PEDOWITZ
GROUP

The Revenue Marketing Index™
2019 Report

Executive Summary

It's Time to Move Beyond Traditional Marketing

Let's face it. The marketing profession is transforming faster than most of us can effectively manage. With the tsunami of new technologies, the rise of the customer-centric dynamic, and the enormous pressure for marketing to affect revenue and growth, marketing teams are grappling with how to survive and thrive.

Our 2019 research indicates that most marketing teams are functioning well below leadership expectations in terms of credible contribution to revenue and growth. This is a stunning statement given the powerful tools now available to marketing. Even flush with technology, data, information, and education, marketing behaviors and performance still reflect a traditional, activity-based approach. Increasing pressure from leadership is sending the message – this performance is no longer acceptable. It is time to step up and become an accountable part of the organization. But how?

> The New Role of Marketing is
> ## Revenue Marketing
> Since 2010, over 1,000 companies have used the Revenue Marketing framework, a proven methodology that enables marketers to go digital, engage customers and grow revenue in a Repeatable, Predictable, and Scalable (RPS) way.
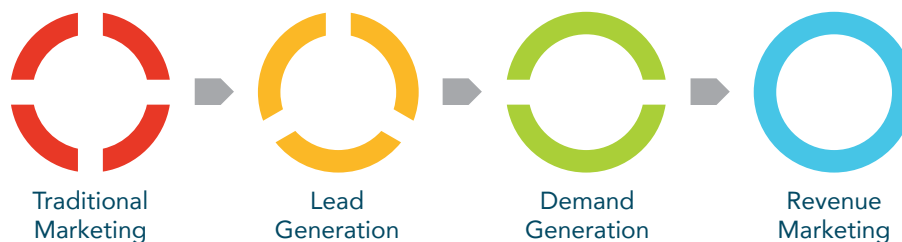
Revenue Marketing is the proven path forward. Enabled by digital transformation, based on customer-centricity, and designed to drive financial results, Revenue Marketing's holistic strategy-to-action framework results in repeatable, predictable, and scalable business outcomes.

In this inaugural Revenue Marketing Index Report, you will gain data-driven insights on the maturity of the market across six key marketing performance pillars and 30 associated capabilities. In addition, you'll have access to actionable insights that will help you navigate and accelerate your own Revenue Marketing journey.

The Revenue Marketing Journey

Traditional Marketing → Lead Generation → Demand Generation → Revenue Marketing

The journey to become a Revenue Marketer is represented in a simple four-stage model starting with Traditional Marketing, followed by Lead Generation, then Demand Generation, and finally Revenue Marketing.

Each stage includes a set of capabilities that evolve from one stage to the next. Examples of capabilities include what gets measured, the sales and marketing relationship, the focus on product versus customer, and the level of technology and data enablement. The Revenue Marketing Journey provides marketers an easy way to assess where they are while creating a vision for where they need to be. In addition, the four stages of the Revenue Marketing Journey represent the four measurement levels of the Revenue Marketing Index (RMI).

Revenue Marketing
INDEX™

The Revenue Marketing Index (RMI), the only measure of its kind, represents the current state of Revenue Marketing maturity across the broader market. The RMI is derived from evaluating 30 required capabilities, grouped into six marketing performance pillars. This year's report is based on input collected from over 1,000 marketers who completed the Revenue Marketing Assessment (RMA).

The RMI scores range from one to four - accounting for each stage of the Revenue Marketing Journey. The scores indicate the maturity level of the marketing performance pillars and capabilities for the market as a whole.

Strategy
1. Business Alignment
2. Organizational Readiness
3. Operational Readiness
4. Leadership Effectiveness
5. Sales and Marketing Alignment

Results
1. RM6 Capability Outcome
2. Financial Outcomes
3. Operational Outcomes
4. Tactical Outcomes
5. Measurement, Analytics and Reporting

People
1. Stakeholder Alignment
2. Resource Planning
3. Revenue Marketing Organization
4. Talent Acquisition
5. Talent Management

Customer
1. Customer Knowledge Management
2. Customer Journey Management
3. Persona Management
4. Content Operations
5. Customer Engagement

Process
1. Demand Management
2. Program Management
3. Campaign Management
4. Best Practice Management
5. Data Management

Technology
1. Technology Awareness
2. Revenue Marketing Architecture
3. Planning and Selection
4. Vendor Management
5. Technology Adoption

2019 RMI Results

As we enter 2019, the RMI for the market sits at 2.3. This RMI score shows that the market is firmly entrenched in the Lead Generation stage of Revenue Marketing. This current level of maturity represents both the complexity of becoming a Revenue Marketing organization as well as the confusion around how to mature.

2019 RMI Overall Score **2.3** of **4**

A review of the scores across the six pillars quickly indicates areas of progress and areas for improvement. For example, the Strategy pillar received a 2.5, the highest score of all pillars. From our experience, this indicates that marketing leaders understand the need to change and have started making plans to do so.

In contrast, the Technology and Results pillars earned the lowest score of 2.1 RMI. The Technology RMI is surprising given the explosive growth in marketing technologies. From our experience, the low score in Technology represents the challenges of instituting a Revenue Marketing Architecture driven by clean data. The Results pillar value is somewhat expected as marketers continue to struggle with attribution and proving the value they bring to the business.
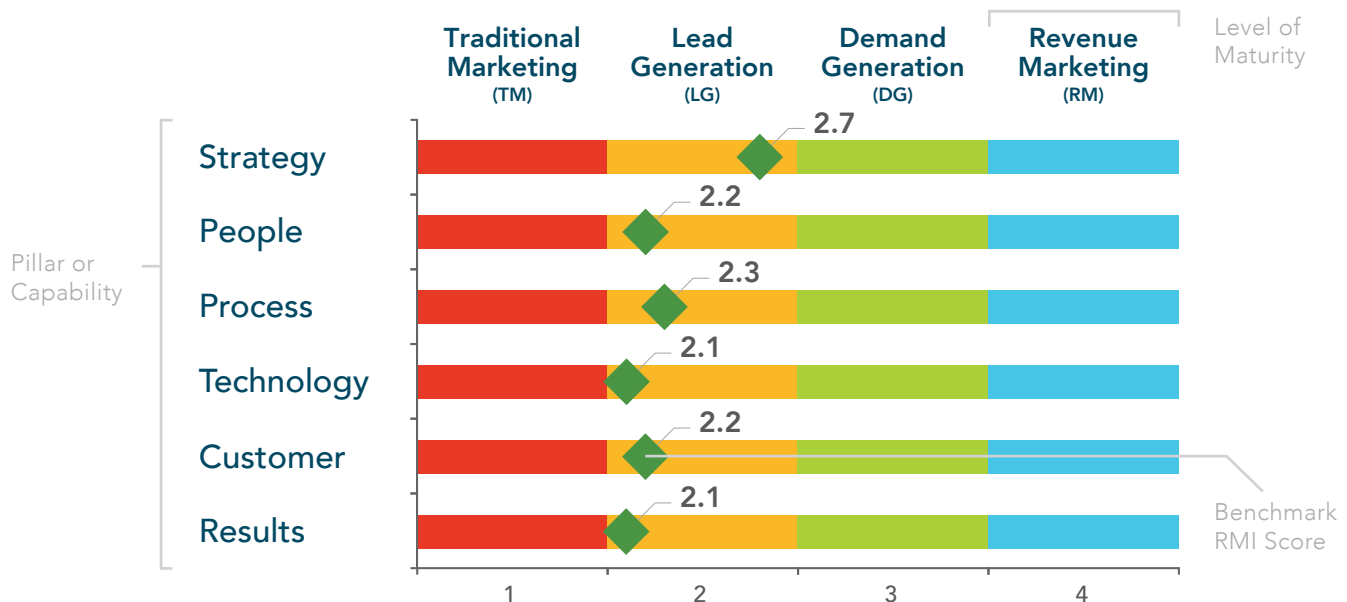
How to Use the Revenue Marketing Index

Reading this report and taking the RMA is an excellent way to begin your Revenue Marketing Journey or to accelerate your current journey. By doing both, you will:

1. Gain an understanding of the market's state of Revenue Marketing maturity
2. Be able to compare your Revenue Marketing maturity to that of your peers
3. Identify gaps and develop your own Revenue Marketing roadmap
4. Integrate the required capabilities into your Revenue Marketing practice
5. Gain an understanding of the use and validity of the RMI

The Revenue Marketing Index™ 2019 Report

Rise of the Revenue Marketer

Today, marketers face an enormous amount of pressure to produce tangible business results, and CMOs are at the front line of that burden. While recent CMO tenure trends have been moving up, the average tenure of a CMO is still less than half of other peer executives. The message is clear – marketing has a mandate to change their approach to marketing. Revenue Marketing is the answer. Revenue marketing represents a holistic strategy-to-action practice. It is powered by digital transformation. It is characterized by leading the pivot to customer-centricity. It is quantified by the creation of credible and sustainable financial results. In a nutshell, Revenue Marketers run marketing like a business and earn not only a set, but a voice at the table.

Revenue Marketing Index Primer

The RMI serves as an indicator of the Revenue Marketing maturity of the market. It is a real-time index based on the ongoing responses to the Revenue Marketing Assessment (RMA). The RMI represents the change in overall marketing maturity across the broader market and is the only market index for Revenue Marketing maturity.

An index is an indicator or a measure of something based on a representative sample. It is denoted by a single base figure and can then be used to describe a market and the movement of that market.

To measure a company's Revenue Marketing maturity, The Pedowitz Group developed and validated the 30 unique capabilities, organized into six major marketing performance pillars, required to operationalize Revenue Marketing.

The remainder of this report includes the specific index value for each marketing performance pillar and for each of the associated 30 capabilities. It also includes expert observations on each capability and statistical results from a recent CMO study conducted by Dr. Debbie Qaqish. Each capability analysis includes insights to the most common barriers marketers face and the most common accelerators for advancing and accelerating your Revenue Marketing maturity.

The RMI value ranges from one to four and denotes the maturity level of the marketing performance pillar and capability. The RMI scores are as follows:

1-1.9 Traditional Marketer

2-2.9 Lead Generation Marketer

3-3.9 Demand Generation Marketer

4   You are a Revenue Marketer!

For more information on the RMI and for help assessing your biggest concerns within your marketing team, developing new campaign strategies, deploying new technologies, and to learn more about how you can become a Revenue Marketer, visit StartYourRMJourney.com.

Want to see how your organization compares?

Take the
Revenue Marketing
Assessment here.

RMI Scores and Discussion by Marketing Performance Pillar

The six marketing performance pillars that shape the 2019 RMI are Strategy, People, Process, Technology, Customer, and Results. The following table presents the RMI value for each marketing performance pillar, the definition, and a list of the associated capabilities.

RMI Score (1-4 scale)	Marketing Performance Pillar Definitions	Associated Capabilities
2.5	The **Strategy Pillar** focuses on marketing alignment to sales and to the business, the state of company readiness for change, and leadership effectiveness.	1. Business Alignment 2. Organizational Readiness 3. Operational Readiness 4. Leadership Effectiveness 5. Sales and Marketing Alignment (to Revenue)
2.2	The **People Pillar** addresses capabilities related to managing people in marketing, interacting with people in other functions, and the organizational structure around people in marketing.	1. Stakeholder Alignment 2. Resource Planning 3. Revenue Marketing Structure 4. Talent Acquisition 5. Talent Management
2.3	The **Process Pillar** includes capabilities related to the essential processes and operations of a Revenue Marketing practice.	1. Demand Management 2. Program Management 3. Campaign Management 4. Best Practices Management 5. Data Management
2.1	The **Technology Pillar** includes capabilities related to technology fluidity and the Revenue Marketing architecture.	1. Technology Awareness 2. Revenue Marketing Architecture 3. Planning, Selection, and Implementation 4. Vendor Management 5. Technology Adoption
2.2	The **Customer Pillar** includes capabilities related to a data-driven understanding of the customer, creating business insights from customer data, and using content as the way to engage.	1. Customer Knowledge Management 2. Customer Journey Management 3. Persona Management 4. Content Operations 5. Customer Engagement
2.1	The **Results Pillar** includes capabilities related to measuring different types of outcomes and developing a measurement, analytics, and reporting practice.	1. RM6 Outcomes 2. Financial Outcomes 3. Operational Outcomes 4. Tactical Outcomes 5. Measurement, Analytics and Reporting

High Level Market Observations

The marketing performance pillars with the highest scores are Strategy and Process

Our research shows that most companies are firmly in the Lead Generation stage of Revenue Marketing maturity (level 2 out of 4). The Strategy & Process pillars are both in the mid-lead generation phase while People, Technology, Customer, and Results are in the early stages of lead generation. This current level of maturity represents both the complexity of being a Revenue Marketing organization as well as the confusion around how to mature.

The RMI value for the **Strategy pillar** received the highest value (2.7). This is most likely because marketers are reluctant to give poor scores to their leadership. We consistently see a higher than warranted score on leadership, and that moves this RMI value higher. However, since leadership is critical to Revenue Marketing transformation, the higher value on the Strategy Pillar is an excellent indicator for future progress.

The RMI value for the **Process pillar** is 2.3, placing it in the early stage of Lead Generation maturity. Major successful change initiatives often begin with creating new processes. In a Revenue Marketing practice, processes must be re-engineered and then operationalized with systems. For marketing, these new processes involve other parts of the organization and require a level of system integration currently not present. For these reasons, marketers are struggling to mature in this pillar.

The marketing performance pillars with the lowest RMI values are People, Technology, Customer, and Results.

The RMI value for the **People pillar** is 2.2 placing it in early Lead Generation maturity stage. Like Strategy, we often see a higher than reality value for this pillar. Most respondents think highly of their team and people and score accordingly. The problem is that the question relates to their capabilities as Revenue Marketers, not if they are good co-workers.

A 2.2 value often indicates a team that is willing and able to adopt Revenue Marketing practices. It's like having the right people on the bus. Lower scores in this pillar often indicate a significant need for change on the team.

The **Technology pillar** score is 2.1, placing it at the very beginning of the Lead Generation maturity stage. This might be a surprising value given the expanding budget for marketing technologies, but this low score represents not the number of systems or the growing budgets but rather the limited use and optimization of systems in most companies. As leadership continues to question this large spend, the pressure to show ROI and business improvements through technology will continue and increase.

Like the People pillar, the **Customer pillar** is also at 2.2, placing it in the early stage of Lead Generation maturity. This number is particularly concerning given the massive rally to become customer centric across the globe today. Two issues stand out that affect this low RMI value. First, marketing is struggling to define their role in becoming a customer centric organization. They cannot go it alone – it must be driven from the top. Second, becoming a customer centric organization is a complex team sport that requires the integration of people, process, technology, data, etc. It is a major change initiative that requires vocal, credible, and accountable leadership.

The RMI value for the **Results pillar** is 2.1, placing it in the very early stage of Lead Generation maturity. It is not a surprise that marketers still struggle to drive metrics that matter to the organization. Too often marketing still operates in a "hair-on-fire" mode to execute as many tactics as possible. In addition, most marketers struggle to measure and analyze metrics. One response we've seen to this scenario is the rapid rise of marketing operations as a capability and a function. Wherever the capability resides, incubating and developing the mindset, skillset, and toolset for measurable business results is critical for Revenue Marketing success.

One final observation about the market is that most companies are still in the Lead Generation stage of maturity. Given all the technology, available proof points, resounding case studies, and anything you want to know accessible with a click on Google, one would think that Revenue Marketing maturity would be in a more advanced stage. This first look at the data underscores the complexity and difficulty in taking the Revenue Marketing Journey.

The good news is that we have an excited and motivated market that is hungry for transformation and leadership. Through the publication of the RMI and the associated standards, our hope is that we can in some small way help accelerate the marketer's journey.

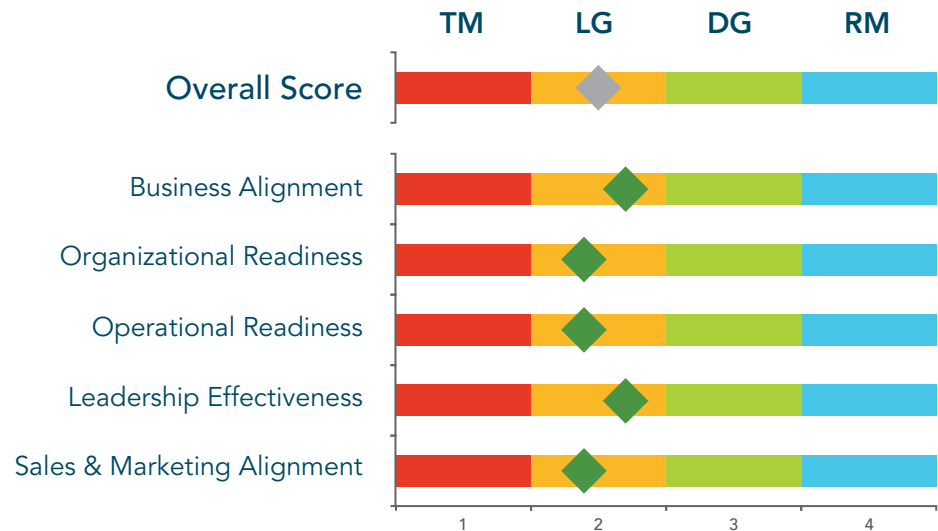Now let's take a look at each pillar in more detail.

RMI Scores and Discussion for the Strategy Pillar

The Strategy pillar focuses on marketing's alignment to sales and the business, the state of company readiness for change, and leadership effectiveness.

Strategy
2.5
RMI

	TM	LG	DG	RM
Overall Score		◆		
Business Alignment				
Organizational Readiness				
Operational Readiness				
Leadership Effectiveness				
Sales & Marketing Alignment				

1   2   3   4

RMI Score (1-4 scale)	Revenue Marketing Maturity	Capabilities
2.7	Late Lead Gen	Business Alignment
2.4	Mid Lead Gen	Organizational Readiness
2.4	Mid Lead Gen	Operational Readiness
2.7	Late Demand Gen	Leadership Effectiveness
2.4	Mid Lead Gen	Sales and Marketing Alignment

High Level Observations

Business Alignment and Leadership Effectiveness are the highest rated capabilities in the Strategy pillar with a value of 2.7.

RMI Value

2.7

Strategy Capability 1:
Business Alignment

Business Alignment is the capability that looks at how well marketing aligns with the needs of the business. Over half (57%) of respondents reported being very aligned or aligned to the business. This indicates that marketing is moving out of the marketing silo to engage and connect with the business in a substantive way.

Market Distribution for Business Alignment

- Very Aligned
- Aligned
- Somewhat Aligned
- Not Aligned

08%
35%
36%
21%
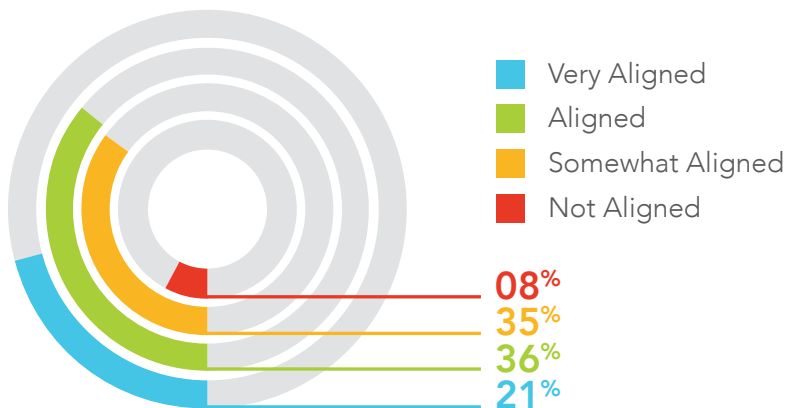
89%

of CMOs reported that aligning to the business was very important and 11% reported it was fairly important[1]

Market Observations

While all indications are that the conversation is underway, the data still suggests a disconnect on HOW to operationalize the alignment. The following Barriers and Accelerators provide insight on how to translate strategy into action for improved business alignment.

Most Common Barriers

1. Marketing is not seen as a strategic contributor and is not involved in shaping key company goals and initiatives
2. Lack of leadership
3. Not funded sufficiently to support alignment

Most Effective Accelerators

1. Get skills training in communication, collaboration, and influencing
2. Making data-driven decisions
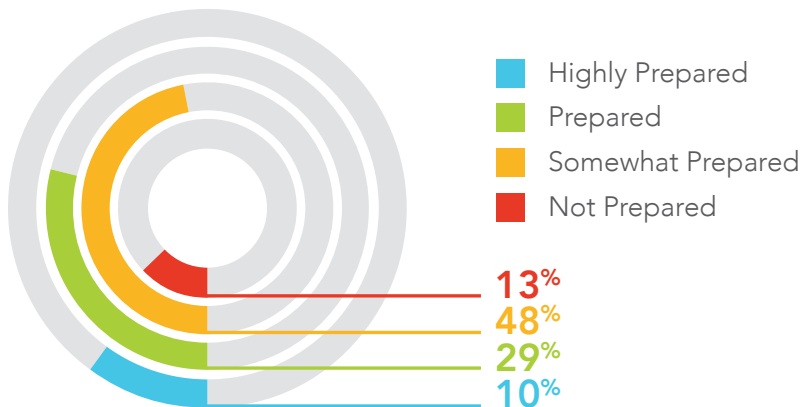3. Planning and executing ABM campaigns with Sales

RMI Value
2.4

Strategy Capability 2:
Organizational Readiness

Organizational Readiness is the capability that evaluates a company's ability to effectively implement new initiatives and absorb change.

Market Distribution for Organizational Readiness

- Highly Prepared
- Prepared
- Somewhat Prepared
- Not Prepared

13%
48%
29%
10%

78%
of CMOs reported that understanding the current culture and norms are very important or fairly important for Revenue Marketing success.[1]

Market Observations

Close to 40% of the market is prepared or highly prepared in terms of Organizational Readiness. This underscores the importance of a change management strategy to make the move to Revenue Marketing. Peter Drucker famously posited that "Culture eats strategy for breakfast." This means that the best plans and intentions can be completely sabotaged by the culture. Moving to Revenue Marketing fundamentally changes what marketing does and how it works with other parts of your organization. As you begin to mature as a Revenue Marketer, you need to understand just how ready your company is for change.

To continue to effectively work with your company's state of Organizational Readiness, the following Barriers and Accelerators provide more insight and practical actions.

Most Common Barriers

1. A culture that does not have a business imperative to change
2. A culture very opposed to change
3. Inexperienced staff

Most Effective Accelerators

1. Communicate why and how each key stakeholder benefits
2. Communication, communication, communication
3. Ongoing education on current marketing best practices

RMI Value

2.4

Strategy Capability 3:
Operational Readiness

Operational Readiness is the capability that measures how ready a company is to implement new initiatives within existing business operations.

Market Distribution for Operational Readiness

Legend:
- Highly Prepared
- Prepared
- Somewhat Prepared
- Not Prepared

11%
47%
29%
13%
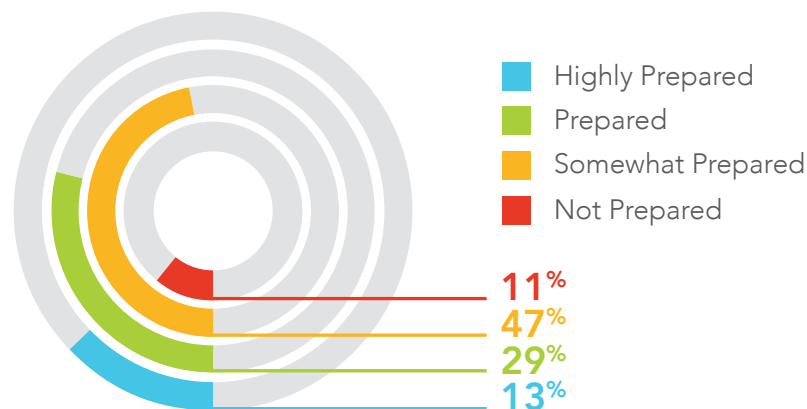
Market Observations

Operational Readiness has the same RMI score as Organizational Readiness – 2.4. Because Revenue Marketing is a cross-functional team sport, creating operational readiness and alignment is critical to your success. For example, if sales does not use a CRM, you are toast.

A good approach to driving Operational Readiness is to ask questions. Why did we build our scoring model this way? What is the demand management process? If the responses are usually, "We've always done it this way," then you need to focus on operational readiness.

Most Common Barriers

1. Old technology, processes, beliefs
2. Failure to start digital transformation
3. Resistance to change

Most Effective Accelerators

1. Define current operational state and gaps for future
2. Create a cross-functional roadmap for improving operations
3. Assign a Change Management owner
4. Demand management overhaul

RMI Value
2.7

Strategy Capability 4:
Leadership Effectiveness

Leadership Effectiveness is a marketing leadership capability defined by successfully implementing new initiatives, influencing others, and managing change.

Market Distribution for Leadership Effectiveness

- Very Effective
- Effective
- Somewhat Effective
- Not Effective

06%
36%
40%
18%
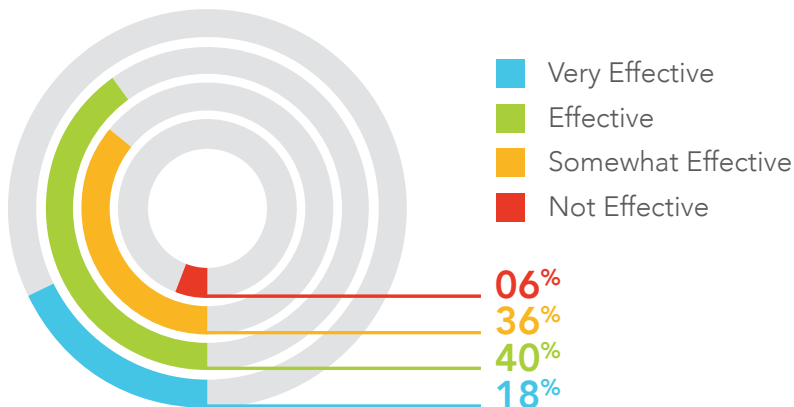
61%
of CMOs reported it was very important to act as a change agent, 11% reported it was fairly important, and 28% reported it was important.[1]

Market Observations

Leadership effectiveness is the most highly valued capability in the RMI at 2.7 (tied with Business Alignment). Close to 60% of the market reported their leadership as effective or very effective. In our work with customers, we often find this RMI value to be over-inflated because employees are often uncomfortable giving leadership a low score. We see this with customers of all shapes and sizes. It is not that the leaders are bad, but perhaps they are not prepared or experienced in leading a Revenue Marketing change.

Most Common Barriers

1. Leadership does not believe marketing can impact revenue and growth
2. Lack of Revenue Marketing experience on leadership team
3. Inexperience, lack of vision in marketing

Most Effective Accelerators

1. Hire CMO with a Revenue Marketing resume
2. Implement training program for middle management
3. Create a rallying cry, a vision

RMI Value

2.4

Strategy Capability 5:
Sales and Marketing Alignment

Sales and Marketing Alignment is the capability that facilitates alignment around shared financial objectives, joint planning, organizational structure, education, and customer orientation.

Market Distribution for Sales and Marketing Alignment

- Very Aligned
- Aligned
- Somewhat Aligned
- Not Aligned

13%
44%
31%
12%
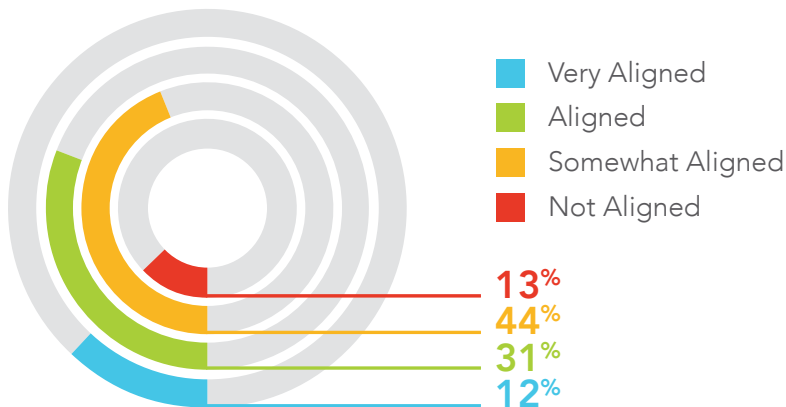
100%

of CMOs claimed the revenue relationship between sales and marketing was more critical to Revenue Marketing success than any other relationship including finance, the executive team, the board, or IT. [1]

Market Observations

Sales and Marketing Alignment is the most important capability in the Strategy pillar. Given the critical nature of the sales and marketing relationship to Revenue Marketing, this capability needs a lot of work. In addition, much like the leadership value, it seems to be over-inflated. Sales and marketing alignment is not about having a good working relationship, it is about having a revenue relationship. In our work with over 1500 companies since 2007, we find the state of sales and marketing alignment to still be a major challenge for marketers. One of the first steps you can take to improve Marketing's alignment to Sales is to ensure you have common definitions for your demand management process.

Most Common Barriers

1. Marketing does not understand sales
2. Marketing does not try to work with sales as a revenue partner
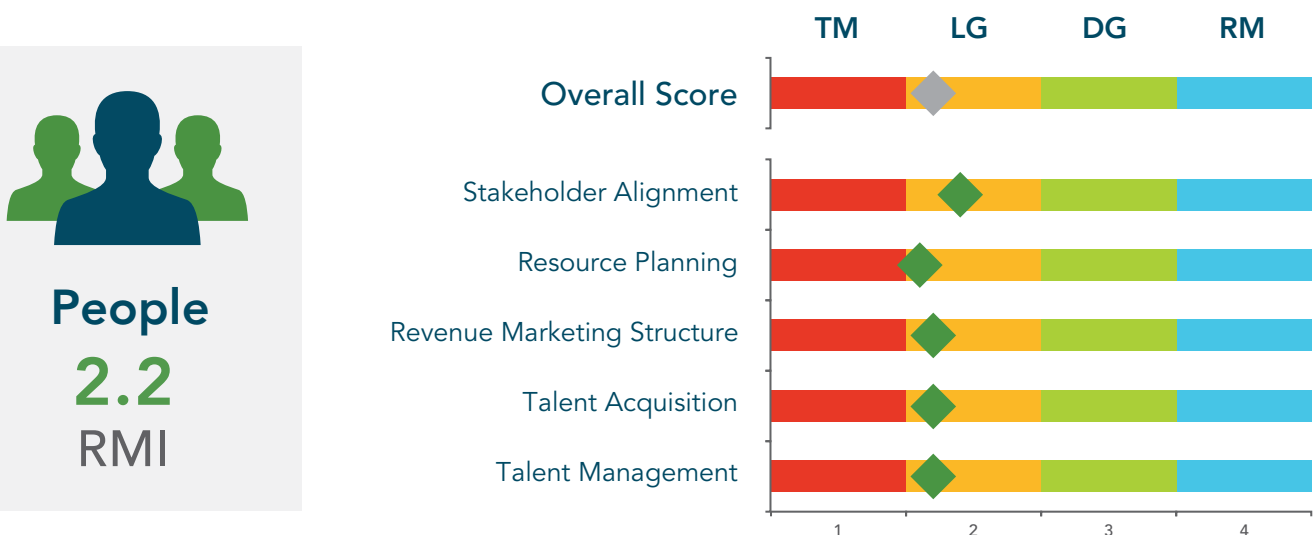3. Sales has a very poor perception of marketing

Most Effective Accelerators

1. Marketing should participate in sales meetings, events, trainings
2. Marketers take a tour of duty in sales
3. Plan and execute some ABM campaigns together

RMI Scores and Discussion for the People Pillar

The People Pillar addresses capabilities related to managing people in marketing, interacting with people in other functions, and Marketing's organizational structure. The associated capabilities, Revenue Marketing score, and level of Revenue Marketing maturity are represented in the graphic below.

People

2.2
RMI

	TM	LG	DG	RM
Overall Score				
Stakeholder Alignment				
Resource Planning				
Revenue Marketing Structure				
Talent Acquisition				
Talent Management				

RMI Score (1-4 scale)	Revenue Marketing Maturity	Capabilities
2.5	Mid Lead Gen	Stakeholder Alignment
2.1	Early Lead Gen	Resource Planning
2.2	Early Lead Gen	Revenue Marketing Structure
2.2	Early Lead Gen	Talent Acquisition
2.2	Early Lead Gen	Talent Management

High Level Observations

The capabilities in the People pillar are firmly in the early to mid-Lead Generation stage of Revenue Marketing maturity. Stakeholder Alignment, which has similar skills to the Sales and Marketing Alignment capability, share the same RMI score - 2.4. Having a higher RMI value in Stakeholder Alignment is a good foundation for maturity since Revenue Marketing is a team sport.
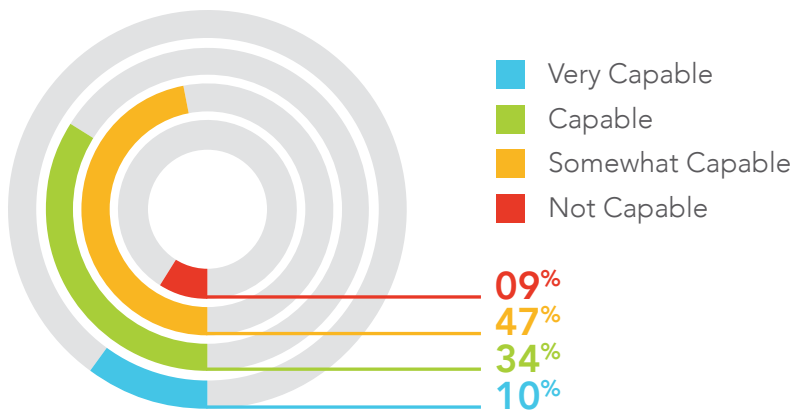
RMI Value

2.4

People Capability 1:
Stakeholder Alignment

Stakeholder Alignment is the capability of aligning and building collaboration with all key stakeholders who are affected by Revenue Marketing.

Market Distribution for Stakeholder Alignment

- Very Capable
- Capable
- Somewhat Capable
- Not Capable

09%
47%
34%
10%

100%
of CMOs reported it was very important or fairly important to create cross-functional stakeholder alignment in order to succeed in Revenue Marketing. [1]

Market Observations

It's good to see that 44% of the market reports they are aligned or very aligned with key stakeholders. This shows there is a growing understanding that marketing can no longer operate in a silo. Revenue Marketing responsibilities require cross-functional collaboration of people, process, technology, and data. This highlights why Marketing's ability to communicate, collaborate, and influence will be instrumental in maturing this capability.

Most Common Barriers

1. Not understanding the required network of relationships for effective Revenue Marketing
2. Not having business or financial credibility needed to create stakeholder alignment around RM

Most Effective Accelerators

1. Create a vision for RM that can be articulated and communicated to all key stakeholders with the WIIFM
2. Use data to create value in relationships and decisions

RMI Value

2.1

People Capability 2:
Resource Planning

Resource Planning is the capability that uses Needs Identification as the major input to identifying roles, skills, and competencies required for Revenue Marketing success.

Market Distribution for Resource Planning
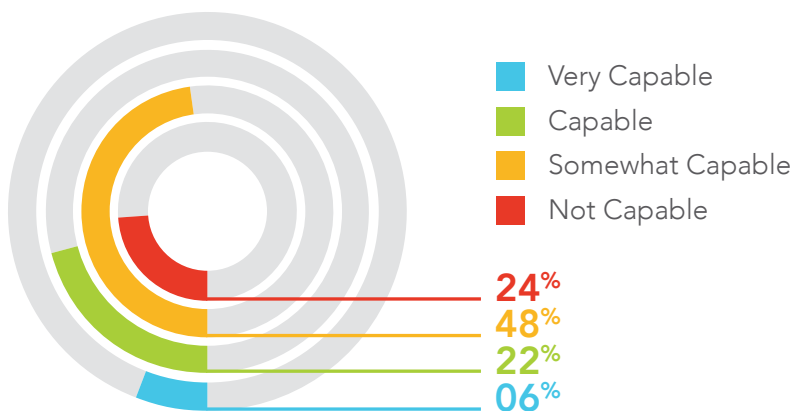
Legend:
- Very Capable
- Capable
- Somewhat Capable
- Not Capable

24%
48%
22%
06%

78%

of CMOs reported that understanding the current culture and norms are very important or fairly important for Revenue Marketing success.[1]

Market Observations

As the role of Marketing changes, resource planning becomes an almost full-time job. From identifying skills gaps to creating new job descriptions, we see marketers really struggling in identifying new roles and skills and how it all fits together in their current organization. The low RMI value and a whopping 73% of the market reports they are not capable or only somewhat capable in this area provide further evidence to this point.

Businesses will have to develop many new roles/skills to achieve Revenue Marketing maturity, such as data analysis, artificial intelligence, and technology certifications.

Most Common Barriers

1. Not understanding what skills are needed for RM
2. Not knowing what skills are needed for RM
3. HR not playing an active role in marketing

Most Effective Accelerators

1. Develop skill needs assessment
2. Conduct a talent gap analysis
3. Create a talent roadmap

RMI Value

2.2

People Capability 3:
Revenue Marketing Structure

Revenue Marketing Structure is the capability of crafting the optimal organizational structure to fully enable Revenue Marketing.

Market Distribution for Revenue Marketing Structure

- Great
- Good
- Ok
- Poor

23%
43%
25%
09%
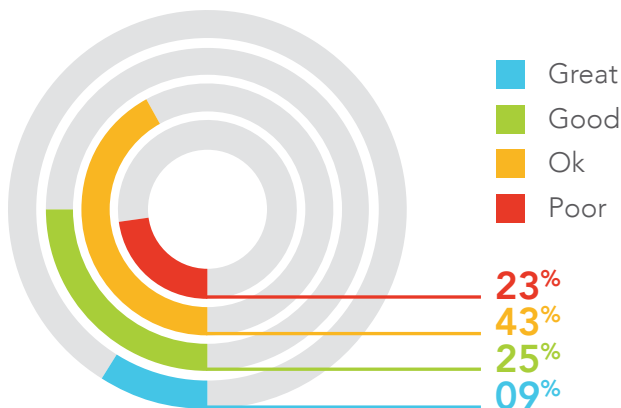
Close to **60%** of CMOs indicated the organizational structure is fairly important to very important to the success of Revenue Marketing adoption. [1]

Market Observations

Only a third of the market reported having a good or great Revenue Marketing structure - this is not surprising given the low score in Resource Planning. Structure follows strategy, and as organizations embrace Revenue Marketing as a strategy and a practice, the organizational structure needs to support and enable the practice. Many marketing organizations have organic structures that have evolved over time. Adopting Revenue Marketing can result in a reorganization of the marketing department. Most often, the reorganization happens slowly versus a "rip off the band-aid" approach. Examples of new organizational structure include adding a marketing operations function or combining marketing and sales operations.

Most Common Barriers

1. Not understanding structure follows strategy
2. Inability to reorganize to support Revenue Marketing
3. Lack of marketing operations function

Most Effective Accelerators

1. Create a strong RM vision and strategy
2. Assess the current organizational structure, and make a roadmap for required changes over time
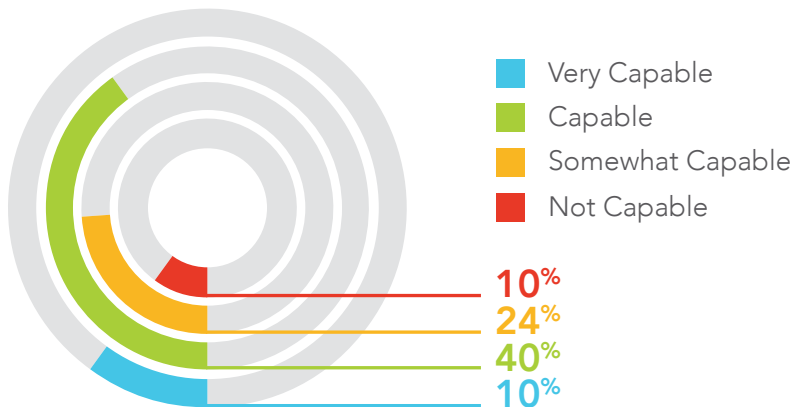3. Add a marketing operations function

RMI Value
2.2

People Capability 4:
Talent Acquisition

Talent Acquisition is the capability of defining, evaluating, and securing Revenue Marketing talent to enable a high-performing team.

Market Distribution for Talent Acquisition

Very Capable
Capable
Somewhat Capable
Not Capable

10%
24%
40%
10%

100%

of CMOs reported it was very important or fairly important to hire more technical and analytical skills on the marketing team.[1]

Market Observations

The low RMI score of 2.2 and the fact that 66% of the market struggles with acquiring talent represents a big problem for marketing today. Even if a company has a job description and the budget to hire this more expensive talent, the search often takes 4-6 months. The demand in the market for Revenue Marketing talent is extremely high and companies often have to aggressively negotiate or risk losing out on top talent. Companies who look for the purple unicorn, an individual that has technical and analytical expertise, marketing experience, and business acume, run the risk of missing out on capable talent because their expectations are too high. With the growth of marketing technologies and scope of responsibilities, we expect to see more specialization of roles within marketing organizations.

Most Common Barriers

1. Competitive market for Revenue Marketing talent
2. Cost and fit with current team

Most Effective Accelerators

1. Build business case for talent needed including market cost of that talent
2. Determine if you need to rent, borrow, or buy talent

RMI Value

2.2

People Capability 5:
Talent Management

Talent Management is the capability of aligning employees with strategic goals and objectives; implementing learning and development programs; developing career pathing; providing opportunities for professional growth and development; and rewarding and recognizing achievement

Market Distribution for Talent Management

- Very Capable
- Capable
- Somewhat Capable
- Not Capable

25%
38%
30%
07%
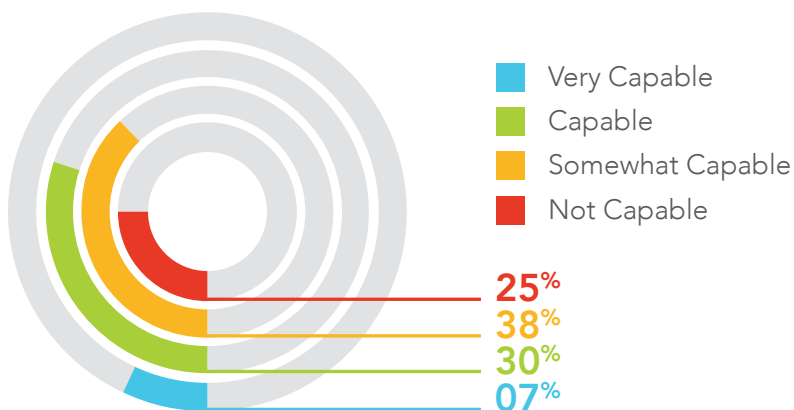
94%

of CMOs reported that ongoing training for the marketing team is fairly important to very important to the success of Revenue Marketing adoption.[1]

Market Observations

Like many of the capabilities in the People pillar, Talent Management has a low RMI of 2.2. Only a third of respondents believed they were capable or very capable in this area. This is indicative of the challenge in realigning a marketing team around a Revenue Marketing practice and the challenge of training teams on Revenue Marketing skills. Very, very few companies have any kind of cohesive training program that prepares marketers for a Revenue Marketing world. Developing an ongoing training curriculum for existing and new employees and including continuing education in your employee development plans are good ways to help bridge this knowledge gap.

Most Common Barriers

1. Managing the mix of old and new talent
2. Finding and recruiting
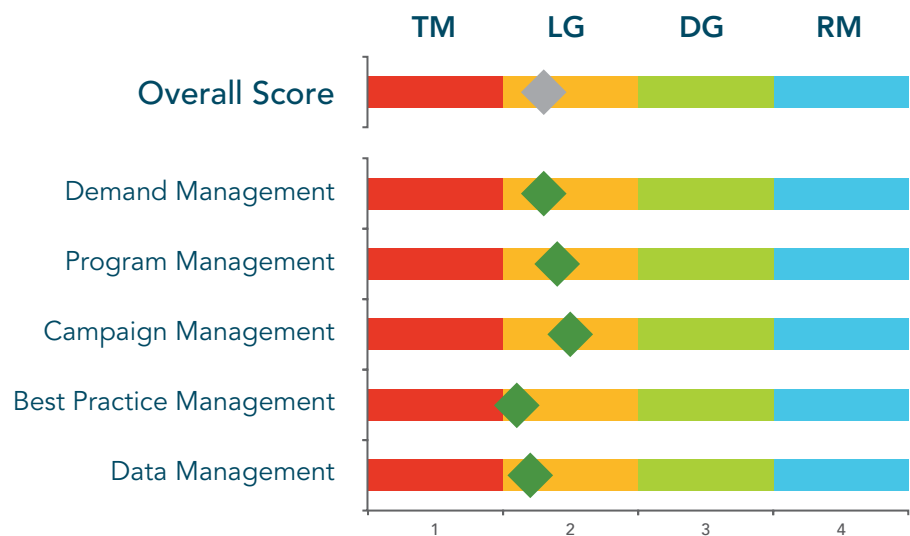3. Not knowing what skills are needed

Most Effective Accelerators

1. Create standards of learning for the marketing team
2. Tie resource needs to financial results
3. Educate HR on Revenue Marketing skillsets

RMI Scores and Discussion for the Process Pillar

The Process Pillar includes capabilities related to the essential processes and operations of a Revenue Marketing practice.

Process

2.3
RMI

TM	LG	DG	RM

Overall Score
Demand Management
Program Management
Campaign Management
Best Practice Management
Data Management

RMI Score (1-4 scale)	Revenue Marketing Maturity	Capabilities
2.3	Early Lead Gen	Demand Management
2.4	Mid Lead Gen	Program Management
2.5	Mid Lead Gen	Campaign Management
2.1	Early Lead Gen	Best Practices Management
2.2	Early Lead Gen	Data Management

High Level Observations

The RMI scores for the five capabilities in the Process pillar place it in the early to mid Lead Generation maturity stage. We would expect decent scores in this pillar as it represents the crux of marketing's daily activities. The following review of each capability in the Process pillar adds detailed context to these RMI scores.
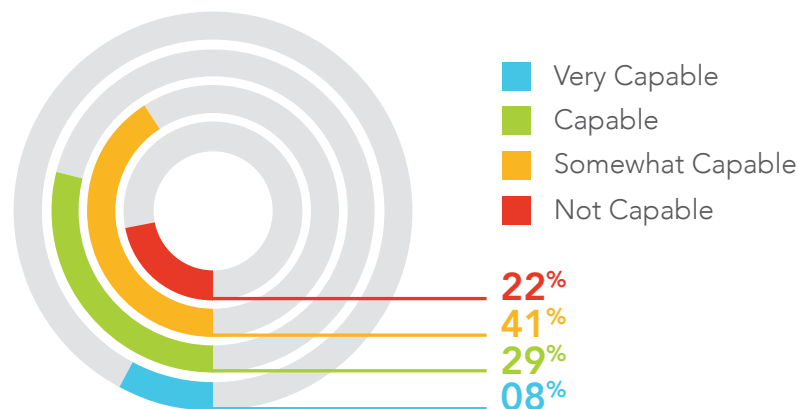
RMI Value

2.3

Process Capability 1:
Demand Management

Demand Management is the shared capability between marketing and sales that incorporates methodologies, systems, and practices designed to increase both lead conversion and revenue.

Market Distribution for Demand Management

- Very Capable
- Capable
- Somewhat Capable
- Not Capable

22%
41%
29%
08%

Market Observations

Only a little over a third (37%) of respondents claimed to be capable or very capable of the most fundamental capability of all for a Revenue Marketer – Demand Management. An astounding 63% of respondents reported being somewhat capable or not capable. Demand Management is a complex capability that includes people, process, and technology, and the RMI value for this capability reflects the challenges in maturing this capability. The following Barriers and Accelerators provide additional insight and action for this capability.

It is important for marketing teams to set the proper expectations about their contribution to overall business objectives. In some cases, Marketing may be asked to deliver the majority of leads. In others, it may be closer to one-third for each – Marketing, Sales, and partner/channel. Ultimately, there needs to be alignment across the business units on contribution targets.

Most Common Barriers

1. No experience or leadership in this area
2. Ineffective demand management process
3. Lack of metrics that matter

Most Effective Accelerators

1. Sales and Marketing alignment on this as a priority
2. Develop an effective demand management process
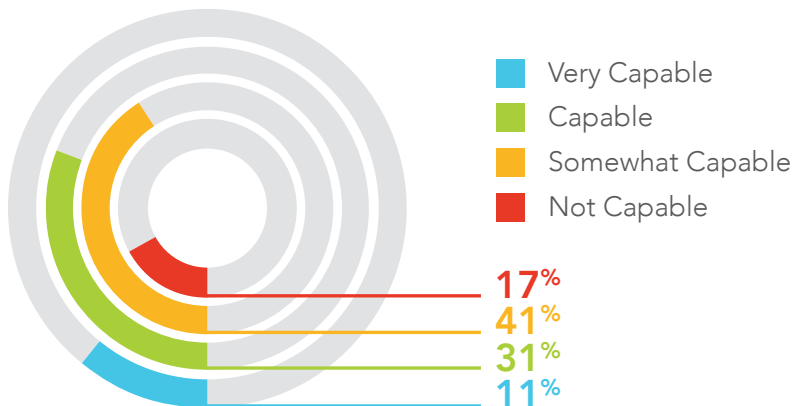3. Develop a measurement capability

RMI Value

2.4

Process Capability 2:
Program Management

Program Management is the strategic capability that aligns marketing activities, strategies, and metrics with business goals to drive a business outcome.

Market Distribution for Program Management

- Very Capable
- Capable
- Somewhat Capable
- Not Capable

17%
41%
31%
11%

89%

of CMOs reported it was very important or fairly important to run marketing like a business in order to successfully adopt Revenue Marketing.[1]

Market Observations

Program Management is an important capability that encompasses a broader view of marketing activities with a project management discipline. Yet, over half of respondents (58%) reported being only somewhat capable or not capable. This RMI score reflects a more "seat of the pants" approach to running marketing and a lack of transparent accountability.

When designing programs it is important to start with the end game in mind. Too many times do people say let's send out a lot of emails to grow our database and generate a lot of leads. But is that really what Sales is looking for? Likely not. Sales typically wants fewer leads that have a higher probability of closing instead of a bunch of busy work.

The following Barriers and Accelerators provide additional insight and action to mature this capability.

Most Common Barriers

1. Lack of demand management leadership
2. Lack of program management skills
3. Lack of project management skills
4. Lack of budget flexibility

Most Effective Accelerators

1. Hire a Dir/VP of demand management
2. Create a Program Management Office
3. Create a PMO office in marketing operations

RMI Value

2.5

Process Capability 3:
Campaign Management

Campaign Management is an operational capability that includes the planning, executing, tracking, analyzing, and measuring of multi-channel marketing campaigns that deliver a Program result.

Market Distribution for Campaign Management

- Very Capable
- Capable
- Somewhat Capable
- Not Capable

11%
40%
37%
12%
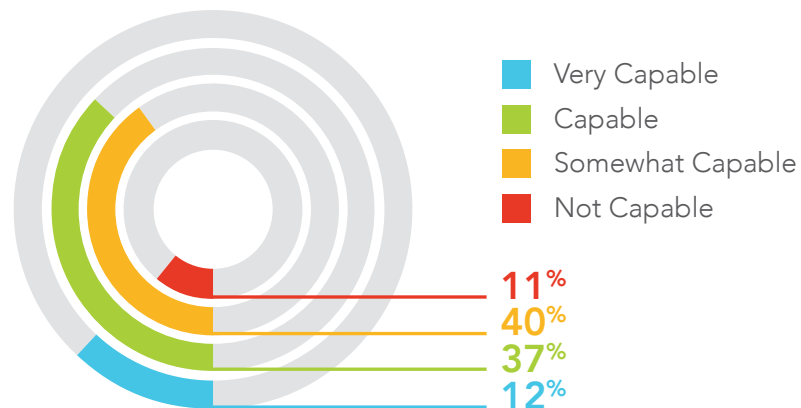
Market Observations

Almost half of respondents reported being capable to very capable in the Campaign Management capability. Since campaigns represent the bulk of marketing activities, it makes sense that marketers feel fairly confident with this operational capability. The problem with this RMI score is it represents a more batch and blast capability that has been effectively automated. Without a strong Demand Management focus, marketers will continue to become more efficient at ineffective campaigns.

One of the best things you can do to improve this is switch your focus from clicks and opens to the number of targeted accounts that have engaged with your message. Don't be afraid to reduce the number of emails you send. When you take the time to carefully select your targets and the message you want to communicate, your results at the end are better.

The Barriers and Accelerators provide more insight and action for maturing this capability.

Most Common Barriers

1. Spray and pray mindset and expectations
2. Lack of a digital infrastructure
3. Lack of a defined process
4. Lack of skills in testing, measuring and optimizing

Most Effective Accelerators

1. Hire a Dir/VP of demand management
2. Create a Campaign Management blueprint
3. Create a best practices campaign management function/capability

RMI Value
2.1

Process Capability 4:
Best Practices Management

Best Practices Management is the capability that captures, develops, documents, shares, and effectively uses organizational knowledge around revenue marketing best practices and processes.

Market Distribution for Best Practices Management
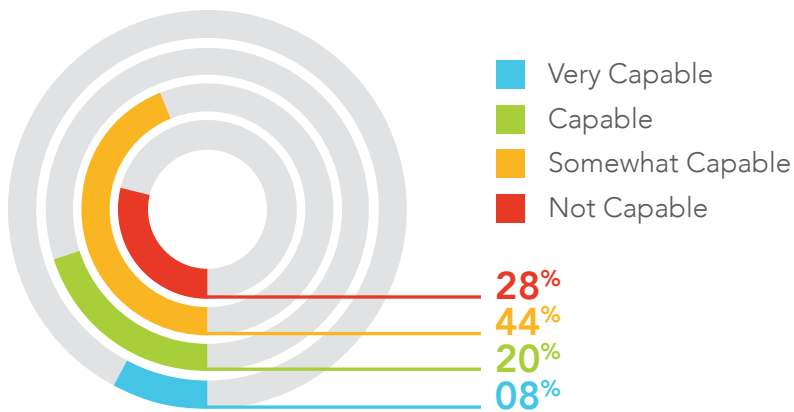
Very Capable

Capable

Somewhat Capable

Not Capable

28%
44%
20%
08%

100%

of CMOs reported it was very important or fairly important to hire more technical and analytical skills on the marketing team.[1]

Market Observations

Less than a third (28%) of respondents report being capable to very capable in Best Practices Management. This makes sense as you need to have best practices before you can manage them. Marketers are still struggling to create their own best practices so, taking the time and resources required to collect, share, and institutionalize best practices is a stretch.

We frequently see experts scattered around the different Marketing teams, and their knowledge is usually not being shared with others. Marketing leaders need to create an opportunity for those experts to share their knowledge to elevate the overall expertise of the team.

The following Barriers and Accelerators add additional insight and action to mature this capability.

Most Common Barriers

1. Decentralized demand generation
2. Don't understand the need and value of BPM
3. Lack of infrastructure for a BPM program

Most Effective Accelerators

1. Assign a resource to be responsible for curation and adoption
2. Create a Center of Excellence for sharing and adopting best practices
3. Leverage infrastructure to share best practices

RMI Value

2.2

Process Capability 5:
Data Management

Data Management is the capability that includes the development, execution, and supervision of plans, policies, programs, and practices that control, protect, deliver, and enhance the value of data for improved revenue marketing performance.

Market Distribution for Data Management

- Very Capable
- Capable
- Somewhat Capable
- Not Capable

21%
43%
28%
08%
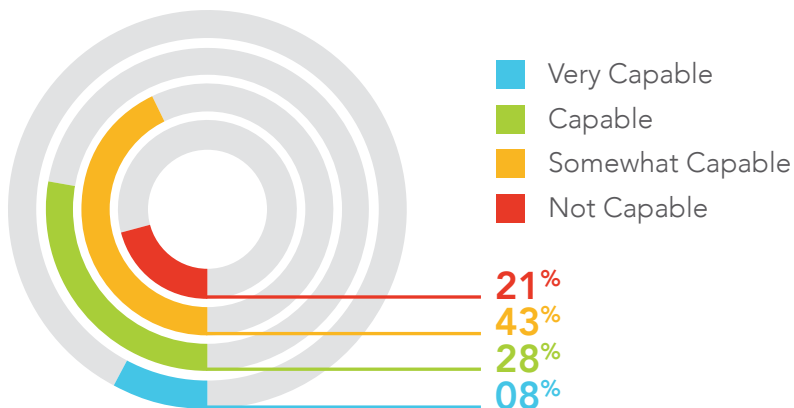
89%

of CMOs indicated it was very important and 11% indicated it was fairly important to make data-driven decisions in order to successfully adopt Revenue Marketing.[1]

Market Observations

A little over a third (36%) of respondents indicated they are capable to very capable in Data Management. Data is fundamental to Revenue Marketing success in terms of having clean data for more effective campaigns and in terms of accessing and analyzing data for improved decision making in every facet of marketing. We often see big strides in data management when marketing creates a dedicated marketing operations function. While a marketing ops group certainly improves data quality, their biggest contribution is the ability to analyze the data, create insights from the data, and to take action on the data. It is also a good idea to have a "data czar" who is responsible for the health of customer data. Having a data dashboard is a good way to identify serious data gaps and can help prioritize where resources need to be invested.

The Barriers and Accelerators provide additional insight and action to mature this capability.

Most Common Barriers

1. Lack of understanding in how to access and analyze data
2. Many siloed Marketing systems
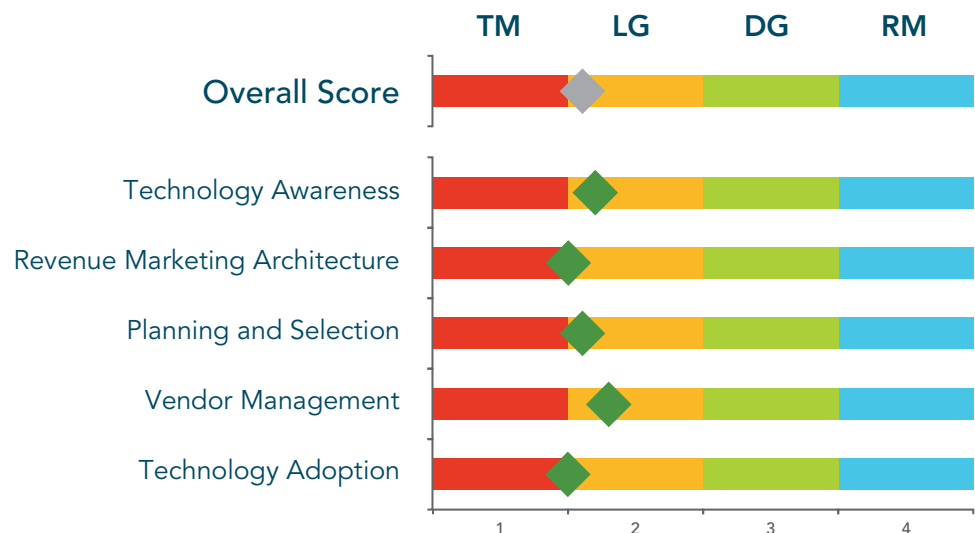3. Lack of appreciation for data scientists in marketing

Most Effective Accelerators

1. Create a Data Council
2. Invest in an integrated data and marketing architecture
3. Invest in a dedicated marketing operations function

RMI Scores and Discussion for the Technology Pillar

The Technology Pillar includes capabilities related to technology fluidity and the Revenue Marketing architecture.

Technology
2.2
RMI

	TM	LG	DG	RM
Overall Score				
Technology Awareness				
Revenue Marketing Architecture				
Planning and Selection				
Vendor Management				
Technology Adoption				

RMI Score (1-4 scale)	Revenue Marketing Maturity	Capabilities
2.2	Early Lead Gen	Technology Awareness
2.0	Early Lead Gen	Revenue Marketing Architecture
2.1	Early Lead Gen	Planning, Selection, and Implementation
2.3	Early Lead Gen	Vendor Management
2.0	Early Lead Gen	Technology Adoption

High Level Observations

The Technology pillar reflects RMI scores that are in the early Lead Generation stage. This is an interesting but not surprising finding. It is interesting in the context of the massive technology spend in marketing and the growth of that spend. It is not surprising because marketers are inundated with technology they are not prepared to optimize. The overall low RMI in this capability grouping represents confusion and absence of critical capabilities for Revenue Marketing success. This is one of the reasons why we are seeing the rapid development of marketing operations in many firms.

RMI Value

2.2

Technology Capability 1:
Technology Awareness

Technology Awareness is a marketing capability that identifies current and emerging technology that will help marketing achieve its objectives.

Market Distribution for Technology Awareness

- Highly Aware
- Aware
- Somewhat Aware
- Unaware

17%
51%
22%
10%
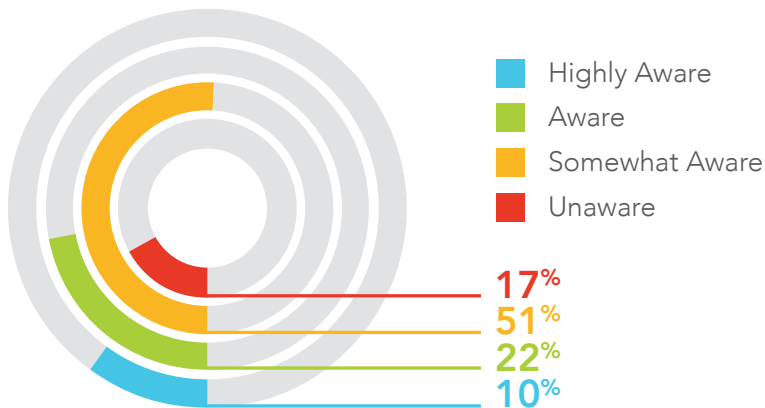
82%

of CMOs indicated it was very important or fairly important for the CMO to be fluent in understanding technology from a strategic perspective in order to successfully adopt Revenue Marketing.[1]

Market Observations

Given the number and categories of technology now available to marketers, incubating a Technology Awareness capability is essential for Revenue Marketing success. Yet, less than a third (32%) of respondents reported they are aware or highly aware of technologies that will help marketing achieve objectives. In companies that have a dedicated marketing operations function, we see a much higher RMI score.

The data demonstrates the importance of having a dedicated resource responsible for monitoring the marketing technology landscape. This works best when monthly technology readouts are provided and this is included in performance plans.

Most Common Barriers

1. Lack of curiosity
2. The tsunami of marketing technologies for a non-technical marketing group is overwhelming

Most Effective Accelerators

1. Monthly team review of the marketing technology landscape and education
2. Invest in a marketing operations capability

RMI Value
2.0

Technology Capability 2:
Revenue Marketing Architecture

Revenue Marketing Architecture is the capability that defines the collection of software components that are combined into a service-oriented reference architecture that support marketing in achieving its objectives.

Market Distribution for Revenue Marketing Architecture

- ■ Very Capable
- ■ Capable
- ■ Somewhat Capable
- ■ Not Capable

35%
38%
21%
06%
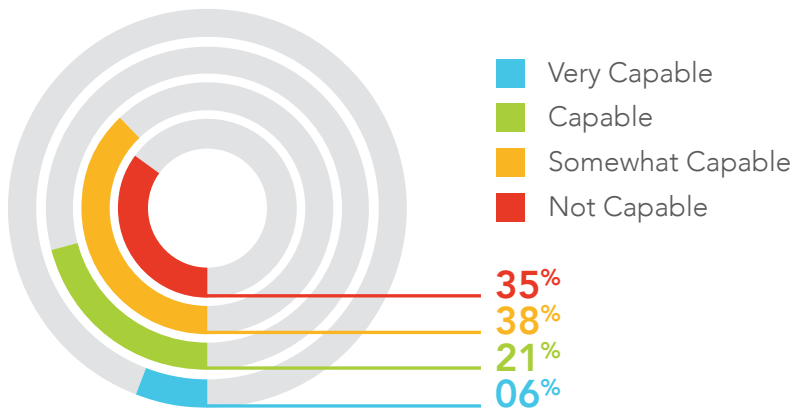
89%
of CMOs cited it was very important or fairly important to build the right technical infrastructure to enable Revenue Marketing success.[1]

Market Observations

The technology line on the marketing budget continues to grow as it represents the easiest to understand element of Revenue Marketing. Technology is necessary for marketing to keep up. However, the increasing spend on technology is not delivering the results envisioned, and marketing is under pressure to show the ROI. A key issue is that marketing can buy and implement pieces of technology, but they struggle to effectively integrate technologies to drive a business result. In fact, barely a quarter of respondents (27%) reported being capable or very capable in assembling and managing such an architecture. In addition, the RMI score of 2.0 is one of the lowest in the entire index. This RMI score reflects the hodgepodge and organic state of the marketing architecture.

One of the keys here is to determine your business requirements first and then buy the technology that best meets those needs. Also, it is imperative that Marketing's needs lead the buying decision and not IT. Frequently, when IT makes marketing technology decisions there is a lot of dissatisfaction within the user community – Marketing must be involved.

Most Common Barriers

1. Most martech stacks have grown organically and as such, are managed in siloes
2. Lack of technical expertise on the marketing team
3. Lack of knowledge of current systems in use

Most Effective Accelerators

1. A dedicated marketing operations function
2. A one-page picture of your architecture for today
3. A one-page picture of your architecture for tomorrow

RMI Value

2.1

Technology Capability 3:
Planning, Selection, and Implementation

Planning, Selection, and Implementation is the capability that defines the process for planning, selecting, and implementing a Revenue Marketing Architecture.

Market Distribution for Planning, Selection, and Implementation

- Very Capable
- Capable
- Somewhat Capable
- Not Capable

28%
44%
22%
06%
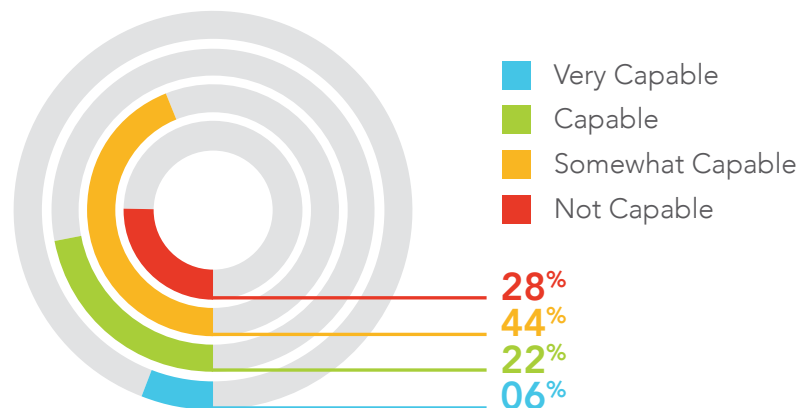
Market Observations

Less than a third of respondents (28%) reported being capable or very capable in this area. As marketing continues to own and manage its own technology stack, maturing this capability will be important. This is one of the key reasons why marketing operations as a function exists.

When deciding to invest in a technology, it is important to make sure it integrates with your current environment. In some cases, it is better to choose a simple tool rather than one with a lot of bells and whistles because of how well it integrates with your existing technology stack.

Most Common Barriers

1. Lack of technology implementation experience
2. Lack of a process for planning and selection of key technologies

Most Effective Accelerators

1. A dedicated marketing operations function
2. Work with IT on building this capability – they are great at it!

RMI Value

2.3

Technology Capability 4:
Vendor Management

Vendor Management is the capability that maximizes vendor relationships and enables organizations to control costs, optimize technology, increase performance, drive service excellence, and mitigate risks.

Market Distribution for Vendor Management

- Very Capable
- Capable
- Somewhat Capable
- Not Capable

16%
44%
30%
10%
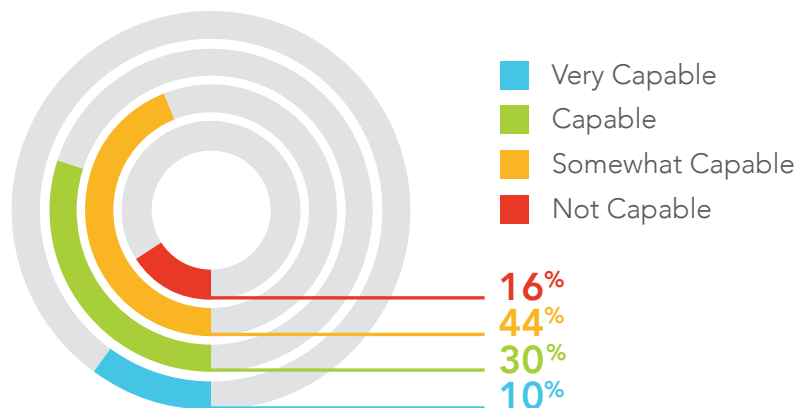
Market Observations

While marketers are accustomed to working with and managing vendors for services, vendor management is much different with technology solutions, and that difference is reflected in the RMI score for this capability. 40% of respondents indicated they were capable or very capable in this area. Certainly, as the average number of technologies utilized by marketing continues to grow, advancing this maturity will improve operational efficiency and pricing.

Establishing a technology council can help control technology expenditures and reduce the amount of rogue technology deployments.

Most Common Barriers

1. Lack of technology vendor experience
2. Time required to manage tech vendors

Most Effective Accelerators

1. A dedicated marketing operations function
2. Partner with IT who does have the experience

RMI Value
2.0

Technology Capability 5:
Technology Adoption

Technology Adoption is the capability that ensures the adoption or acceptance of a Revenue Marketing Architecture that drives business results.

Market Distribution for Technology Adoption
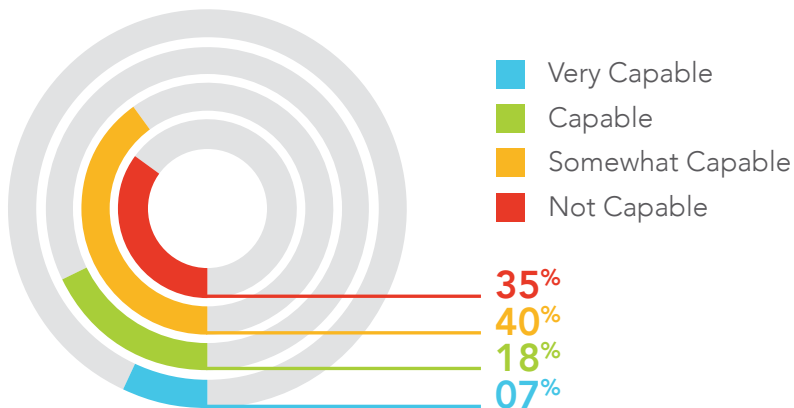
- Very Capable
- Capable
- Somewhat Capable
- Not Capable

35%
40%
18%
07%

It's an old but still true statistic that less than

19%

of functionality is used with any new piece of technology.

Market Observations

With the average number of technologies used by a marketing department pushing over 20, one of the biggest gaps we see is in the adoption of all that technology. Only a quarter (25%) of respondents reported being capable or very capable in successfully adopting technology. It's an old but still true statistic that less than 19% of functionality is used with any new piece of technology. Many marketing organizations are overwhelmed with what they currently have but continue to chase the bright and shiny next new thing. An obvious element to improving technology adoption is the deployment of a dedicated marketing operations function. It is also a good idea to create a technology user group. Benefits from these groups include standardized operating procedures, advanced adoption of technologies, and higher ROI from technology investments.

Most Common Barriers

1. Lack of a cohesive martech architecture and plan
2. Failure to capture and share best practices

Most Effective Accelerators

1. Adherence to martech architecture and plan
2. Establish a technology user group

RMI Scores and Discussion for the Customer Pillar

The Customer Pillar includes capabilities related to a data-driven understanding of the customer, creating business insights from customer data, and using content as the way to engage.

Customer

2.2
RMI

TM	LG	DG	RM
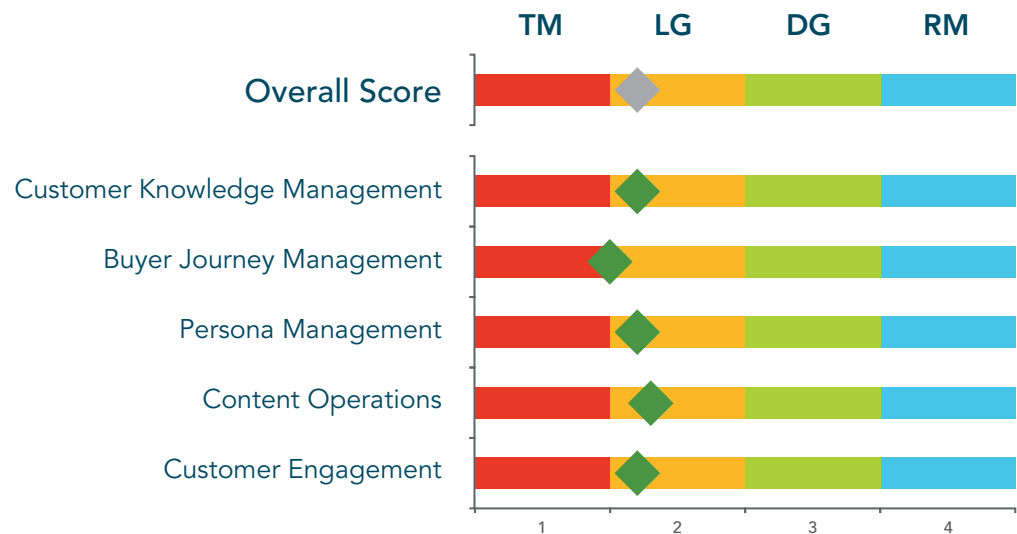
| RMI Score (1-4 scale)	Revenue Marketing Maturity	Capabilities
2.2	Early Lead Gen	Customer Knowledge Management
2.0	Early Lead Gen	Customer Journey Management
2.2	Early Lead Gen	Persona Management
2.3	Early Lead Gen	Content Operations
2.2	Early Lead Gen	Customer Engagement

High Level Observations

Over the last two years, we've seen a big shift to customer-centricity. Often, it falls to marketing to lead the shift. When this occurs, how marketing operates completely changes. Rather than being activity based, they are now customer based. The five capabilities for Revenue Marketing success in the Customer pillar are all in the early stage of lead gen maturity indicating a lot of work needs to happen in this area. The lowest RMI score was for Customer Journey Management (2.0) which is actually the foundation for customer engagement and a customer-focused strategy.

RMI Value
2.2

Customer Capability 1:
Customer Knowledge Management

Customer Knowledge Management is a cross-functional capability of collecting, organizing, sharing, and gaining insight from market and customer information that drives stronger customer relationships resulting in increased revenue, profit, and competitive advantage.

Market Distribution for Customer Knowledge Management

- **Very Capable**
- **Capable**
- **Somewhat Capable**
- **Not Capable**

20%
46%
25%
08%
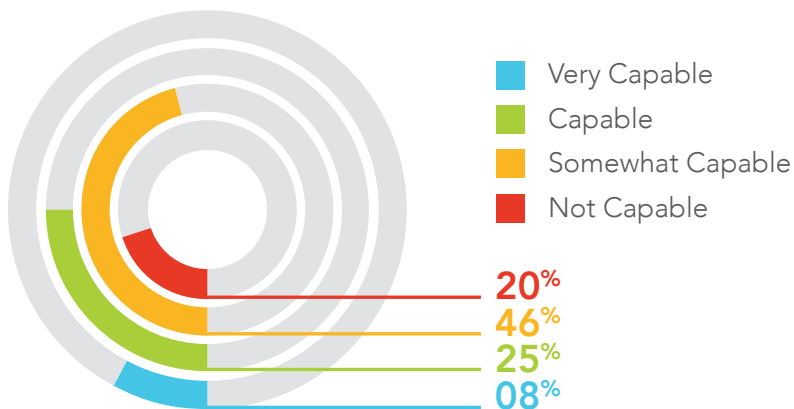
82%

of CMOs stated it will be very important or fairly important that the CMO (and marketing) be essential to understanding the customer by mining data and producing key customer insights for the organization.[1]

Market Observations

Customer Knowledge Management is not just a marketing capability – it is a firm wide capability. Given the market shift to customer engagement, managing all knowledge and information about the customer should be a top priority across the firm. Yet, only a third of respondents reported being capable or very capable in this area. Customer Knowledge Management is an advanced company-wide capability that when done well, produces tangible business benefits and revenue.

The following Barriers and Accelerators provide additional insight and action to mature this capability.

Most Common Barriers

1. Not having one view of the customer - can't manage what you don't see
2. Not having customer journey management standards agreed to by all customer touching segments of the company

Most Effective Accelerators

1. Having agreed upon customer journeys and personas
2. Having an integrated architecture that captures and manages data

RMI Value
2.0

Customer Capability 2:
Customer Journey Management

Customer Journey Management is the capability that maximizes the sales and marketing activity with its customer at all stages throughout the customer lifecycle, resulting in stronger customer relationships, increased revenues, profit, and competitive advantage.

Market Distribution for Customer Journey Management

- Very Capable
- Capable
- Somewhat Capable
- Not Capable

33%
41%
21%
06%
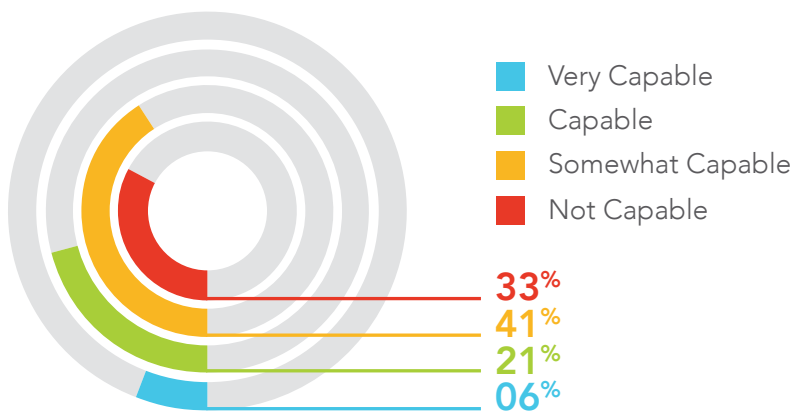
95%
of CMOs cited it was very important or fairly important to track and measure life-time customer value.[1]

Market Observations

Fundamental to a successful customer centric strategy is the Customer Journey. It needs to be mapped, agreed upon, validated with customers, and operationalized. The low RMI score (2.0) for this capability represents the challenge in executing this common sense set of actions. A whopping 74% of respondents reported not being capable or only being somewhat capable in this area. There is a lot of pressure for marketing to lead the company pivot to customer-centricity and it all must begin with the customer journey. When building your customer journeys, be sure to include other customer facing teams like Sales, Tech Support, and Services.

The following Barriers and Accelerators provide additional insight and action to mature this capability.

Most Common Barriers

1. Having customer journey maps but not being able to operationalize them
2. Inability to get alignment across all groups that interact with the customer to create customer journey maps
3. Lack of the technical infrastructure and data to track and take action on the customer journey

Most Effective Accelerators

1. Create a customer journey council
2. Get agreement on customer journey maps with all customer facing groups
3. Operationalize the customer journey through systems and data architecture.

RMI Value

2.2

Customer Capability 3:
Persona Management

Persona Management is the capability that develops, manages, and optimizes fictional characters to represent the different customer types that might use a company's products or services.

Market Distribution for Persona Management

- Very Capable
- Capable
- Somewhat Capable
- Not Capable

27%
38%
27%
08%
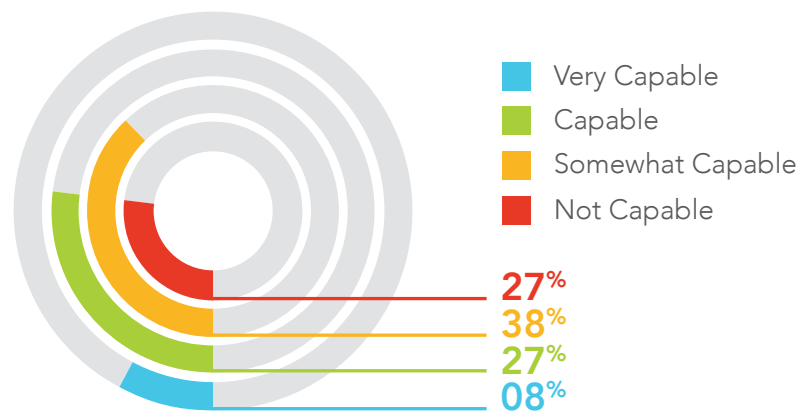
Market Observations

While the Persona Management RMI score (2.2) is higher than the Customer Journey Management RMI (2.0), it still represents a score that is too low for the importance of customer-centricity. Only slightly over a third (35%) of respondents cited being capable or very capable with persona management. This low score indicates the difficulty of marketing product capabilities versus business value discussions with prospects and customers. The more you can speak in the language of your customers, the more successful you will be.

Most Common Barriers

1. Getting alignment with sales
2. Validating with actual customers
3. Lack of data in the system

Most Effective Accelerators

1. Create personas with sales
2. Test and optimize personas with data
3. Conduct a customer survey to validate

RMI Value
2.3

Customer Capability 4:
Content Operations

Content Operations is a capability that supports the production, collection, management, publishing, and measurement of customer or prospect-oriented information in any form or medium.

Market Distribution for Content Operations

- Very Capable
- Capable
- Somewhat Capable
- Not Capable

19%
42%
29%
10%
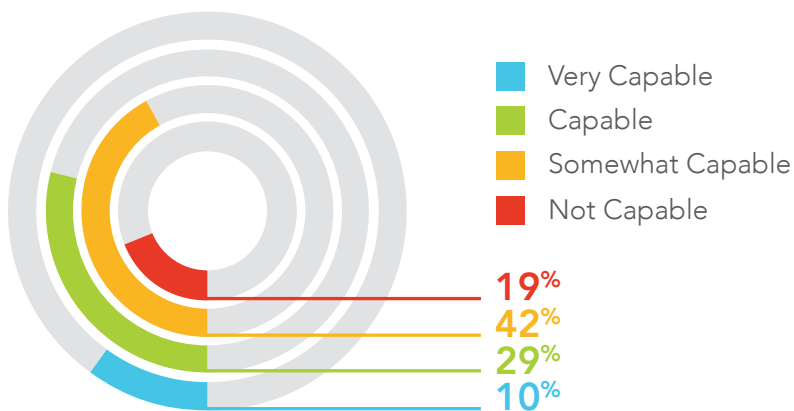
In the **digital economy**, **content** is the **currency** of **conversation**

Market Observations

Slightly over a third (39%) of respondents reported that they were capable to very capable in content operations. In the digital economy, content is the currency of conversation. Ensuring that the right content is presented to the customer at the right time as part of an on-going value-added conversation is the only way to stand out from your competitors. Content needs to be created for the customer in an agile and responsive framework and one that can be measured and optimized. For most marketing departments, content production is a constant struggle, a big part of the budget with little quantifiable results to show.

Most Common Barriers

1. Content is created in independent siloes with no coordination
2. Content is product centric not customer centric
3. Inability to measure

Most Effective Accelerators

1. Create a coordinated content ops that is customer centric
2. Measure and optimize
3. Implement customer journey management, personas, and plan content BEFORE planning programs and campaigns

RMI Value
2.2

Customer Capability title

Customer Capability 5:
Customer Engagement

Customer Engagement is the capability that maximizes the relationships between sales/marketing and prospects/customers through the stages of the Customer Lifecycle (Awareness, Consideration, Evaluation, Decision, Purchase, Onboarding, Adoption, Value Delivery, Loyalty and Advocacy) and the degree of effectiveness and overall performance.

Market Distribution for Customer Engagement
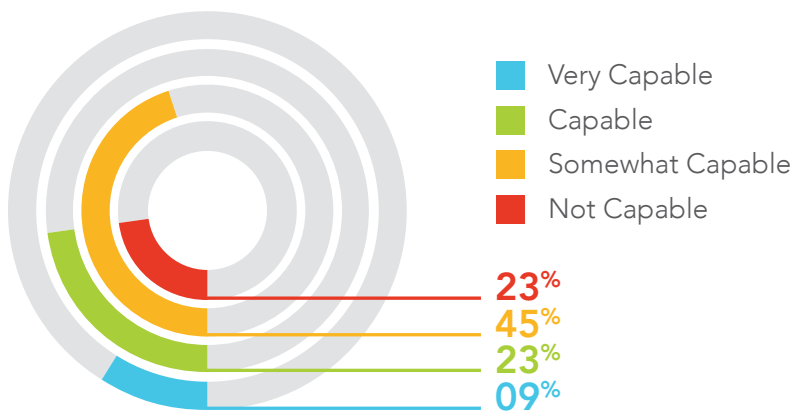
- Very Capable
- Capable
- Somewhat Capable
- Not Capable

23%
45%
23%
09%

> Customer engagement **metrics are not about the number of clicks and visitors.** It's more about **the reach of your message** into your prospect/customer pools.

Market Observations

Customer Engagement is the hot new capability and metric set actively being developed in marketing. Not quite a third (32%) of respondents reported being capable or very capable in this area. While the flags are waving for customer engagement, marketing is finding it is an advanced cross-functional capability that requires a unification of people, process, technology, and data. Customer engagement metrics are not about the number of clicks and visitors. It's more about the reach of your message into your prospect/customer pools.

Most Common Barriers

1. Not having access to customer engagement data
2. Not working with the entire customer life cycle including acquisition and expansion
3. Not having the breadth and depth of suitable content to engage all personas in all stages of their customer journey.

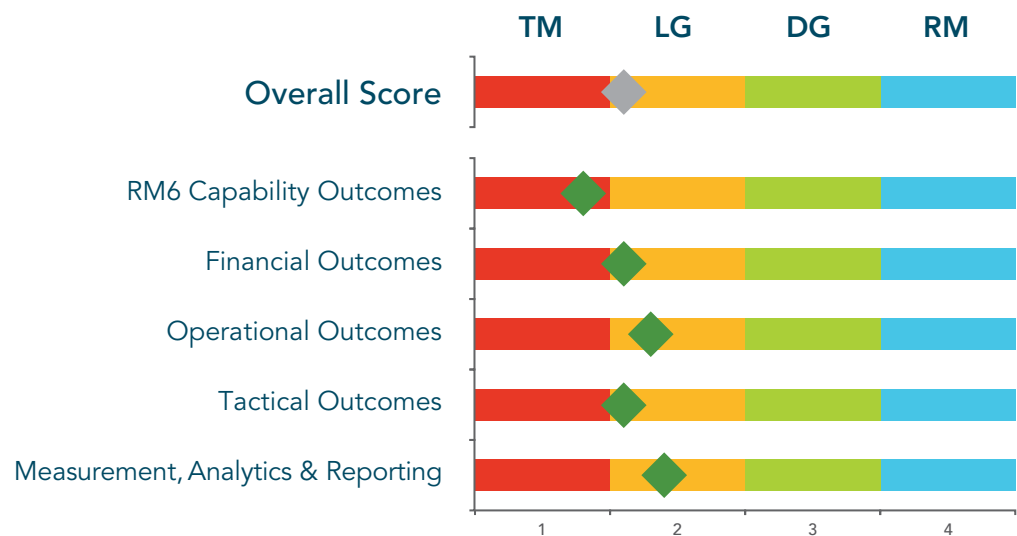## Most Effective Accelerators

1. Collect and analyze your data
2. Develop a communication plan for the entire customer lifecycle
3. Customer focused content, and lots of it.

RMI Scores and Discussion for the Results Pillar

The Results Pillar includes capabilities related to the measurement, analytics, and reporting of financial, tactical, and operational outcomes.

Results
2.1
RMI

	TM	LG	DG	RM
Overall Score				
RM6 Capability Outcomes				
Financial Outcomes				
Operational Outcomes				
Tactical Outcomes				
Measurement, Analytics & Reporting				

| RMI Score (1-4 scale)	Revenue Marketing Maturity	Capabilities
1.8	Late Traditional	RM6 Capability Outcomes
2.1	Early Lead Gen	Financial Outcomes
2.3	Early Lead Gen	Operational Outcomes
2.1	Early Lead Gen	Tactical Outcomes
2.4	Mid Lead Gen	Measurement, Analytics, and Reporting

High Level Observations

It's no secret that marketers struggle to measure anything but especially metrics that matter to the business. The right-brain marketing approach needs to give way (at least partially) to a left-brain mindset, skillset, and toolset required to develop a credible measurement and reporting capability. Marketing needs to adopt a business mentality encompassing tracking and optimizing key metrics that run the business of marketing.

RMI Value
1.8

Results Capability 1:
RM6 Capability Outcomes

RM6 Outcomes is the capability that measures an organization's ability to achieve full Revenue Marketing Transformation.

Market Distribution for RM6 Capability Outcomes

Very Capable
Capable
Somewhat Capable
Not Capable

39%
44%
13%
04%
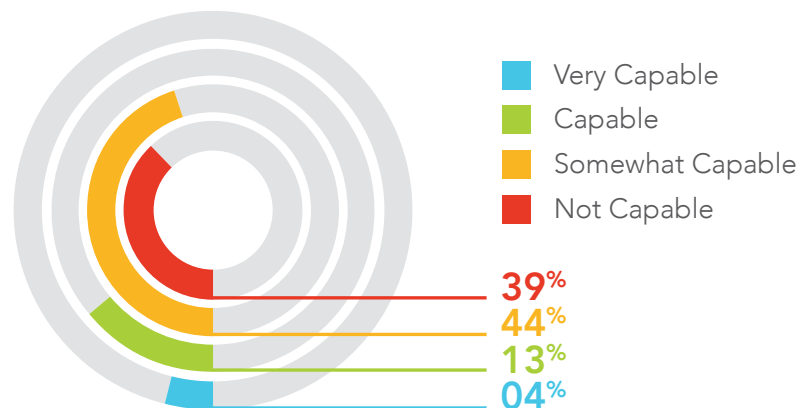
Market Observations

RM6 capability outcomes means marketing has embraced all the pillars and capabilities required for Revenue Marketing success. Given the early state of the market, it's not surprising that only 18% of respondents reported being capable or very capable in this area. This is one of the reasons we are bringing the RMI to market. Marketers need a set of standards to aspire to and to constantly measure against.

The following Barriers and Accelerators provide additional insight and action to mature this capability.

Most Common Barriers

1. Lack of a defined set of standards and measures
2. Lack of a measurement mindset, skillset or toolset

Most Effective Accelerators

1. Take the Revenue Marketing Assessment
2. Create a roadmap for capability adoption

RMI Value
2.1

Results Capability 2:
Financial Outcomes

Financial Outcomes is the capability that measures marketing's ability to drive financial performance based on increasing adoption and maturity of Revenue Marketing within the organization.

Market Distribution for Financial Outcomes

- Very Capable
- Capable
- Somewhat Capable
- Not Capable

17%
62%
16%
05%
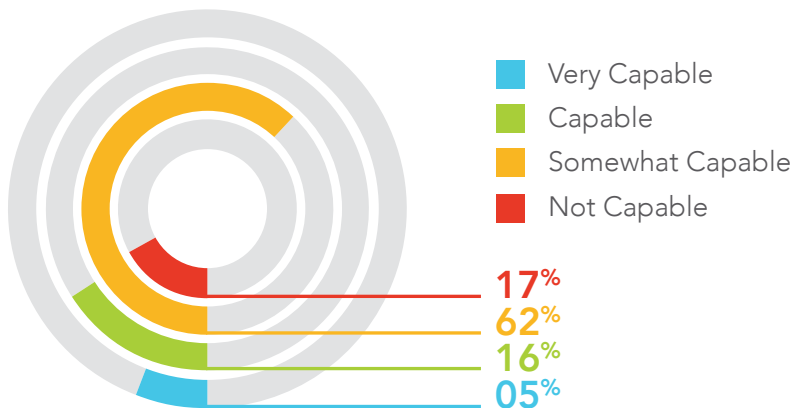
65%
of CMOs reported it was very important to accept a revenue quota to enable Revenue Marketing success.[1]

Market Observations

The "revenue" in Revenue Marketing directly relates to Marketing driving financial outcomes as a result of their efforts. While over 80% of CMOs report increasing pressure for financial results, only a third report financial impact such as revenue, margin, increase in retention, etc. In the RMI, only 22% of respondents report financial outcomes. Yet, adopting financial accountability is a critical step to building a Revenue Marketing practice. Attribution is one of the most difficult and most important measurements. It is important to work with Sales and Finance when building attribution models so that there is alignment in how the data is displayed. Otherwise, you run the risk of people not believing the results and discrediting your data.

The following Barriers and Accelerators provide additional insight and action to mature this capability.

Most Common Barriers

1. Lack of process and integrated systems for financial measurement
2. Lack of financial accountability
3. Lack of skills, experience

Most Effective Accelerators

1. Having process and integrated systems that enable financial measurement
2. Tie marketing compensation to financial results
3. Assign dedicated resource to report on Marketing's financial impacts

RMI Value

2.1

Results Capability 3:
Tactical Outcomes

Tactical Outcomes is the capability that measures marketing's ability to improve tactical campaign performance based on increasing adoption and maturity of Revenue Marketing within the organization.

Market Distribution for Tactical Outcomes

- Very Capable
- Capable
- Somewhat Capable
- Not Capable

21%
58%
16%
06%
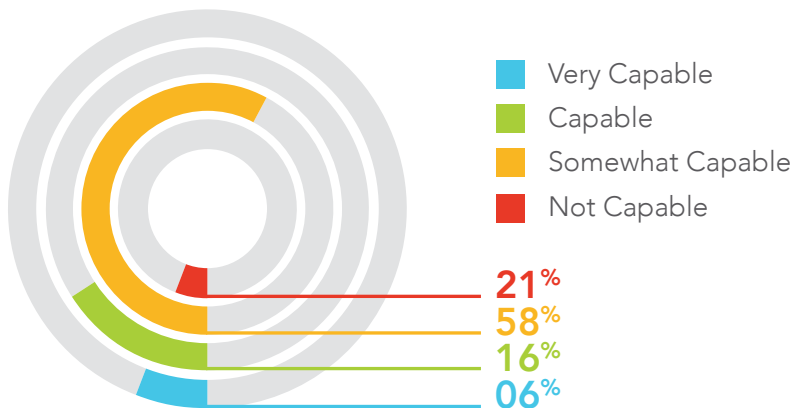
94%

of CMOs reported it was very important or fairly important to focus on outcomes, not activities, to enable Revenue Marketing success.[1]

Market Observations

Clearly, measurement and showing outcomes is a big challenge for marketers. Even with the limited scope of campaign performance, only 22% of respondents declared they were capable or very capable. The first hurdle in measuring is to acquire a new mindset - one that values results over activities. Marketing teams that focus on the quality of leads and processes report significantly better results than those that focus on quantity. Building such a performance culture takes time.

The following Barriers and Accelerators provide additional insight and action to mature this capability.

Most Common Barriers

1. Not having any kind of measurement mindset
2. Not knowing how to interpret data to improve outcomes
3. Inability to measure campaign performance due to lack of systems and data

Most Effective Accelerators

1. Put a measurement requirement in place
2. Set up regular campaign performance reviews to analyze and remediate
3. Create a scorecard and live by it

RMI Value

2.3

Results Capability 4:
Operational Outcomes

Operational Outcomes is the capability that measures marketing's ability to improve operational efficiencies and effectiveness based on increasing adoption and maturity of Revenue Marketing within the organization.

Market Distribution for Operational Outcomes

- Very Capable
- Capable
- Somewhat Capable
- Not Capable

14%
46%
35%
05%
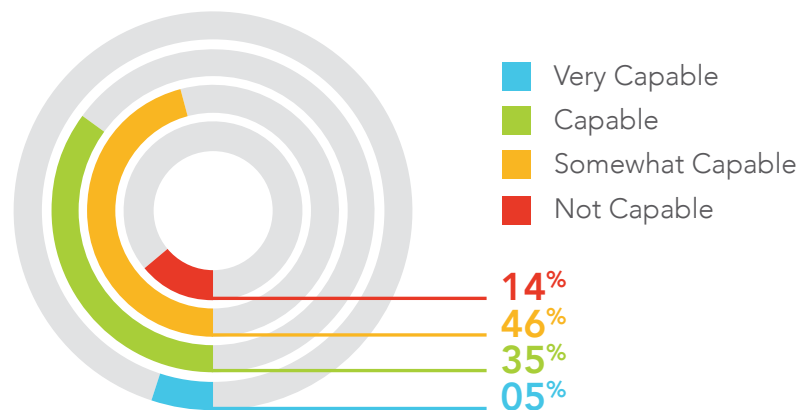
Market Observations

Respondents reported feeling more comfortable with operational outcomes (40%) than financial or tactical outcomes. Whichever outcome, we've seen a marked improvement in reporting results when marketing has a dedicated marketing operations organization. Marketing operations has the ability and capacity to drive a measurement culture into the marketing organization.

The following Barriers and Accelerators provide additional insight and action to mature this capability.

Most Common Barriers

1. Many marketing silos
2. Failure to drive consistency in reporting so they can be rolled up
3. Too much focus on activity results

Most Effective Accelerators

1. Hire a Dir/VP of demand gen
2. Roll down quarterly MBOs/ Bonuses based on achieving results based KPIs

RMI Value

2.4

Results Capability 5:

Measurement, Analytics, and Reporting

Measurement, Analytics, and Reporting (MAR) is the capability that demonstrates proficiency in measurement, analysis, reporting, and the discipline to take action to improve business results.

Market Distribution for Measurement, Analytics, and Reporting

- Very Proficient
- Proficient
- Somewhat Proficient
- Not Proficient

11%
44%
37%
08%
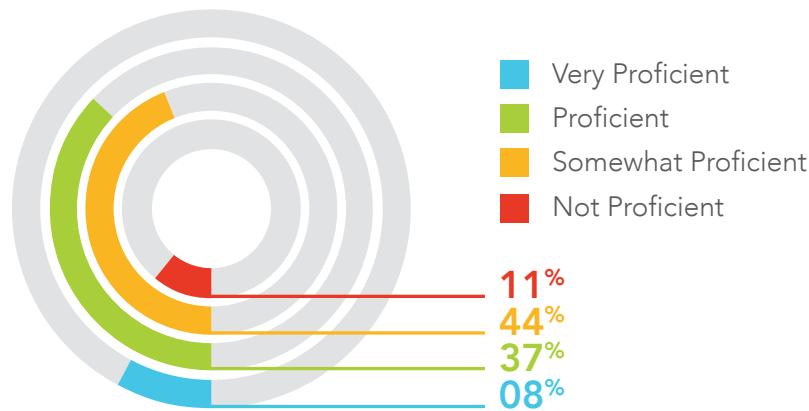
Market Observations

45% of respondents cited they are proficient to very proficient in terms of measurement, analytics, and reporting. This number seems a bit odd based on the RMI scores for the four previous measurement outcomes. Or it might mean that whatever they do measure, they are relatively proficient. Continued focus on measuring and reporting outcomes will become more critical as Marketing faces more financial scrutiny. It is best to have a dedicated resource who is responsible for creating reporting packages.

The following Barriers and Accelerators provide additional insight and action to mature this capability.

Most Common Barriers

1. Lack of education, knowledge and skills on marketing team
2. No data scientist/analyst skills
3. Very poor processes
4. Insufficient funding to support data quality initiatives

Most Effective Accelerators

1. Hire a Dir/VP of demand gen
2. Roll down quarterly MBOs/ Bonuses based on achieving Results based KPIs

Conclusion

RMI Report - Predictions

In looking at the results from this year's Revenue Marketing Index, it's clear that most marketers have a long way to go before they become revenue marketers. As Revenue Marketing gains traction, we expect the following capabilities to have the greatest impact on Revenue Marketing maturity in 2020:

- Sales and Marketing Alignment (Strategy Pillar)
- Talent Management (People Pillar)
- Demand Management (Process Pillar)
- Revenue Marketing Architecture (Technology Pillar)
- Customer Knowledge Management (Customer Pillar)
- Measurement, Analytics and Reporting (Results Pillar)

Strategy – 2020 Prediction

RMI 2020

2.4

The Sales and Marketing Alignment capability represents the most important indicator of Revenue Marketing success, yet marketing is still highly challenged in this capability. The current Sales and Marketing Alignment RMI is 2.4 and reflects this challenge. However, as we look into the next 12 months, a set of new technologies and new behaviors will combine to lift the Sales and Marketing Alignment RMI above the current 2.4.

First, like marketing, there is an impressive increase in the number of sales enabling technologies. These technologies bring sales into the world of digital selling and help them better understand the connection to Revenue Marketing. In addition, ABM seems to be an accelerator of the revenue relationship between sales and marketing. For the first time, marketing has a framework for engaging with sales in a way that matters most to sales. In both cases, new technologies are driving engagement behaviors between sales and marketing that will lead to Revenue Marketing success.

People – 2020 Prediction

In the People pillar, 2019-2020 will be characterized by vastly improved Talent Management that supports a Revenue Marketing practice. The RMI for Talent Management in 2019 is 2.2 and represents absolute confusion around how to manage this new pool of talent. Given this challenge, we should see more companies create and/or access holistic training to help a Revenue Marketing practice thrive. They will begin to engage with HR for finding talent and they will develop a clear rent, buy, or grow talent strategy. We have big expectations that this RMI will increase in 2019-2020.

Process – 2020 Prediction

In 2019, the Demand Management capability earned an RMI score of 2.3. Nestled in this large capability is a core capability that is essential to Revenue Marketing success – Lead Management. As marketing works to drive revenue, Lead Management becomes the most important process of all processes. In fact, Lead Management in a Revenue Marketing practice actually becomes part of what is now being called Revenue Operations. Lead Management is a team sport between sales and marketing and we expect to see ever-growing efforts in this area that will lift the RMI in 2020.

Technology – 2020 Prediction

Revenue Marketing Architecture earned a 2.0 RMI in 2019. This low score represents the organic versus planned growth of the marketing technology ecosystem. Two factors will drive improvements in this score in 2019-2020 – taking a proactive approach and the rise of the marketing operations function. Marketing is becoming much more educated on how to use technology to drive results. As this knowledge increases, marketing will take a proactive and planned approach to assembling, managing, and optimizing the technology stack. This approach will lift the Revenue Marketing Architecture RMI in 2019-2020.

In addition, the meteoric rise in the marketing operations function will contribute to a lift in the RMI in 2019-2020. The core function of a marketing operations team is to drive efficiency and effectiveness so that marketing can achieve stated goals. Being singularly focused on assembling, managing, and optimizing the tech stack will result in an optimized Revenue Marketing Architecture and a higher RMI in 2019-2020.

Customer – 2020 Prediction

2.2

Moving from a product-centric to a customer-centric framework is a relatively new endeavor for marketing. This is reflected in the Customer Knowledge Management RMI of 2.2 (part of the Customer pillar). There is an enormous amount of energy being applied to the pivot to customer-centricity. A key element is that marketing will be the central point of collecting and disseminating customer knowledge. As marketing settles into this important role, we will see this RMI increase in 2019-2020.

Results – 2020 Prediction

2.4

Marketing has traditionally been a right-brained organization – more about art than numbers. In this new digital age, driven by customer demands and measured by marketing's impact on growth and revenue, what is needed is a more left-brained capability. The Measurement, Analytics, and Reporting (2.4) capability in the Results pillar represents this required capability. In 2019-2020, we should see a significant increase in this RMI primarily due to the rise of the marketing operations function. As we discussed in the Technology pillar, the rise of this function seems to accelerate the Revenue Marketing Journey by assuming all the left-brain responsibilities and integrating them fully into the Demand Generation model.

Marketers still struggle to drive metrics that matter to the organization as all too often marketing still operates in a "hair-on-fire" mode to execute as many tactics as possible.

To start your own Revenue Marketing Journey, you should start with these three steps:

1 Visit **StartYourRMJourney.com**

2 Take the RMA to figure out your path to Revenue Marketing

3 Review your results with an expert to plan your journey

Acknowledgments

The insights in this comprehensive report give you a quick and easy way to assess the biggest concerns within your marketing team. That means if you are developing new campaign strategies or considering new technologies, you can include revenue marketing from the start. And it means that marketers can prioritize their resource allocation more effectively.

The Revenue Marketing Index 2019 report was analyzed, written, and produced by The Pedowitz Group.

The data collected for the report was generated from a combination of online assessments respondents and client engagement data. Over 1,000 marketers from different industries, company sizes and geographies took the assessment from to 2016 - 2018.

Additional Resources Cited in this Study:

1 - Qaqish, D. (2019). A Modified Delphi Study: Forward-Looking Strategies for Chief Marketing Officer Accountability in a Digital Environment

2 - Qaqish, D. (2013) Rise of the Revenue Marketer. Alpharetta, GA: BookLogix

About the Authors:

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Debbie is a nationally recognized thought leader, innovator and speaker in Revenue Marketing with more than 30 years of experience applying strategy, technology and process to help B2B companies drive revenue growth. As a principal partner and chief strategy officer of The Pedowitz Group, Debbie is responsible for developing and managing global client relationships, as well as leading the firm's thought leadership initiatives. Debbie also earned her PhD in 2018, focusing her dissertation on how the CMO adopts financial accountability in an e-marketing environment.

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Kevin Joyce is the VP of Strategy Services with The Pedowitz Group. He holds a unique combination of marketing skills and sales experience that helps companies to bridge the gap between sales and marketing. Kevin is a marketing executive with 35 years of experience in high tech, holding positions that include engineering, marketing, and sales.

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