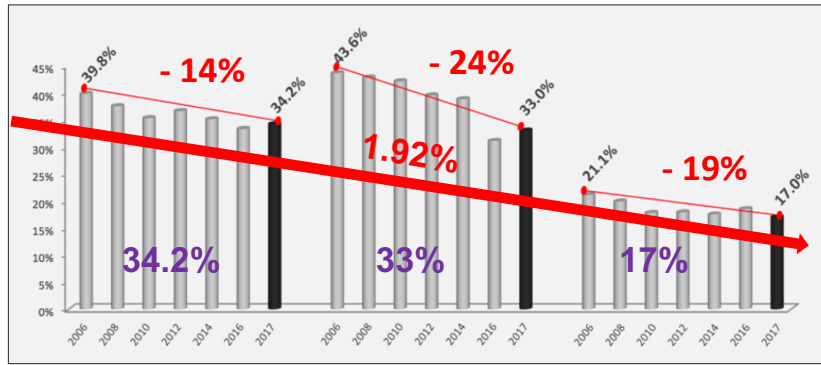


Who owns the Revenue Funnel?



With anywhere from 10% to 50% of revenue being spent on Marketing and Sales, the return on investment needs to be looked at very closely! But who owns the responsibility for this?

Is it Marketing (holders of the majority of the budget in most cases), Sales (who have the responsibility for engaging with customers/clients to develop and close deals), or Commercial Operations? Where does the Chief Revenue Officer fit into this (where there is one)?

Any solution cannot simply be focused on marketing leveraging technology to simply send more poor-quality leads to sales at a faster rate than before. Marketing needs to ensure that leads are adequately cultivated in order to better position sales to close more deals that drive revenue for the company. It isn't an uncommon situation for marketing to be providing sales with as few as 25% to 30% of the leads needed to meet revenue goals, with sales being left to generate 60% or more of their own leads.

The Buyer's Journey

According to a number of recent studies, changes in buyer's behaviour has meant that traditional demarcation between sales and marketing has become blurred. When buyers report being anywhere up to 70% of their way through the buying process (and therefore sales process) before and if engaging with potential suppliers, there has to be a corresponding flexibility in ownership of the Pipeline/Funnel.

Buyers report being 57% to 70% through the sales process before engaging with potential suppliers ⁽¹⁾

The Buyer Journey Informs the Sellers Journey

Buyer Journey	Seller Journey
<ul style="list-style-type: none"> Untroubled & Unaware Aware of Prominent Brands Troubled by Problem Research Potential Solutions 	<ul style="list-style-type: none"> Find New Names Position in Category Identify Problem Qualify & Prioritise
<ul style="list-style-type: none"> Identify Requirements Qualify Providers Receive Proposals Shortlist Select Supplier Contract 	<ul style="list-style-type: none"> Establish our Credentials Define Customer Needs Propose Solution Prove Solution Defeat the Competition Secure Mgmt. Approval Obtain Contract

Marketing (indicated by a downward arrow from the Buyer Journey)

Sales (indicated by a downward arrow from the Seller Journey)

Changing and varied customer behaviour is driving the need for greater marketing and sales integration.

A single view of the end-to-end pipeline or funnel is absolutely required in order to have a clear view of the revenue potential and expected closure.

"Customers are choosing to delay commercial conversation with potential suppliers"

(1) Google and CEB research – The Digital Evolution in B2B Marketing, Forbes – The Disappearing Sales Process.

Who owns the Revenue Funnel?

In a 2017 [Gartner Research study](#), it was reported that companies spend some 12% of annual revenue on overall marketing. The study concluded that “larger companies (>\$5 billion revenue) spend 13% of revenue on marketing, while smaller companies (\$250 million to \$500 million revenue) spend roughly 10% of annual revenue.”

A [2017 CMO survey](#) published by the American Marketing Association and Duke University pegged the numbers a bit lower, reporting that across all industries businesses spend 11.4% of budget on marketing and only 6.9% of revenue on marketing.

When there is clarity on who leads revenue growth

The following is an example of the difference that clear ownership can make.

Marketing is responsible for leading revenue growth at 38.4 percent of companies, according to the CMO Survey. “These companies have larger marketing budgets as a percentage of the overall company budget (14.5 percent) than companies that do not assign primary responsibility for revenue growth to marketing,” [reported the Wall Street Journal](#). “At such companies, the marketing budget represents only 10.8 percent of the total budget.

This is a significant difference, and it illustrates marketing’s ability to influence corporate strategy and potentially lead to larger marketing budgets.”

In closing

- Where does your company, organisation or firm stand?
- What is your current pipeline conversion rate?
- Do you have clear ownership of the end-to-end Pipeline?
- What are you doing about it?

Get in touch to find out where we can help.

Les Hines is the European Managing Partner for the RPM Group who apply advanced data analytics, marginal gain theory and process improvement to drive exceptional revenue acceleration and growth. www.rpmgi.com