Plan and Manage a Successful Account-Based Marketing Program

Published 20 November 2020 - ID G00734145 - 13 min read

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Initiatives: Technology Marketing Effectiveness

Account-based marketing programs increase pipeline and revenue and shorten sales cycles. Technology and service providers should utilize the Gartner Account-Based Marketing Framework to plan for and improve the success rate of ABM efforts.

Overview

Key Challenges

- Positioning account-based marketing (ABM) programs as simply “highly focused demand generation campaigns” often causes confusion and leads to disagreements about roles and responsibilities.

- ABM programs, by their nature, are more complex than traditional demand generation and prospecting efforts, which can lead to crucial steps being minimized or ignored.

- Well-designed ABM programs can still be perceived as “missing the mark” due to a lack of support from key leaders across the technology provider’s organization.

Recommendations

To improve the effectiveness of their ABM programs, technology and service providers should:

- Use the Gartner Account-Based Marketing Framework as a guide to clearly define roles and responsibilities to optimize an ABM program.

- Ensure sales and marketing leaders, as well as other executive team members, support the ABM program to secure budget, maximize adoption and scale the program.

- Reduce reliance on traditional marketing metrics and processes and instead embrace more expansive metrics, including sales metrics and specific account-based metrics, to improve the outcomes of ABM programs.

Introduction
ABM continues to be one of the hottest go-to-market topics for technology providers. Most martech software vendors that offer solutions for sales and marketing will feature ABM prominently in their messaging. The attention is warranted. ABM programs generate strong lift across multiple sales and marketing metrics compared with traditional demand generation and prospecting programs. Respondents to the 2020 Gartner Technology Marketing Benchmarks Survey \(^1\) observed lifts in each of these key marketing areas:

- Improvements in conversion rates throughout the funnel
- Increase in web traffic
- Advertising and email performance improvements

But the biggest and most meaningful lifts came around sales metrics, all of which directly impact revenue. Some of these include:

- Higher win rates
- Increase in deal velocity (faster sales cycle)
- Increase in deal size
- And, perhaps most importantly, an average 13.8% increase in pipeline generated

While the lift can be very significant, it usually occurs only after a thorough planning process, one that involves key stakeholders in sales and marketing. The lift may happen only after some initial stumbles and missteps and takes time to build based on the length of the sales cycle, and baseline pipeline creation timing.

This research is designed to help technology providers understand what it takes to plan and manage a successful ABM program. It also helps them avoid the missteps that can doom a program from the outset. This research note provides a high-level overview of an ABM strategy.

**Analysis**

**Understand the Difference Between ABM and Highly Targeted Demand Generation**

ABM involves a focus on a specific set or segment of accounts and takes a more tightly collaborative approach to account discovery and engagement between marketing and sales. The typical use cases are:

- Net new targets (either at the top of the funnel or further along in the funnel) — either a small group of accounts or a larger segment, such as a vertical
- Existing customers (for renewal, cross-sell or upsell) or key accounts
Gartner works with clients that target a small handful of key existing customers through highly personalized and high-touch engagement. Other clients target upward of 2,000 accounts through less personalized and typically more low-touch, predominantly digital, engagement. The use cases and the scales will vary greatly from one technology provider to the next.

One of the most important differences between ABM and highly targeted demand generation is around the role of marketing. In a demand generation program governed by a traditional sales and marketing funnel, there is a clear handoff between marketing and sales. With traditional demand generation, a lead is created, qualified by marketing or sales development reps (SDRs), and then passed to sales. Besides using content in the background, marketing tends to disengage at that point, unless it provides sales support on an ad hoc basis.

That isn't the case with ABM, as marketing stays involved for much longer and sales gets involved much earlier (see Figure 1).

Another critical difference is that, with ABM, there is far less focus on the individual lead and far more focus on the account as a whole. Large accounts may be made up of many buying centers located in several countries. Engagement, especially through inbound channels, is designed to be longer. It lasts well after an opportunity is created and throughout the whole customer life cycle. Engagement is also designed to be deeper so that it can drive awareness with other influencers in the account.
Matching a lead (or even a contact) to an account becomes crucial, well before a sales rep or SDR touches it. Some of this can be dealt with before the program starts by cleaning up accounts and adding contacts to those accounts in the sales force automation (SFA) system. But new contacts will still visit your website, and those contacts have to be matched to accounts. This may necessitate additional investments, depending on your CRM lead management system. For the sake of simplicity, the SFA application may end up as the system of record for the entire program. However, that will entail additional coordination and changes to processes. All this must be dealt with before starting the program.

We should also mention the need to personalize the message to the account/segment. In a segment of like accounts, personalization is similar to traditional models. But in major accounts, it is specifically crafted content for the account that merges your value proposition and the prospect’s mission-critical priorities.

The pivot from traditional demand generation to ABM can be somewhat jarring, especially for marketers.

**Use the Gartner Account-Based Marketing Framework for Your ABM Program**

As highlighted previously, ABM programs are very different from traditional demand generation programs. Successful ABM programs require their own set of distinct processes. The Gartner Account-Based Marketing Framework captures the four key aspects of an ABM program (see Figure 2).
The components of the framework represent distinct processes within an ABM program. A brief description is provided below:

- **Account selection.** Technology and engagement channels have made it significantly easier for technology providers to identify accounts and activate and orchestrate engagement to those accounts over multiple channels (see Market Guide for Account-Based Marketing Platforms). The number of accounts can range from a handful to several thousand or more, depending on the use case and business objectives chosen. Larger target account lists are often broken into tiers or segments or prioritized using intent data.

- **Account planning.** This process documents the campaign, outreach and engagement plan for each segment or specific accounts. It defines the account profile and identifies resources, lead management strategies, content, personalization, engagement (both sales and marketing), data and metrics. The account plan needs to be visible to all stakeholders and updated regularly (see Plan for Success With Account-Based Marketing Programs).

- **Engagement.** This process identifies the inbound and outbound channels that are used to reach accounts and key roles and personas. Engagement also includes the personalization, the calls to action, the company website, and the creative and content to support the engagement (see Build an Account-Based Marketing Engagement Strategy That Drives Pipeline Lift).
All four components are critical to the success of a campaign. Among respondents to the 2020 Gartner Technology Marketing Benchmarks Survey, 34% are challenged to prove ROI of their ABM programs, and 5% see no lift at all from these efforts.¹ There are many reasons for this, including not enough budget/resources, lack of buy-in from across the organization and overly aggressive programs. For these programs to be successful, it’s critical to gain agreement on the definition of success. For example, having a pure focus on measuring success based on revenue and number of opportunities is not realistic when you have longer sales cycles. In this case, you should track leading indicators such as gaining additional key contacts and growing targeted engagement with active buyers at ABM program accounts. But another common reason for lack of success is that insufficient attention is paid to one or more of the elements in the framework. Given the complexity of ABM programs, technology providers must resist the urge to skip steps, even if they do so to avoid a rollout delay.

Practitioners must ensure they have planned a comprehensive program and how they will collect data and metrics to measure its success against a control group of non-ABM accounts. Clear ROI will help you to justify future and additional budgets.

Ensure ABM Program Success by Requiring Support Across and Up the Organization

Sales and marketing have different responsibilities for each component of the ABM framework. While a successful ABM program requires collaboration (and true agreement) between sales and marketing, the alignment must be broader than those two groups.

The following can create major problems and impact results:

- Lack of agreement on:
  - The accounts to target
  - The level of content personalization
  - Understanding when engagement has to occur (concurrently rather than sequentially in traditional programs)

- Lack of visibility into the engagement

Aligning Sales and Marketing

Given the difference in engagement strategies as outlined in Figure 1, it’s crucial that sales and marketing be clearly aligned. This is most critical when it comes to account selection and account
planning. However, it's important for all aspects of ABM. This can be a pretty major change for marketers, but expect it to be an even bigger change for sales.

Many clients tell Gartner that their sales and marketing teams have good relationships and are well-aligned. However, what they usually mean is that the two groups are on good terms and are not “pointing fingers” at each other. (There can be a historical tension about lead quality: Sales says that marketing doesn't create enough high-quality leads. Marketing says that sales isn't good at closing business.) But sales reps don't usually work that closely with marketers. They often expect to have free rein around how to engage with prospects, especially once an opportunity has been created.

But with ABM, sales and marketing must be well-aligned around mutually established goals. While individual reps need to be bought in and be supportive, the chief marketing officer and chief revenue officer, along with their leadership teams, also need to buy in. This not only starts with the beginning of the process, but also must continue through the life of the program. For example, there has to be:

- Agreement about how accounts are selected, how plans are created, and the roles and responsibilities tied to data entry, engagement and defining success
- Ongoing coordination and meetings to review the account situation, account plans and progress

Marketing may have day-to-day operational responsibility for orchestrating and executing the program. But this should happen only when sales is aware of, and in agreement with, what marketing is doing and why marketing is doing it. This is particularly important in ABM efforts supporting key or major accounts. It takes more than simply aligning sales and marketing; there must be total buy-in and support across the teams throughout the entire program process. This may require ongoing collaboration and training for the various stakeholders.

How you refer to the program can even make a difference. As ABM has become more popular, it's starting to be seen as solely a marketing effort. However, to be successful, the program requires account-based selling. Sales and leadership teams need to see ABM as a go-to-market model to ensure optimal results.

Getting Executive Buy-In and Measuring Beyond Traditional Metrics

ABM has the potential to be one of the most transformative go-to-market strategies that a technology provider will undertake. Transformative strategies tend to be disruptive, and that disruption extends beyond sales and marketing. Once an ABM program hits a steady state, it can be far more cost-effective than traditional demand generation. But there is often an upfront expense and a need for more resources to create content and manage the program. And there is a lot of “trial and error” on the engagement side as programs are optimized. So ABM programs often entail either a budget increase or reallocation from other spending.

While the budgetary changes may warrant executive- and board-level buy-in, that isn't always the case. What drives the need for buy-in is the required alignment between sales and marketing leadership and
the change in the way the program is measured.

Despite a move toward measuring opportunities and revenue, the marketing funnel is still the lifeblood of many technology provider demand generation programs. For example, the marketing-qualified lead (MQL) target for the year is often agreed on during annual strategic planning sessions. The target is based on assumptions around conversions throughout the rest of the funnel.

In an ABM world, MQLs are far less important and are not the primary source of measurement. Everything has to be viewed through the lens of an account. Although metrics exist to measure lift in engagement and reach, which are often key indicators of buyer readiness, it’s the lift in traditional sales metrics, not marketing metrics, that truly indicates success or failure. Technology providers implementing and executing ABM programs must accept and embrace this concept.

If your solutions have a long sales cycle (six months or more), you won’t see some sales results right away. When explaining the success of the program, you should highlight lift across the engagement and reach metrics, and how a joint focus from marketing and sales on account relationship building can lead to greater insight into active buying signals. Without executive buy-in, pressure to show progress can cause teams to revert to traditional metrics that can be created relatively quickly, so it’s easy to at least show marketing success from these metrics. Set expectations properly and ensure that all stakeholders understand there will be less focus on traditional demand generation metrics and that this is by design.

Summary

ABM continues to be transformative for many technology provider go-to-market organizations despite all its challenges, moving pieces and required cultural changes. Providers should use the Gartner Account-Based Marketing Framework to guide ABM programs. They can also use the framework to ensure that all key ABM components are fully developed and primed for success. With planning, dedication and buy-in across the organization, providers can improve on their ABM programs. They can also deliver significant lift against key sales and marketing benchmarks.

Evidence

1 2020 Gartner Technology Marketing Benchmarks Survey. This survey was conducted online from April 2020 through July 2020, with three distinct waves running on the following dates:

- 14 April through 17 May
- 21 May through 15 June
- 16 June through 15 July

Respondents were required to have one of the following primary job functions/roles:

- CEO/president/founder
They were also required to have knowledge of the marketing budget and spend for the company or business unit and knowledge of the marketing campaign/program tactics. At the country level, quotas were established to guarantee a good distribution in terms of product offering (software, technology services and hardware) and company size (revenue).

The survey was developed collaboratively by a team of Gartner analysts and was reviewed, tested and administered by Gartner's Research Data and Analytics team.

Disclaimer: Results of this study do not represent global findings or the market as a whole but reflect sentiment of the respondents and companies surveyed.

Document Revision History

Plan, Build and Manage a Successful Account-Based Marketing Program - 26 March 2019
Tech Go-to-Market: Plan, Build and Manage a Successful Account-Based Marketing Program - 24 April 2017

Recommended by the Authors

Plan for Success With Account-Based Marketing Programs
Build an Account-Based Marketing Engagement Strategy That Drives Pipeline Lift
Measure Engagement to Improve the Success of Account-Based Marketing Programs
Market Guide for Account-Based Marketing Platforms