



VELOCITY

MARKETING

By Ken Rutsky

THREE KEYS TO BREAKING THROUGH AND WINNING



Most CEOs, CFOs, and VPs of Sales have a jaded—if not skeptical—view of marketing. While they recognize the importance of marketing to their long-term success, they have a hard time understanding and measuring how well marketing is doing.

Even in more mature organizations that have a good handle on well-tuned marketing metrics and measurement, the question is still always out there. With the advance in marketing automation, new channels of communication, and the avalanche of marketing data now available, marketing has evolved, in many CEO's view, from a black art to a black science.

Hidden behind the content marketing strategies, social media mysteries, and marketing automation dashboards and metrics lays a more fundamental problem. In today's hyper competitive, global, instantaneous market, where buyers and consumers have nearly unlimited access to information and each other, the fight for attention and share has become a treadmill of constantly increasing speed. With the proliferation of competitive solutions in even the most specialized market segments and today's extremely well-educated and self-directed buyers, we need a new "Velocity Marketing" formula: one that delivers breakthrough by combining impact, engagement, and experience.

THREE BIG CHALLENGES TO GETTING NOTICED AND WINNING

Challenge 1: Information Overload

Without a doubt we live in a world of data and information overload. As anyone who uses Google knows, the challenge is not in finding an answer or result, but it is in finding the most relevant and meaningful answer. What does this mean for marketers? Let's take a look at one small experiment.

KJR Associates examined a sampling of companies from the Andreessen Horowitz venture portfolio, which is shown in figure 1. We then browsed the websites of each company and determined its "market category" based solely on how each company described itself. These terms are shown in

ANDREESSEN HOROWITZ	PORTFOLIO Entire Portfolio Consumer Enterprise	TALENT AGENCY Technical Talent College Talent	RESOURCES A16Z Library Marc's Blog Ben's Blog John's Blog
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Portfolio Companies (Enterprise)



Figure 1: A sample of the Andreessen Horowitz Enterprise portfolio

figure 2. Finally, we did a Google search using an exact term search with the defined market category name. Figure 3 shows the quantity of search results returned for each of these terms.

So, as is clear from Figures 1 through 3, and totally consistent with our intuition, it's a crowded marketplace of information and ideas. Even in very niche market segments, we have hundreds of thousands of results returned for category descriptions. Breaking through this crowded environment is a major challenge for today's marketers.



Figure 2: Self-descriptive category names from company websites

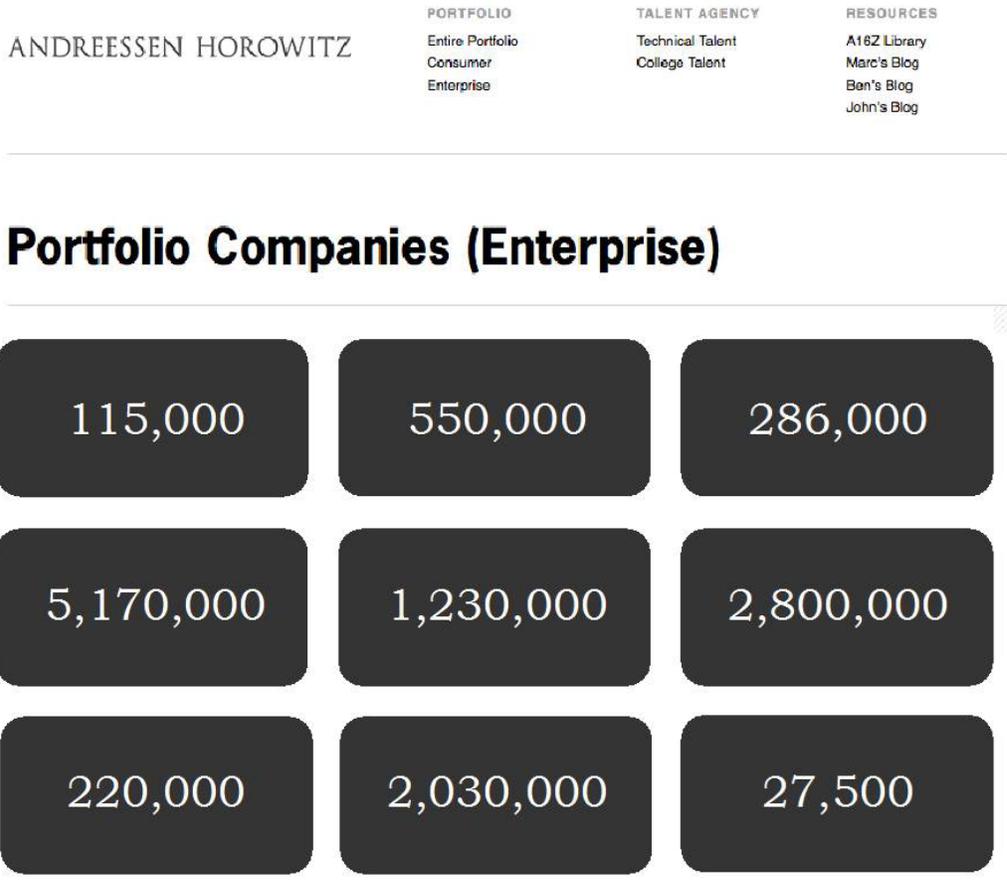


Figure 3: Results of exact term search on category shows an incredibly crowded market

Challenge 2: Connected, Well-Informed Buyers

Secondly, buyers are more connected and self-directed than ever. A recent survey by the Corporate Executive Board reported that 57 percent of the typical B2B sales cycle is complete before the buyer's first contact with vendors.

As Figure 4, taken from that study shows, buyers are well into evaluation before sales engagement starts. They source data from traditional avenues such as analysts and industry publications, but are also connected with social media, peer networks, on mobile connected devices, and using new media such as video and 140-character tweets. Marketers must take advantage of this new buyer behavior to win in today's market.

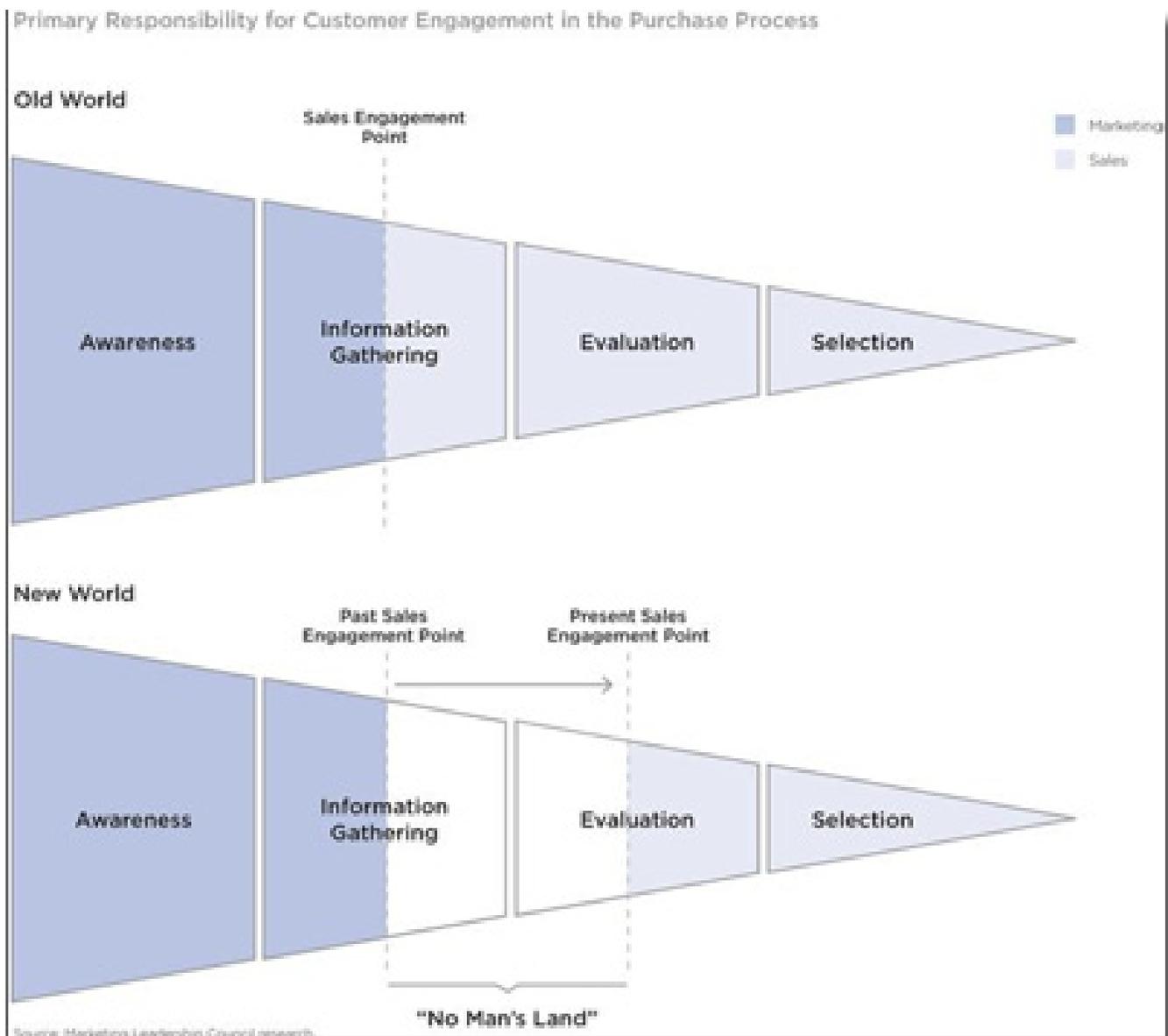


Figure 4: Buyers are informed, connected and evaluating purchases independently

(Source: <http://saleschallenger.exbdblogs.com/2012/01/11/the-emerging-no-man%E2%80%99s-land-between-sales-and-marketing/>)

Challenge 3: Crowded Markets

Lastly, in every category, markets are simply overwhelmed with competing solution providers. As we transition to a service economy, new entrants leverage technology, global labor markets, and other innovations to bring new products and services to market faster, look bigger than they are, and fill niches aggressively.

Simply put, we need a new model for getting noticed and getting bought. To achieve the highest Breakthrough possible, to create Impact, engagement, and experience, we need to get great at the "3 Vs of Velocity Marketing: Viewpoint, Value and Velocity."

Figure 5 from Chiefmartec.com shows just one market segment, Marketing Technology. Imagine the challenges of breaking through to CMOs if you want to sell them something! This type of crowded market landscape repeats itself in virtually every buying center in the organization.

Marketing Technology Landscape

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Figure 5: Every market is crowded. The figure above is just one example, showing the Marketing Technology landscape.

(Source: http://www.chiefmartec.com/post_images/marketing_technology_landscape.jpg)

THE THREE STAGES OF VELOCITY MARKETING

As we have just seen, today's buyer is information overloaded, bandwidth-constrained, and fiercely independent. In addition, technology and the mobility of ideas and capital have lowered barriers to entry in just about every market, meaning buyers are overwhelmed with attention and investment choices. Understanding these simple facts requires a radical rethink of go-to market strategies and tactics across sales and marketing. Those who react can see dramatic increases in marketing ROI and significant compression of sales pipelines. This can drop real dollars into the bottom line.

There are 3 stages to moving to "Velocity Marketing," depicted in Figure 6. Let's examine each of these phases.

Stage 1: Status Quo

Most organizations are mucked and mired in the first stage: status quo. They are slugging out a content-marketing battle based on features and benefits. In this stage, marketing effectiveness is dependent on hitting buyer needs with content that resonates on key benefits. But as most marketers are all too aware of these days, benefits are quickly commoditized by competitors. If it works for you, you can be sure they will copy it.

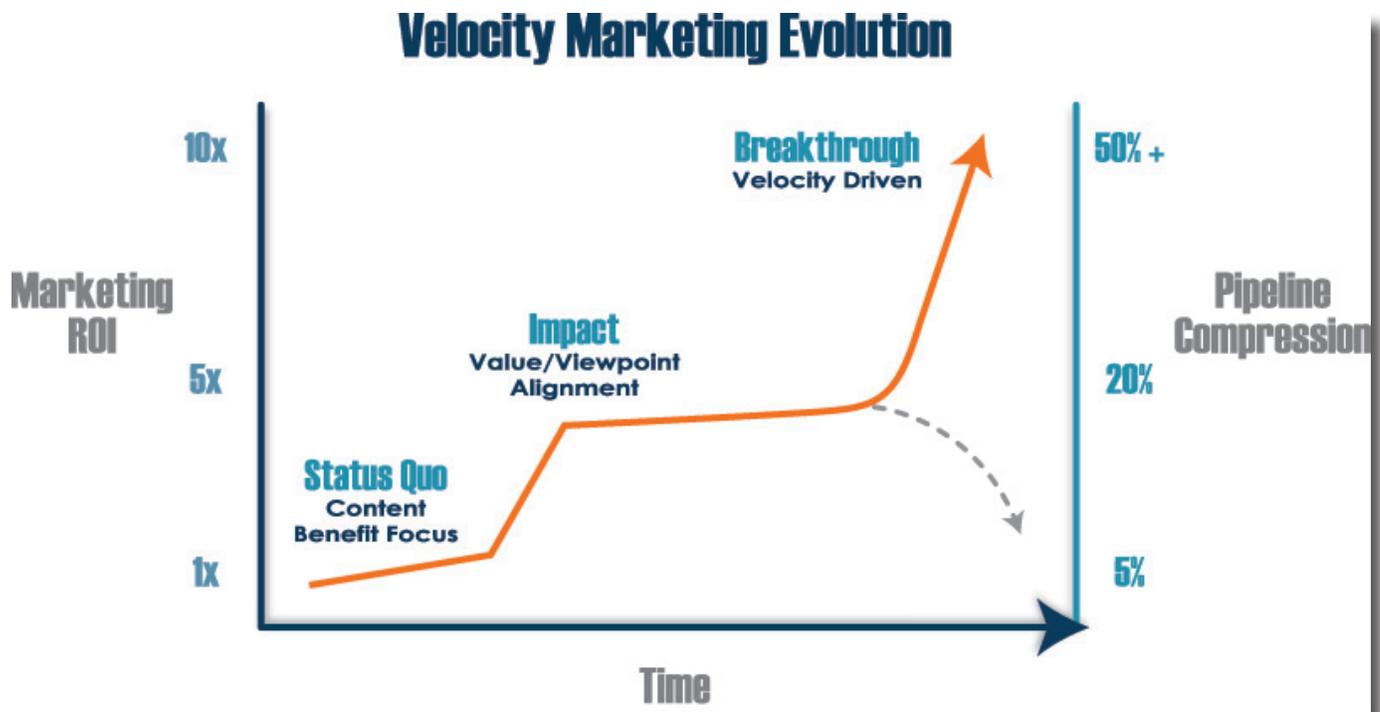


Figure 6: The Three Stages of Velocity Marketing

Stage 2: Impact

In stage 2, the Impact stage, the organization has moved beyond features and benefits and articulated meaningful and unique customer Value. They have created a Viewpoint that converges on the biggest business changes impacting their customers and the most disruptive response that their solution delivers in response to those changes. They have aligned the customer Value discussion with a Viewpoint that is a compelling and engaging articulation of the customer's view of the world. They have set the terrain for the market conversation; they are playing on a tilted playing field. Organizations that achieve Value/Viewpoint alignment can see very significant improvement in marketing ROI and pipeline Velocity as shown in Figure 5.

But if we don't move to stage 3, the Breakthrough stage, eventually our competitors will catch up, again by "stealing" our Viewpoint and mirroring and commoditizing our Value. We live in a "show-me" world, and in order to win, we must drive Velocity through engagement and experience.

Stage 3: Breakthrough

Many marketers are stuck in a world of whitepapers, videos, and other explanatory content. When they do reach into engaging and experience driven content, they do so as a "late in the sales cycle" component of their mix. This misses the fundamental need to satisfy the self-directed evaluation that buyers prefer today. Products are evaluated; services are experienced. In order to achieve Velocity and create Breakthrough, we must put experience front and center early and often in the sales and marketing cycle.

"Velocity Marketing" happens when we have Unique Value, aligned with Viewpoint, communicated in high Velocity, engaging, and experiential ways.

THE THREE VS OF VELOCITY MARKETING: VIEWPOINT, VALUE AND VELOCITY

Viewpoint — Defining the Terrain

"In the battle between the bear and the alligator, the victor is determined by the terrain"

—Jim Barksdale, CEO Netscape

We are in a constant battle for attention and Breakthrough. In order to create engagement that is meaningful and powerful, we must define a Viewpoint that is aligned with the customer's view of the world and our solution Impact. Once we do this, we can set the terrain for our go-to market in a way that is meaningful to the customer and create a compelling context in which we can drive Impact.

There's a running joke in MBA circles that no presentation is complete without a 2x2 matrix. This dates back at least to 1968 and the classic BCG "Growth Share" matrix, which, among other notoriety, is the source of the phrase "cash cow." With dimensions of market share and market growth, the BCG matrix provided a powerful way to understand and measure product-segment profitability. This example illustrates just how powerful a 2x2 matrix can be in setting a framework in which to view a problem. From a simple idea, sprang a wealth of insight and business for BCG.

Let's apply the 2x2 matrix to the problem of articulating a Viewpoint aligned with the customer's reality and our solution Value. We follow these steps:

1. Identify the Y-axis. On the Y-axis, we plot the biggest change or shift in the customer's business environment. These typically come from factors in a STEEP model (Societal, Technological, Economic, Ecologic, or Political). These are the meta-factors that create either risk or opportunity for your customers, and which essentially form their worldview.
2. Identify the X-axis. On the X-axis we identify the largest shift in our solution approach. We want to articulate the "unexpected" approach that we take to the problems we solve.
3. Name the upper right and define your viewpoint.

Figure 7 shows this framework. In the bottom left, we have the old world, with the expected solution targeted at the old environment. In the upper left, we have the customer's reality. They see the same old solutions but live in a new reality. They are constantly let down by the vendor's solutions, which are dated and not converged to their reality. In the lower right, the solution provider is talking about unexpected solutions, but in a dated context. The customer simply can't relate, and the words fall on deaf ears. But when we reach the upper right, and frame our unexpected solution in the context of the customer's new reality, we converge on a fertile playing field for communicating Value. We begin to create real engagement.

Salesforce.com identified a powerful technology shift of software moving to services long before even their customers realized they would need it. They then articulated a seismic solution shift in claiming that CRM solutions should drop in quickly and painlessly, exactly the opposite of current cus-

tomers' experience. Their tagline "The End of Software," with their now-famous red slash logo, powerfully created a compelling Viewpoint.



Figure 8: The End of Software created a compelling Viewpoint for Salesforce.com's go-to market efforts.

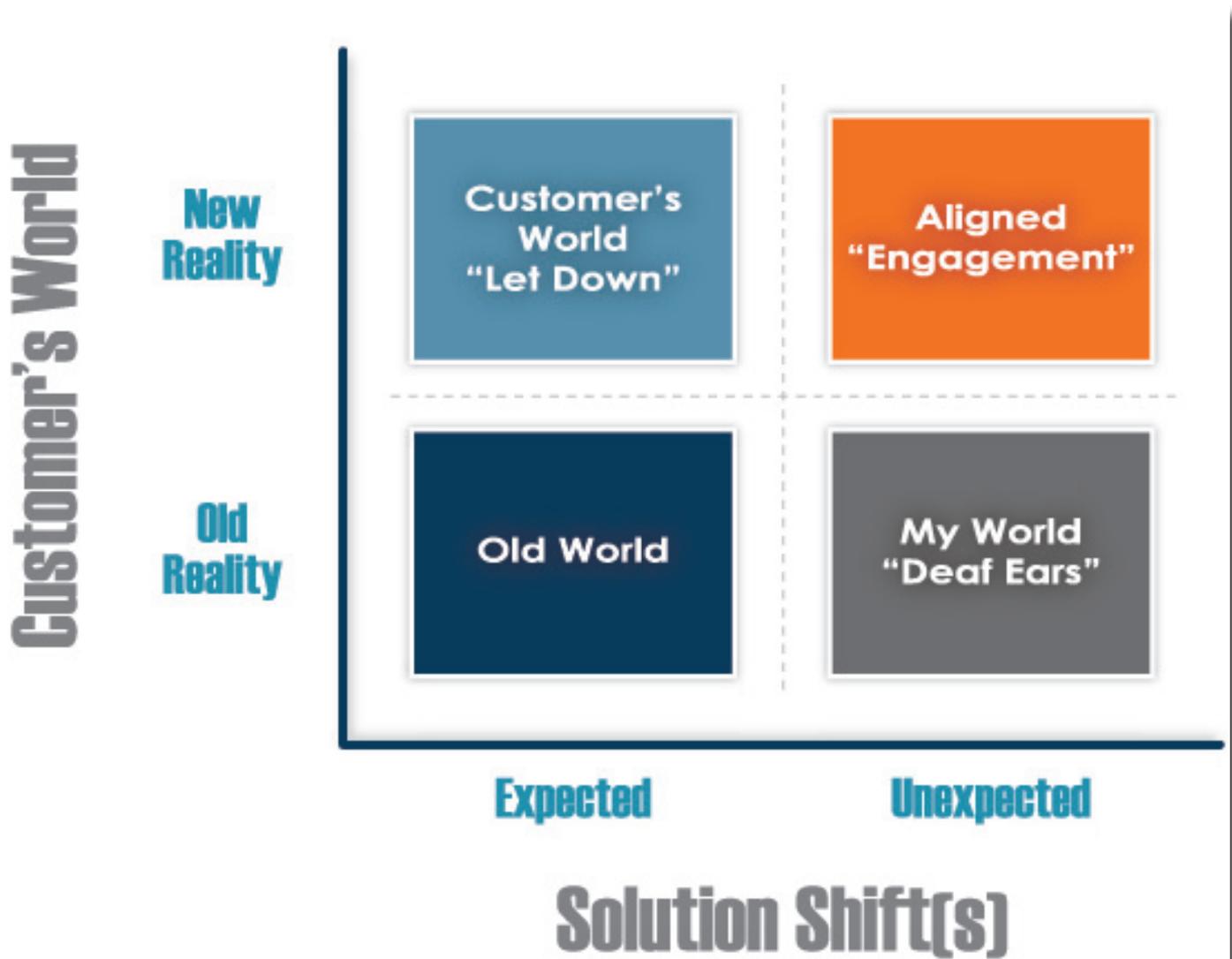


Figure 7: Aligned Viewpoint combines the customer reality with an unexpected solution

Viewpoint is about framing the marketplace discussion so you can then deliver your Value to the customers who see through your market Viewpoint. Salesforce's Value came in the proposition of lower TCO, faster time to Value, and greater utilization than traditional CRM software packages. But first, "The End of Software" set a powerful market Viewpoint for Salesforce to define and own the emerging SaaS CRM category and create its own cash-cow business. By articulating a compelling and meaningful Viewpoint, organizations define the terrain of competition so that they emerge winners.

Value – Show Me the Money

*"Are you listening Jerry?...SHOW ME THE MONEY"
- Cuba Gooding Jr. as Rod Tidwell in Jerry Maguire*

In his seminal work *7 Habits of Highly Successful People*, Steven Covey introduces a concept of an "Abundance Mindset." Wikipedia describes it like this:

"Covey coined the idea of abundance mentality or abundance mindset, a concept in which a person believes there are enough resources and success to share with others. He contrasts it with the scarcity mindset (i.e., destructive and unnecessary competition), which is founded on the idea that, if someone else wins or is successful in a situation, that means you lose; not considering the possibility of all parties winning (in some way or another) in a given situation."

When we apply this idea to defining our Unique Value, we begin to see our opportunities in a whole new way and drive an execution that can surpass even our most optimistic expectations.

Value is the articulation of our winning business benefits that we use to move potential customers from awareness to purchase-ready. Once we get their attention with our Viewpoint, we need to rapidly move to captivating them with our Unique Value.

Value defined: The business benefits that a solution delivers for which customers are willing to pay both real and opportunity costs to acquire.

Unique Value Defined: Value that only comes from us, not other alternatives in the market.

There are three steps to articulating Unique Value and using it to sneak up on and beat our competitors without them even knowing it.

1) **Adopt an abundance mindset:** the abundance mindset simply says that we view our market not as a competitive dog fight for a finite and scarce amount of business, but as an unlimited landscape of opportunity. When we do this, we change our perspective from one of battle to one of maneuver and our focus from better to different.

2) **Do the mechanics:** invest the time and energy to do the mechanics of building out our Value and its articulation in powerful messaging and positioning. We do this by starting with an honest assessment of our Unique Value, completing the Venn diagram shown in Figure 9, then using it to drive a documented and customer-validated positioning and messaging platform. This platform should focus directly on our Unique Value. These Unique Value "gemstones" are our competitive weapons to create Impact.

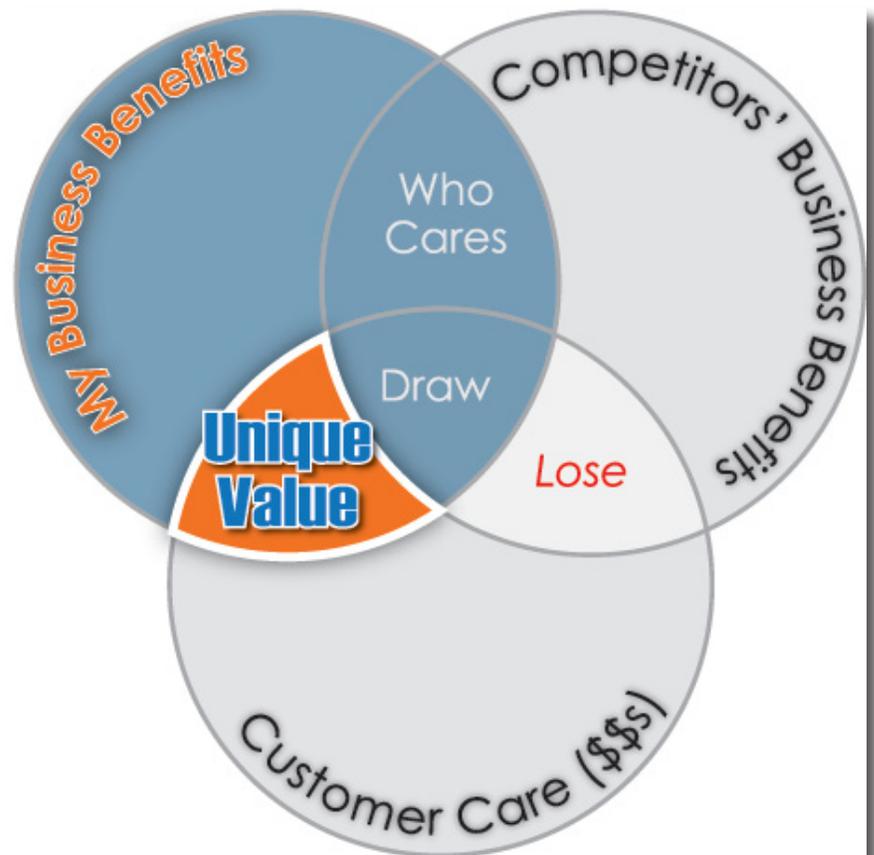


Figure 9: Finding Unique Value (adapted from Positioning.com)

3) **Move to Impact:** we then frame the discussion of our Unique Value in the context of the aligned Viewpoint we've created. We use Viewpoint to tilt the entire Value discussion toward our benefits, actually enlarging our Value proposition. This combination of Value and Viewpoint can create dramatic Impact on the effectiveness and efficiency of our sales and marketing programs and investments.

Velocity – Like a Hurricane

"Here I am, Rock You Like a Hurricane"
 – The Scorpions

The last step on our journey to Breakthrough is Velocity. Nearly all high-quality go-to market programs today tailor their delivery to channels of communication and the buyer's place in the buying cycle. Content Rules, by Ann Handley, a popular book in marketing circles today, spends a lot of time focusing on just this. It is necessary reading and table stakes in today's marketing mix. However, content is a commodity. If content is queen, context, or Viewpoint, is king, but Velocity is the emperor.

Stopping with content fails to take on the other two variables in the equation: engagement and experience. Building on our Value and Viewpoint, we must

then increase the level of engagement and experience we deliver in our marketing programs and communications.

We can look at both engagement and experience as simple continuums. Engagement simply measures the level of interaction that the customer has with our content. We are most engaged when we are interacting, least when we are reading. The human mind is wired to remember an interactive experience much more effectively than reading. Engagement through multiple senses and interactivity creates memorable content marketing.

From an experience perspective, we can be describing our Value, demonstrating our Value, or having the customer participating in understanding the Value. Communication of Value via experience is vastly more effective at winning customers preference than description.

Velocity, as shown in Figure 10, is the combination of high engagement, high experience programs. Clearly, we should strive for a mix of high and low Velocity deliverables. There are times, especially in highly technical markets, when the architecture whitepaper is a key component of the marketing deliverables mix. But, time and time again, we get

mired in the bottom left of the continuum, churning out more and more content that is descriptive and, at best, demonstrative, but very little that is participatory and interactive.

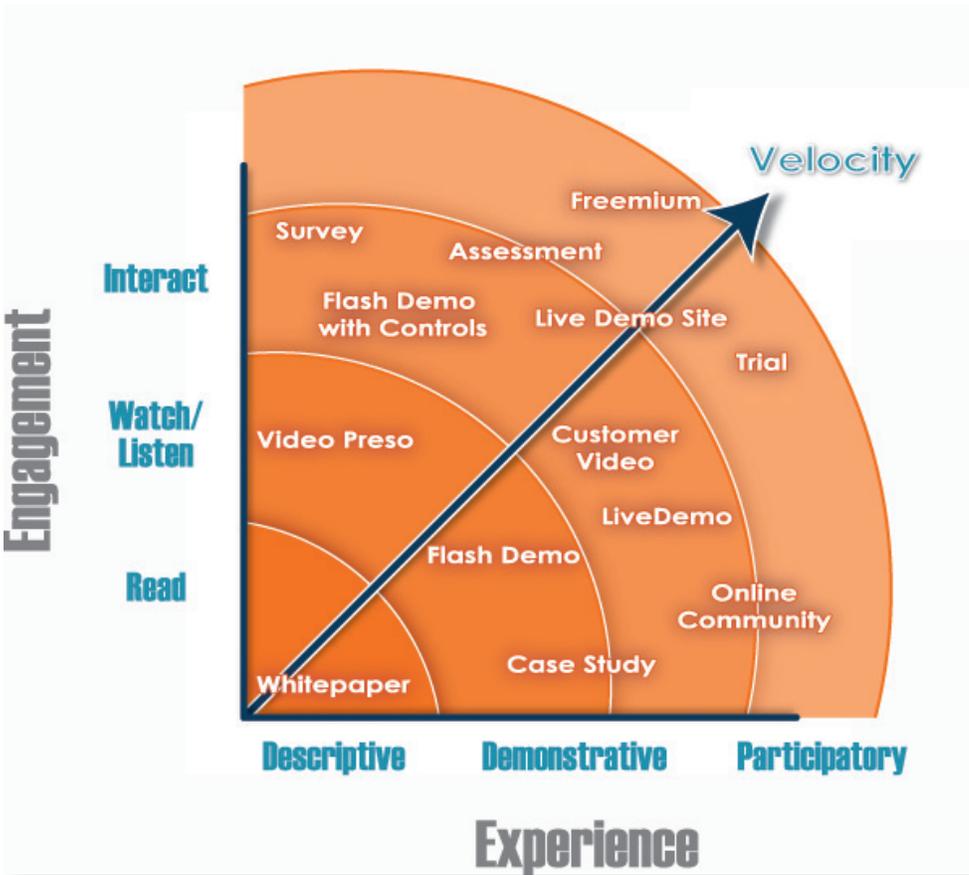


Figure 10: Velocity is a function of engagement and experience

VELOCITY CASE STUDY

Nimsoft, a provider of IT monitoring products and SaaS, was facing a critical juncture in 2009. Positioned as a “me too” provider, their tagline was “The Big 4 Alternative,” alluding to the fact that they were easier and lower cost to implement than the four traditional large providers in that market.

They created a high-impact go-to market position called “Unified Monitoring, From the Data Center to the Cloud.” This was backed by a well-thought-out and articulated set of go-to market messages around this Viewpoint that drove their Value home. Most importantly, they created a very high Velocity marketing demonstration hub at www.unifiedmonitoring.com, which allows customers and prospects to see unified monitoring in action, often on the first contact with them as a vendor. A screen shot is shown in Figure 11.

This high-impact, high-velocity approach positioned Nimsoft for both growth and the eventual acquisition by CA, Inc., in March of 2010.

THREE TIPS TO ACCELERATE YOUR JOURNEY TO VELOCITY

As we have seen, the journey to Velocity and Breakthrough is marked by driving high levels of Impact, engagement, and experience. When we achieve these objectives, we can see marketing efficiency increase by an order of magnitude and sales cycles decrease by 50 percent or more. However, this journey can seem long and the destination can feel distant. Given that, here are three tips that can get you on the fast track to “Velocity Marketing” success.

TIP 1: Get a View – Articulate a Viewpoint and try it out in the market. Do the 2x2 exercise outlined here and write a blog about it. Test it with your partners and customers. Tap your gut and expertise to get it down on paper and iterate. Start today. This is a quick, low-risk, low-cost, high-impact experiment.

TIP 2: Find Your Wins – Ask your best reps why you win. Look for patterns and tie them to your unique features and capabilities. Articulate your Unique Value in new, customer-centric ways. Get started today. The answer is out there. We just have to ask.

TIP 3: Double Your Experience and Engagement – Do a quick inventory of your marketing programs and deliverables. Are they in the bottom third of the Velocity graph? How can you quickly increase engagement and experience? Look for quick wins like screenshot demos, how-to videos, and interactive surveys. Take existing high-engagement assets and revitalize them with new investment or creative. Crawl, walk, or run, but commit to Velocity, and build some quick wins.

The journey to Velocity and Breakthrough requires commitment and work. But the rewards of five to ten times improvements in marketing ROI and halving of the sales cycle are well worth it. Start your journey today. ■



Figure 11: Nimsoft's unifiedmonitoring.com site drove marketing and sales Velocity