attests to the increasing adoption of a revenue operations approach, many companies still lack a CRO and a well-defined revenue ops strategy. The State of Revenue Ops 2018 revealed that only 20.4 percent of the businesses surveyed said they already had a revenue ops team in place and only an additional 15.2 percent said they were working on it. That means that even while aware of the term, the majority are still not set up for revenue ops. One reason they may be holding back is that there is still some confusion about what exactly the term means.



“As much as we've discussed revenue ops, the consensus just isn't there yet,” observed Maile Johnson, Senior Director of Demand Generation at LeanData. According to the same report,

> Over 45 percent of nearly 800 sales and marketing professionals defined revenue ops as a unified alignment of sales, marketing, and customer success — but 24.3 percent say it's four distinct pillars of sales, marketing, ops and customer success.

Of course, the two takes don't contradict each other. Alignment is the central theme of pulling together the separate departments. However, achieving takes more than just having some cross-departmental meetings. It calls for getting them into alignment so that they work together toward the same goal as defined by the needs of the customer.

Driving the revenue ops bus

Instead of envisioning revenue ops as something that stands on static pillars, it makes more sense to picture it as a moving vehicle. Accordingly, the four teams each serve as the wheels that all need to be oriented in the same direction to drive the revenue ops bus forward. **The key to pulling these all together and aligning sales, marketing, and customer success operations is to have them all centered around the customer.**

However, to get everything heading in the right direction, you need to **START the bus,** which entails the following:

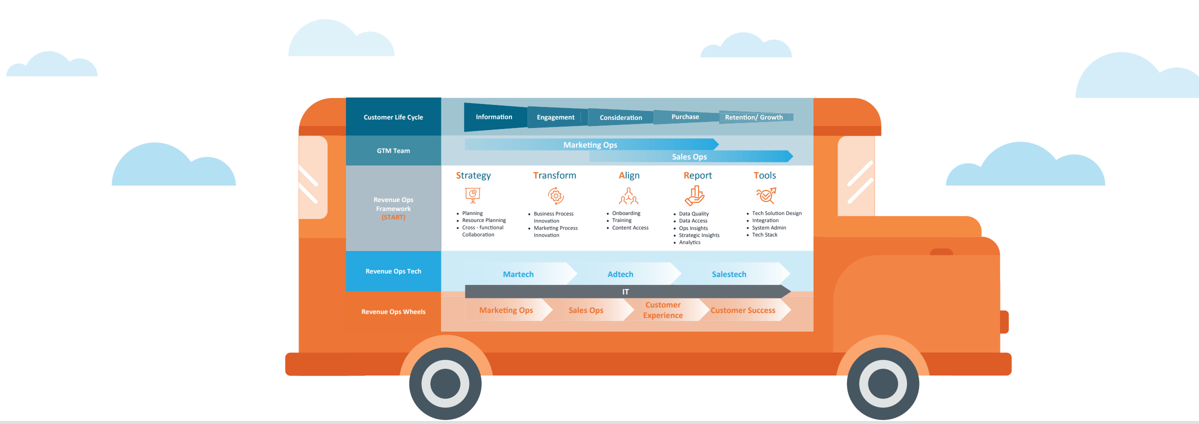
Strategy -- initiating resource planning, cross-functional collaboration

Transform -- applying innovation to marketing and business processes

Align -- extending onboarding, training, and content access across departments

Report -- applying analytics to integrated data to derive ops and strategic insights

Tools -- integrating the tech stack to achieve tech solutions by design.



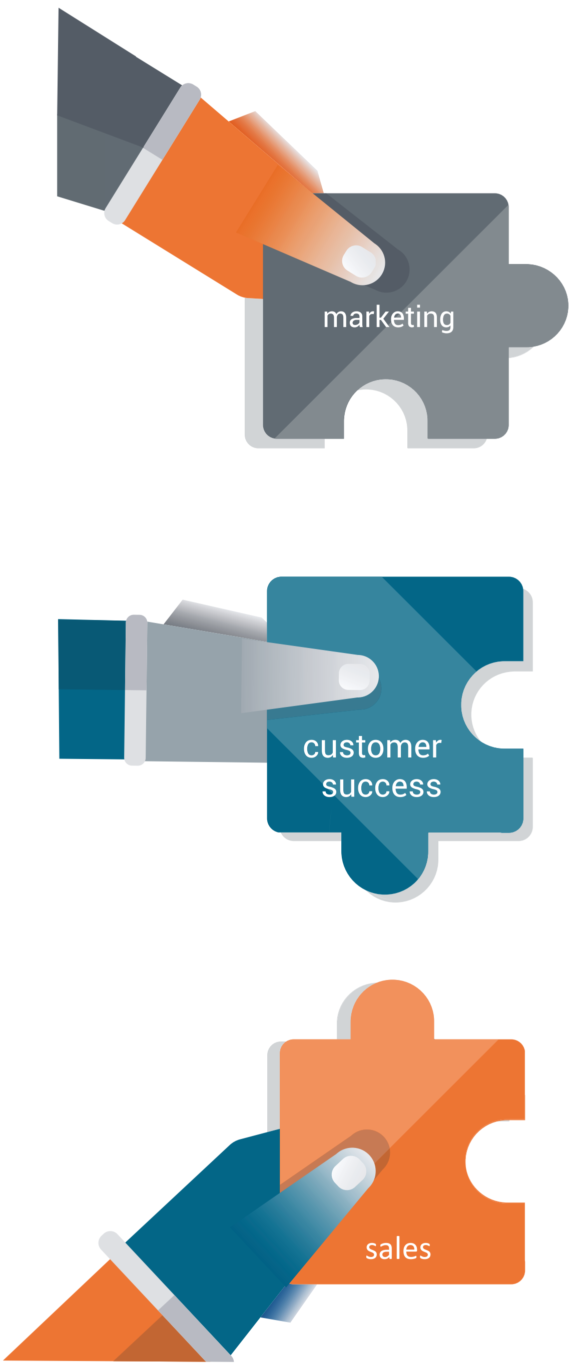
Revenue ops reimagines the marketing, sales, and customer engagement processes as no longer linear but **cyclical and centered on the customer**. That means customer experience becomes critical across the buyer journey. Strategies include integrating account based marketing (ABM) that align sales and marketing with traditional lead-based marketing to reap the benefits available from tapping into a hybrid funnel. **One of the essential tools for achieving the type of data integration necessary for revenue ops is a Customer Data Platform or CDP.**

As David M. Raab, Principal of Raab Associates Inc and Founder of the Customer Data Platform Institute explains:

> Revenue ops requires coordinating activities across many departments that use many different systems. The essential first steps in doing this are to combine data from those systems into a complete view of each customer and to make that view available to every system that needs it. This is exactly what Customer Data Platforms offer. CDPs are a critical foundational technology for any Revenue Operations strategy.

With a CDP serving to connect the different departments by centering them around the customer, it's possible to bring all these views into alignment to achieve greater agility, efficiency, and consistency. That is what enables B2B companies to become more profitable and accelerate growth.

Why there's a need for a new B2B Sales & Marketing framework now



In the past, marketing, sales, and customer success departments operated as disparate teams, each concerned only with the role it played in a particular stage of the customer journey. Working independently, each department developed its own direction, its own technology stack, its own departmental goal, and its associated key performance indicators. Though they were disconnected, it was still possible to achieve business lift and meet revenue goals so long as the customer movement conformed to a predictable, linear sales cycle.

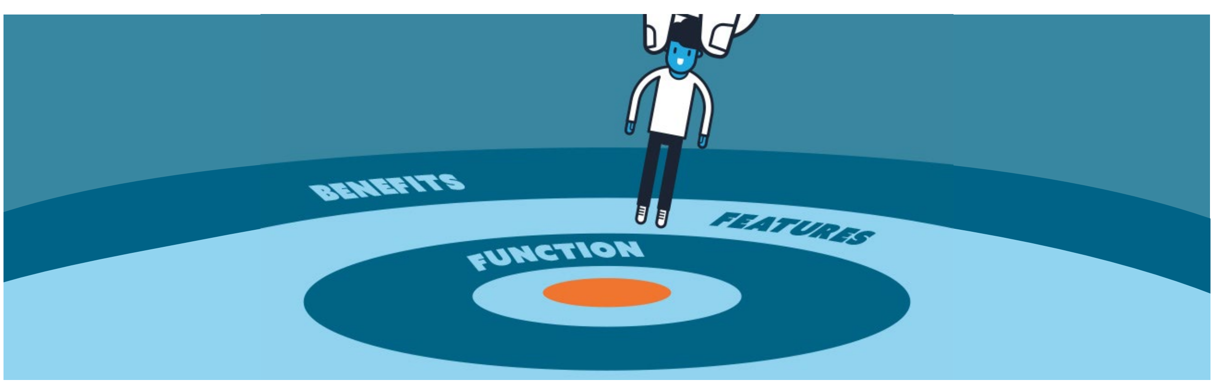
However, with each department applying its own measure of success, inevitably, there is a lack of cohesiveness in the overall business strategy. The approach wherein individual teams all work off their own siloed dataset doesn't cut it in this environment, particularly if they want to capitalize on ABM. In fact, Gartner reports that **"only 28% of sales leaders believe existing account management channels meet cross-selling account growth targets."**

According to a Mckinsey report, it is possible for **“marketing operations [to] provide a 15 to 25 percent improvement in marketing effectiveness, as measured by return on investment and customer-engagement metrics”** as a result of well-applied marketing operations. However, many still fall short of that potential because of the failure to set up a **“unifying strategy, governance, or system to create cohesion, reuse assets, or measure effectiveness”** That's why today's B2B companies have to work off a completely different paradigm.

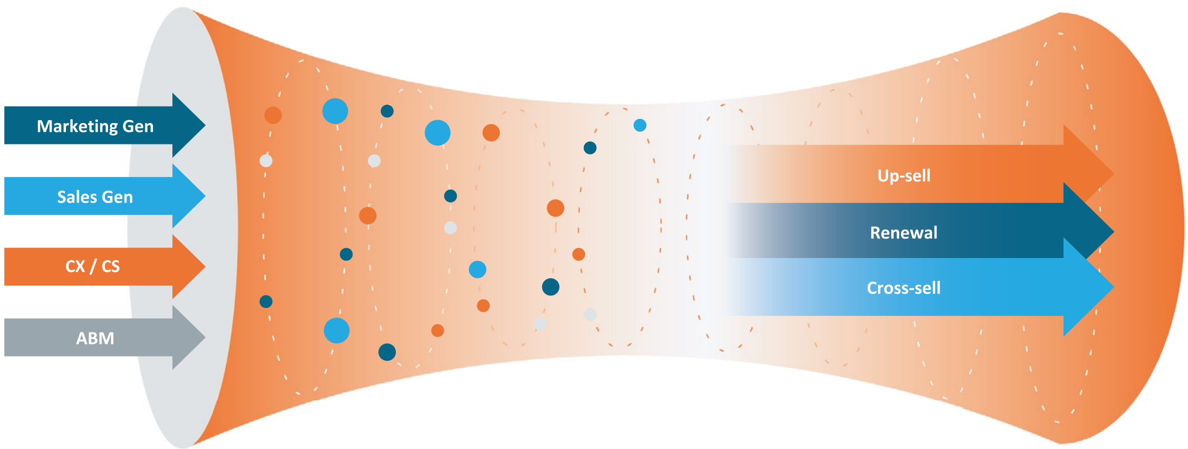
B2B businesses today have to deal with a new type of customer journey. Ken Rutsky, founder and principal consultant at KJR Associates, Inc. pointed out in an interview that the business landscape has shifted, and businesses have to reorient themselves accordingly. They have to stop thinking in terms of a linear model, led by the seller's marketing.

"Buyers rather than sellers are in charge," Rutsky explained. This is the new normal.

Consumers no longer wait on calls from a business to learn about it. They begin their own research by checking out the business online, finding out what the existing customers say about them in published case studies, on industry forums, blogs, reviews, or in answers to questions posted online. Because the internet gives customers access to so much information about product and service options, by the time a company representative calls on them, they already are well on the way to deciding which vendor they will select. It's up to the vendor to then prove that they can anticipate and meet that customer's needs. In addition, most sales rely on repeat business, particularly, the increasingly-popular subscription-based business model. **Consequently, businesses today cannot just bank on the linear approach of marketing efforts to be followed by sales and then by customer success teams, each with their own goals.**



The new normal framework:
One team + one mission = revenue ops



Getting the departments in alignment calls for everyone to be on the same page with a clearly and consistently defined Go-to-Market Strategy. **A revenue ops approach takes a holistic view and applies consistent metrics to assess what is working and what isn't across all the ops teams involved in marketing, sales, and customer relationships.** They all have to work off the same KPI to assess what is driving revenue and what is not so that all departments will be measuring what matters to the business as a whole rather than their own departmental interests.

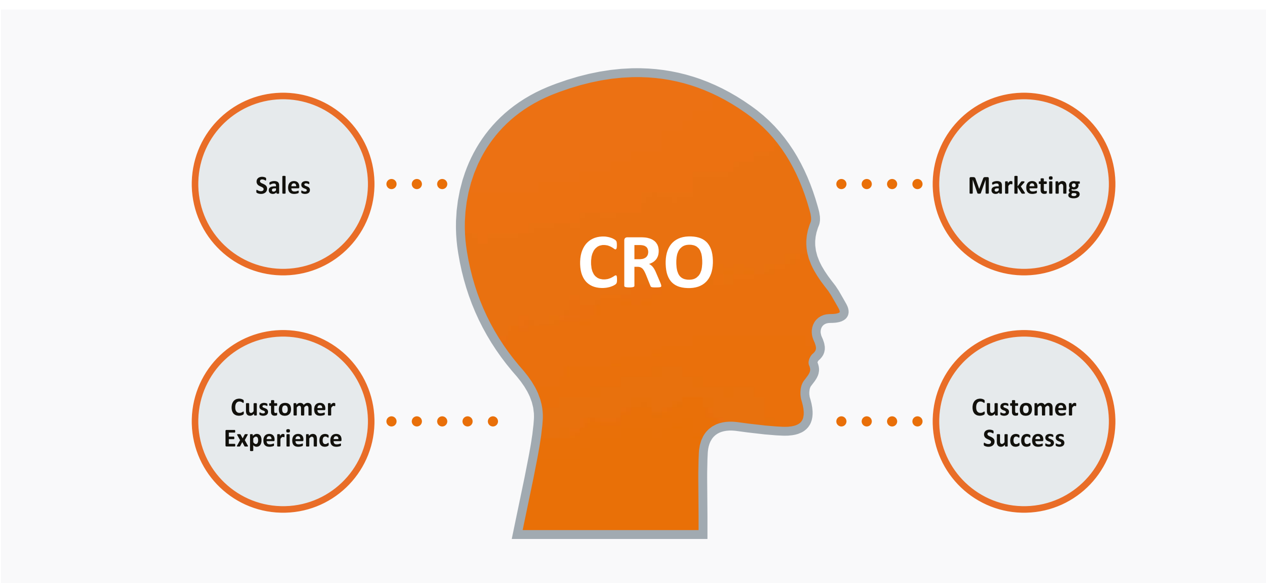
The revenue ops strategy calls for full-funnel analytics and reporting that adopts the same metrics for marketing as it does for sales and customer departments -- that of revenue. A comprehensive and centrally-defined metric offers the antidote to what is known as vanity metrics, a problem common to marketing teams that invests in ad campaigns that do gain attention but do not contribute to a lift in revenue.

One of the 8 Top Findings in Gartner CMO Spend Survey 2018-19 is that the heads of marketing are sometimes out of alignment with the teams that are more focused on revenue. The survey notes,

> When asked to define the most important metrics on their marketing dashboard, CMOs cited 'awareness' as the most important, beating ROI and measures of customer value and customer satisfaction (CSAT).

That view is not in alignment with a revenue ops mindset. Marketing cannot function as a self-contained universe and has to adopt the metrics that will prove meaningful across the revenue-generating teams, whether they are focused on creating opportunities or completing a sale.

Getting the marketing team aligned with the sales and customer success teams is crucial to formulating an effective ABM strategy with its potential for greater growth and profitability. B2B companies that are aligned under revenue ops **"grow 12 to 15 times faster than their peers and are 34 percent more profitable,"** according to Sirius Decisions.



The goal of the new framework

Those who align the four wheels of the revenue ops bus will be able to effectively navigate their way to B2B success. Under this new framework, all the different teams that had previously worked separately now come together to address the customer at each stage of the purchase journey -- from initial purchase to use to follow up purchase for renewals, cross-sells and upsells.

Key Takeaways:

- **The rise of the CRO position points to greater acceptance of revenue ops as an essential strategy for B2B success.**
- **To achieve alignment across departments, the CRO has to get the members of the revenue ops teams on board for to establish the strategy to be used across the entire organization.**
- **Adopting a CDP sets the foundation for the revenue ops strategy and offers a basis for the metrics to be adopted across the board.**
- **Everyone agrees to use the metrics that are determined by revenue goals so that they are all on the page about measuring success according to those goals and KPIs.**
- **Marketing can now be involved in the entire customer lifecycle to not only win new customers but more business from existing ones, which is key to growth.**
- **Sales can grow as a result of alignment with marketing on implementing ABM and the hybrid funnel.**
- **Customer operations can direct and respond to customer expectations much more effectively thanks to sophisticated analytics based on comprehensive data enabled by a CDP platform.**