

THE ST. LOUIS AMERICAN MARKETING ASSOCIATION PRESENTS

MARKETING IS FROM MARS AND SALES IS FROM VENUS

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SUCCESSFUL INTEGRATION OF THE SALES AND MARKETING FUNCTIONS

American Marketing Association–St. Louis Chapter White Paper #1

by Lon Zimmerman, Zimmerman Marketing Research

INTEGRATING SALES AND MARKETING is hardly a new idea. Executives have been talking about it for years, but relatively few have been able to do much more than give it lip service. In today's super competitive world, however, Sales and Marketing must work more closely together if a company is to survive, much less thrive.

The St. Louis chapter of the American Marketing Association (AMA) conducted a roundtable discussion on Successful Integration of the Sales and Marketing Functions with local area Chief Marketing Officers.

PARTICIPANTS INCLUDED:

Ms. Stephany Davenport
North American
Marketing Manager
Solutia

Ms. Mary Louise Helbig
Vice President of Marketing &
Strategic Planning
American Express Incentive Services

Mr. Cliff Langston
Director of Marketing
Sigma-Aldrich

Mr. Mike McNamara
Senior Vice President,
Consumer Sales
The Roho Group

Mr. Scott Sims
Director of Marketing, Brands
Mallinckrodt Pharmaceuticals/
Tyco Healthcare

Mr. Kevin Ward
Vice President of Marketing
Coin Acceptors

And Other Top Marketers
Who For Corporate Policy Reasons
Asked To Remain Anonymous.

The Roundtable discussion was facilitated by Mr. Lon Zimmerman of Zimmerman Marketing Research. This was the first in a series of roundtable discussions sponsored by the AMA.

During the session, the Marketing executives discussed barriers to integration and various solutions they have utilized to overcome these barriers.

OBSTACLES TO INTEGRATION:

Whether in Sales or Marketing, one undoubtedly is aware of the tension, and perhaps even mistrust, that exists between the two functions. Companies seeking to achieve a high level of integration clearly face a number of challenges in attempting to do so.

SALES AND MARKETING OFTEN HAVE VERY DIFFERENT GOALS.

Sales and Marketing often have very different goals, objectives and agendas. Marketing tends to take a broader and longer term view and is more likely to focus on corporate profit. Sales, on the other hand, is more transactional and wants to do what they believe they are paid to do, which is sell.

We have a saying here that Marketing is from Mars and Sales is from Venus. We have all got our own different goals and objectives and agendas.

Goals in the Marketing organization are both sales and profit. Within the Sales organization the goal is sell it, I don't care what the price is.

If you go to the Sales Department, they are rewarded on making the transaction, doing the sell. Marketing is not necessarily rewarded that way so there can be different agendas.

TURF WARS

In addition, Marketing is sometimes perceived as an interloper. Many in Sales question why Marketing is attempting to talk to their customers. Many express concerns regarding the appropriate roles of the two functions.

Within my company, Sales is very territorial. Letting Marketing in there to try to understand how we can work with their transactional customers, as they refer to them, to help them with their marketing, has been very challenging. The biggest problem we have is clarifying the ground rules with Sales on what Marketing does. They are saying, "I

don't need another sales guy. I don't need another guy running into an account and talking sales stuff."

INEFFECTIVE COMMUNICATION

Marketing is sometimes guilty of ineffective communications with Sales. At times, Marketing comes off as arrogant and maybe even paternal.

You know the biggest problem I've seen between Sales and Marketing is that Marketing comes in a lot of times and uses data as a weapon to beat the Sales force over the head and say, "You don't know what you are talking about." I think the problem is when we go in as the marketers and say, "We are educated on this; we know a lot more about this than you do."

Marketing torments Sales a lot. I think culturally we started out in different places and are very separate. Usually it's Marketing that says, "Hey everybody, we are not doing this right, let's change it." Then the sales people are like, "What do you guys know? You are not out on the streets with us." So you have always got somewhat of a little friction that I kind of think of like a parent-child relationship.

INERTIA VS. NEW APPROACHES

Marketing often creates another barrier to integration by demanding that Sales change its approach to working with customers. Marketers often want Sales to adopt a more consultative rather than transactional approach to sales. They want them to conduct needs assessments. Sales often resists this as the transactional approach is what they have been trained to do and what they have been successful at.

We are driving our sales force to a lot more consultative, modern approach and the sales force is a little bit ill prepared to deal with it.

They haven't been trained; they weren't hired to do that. Many of these guys were rewarded for the last 45 years for a transactional kind of sales.

Sales people have been very transactional. They've gone out and they've sold what's easy, what's fast, what's quick, what's simple. Now we are saying to them, "Slow down folks. You need to talk to the client a little bit more. You need to find out if they have greater needs than that one program you just sold." We are going through this process of trying to teach our people to do the needs assessment process.

STEPS TO MORE SUCCESSFUL INTEGRATION OF SALES AND MARKETING:

The Chief Marketing Officers in our roundtable agree that these barriers can often be overcome by appropriate actions. Participants recommend the following:

HIRE PEOPLE WHO HAVE BOTH MARKETING AND SALES EXPERIENCE OR DEVELOP IT BY ENCOURAGING CAREER MOVEMENT BETWEEN SALES AND MARKETING.

Hiring people who have both Sales and Marketing experience is often helpful. Those hired with that type of experience will be better able to understand the needs and desires of both organizations. Some also encourage transfers between Marketing and Sales positions to develop this breadth of experience.

I think one of the solutions is hiring people who have both Sales and Marketing experience. Then they can be thinking in terms of the bigger picture. Not just the transaction or the sale. They can actually be focusing on making a profit.

We try a lot of times to bounce people back and forth from Sales to Sales Training to Marketing, back to Sales at various levels.

STRUCTURE ORGANIZATION BY CUSTOMER.

Where feasible, organizing by customer may help create the trust and respect needed to gain a high degree of integration.

We have a dedicated marketing staff and a dedicated sales staff for each customer and that seems to work very well because then everyone has a vested interest. There is more trust and respect because we have similar goals.

OFFER SALES SOMETHING OF VALUE.

In the early stages of integration, it may be more productive for Marketing to hold back and find ways to bring something of value to Sales rather

than make a lot of requests of Sales for information on their customers.

We had much better luck when we went out and spent a year and a half building information sources so their customers could come online and we could understand them by what they did. Then we were able to go to Sales and say, "Here is some information to give you better insight into what your contacts are looking at and doing with our company." We find you get a much better reception when you really bring something of value to the people and you take your time. It might take a couple of years to develop it, but it really goes a lot better.

TREAT THE SALES TEAM AS IF THEY WERE A CUSTOMER.

Marketing should attempt to treat the Sales Team as if they were a customer. Participants agree that Marketing should engage the Sales force to determine what kinds of support they need and can actually use from Marketing. Several pointed to earlier failures when such input from Sales was not sought.

I don't know how active you guys are in lead generation, lead management--a typical integration of sales and marketing function. My group is responsible for the internal support of that. The first year we went out with it, Marketing decided these are the leads we will generate, this is what we will do and they hit the field. I tried to tell them that we need the input of the Sales force. Now we are going back out sheepishly the second year and saying, "Tell me what kinds of leads you would really like to have?"

COMMUNICATION IS KEY – LET THE SALES FORCE KNOW WHAT IS GOING ON.

Good communication is key to developing and maintaining trust and respect. Many believe this is one of the first and most important steps Marketing can take.

In some ways I think what we did was we marketed around the Sales force to their customers. So I think rightly, the Sales force feels like you are doing something to their customer, it's not like you are doing something with Sales. To just communicate with them so that they know what's going on. That is kind of the first thing almost in integration.

Show them what we are doing is going to help them in the short term for their bonus or how it's going to help the Marketing organization help the Sales organization.

A lot of times I've found that we don't close that loop well enough or soon enough and therefore we get, "Why do you want to talk to my customer?" Closing that feedback loop on that communications channel is key.

ENGAGE SALES IN THE PROCESS.

One positive way to develop better communication and enable Sales to better understand why Marketing does what it is does is by engaging them in the process. One popular method of engaging the sales organization is by seeking out their opinions via focus groups.

As I tell my people, the Sales people aren't the answer, but they are a data point. We respectively engage them in the process. We also make it clear to them that we are talking to our customers and what we are hearing from our customers and let them know that that could be potentially different than what they are telling us. Then we make a recommendation to launch a new product or a new campaign. This gives them a perspective that they never had before; where it looked like we were going into some big dark hole and just coming out with something that we thought was cool.

Marketing hosts focus panels very similar to this, but not as formal, every Friday. We hand pick a few people and for an hour open up the floor to, "Hey, are there barriers that we don't know about? If there are one or two things that could help you, what would they be?" We have, through that process, sort of changed the bloodshed that takes place at managers' meetings.

I think these focus groups are a teaching or learning opportunity for them, too, because they may never have ever spent time in Marketing, and maybe then they can understand why you are doing what you are doing.

HAVE MARKETING AND SALES CALL ON KEY CUSTOMERS TOGETHER WHEN SEARCHING FOR NEW PRODUCT INSIGHTS.

Sales people often contact procurement for their immediate needs and are not looking at where that company could be or how their company could better serve them in the future. To overcome that, roundtable participants report that Marketing often accompanies Sales when they call on key customers. While the Sales person calls on procurement, Marketing calls on their Marketing counterparts to get a better understanding of their longer term needs.

Because Sales is typically talking to procurement, the transactional customer, not necessarily their Marketing and Sales folks, they don't have a good understanding of what they might need in the way of new and developing products. So if that communication is not there, we really get short sided in what we need to bring to the marketplace. Well, it has really worked well with us having a marketing and sales team per customer. We work as a team. Sales is in here talking to procurement and I'm in there working with their marketing department. So we, Marketing and Sales, get together on a twice monthly basis and we talk about it. Sometimes we bring in other people from the customer.

This process of bringing Marketing in with Sales is generally not perceived as a threat because the process enables the Sales force to earn more and because the Sales people involved are generally high level Sales who can see the bigger picture.

Typically they perceive your presence in the room as a benefit if you are enabling sales. These folks are mostly compensation rewarded and they are going to make more money the more they sell. And if you enable them to sell more, then you are not a threat.

You are only doing that only on your high level sales. It's not the kind of sales person that is going to be threatened by it anyway. They are the guys that are inviting you to the table with them. They see the bigger picture.

Sales and Marketing functions can be successfully integrated today if Marketing treats their Sales Team counterparts as customers, attempts to better understand their needs, engages them in the process and effectively communicates with them at all times.

For more information about this or future AMA St. Louis Roundtable Discussions, contact either of the Roundtable Co-Chairs:

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