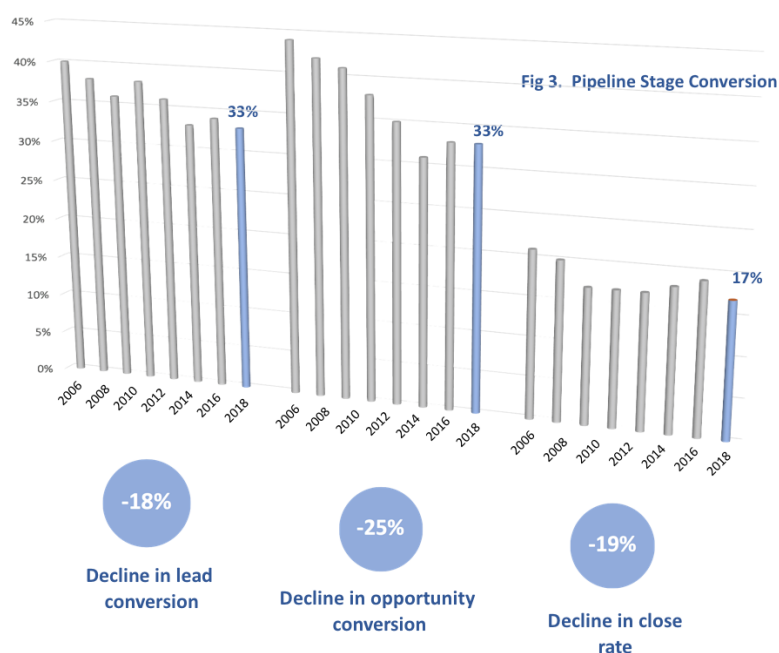




### **Why is that important you may ask?**

In the [2019 Revenue Performance Index](#) business leaders shared their end-to-end Pipeline conversion success. This stood at a staggeringly meagre 1.92%. Yes – for every 100 names entering the Top of Funnel, less than 2 converted to a sale.



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 blindly 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 the traditional demarcation between marketing and sales 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.



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?