

Integrated Demand Generation Toolkit for IBM Business Partners

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Introduction

High quality leads. Your job is to deliver them to sales. IBM's goal is to help you find them in the most appropriate, most efficient, and most cost effective manner. Because the higher the lead quality, the higher the close rate. In fact, experience demonstrates that salespeople will close about 20% of quality leads, as compared to about 2% of leads from less targeted campaigns. No wonder salespeople aren't always excited about working campaign leads. So how can you be sure you're going to deliver quality leads to the pipeline? That's where we can help.

IBM PartnerWorld understands that our Business Partners have limited time and resources for building demand generation programs that produce results. Yet continuous contribution to the sales pipeline is a significant part of every Business Partner's marketing plan. We're pleased to provide you with this integrated demand generation guide. In it, you'll find all the tools and resources needed for your team to plan, build and execute campaigns that deliver high quality leads.

Overview

Demand generation is one of the most important and least understood disciplines within marketing. Instead of a one-time event, think of demand generation as an ongoing process—like sales—where rules and methodologies can consistently be applied to predict and achieve the desired results.

This guide helps you look at your demand generation program more holistically, starting with building campaign strategies up front that help determine your success all the way through measuring ROI. While IBM has spent millions of dollars developing creative campaigns you can access through PartnerWorld, integrating them into your own individual strategy helps to maximize your opportunity for success. We've provided all the ingredients. You get to bake the pie and enjoy the fruits of your labor.

In this guide you'll find:

Integrated demand generation

One of the most important concepts in marketing is that demand generation is not a one-time activity. Demand generation is an ongoing communications process that uses multiple venues to stimulate a qualified response—and ultimately generate revenue. True success is best found in driving your message in different ways over a specified period of time. For example, telemarketing alone won't be as successful as an executive mailer followed up by a phone call and a letter.

Figure 1 illustrates the concept of integrated demand generation. The horizontal layers define the most important aspects of any campaign: its strategy (what your goals are) and the corresponding offer of value (why qualified people will respond). The pillars that separate the strategy and offer are made up of different execution methods. Choosing which method is appropriate is based on how you have defined your strategy.

To simplify the process, we've coined the term MAD marketing. It provides a step-by-step methodology to building successful campaigns. M+A+D=Results. So, get MAD!

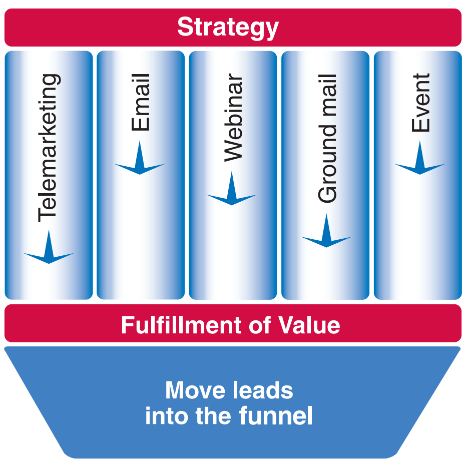

Figure 1: Integrated Demand Generation

MAD marketing

MAD marketing is an acronym for *message*, *audience* and *delivery*. It's a simple way of mapping your campaign into an integrated demand generation strategy:

- **Message:** What you must say in order to generate a qualified response
- **Audience:** Who you want to target with this specific message
- **Delivery:** How you can most effectively reach this high-value target

Getting MAD before you launch your campaign will reduce wasted time and resources during campaign execution, and will most certainly drive lead quality and quantity. Let's take a look at each of the MAD marketing concepts individually.

Setting strategy:

1. Identify and articulate the message that will generate a qualified response
2. Identify message targets
3. Define fulfillment of value
4. Determine tactics based on campaign goals

Message and call-to-action

Carefully defining your message is the most important part of planning a marketing campaign. So would you believe it's the one step that many companies skip? Here are some quick tips for building meaningful messages and then choosing reasons for your prospect to respond:

- Think in terms of what your client needs to buy, not what you have to sell. Build statements of business value that address those needs. A well-crafted campaign message should include a definition of the product or service that is tightly aligned with the needs it serves and value it delivers.

- Create a call-to-action or offer that is meaningful and responds to those needs. It is in rare situations where a free t-shirt offer translates into an appointment with a salesperson. Offers for promotional gifts such as golf balls and t-shirts may be appropriate for surveys or other specific instances, but not in getting a CxO to make time for a sales call. Since demand generation campaigns are the earliest form of contact with a prospect, these prospects need to be moved from the awareness phase of the buying cycle into the consideration phase—the phase where they determine if you even qualify to be on their radar. They want to know more about if or how you can help them. So to get their attention, you must provide them with something that demonstrates your knowledge and experience in their specific area of need. White papers, executive briefs, technical demonstrations and benchmark results are all examples of things that will demonstrate experience, knowledge and skills.

Audience

Building a successful demand generation program requires effectively identifying and segmenting your target audience. Remember that you have two audiences—existing clients and prospects—and the strategies to generate incremental opportunities from existing clients (retention and expansion) can be quite different than the strategies to uncover opportunities from prospects (acquisition).

The good news is that the marketing effort required to uncover expansion opportunities in existing accounts is often less than to create awareness in companies that are not familiar with your capabilities.

Start by reviewing your current client base and historical sales transactions. This will help you identify your most valuable clients as well as potential areas for growth. The characteristics of your best clients can become a mirror for identifying the types of prospects that will be most important and most profitable for you to target in new business acquisition efforts.

Firmographics and functions

In the business-to-business environment, there are three critical areas in which to analyze clients and prospects. First, understand the "firmographics" of each company in order to gather the information needed to build the prospect list specifications for campaigns, including a prospect's:

- Industry
- Size in terms of revenue and/or number of employees
- Headquarters location and branches relative to the trading area for your services

Next, understand the decision-making roles and responsibilities within your target companies so you can tailor your message to the concerns and priorities of each type of executive. In smaller target companies (small and medium business), your campaign may reach one key decision maker multiple times. In larger target companies, you may identify several target positions and deliver customized messages to each. For example, a Line of Business manager may receive a message about cost savings, while an IT manager or operations manager might receive messages about increased productivity. The net result is creating a "buzz" at different levels and touch points throughout the organization.

Appendix A, "Target Audience Planner", further addresses target audiences and focusing on the specific challenges of various company officers and managers.

About lists

You may have heard the adage about "the three Ls of direct marketing—list, list, list." The fact is, the list controls about 50% of your likelihood for success, so its importance cannot be overstated.

Whether you're using a rented postal or e-mail list, or you're focusing on an in-house list of clients and long-time prospects, be sure to keep the following in mind:

- **Be sure to test the list.** Randomly select 10% of the list and call to verify the person still works there. Even well-maintained lists experience turnover, and you don't want to waste time or resources on pieces that will just drive an excess of "return to sender" responses.
- **Bouncebacks happen:** Even with good lists, you're going to get bouncebacks. Constant Contact, a leading Web-based email marketing service notes an average bounceback of 18.3%—and that's considering opt-in mailing strategies. Postal mail bouncebacks should be considerably lower, but in any event, be sure to use your real physical return address so that you can track the returns.
- **Ask the hard questions:** If you choose to rent a list from a broker or magazine, be sure to ask about the data hygiene, which refers to the frequency and methods for list cleansing, compiling and analyzing.

So it's true that a message should be customized for a specific audience, but how will you get that message across to them? That's a question of delivery—read on.

Delivery

At its most basic level, delivery defines the broad tactical execution of the campaign. Delivery is the way your audience receives your message. Note that delivery is different than deliverable, which is the specific creative (mailer or material) that communicates the message to the audience.

Every tactic seems to have a time of being in vogue. E-mail, Web seminars, print mail pieces, telemarketing all have had their turn on center stage in the demand generation arsenal. How do you know what's hot and what's not? The truth is, each tactic has a proper place in an overall demand generation program. The key is in determining which tactic is right for your specific situation.

"Overall, business-to-business marketers should be getting emails out at the beginning of the week (Monday to Wednesday morning), whereas consumer-driven campaigns do best toward the end of the week (Wednesday afternoon to Saturday)."

– eROI, June 2005

The benefits and limitations of particular tactics being discussed in this document are illustrated below:

Tactic type	Benefits	Limitations	Perspective
Direct advertising Paid media placement in print publications with a product focus and/or a call-to-action	• Broad reach • High visibility • Builds awareness	• Larger budget • Limited targeting • Difficult to measure performance	• Find a single message or call-to-action. Even "awareness-only" ads need to have a specific focus.
Direct mail Printed material delivered through the postal system	• Highly targetable • Customizable • More detailed copy • Moderate trackability	• Negative perception of "junk mail" • Limited reach • Long development time • Effectiveness directly tied to list quality	• Choose a vehicle that will get past the gatekeeper
e-mail e-mail messaging	• Can be cost effective • Flexible • Highly targetable • Highly trackable	• Negative perception of "spam" • Complex campaign management	• Make the subject line count, and avoid terms like "free" that are caught by filters • Write short, concise copy with lots of white space and para-graphs of 1-2 sentences.
Interactive Web banners and newsletters	• Can be cost effective • Flexible • Highly targetable • Highly trackable	• Banner ad click-through declining • Complex campaign management	• Be very clear about the offer: a seminar, white paper, etc.
Telemarketing Both outbound and inbound tele-services	• Highly targeted • Skilled operators can be highly effective	• Expensive • Time consuming • Complex campaign management	• The goal of the campaign would determine what kind of telemar-keting resources you would hire. Complex long-term lead nurtur-ing and appointment setting campaigns would involve advanced telesales agents, while invitations and add-on sales opportunities could be done by volume-based callers.

Tactic type	*Benefits*	*Limitations*	*Perspective*
Events Large and small gatherings around specific topic areas including web-based seminars and broadcasts	• Can be cost effective • Costs may be leveraged with vendors, distributors and other partners • Scalable execution	• Difficult to control lead quality • Web events can exclude tech laggards	• In person seminars are best early in the sale cycle, when the prospect is still getting to know you. • Webinars are best used a little later in the sale to provide specific information about a solution. • Teleconferences are still being used to get specific messages across, or to gather quick responses from a group.
Sales tools and collateral Targeted content, elevator pitches, case histories	• Cost effective • Can provide integration between sales pitch and marketing messages	• Solution messaging must be jointly developed by corporate and channel marketing • Must acquire sales rep mind-share to be effective	• Product and solution messaging are the most critical elements of a salesperson's arsenal.

Appendix B addresses how to choose the right tactic for your purpose. In addition, our "Marketing Deep Dives" appendices provide a deeper look at the tactics outlined above as individual elements of an integrated demand generation campaign.

Align tactics with objectives

Resource opportunities and limitations will influence tactic choices. Cost, budget, timing, data availability, systems infrastructure, and capacity are all elements that have a direct impact on the choices you employ and their effectiveness. Different tactics have different costs to execute.

Understanding the value of the resulting sale is an important way to help you determine appropriate campaign tactics. For example, if your campaign goal is to find leads for a $5,000 system upgrade, you likely wouldn't do a multi-touch, multi-level campaign that offered an executive briefing via Webcast. To help you determine the best way to invest in marketing campaigns based on your solution sell prices, refer to the table below for ideas on cost-effective tactics.

	Average Sale Price of Solution (approx; in $USD)				
	Awareness only	**$0-5,000**	**$5,000-25,000**	**$25,000-75,000**	**$75,000+**
Execution tactic	• Direct mail • E-mail • Microsite	• Direct mail • E-mail • Telemarketing • Microsite	• Direct mail • E-mail • Telemarketing • Microsite • Newsletter	• Direct mail • E-mail • Telemarketing • Microsite • Newsletter	• Direct mail • E-mail • Telemarketing • Newsletter
Offer (individual or in combination)	• Brochure or something that doesn't require response	• Case study • White paper • Coupon/rebate • Free evaluation • E-newsletter	• Coupon/certificate • Free services • Free evaluation/ assessment • CD • E-newsletter	• CD • Free services • Executive briefing • Product give-away • E-newsletter	• CD • Executive briefing • Video • Trip • Special event • Personalized promotion • Product give-away • E-newsletter
Average fulfillment cost	$0	$0-50	$50-250	$250-$750	$750+

Let's execute!

Now that we've gotten MAD about strategy, and defined our message, audience and delivery, it's time to execute. Appendix C provides a handy "MAD Marketing Worksheet" for helping you determine the specific message, audience and delivery for your campaign.
In addition, here are some important things to remember:

1. Build and set a timeline for your entire integrated campaign. Identify which elements will "drop" on what dates and how you will monitor and track results. Stay on schedule.

2. As your individual tactics are developed, make sure your integrated campaign has a consistent look and message. Consistency over time helps ensure your messages stick.

3. Test in areas that need it. In some campaigns, you may wish to test the list. In electronic-based campaigns, you need to test all elements to ensure they are working as specified.

4. Educate all the people in your organization who will "touch" the campaign. Most importantly, make sure salespeople understand the schedule and their expected role throughout the process.

5. Decide and document how you will determine the success of your campaign. Will you consider it successful with a 2% response rate? 10%? It is important to define success in order to determine if you've accomplished your goals and how to build best practices over time.

6. Build a response management system that provides information on campaign performance including:

    a. Did it reach the intended target?

    b. Did it achieve its intended purpose?

    c. What was the conversion of responses into qualified leads and into opportunities and into sales?

    d. What was the cost per response, qualified lead, opportunity and sale?

    e. What was the return on investment (ROI)?

    f. How do these metrics compare with previous campaigns, and to budgets and expectations?

Campaign management, tracking and measurement

So you've sent your mailers, made your phone calls, and held your event. Hopefully you have lots of names, data and action items to follow up on. Where are those leads stored, and how are you making sure they're continuing through the pipeline toward closure? Only through careful lead tracking and campaign management can you truly maximize your revenue potential and track the campaign's success.

Contact management and Customer Relationship Management applications have come a long way in the past few years—and more importantly, they've come down market quite a bit, too. Many shrink-wrapped applications can help you manage a new lead, schedule follow-up calls, and track an opportunity until it's a closed sale. These applications are important when you go back to measure your effectiveness and return on your marketing investment (ROI).

For example, incoming phone calls related to a specific campaign may have a unique phone number or extension dedicated to fielding calls for that campaign. However, calls that come into a main extension need to be captured as well. Be sure to fully brief office staff on handling calls related to sales and marketing. Asking "what prompted your call today" is a great way to determine how the client heard about your company.

There are many ROI worksheets and calculators available to measure the return on investment in many different areas—you likely use them often to help justify your clients' purchases. The most basic formula is to add up the revenues you get from a campaign and divide by your campaign expenses (agency fees, printing and mailing costs, etc).

However, marketing ROI is not that easy, for the simple fact that campaign execution represents only part of the overall revenue generation puzzle. Gross profit, salaries, fees, salespeople, timelines and market conditions all contribute to a campaign's overall success. Any fluctuation in any of these intangible conditions can affect the ROI calculation—and taint the overall perception of the campaign's success.

A better calculation of a campaign's success is to multiply the number of highly-qualified leads generated from the campaign by the average sale price of the solution you highlighted. That's the opportunity/pipeline number that sales managers and business owners love to see when they read their forecast reports every week.

Be sure to review Appendix C for more about closed-loop campaign and response management.

Sample execution scenarios

As you can see, an integrated marketing strategy can take many forms. As long as you start with a sound strategy, the tactics should support that strategy and provide multiple "touches" to ensure campaign success.

Benefits of the multi-touch approach

A multi-touch approach makes it hard to isolate the success of any individual tactic, but it also offers several compelling benefits:

- **Increased response rate:** Like TV ads that run repeatedly for weeks or months, repetition is key to direct marketing. A campaign that touches your prospects repeatedly through a variety of communication vehicles is going to yield a higher response rate – and increase your return on investment—than a single campaign.

- **Consistent messaging.** When it comes to communicating a message, repetition is more important than variety or creativity. Choose one or two key messages and use them everywhere. A campaign to sell clients a software upgrade, for example, should communicate the same key benefits across all your campaign vehicles—e.g., an article in your client newsletter, a letter, and a follow-up telesales call.

- **Leveraging earlier investments.** It costs far more to generate awareness of a new message or product offering than to leverage awareness-building tactics you have already invested in. If you've already created awareness for your company's affordable, scalable Supply Chain Management solutions, for example, the same contacts will be more receptive to a campaign promoting your new affordable and scalable Client Relationship Management solution.

- **Ongoing troubleshooting.** By evaluating results at each step of a multi-phase campaign, you can detect and correct any elements that aren't working as you proceed. After executing the first phase, for example, you may find that your offer is pulling well with only one sub-set of your target audience. This may lead you to design unique offers for each segment or revise the offer to appeal to a broader audience before executing the next phase. Telemarketing and telesales calls often yield invaluable feedback from your target audience, so make sure your telesales campaigns include a process for rapidly distributing feedback within your company.

A few examples of how to execute an integrated marketing campaign:

Primary deliverable	Associated tactics
Webinar/Webcast	• Direct mail for invitation, • e-mail for invitation, follow-up to direct mail, and/or reminder to attend • Inbound telemarketing for registration • Microsite for Web registrations • Outbound telemarketing for event boost • e-mail thank you for post-event to attendees • e-mail ("Sorry we missed you") post-event to non-attendees • Outbound telemarketing post-event for lead qualification
White paper	E-mail, telemarketing
Software demonstration	Direct mail, telemarketing, microsite
Survey	Promotional item mailing, telemarketing

The most important element to remember is consistency of messaging across all marketing components. That extends from the messages about your company and solution, through to the offer you've made in your deliverables.

Company communications

While this guide is primarily focused on creating demand generation campaigns, a few words about company communications and collateral seem appropriate to the discussion. If you look at the buying cycle (below) as the five steps you must lead a prospect through to close the sale, you can see where various communications elements would contribute at each stage.

Awareness	*Consideration*	*Preference*	*Purchase*	*Repurchase*
• Advertisements • PR, press kits • Web sites • Brochures	• Industry guides • Success stories • White papers • Demand generation fulfillment • Solution briefs • Webcasts • Buyers guides	• Demonstrations • Executive meetings • Technical briefs • Case studies • ROI tools • Proof of concept	• Proposals • Welcome kits	• Newsletters • User groups • Demand generation add-on

Your demand generation efforts can use any of the communications elements as the offer of value when you ask the user to request more information.

Some Business Partners may not have communications vehicles for each of these categories. Certainly they're not required to move a sale through the buying cycle, but resources like these help you create a repeatable sales process that provides long-term success.

A word about PR

Publicity and public relations is an attractive idea for many partners because it is perceived as being "free advertising."

The fact is that convincing an editor to run a story about you and your solution is more about strategy than writing a press release.

Remember the MAD marketing discussion about considering your audience? Developing the right message is even more critical when you're writing press releases. Editors are only concerned with running stories their readers would be interested in reading, so your message has to be of true interest to the audience.

A few ideas if you're interested in trying your hand at publicity.

1. Hook your solution to a national or industry headline (security, compliance and growth have been recent winners).
2. Show an editor how you are locally supporting a national initiative or trend. For example, your local business journal or trade press would be interested in how you've integrated the IBM on demand vision into your local client solutions.
3. Editors will run a spotlight story on your company if you have a compelling angle: extraordinary growth, etc.
4. Local technology council groups are sometimes good places to meet editors in an informal setting. They are usually open to discussing the kinds of business stories they like to run.

Next steps: IBM can help!

We hope this review of marketing strategy and execution has given you ideas for elevating your organization's marketing activities. The first step toward implementing a marketing program is to determine a strategy and aligning all your resources to execute. IBM PartnerWorld can be an important component in your marketing program.

Your relationship with IBM can be a powerful resource as you build your marketing strategies. Whether you're developing a single campaign or developing a long-term company marketing strategy, IBM PartnerWorld offers support at every step of the way to help drive awareness, close more sales, and improve customer retention.

IBM has a vast portfolio of marketing programs and resources that can support your marketing strategies at every step of the sale cycle. Following our sale cycle methodology in the prior section, we have mapped IBM marketing resources to the campaign, collateral and communications you need to activate and execute an integrated demand generation strategy.

The next few pages outline specific IBM PartnerWorld resources available to IBM Business Partners. Click on the links to find out more, and be sure to contact us with any questions!

Stage	***IBM resources***
Marketing strategy	• Co-marketing guide: Integrated Demand Generation Toolkit • PartnerPlan • PartnerWorld Industry Networks Advocate • PartnerWorld Express Advantage • 2006 co-marketing funds and PartnerRewards • PartnerWorld Marketing Center
Awareness	• Campaign Designer • Constant Contact e-mail marketing campaigns • IBM Express Seller Toolkit • iBrochure by IQ Interactive • Marketing Center vendors • Events and Conferences
Consideration	• On Demand Business Sales Kits by industry • KnowledgeStorm • Attach Connector cross-selling tool
Preference	• Opportunity Identification and Growth • Executive Assessment • Automation assessment tool • Case studies
Purchase	• Configure, price and propose • Comparison sales and pricing tools
Re-purchase/Retention	• PartnerWorld Marketing Center • Campaign Designer • Constant Contact e-mail marketing campaigns • Marketing Center vendors

Messaging and Strategy	
Success factors	Aligning your marketing campaigns and communications with an overriding strategy is the key to success in the long term. Whether your strategy is to promote a wide-scoping consultative relationship with your customers, or to promote a specific product or service to solve a specific challenge, be sure your strategy and message are fully integrated throughout the campaign.
IBM resources	Co-marketing Guide: Integrated Demand Generation Toolkit This document consolidates information from several key resources to help you build and sustain a high-quality lead pipeline. See how you can take a more holistic view of your demand-generation process, starting with building campaign strategies that help determine your success, all the way to measuring ROI.
	PartnerWorld Marketing Center Access a wide range of campaign components, including images, copy and finished pieces, to create your own marketing campaigns and sales materials. Download market and industry intelligence, leads, funding, vendors, IBM magazines, and education that add value to your campaigns.
	PartnerPlan PartnerPlan is IBM's resource for creating joint marketing plans with our Business Partners. It helps define how you and IBM will work together to achieve revenue targets and business objectives. Revenue objectives are documented in detailed plans that specify the tactics you will use to meet those objectives. IBM is confident that PartnerPlan can help drive incremental revenue, so it's often a prerequisite to qualify for IBM co-marketing funds. Choose the right plan for you, take advantage of the "Great Ideas" feature, and work with an IBM representative. Update your plan as needed.
	PartnerWorld Industry Networks Advocate Get one-on-one support from a dedicated IBM Business Partner marketing specialist who will guide you to the resources you need. (North America, Advance or Premier level only.)
	PartnerWorld Express Advantage: Industry Insights Industry-based market information and detailed explanations of industry-wide challenges.
	Co-marketing Funds (Business Partner Direct Funding) Eligible Business Partners can execute IBM solution-oriented campaigns based on allocated co-marketing funds and receive partial reimbursement from IBM.
	Co-marketing Funds (Using Marketing Center Vendors) Eligible Business Partners can execute IBM solution-oriented campaigns based on allocated co-marketing funds delivered through a variety of Marketing Center vendors that offer services at specially discounted rates.
	PartnerRewards for Remarketers: Investment Funds Investment dollars for eligible IBM Solution Providers and Distributors based on their revenue attainment in Small Medium Business (SMB) or Systems & Technology Group (STG) iSeries, pSeries, zSeries, and Storage.
	PartnerRewards for System Integrators Investment dollars for eligible IBM System Integrators based on their revenue attainment in total Systems & Technology Group (STG) iSeries, pSeries, zSeries, and Storage.

	Awareness
Success factors	Making a prospect aware of your solution is a challenging endeavor. Customers and companies are so overwhelmed with postcard, email, phone calls, advertising and more. How do you get through the noise? Ensure your awareness campaign execution matches how your customers work. Make the message and the vehicle match their requirements and their chosen mode of communication.
IBM resources	Campaign Designer High-quality and solution-specific marketing materials that can be customized with your identity and solution message. Includes special offers, white papers, and more.
	Constant Contact E-mail Marketing Campaigns E-mail campaigns are cost effective, quick to develop and highly targeted. Manage your permission e-mail lists, create eye-catching HTML e-mail campaigns and track campaign results. Select Campaign Designer templates are available in e-mail format.
	IBM Express Seller Toolkit A complete marketing program to support Express Seller. Includes a cookbook, outbound telemarketing scripts, business letters and direct mail.
	iBrochure by IQ Interactive This Web-marketing tool combines the visual and sound power of the broadband Web to help your company get noticed. Use iBrochure as a part of proposals, e-mail marketing, tradeshows and online product demos.
	Marketing Center Vendors IBM Business Partners can use IBM third-party Marketing Center vendors for a variety of special marketing services like fulfillment, teleservices, marketing analytics, Webcast services and more.
	Events and Conferences Encore Event Solutions is a vendor service designed to provide IBM Business Partners with options to showcase their products and services in a cost-effective manner. “Events for Business Partners” and “Event Management Outsourcing” are two services offered by Encore Productions, a full-service event management company that has been executing a wide array of IBM events for over a decade.

Consideration	
Success factors	Once a customer becomes aware of your solution, they will consider whether or not your offering will meet their needs. Marketing at this stage of the sale cycle requires a deeper dive into their challenges and possible solutions, plus a clear value proposition of how you can help. Brochures, web sites and other collateral are usually key elements here, though they need to be very targeted at solving a challenge—not just speeds and feeds.
IBM resources	On Demand Business Sales Kits by Industry Pitches, presentations, industry briefs and white papers and more, for banking, healthcare, industrial, insurance, life sciences, retail, service industries, and wholesale.
	KnowledgeStorm Get exposure for your application with over 1.5 million potential IT buyers a month by listing your solutions in KnowledgeStorm, at a 50% discount. This Web site helps match IT buyers with potential vendors to generate new leads.
	Attach Connector Cross-selling Tool Deliver more complete solutions by adding more IBM hardware, software and services to each sales opportunity. This Web application brings IBM brand information together in one place to help you increase your attach-rate revenue.

Preference	
Success factors	Solutions that make it to the “final table” are compared with other similar solutions to vet out completeness of vision, benefits and value. It’s here that more executive-facing materials can really make your solution sing. Help your customers envision where your solution would fit into their organization, and show them how you’ll benefit them in the long run.
IBM resources	Opportunity Identification and Growth Become a “trusted business advisor” with C-level executives. Learn how to use your client’s financial data to uncover performance gaps that can lead to key business opportunities.
	Executive Assessment Executive Assessment is a consulting tool that will help you get in the door and quickly gather the information you need to build a business case, present your proposal and close business.
	Technology Assessment Tool *new!* Help your clients identify their IT maturity in terms of On Demand Operating Environment capabilities.
	Automation Assessment Tool Help your clients assess the maturity of their existing autonomic capabilities and help guide the development of their autonomic computing strategies.
	Case Studies (Business Partner Success Stories) Case studies showing how Business Partners solved client problems by combining their services and IBM products.

Purchase	
Success factors	The purchase phase of the buying cycle still requires solid marketing components. Ensure that the contracts and documentation reflect the messages and value propositions you've established over the course of the sale cycle. That will go a long way toward validating the customer's buying decision.
IBM resources	Configure, Price and Propose Use configuration tools, proposal templates and other resources to help you build quotes and client proposals for IBM hardware and software products and solutions.
	Comparison Sales and Pricing Tools Comparison tools for servers, storage products, SAN equipment, pSeries, xSeries, Disk. Software pricing tool (versus EMC or HP).

Repurchase/Retention	
Success factors	Your existing customers are often your best prospects. They're already aware of your value and benefits, and they'll listen to your input on other technology topics. A consistent communication program is critical to long-term customer retention. Many partners are very successful sending a monthly newsletter about new solutions, recent successes and upcoming events. Others touch their customers quarterly with specific solutions targeted to past projects. In either case, be sure to include a regular communications in your marketing strategy.
IBM resources	PartnerWorld Marketing Center Access a wide range of campaign components, including images, copy and finished pieces, to create your own marketing campaigns and sales materials. Download market and industry intelligence, leads, funding, vendors, IBM magazines, and education that add value to your campaigns.
	Campaign Designer High-quality and solution-specific marketing materials that can be customized with your identity and solution message. Includes special offers.
	Constant Contact E-mail Marketing Campaigns E-mail campaigns are cost effective, quick to develop and highly targeted. Manage your permission e-mail lists, create eye-catching HTML e-mail campaigns and track campaign results. Select Campaign Designer templates are available in e-mail format.
	Marketing Center Vendors IBM Business Partners can use IBM third-party Marketing Center vendors for a variety of special marketing services like fulfillment, teleservices, marketing analytics, Webcast services and more.

Marketing deep dives

These appendices provide a "deeper dive" into specific marketing strategies and tactics. Once you're ready to get started on a specific campaign, be sure to review these sections!

Appendix A: Target audience planner

Success in direct marketing is heavily dependent on effectively identifying, segmenting, understanding and communicating with your target audience. The purpose of this article is to help you understand the key questions and issues you must address to build the right target audience for your demand generation campaigns.

Know Your Client

Start by reviewing your current client base and historical sales transactions. This will help you identify your most valuable clients as well as potential areas for growth. The characteristics of your best clients can become a mirror for identifying the types of prospects that will be most important and most profitable for you to target in new business acquisition efforts.

Firmographics, Job Functions, Messaging

In the business-to-business environment, there are three critical areas in which to analyze clients and prospects. First, understand the "firmographics" of each company. What industry does it work within? What is the company size in terms of revenue and/or number of employees? And where are the company's headquarters and branch office locations relative to the trading area in which you offer your services? The answers for these questions will give you highly actionable information for building the specifications for targeting lists that you will want for your campaigns.

Secondly, understand the decision-making roles and responsibilities within your target companies so you can tailor your message to the concerns and priorities of each type of executive. Increasingly the decisions to buy technology solutions for business challenges are made by diversified teams. Most likely IT executives are working very closely with Line of Business (LOB) executives such as Directors of Marketing & Sales or Directors of Operations to identify how technology can positively impact business performance. And "C-level" executives such as the CEO or CFO might very well have the final say before any checks are written. Because of this, more and more successful demand generation campaigns are targeting several layers deep into prospect companies by contacting a variety of executives in different departments.

Most Common Titles by Function

C-level	*IT*	*LOB (VP/Dir/Mgr)*
CEO COO CFO CMO	CIO CTO Sr. IT/IS Mgmt Mgr/Dir/VP IT/IS Director Internet	Sales & Marketing Finance Procurement Operations Purchasing Business Strategy Business Development

Thirdly, since direct marketing is most successful when it talks to its targets personally and with relevance, it will be important to tailor messages that address the differing concerns of each type of executive. C-level and LOB executives are most likely to be in search of solutions to business challenges, while IT executives are more likely to focus on ensuring successful and efficient implementation and integration with existing company's technology.

So if you are planning a local event around a solution theme such as Supply Chain Management, make sure C-level and LOB targets are well represented. And an offer of useful information on the topic would probably work well to drive attendance. But if you have a more direct objective — perhaps to sell a specific new server product — then give more attention to IT executives and address their concerns about performance, efficiency and compatibility. Here pricing or value-added service offers are likely to be more motivating for purchase. The MAD Marketing worksheet in Appendix H shows examples of how these key issues of firmographics, job function and messaging should be considered together early on in the planning process for each demand generation effort you make. At the end is a template for additional worksheets to help you map out your specific plans in a similar disciplined way.

How to obtain lists

There are a number of ways to research potential mailing lists:

- Proprietary Contact List—Your company's own contact list is a valuable asset and should be maintained and utilized.
- List brokers—External vendors that help identify potential list sources and receive commission-based payment on all orders placed. Targeting capabilities between list brokers may vary.
- IBM Campaign Designer (North America)—IBM can help Business Partners who are deploying tactics by Campaign Designer by providing lists at no cost that can target their audience based upon job title, geography, industry size/segment, and company size.

Types of lists

Different lists are compiled in different ways. Some include mailing addresses, telephone numbers and e-mail addresses. Lists can also be selected based upon targetability and the method of compilation.

- Proprietary Contact List—Your company's own contact list
- Response Files—Individuals who have actively demonstrated interest in purchasing a product or service.
- Controlled (Qualified Request)—Usually recipients of trade publications
- Compiled—Names and addresses of individuals, who have something in common, gathered from external resources (e.g. directories).
- Enhanced—Individual or company records overlaid with additional demographic or "firmographic" information added by companies such as Dun & Bradstreet. Very useful classification data can also pinpoint the primary business activity of each establishment, such as the North American Industry Classification System (NAICS) which sorts businesses by industry

Testing lists and measuring performance

Test list quantities should be of a similar size and large enough to provide numerically stable responses. To help reduce risk, test lists generally should not account for more than 10% of a direct mail campaign. If set up correctly, list result data will provide you with learnings which can be applied to future direct marketing efforts.

- Lists and all other test cells (such as offer or creative) should be key coded so that back end analysis can be performed. This can be done through unique URLs, unique 1-800, Business Reply Cards (including electronic business reply cards via the web) and Business Reply Envelopes.
- If appropriate coding methods are utilized, campaign results can be analyzed to determine which list, message or audience performed the best. Metrics of success include, but are not limited to, response rate, conversion rate and cost per response/conversion.
- Once top performing lists are identified, you can optimize your list buy accordingly or apply your learnings to future direct marketing efforts.
- Pay attention to creative wear out. To help keep performance rates high, it is important to frequently refresh creative messaging—especially when repeatedly using the same lists. And you should allow sufficient breathing room between mailings made to the same list (monthly or quarterly)
- Also if you are uncertain about the accuracy of any information, consider using the NCOA (National Change Of Address Service) offered by the US Postal Service in North America which will update your address information against their files.

Measuring campaign performance can require an array of internal resources. Checklist of questions for considering a list

When considering a list, it is important to research a few key factors.

- Does the list offer the selection criteria you need (e.g. e-mail addresses or telephone numbers)?
- Can I segment by industry and postal codes?
- Is the list cost efficient?
- When was the list last updated?
- Who has used the list recently?
- In what format will your message appear?
- Are there any restrictions or incentives on purchases?
- Have the permission rules been satisfied for e-mail lists?

Appendix B: How to choose the right tactics

Choosing the specific media through which your direct marketing campaign tactics communicate to their intended audience is a pivotal component of program planning. Contact strategies are developed by aligning objectives, targets, and messages. But they are brought to life by decisions about the best and most effective medium to use for tactical execution. Often these choices are made tacitly—driven by past history or habit. Marketers who desire greater program effectiveness and increased return on investment, however, need to make more deliberate tactical decisions. Additionally, direct marketing is shifting away from single tactic efforts toward integrated, multi-touch programs that build relationships over time. These programs provide better response rates and deliver greater client value but are successful only when grounded and tactical decisions are made early in the planning process.

Three key factors influence the decision about the most effective media to use when communicating to the marketplace:

1) client behavior and preference;
2) the specific marketing objectives and requirements of the campaign; and
3) the internal resources at hand to manage execution.

All of these factors should be deliberately weighed in your decision making process and grounded by a solid understanding of the benefits and limitations of the specific media vehicles available. We assemble these considerations into a simple framework that enables marketers to make more effective choices more consistently while identifying information gaps that need to be filled.

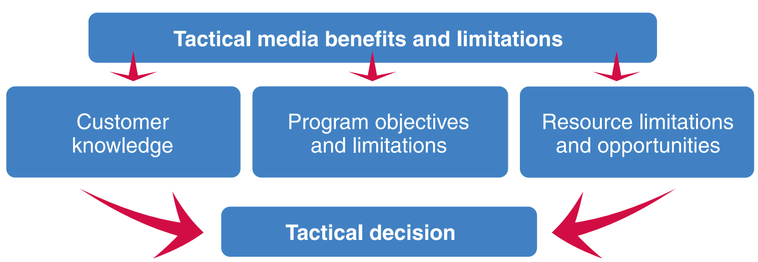

Figure 2: Choosing the right tactics

Tactical media benefits and limitations

There are a number of media, or channels, through which businesses can communicate with their clients on a one-to-one basis. For the purposes of this discussion we will limit ourselves to the tactical options most readily at the disposal of IBM Business Partners focused on selling high technology products and services. The internal dynamics of each tactical media type should be well understood before making choices between them.

Client knowledge

Know your target! When making any strategic or tactical marketing decision always start with the client. Client needs and preference should always drive the interaction—NOT the vendor. Ideally, by the time a direct marketer is making decisions about tactical execution, a broad body of information about the client has already been acquired. What are their wants and needs? How and when do they make decisions about the products and services being offered? What "pain points" will have to have been triggered in order for them to want or need the offering? How saturated are they with direct communications—and have they reached a level of fatigue with any one particular medium?

Most IBM Business Partners will have already acquired this information either tacitly or overtly as a part of their everyday business. Often it is just a matter of assembling it into one place for proper analysis. For example, when choosing between an e-mail or printed direct mail piece when targeting CEO level or line-of-business executives, you should consider if they are e-mail users and whether mail is typically opened by someone else. Company size will most likely influence the specific tactical responses to these variables. In another case, knowledge about targets who work in IT functions might suggest e-mail tactics. If it were also known that IT targets in particular industry categories are more saturated with e-mail-based communications than others, response rates could be enhanced by preceding the e-mail touch with an outbound tele-services call or a postcard. If multiple decision-makers are involved in a particular purchase decision you might want to tailor your message and delivery tactic according to function. A direct mail piece appealing to business value could be sent to the Line of Business (LOB) executive, while a rich media e-mail with links to Web-based product specifications and benchmarks could be sent to the IT prospect. An event-based third touch could facilitate bringing together both functions and moving them through the sales cycle faster.

IBM Business Partners may or may not have access to this level of client knowledge when planning for direct marketing programs. However, in the absence of detailed client insight into preferred communications channels, it is always advisable to ask the client. An obvious, but too often overlooked strategy for one-to-one marketers is to let the target choose how they want to be communicated with. Some of the most successful direct marketing programs at IBM today lead with a first touch where the client is able to self-select the next iterative contact.

Program objectives and requirements

Program requirements will also play a key role in defining which tactics to employ when communicating with a targeted audience. Implicit dynamics in the delivery media help guide execution decisions as some media are simply more effective at achieving specific marketing objectives over others. Aligning program objectives to media types can focus program designers on certain kinds of tactics. If the goal of a marketing program, for example, is to "nurture prospects to a sale," your tactic could likely need to communicate information that builds specific industry credibility. This could influence you towards an e-mail touch with links to Web content containing multiple industry case studies, which the prospect can then self-select. This may be less cumbersome, less costly and more effective than executing multiple direct mail pieces versioned with specific content examples across multiple industries. A time crunch, like the need to coordinate with a rapidly approaching industry event, coupled with the need to solicit specific registration information might suggest outbound tele-touches as the tactic of choice. This would make sense because of the relatively quick deployment time of the tele-channel and its ability to quickly capture and integrate information feedback from responders.

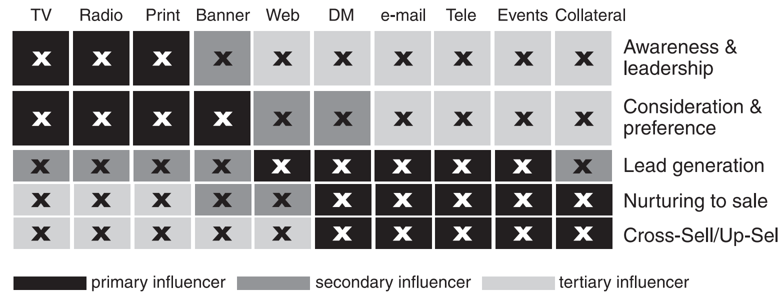

Figure 3: Aligning program objectives to media types

Resource opportunities and limitations

Resource opportunities and limitations will influence tactical media choices as well. Cost, budget, timing, data availability, systems infrastructure, and capacity are all elements that have a direct impact on choices you employ and their effectiveness. Budgets influence tactics as different media have different executional costs. Capacity will greatly limit the choice of tele-services tactics if you are unable to execute inbound or outbound volumes at the needed quality. If you are short on time, e-mail tactics in general can be developed and distributed faster than direct mail. Database limitations, on the other hand, can limit or expand tactical options depending on the available information. You may have to replace a tele-touch tactic with a direct piece containing a reply card if your tele-services vendor is unable to integrate captured client information into a sharable lead management system. Simple headcount issues can influence tactical decisions if robust program execution is not feasible at the needed quality level or speed with existing resources.

Conclusion

Direct marketing choices between tactical execution alternatives are often made by default rather than decision. However, if program managers seek more effective and efficient campaigns we recommend that they think through our three categories of considerations while weighing the inherent benefits and limitations of each media type. At the end of the day, however, there is no substitute for in-market learning. Past experience should be captured and applied to the development of each successive program through a closed-loop system allowing for campaign result analysis including a quantification of ROI. Strive to build flexible program structures which can incorporate program learning on-the-fly so that tactical decisions are not only grounded and consistent, but can be continually refined based on results.

Key take-aways

- Know your target and don't be afraid to ask prospects how they would prefer to be communicated with
- Align your tactical choices to your marketing objectives
- Factor in the human, technical and financial resources at your disposal
- Look to PartnerWorld® Co-Marketing for tactical support when executing
- Build flexible program structures which can be continually refined based on results and learnings from in-market testing of tactics and responses

Appendix C: Closed-loop campaign and response management

Today's marketing campaigns are more complex because most campaigns use multiple media and run over a longer period of time. As a result, tracking and understanding campaign performance becomes critical to the success of ongoing marketing—in justifying past marketing investments, and optimizing future investments. While you are ultimately the final decision-maker on how to run your campaigns, we believe that closed-loop campaign management practices can help IBM Business Partners get to market faster, increase the leverage of marketing expenditures, and close more leads more profitably.

For example, when planning a campaign and projecting response and conversion rates, it would be useful to know how similar campaigns have fared in the past. This knowledge can be used to project the return on investment (ROI) from a campaign, and compare that to other alternative campaigns. Without a system to track and store campaign results (even if this system is manual), and feed these back into planning, campaigns become "one-off's" with no longer-term value to the business. A system that addresses this need is a closed-loop system.

The following will address three specific areas related to a closed-loop campaign management system. First, where does learning and measurement fit into the sequence of events around a campaign? Second, what must one measure, and over what period of time? Third, how does this knowledge feed back into planning future marketing activity?

What is a closed-loop system?

All marketing campaigns can be, and need to be, tracked so that:

- Campaign performance can be understood and evaluated
- Marketing investments can be justified
- Future marketing investments can be managed

Here is a simple way to look at the sequence of events around managing a campaign:

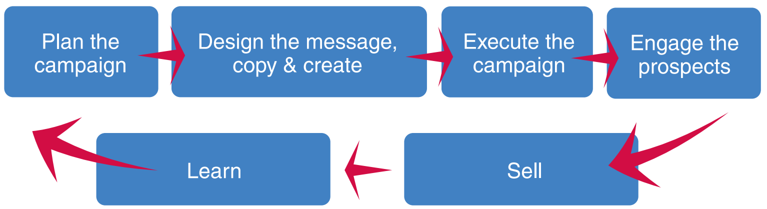

Figure 4: Closed-loop campaign management

Obviously, learning is something that occurs continuously, but it is prudent to allocate both dollars and time to understanding how a campaign performed relative to objectives and expectations, and to file this knowledge away for future use. IBM recommends using a "closed loop" when the learning from a campaign is fed back into planning for future campaign activities on a regular basis. In contrast, an "open loop" occurs when there is no systematized way to track campaign performance, or to use the knowledge gained in planning activities.

What to measure, and when?

The main objective of measurement is to understand at a fairly detailed level what worked and what did not. Most marketing activities are measurable at least at the aggregate level, if not at the individual level.

- Mass-market campaigns such as TV or Print advertising are intended more to generate awareness, so the appropriate metric would be awareness gains among the intended audiences compared to previous levels, or compared to other similar audiences that were not exposed to the advertising.
- More targeted tactics, such as Direct Response advertising, can be measured by the quantity of responses, leads or qualified leads generated.
- One-to-one marketing tactics, such as Direct Mail or e-mail can be measured at the individual level, with such metrics as response and conversion rates.

For all such categories of tactics, the most important factor is being able to link the tactics with consumer response, but this is often the hardest thing to do. For instance, Direct Mail pieces can have Client ID Numbers imprinted on them, so that response can be tracked at any point of re-contact, such as a call center. E-mails can be tagged with a Client ID as well, and custom web addresses can be created to track campaign-specific responses. Web banners and pop-ups can be measured by click-through rates. But it is hard to know the impact at an individual level of a TV or billboard advertisement, even though the ad may have had significant impact on the consumer's decision to respond.

Another important factor in tracking responses is that prospects are exposed to multiple marketing messages in any given period. Plus, a campaign can have a lingering or residual impact over time. Resolving multiple campaign influences to determine which one had a greater impact is difficult, but imperative. The way around this is to ask the clients at every inbound interaction which marketing influence was the dominant factor in their decision to call/click. For instance, call center consultants have to be instructed and trained to ask every inbound caller which marketing stimulus he/she is responding to. Towards the end of the sales cycle, lost-sales analysis can help identify the key reasons buyers bought, and non-buyers did not.

Lastly, tracking needs to be conducted consistently over an extended period of time. For e-mail campaigns, responses usually dry up within a couple of weeks.

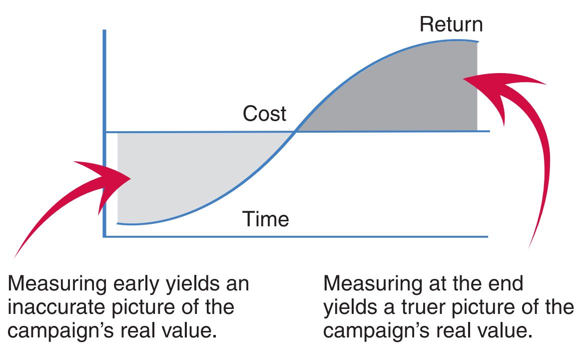

Figure 5: Tracking campaign results over time

But campaigns using Direct Mail can have lagged responses over a couple of months. If a campaign has several phases, with mass-market advertising followed by more targeted communications, the impact can last over many months. Therefore, it is always prudent to track a campaign over a longer rather than a shorter period, with the actual length of time dependent on the kinds of tactics being deployed.

Closing the loop—feeding the results back

There are two major aspects to closing the loop: the first is to pool the learning obtained from all the tracking that was done; the second is to apply this accumulated learning in planning the next round of activities. Here are a few key questions to ask about campaign performance:

- Did it reach the intended target?
- Did it achieve its intended purpose—be it awareness generation or lead generation?
- What was the conversion of responses into qualified leads and into opportunities and sales closures?
- What was the cost per response, qualified lead, opportunity and sale?
- What was the return on the investment (ROI)?
- How do these metrics compare with previous campaigns, and to budgets and expectations?

In these days of sophisticated Client Relationship Management (CRM) and Sales Force Automation (SFA) systems, it is quite often possible to generate detailed reports on campaign performance, and even store these reports in a central repository (such as the CRM system) for future reference. But many companies are not fully enabled to this level of sophistication across all divisions or sales teams, and most likely not all media.

In such situations, tracking reports come from a variety of sources, such as call center manifests, sales persons' desktops or rolodexes, etc. The task of pooling all this into a comprehensive report requires skilled analytic and/or technical resources. This is an important task, as without it, there will be no real learning, and no real evaluation of what worked. Ease of tracking is one key benefit of using the IBM PartnerWorld™ Co-Marketing offerings and response management tool, since closed-loop management is at the heart of successful execution. This process covers:

- Assigning tactic codes to each marketing activity
- Collecting responses at a central clearinghouse
- Distributing prospect data to the Business Partner as Opportunity Identifier and Owner
- Assigning prospects to response owners for follow-up, tracking, and closure
- Reporting high-level results to IBM, including the number of market-place touches, response rates, and indicating status as sale/no sale/pending summary data only

Once the data needed is pooled and analyzed, it is important to distill the key insights from these reports and create recommendations into the next round of planning. When planning and budgeting activity takes place, the resource allocation should be in proportion to the historically measured effectiveness of similar campaigns, and to the business need for this campaign given the current market situation.

If this historical knowledge does not exist, it is not too late to start accumulating this knowledge—one can start by testing a variety of candidate campaign ideas. If the testing method is valid, the knowledge that often takes years to acquire can be reasonably approached/imputed in a relatively short span of time, for a far lesser investment of marketing dollars.

Conclusion

In summary, a closed-loop campaign management system will help marketers understand the value of their marketing dollars, and to find the right places to invest these dollars in the future. Specifically, this system ties into the way marketing campaign tactics are chosen, and the way ROI is calculated and judged.

Key take-aways

- When planning a campaign, look to past results to project returns (ROI projection), and optimize investments (tactic planning)
- Ensure that there is a system to track responses and feed back learning from the campaign
- Track all responses and all client interactions, making an effort to ask the client for feedback—on what drove response or purchase
- Isolate the critical insights from campaign results, and store these in an easily accessible place, while archiving more detailed campaign reports

Campaign Name:

Start Date: End Date:

Anticipated Tactics:

Key Questions

- Are all response channels (i.e., call-center, Business Reply Card, Web, Fax, e-mail, etc.) trackable? Can each channel correctly identify the source of incoming leads (is each channel trained and does each have a tracking plan?), and correctly identify and report on total leads?
- If not, are there alternative means of tracking these channels? And can these means be deployed at short notice?
- Have you prepared resources for report-generation? (These reports have to be ongoing during the course of the campaign as well as at the end of the campaign.)
- Have you set aside time and resources for pooling and analyzing results from reports?
- Have you tagged all reports with campaign details so that the report can be pulled up at a later time with no loss of information?
- Have you planned for a feedback (campaign learning review) session with your team to go over campaign results once they are available?
- When is the next such campaign planned for after this one?
- Will you have reports and recommendations from this campaign available for the planning of this next campaign?
- If not, how do you plan to make response and conversion projections for the next campaign?

Here is a simple table that will help you address gaps in tracking leads across response channels. For each response channel, enter the total number of responses projected, and how the projection was arrived at. Also enter how actual responses are to be tracked--whether through online reports or periodic printouts of manifests, etc.

Response Channel	***Projected Response***	***Actuals***	***How Tracked?***
In-bound call center			
Business Reply Card			
(BRC)			
Email			
Web Forms			
Calls to Sales Rep.			
Total			

Appendix D: Measuring your return on investment (ROI)

Introduction

In financial accounting, ROI can be used as either a very broad measure, or a very specific measure. For example, as a broad measure most Wall Street analysts compare companies' annual ROI (dividing full-year net income into total assets on the balance sheet) as one key measure of which companies might be good shareholder investments. But on a specific level, company CFOs will use ROI to judge capital expenditure requests on an ongoing basis, giving approval to those projects that will produce the highest returns. This latter application, the use of ROI to judge specific initiatives, is the one we discuss in this section. For example: What was the ROI on that direct mail campaign we ran this spring? What ROI do we expect from hosting a specific client event next month?

What's the "I"? What's the "R"?

Nothing will wreck a mathematical formulation faster than inconsistent definition and use of its key variables. In marketing, the assessment of a specific campaign is most meaningful when the "I," the investment amount that will go in the denominator, measures the incremental marketing expense to run the campaign. For example, if you were to run an event for select clients, your incremental expenses (i.e., your "I") would be things such as the cost of the invitations and the facilities. It would not include the salary of your existing event-planning personnel. (If you wanted to apportion a part of their salary as an investment to this event you could, but most accounting systems do not accommodate this type of activity-based cost analysis. If you outsource the project, or hire someone new, and dedicate him or her to a specific marketing tactic, then you would include the expense in the investment line.

So now that we have the "I" what is the "R"? Return should measure the profit that the marketing campaign or initiative brought, not simply the sales revenues. This puts the equation on an "apples to apples basis" your incremental investments should bring you incremental return. Which profit notion to use? There are three basic profit measures: gross, operating (or pre-tax), and net (or after tax). While net profit is preferred, it is almost never used in calculations of this type since the tax basis of individual, ongoing initiatives are rarely known. Therefore, operating profit is most typically used.

Doing the math

OK, enough theory. Let's see how the ROI calculation comes together. We'll use the example of the client event. The investment, or the expenses, to put on the event ought to be very measurable. In our example, let's say that you invited 100 clients and/or prospects, using a nice invitation that costs $7.50 each. In addition, the facility hosting the event charged you $100 a head for all attendees (to cover facility charges and food). If 20 out of the 100 invitees responded and attended, plus five of your own staff attended as speakers, the investment in the event would be ($7.50 x 100) + ($100 x 25 attendees) = $3,250.00

Now let's say that over the next two months, because of the event, your sales team was able to follow up on seven prospects who said they were interested in hearing more about your company's solution. Of these, two actually were convinced to make a purchase. For illustration, we'll say that you sell a $20,000 solution that has an operating profit margin of 20%. Therefore, your two sales will bring in a total of $8,000 in operating profit.

Your ROI then? Simply the $8,000 divided by the $3,250. This is expressed as either a whole-number ratio, 2.46, or a percentage, 246 percent. We show how to interpret these results in the next section.

Interpreting the results

From our example above, we see that we would want to get back our investment of $3,525. Therefore, we want an ROI with a minimum ratio of one, or a minimum return of 100% when expressed in percentage terms. As simple as this sounds, there are several things to keep in mind, however.

Timing

Since the measure of ROI involves operating profit, we must allow time for the marketing initiative being monitored to run a course that would include the normal sales cycle. For example, in our event example above, we don't calculate the ROI once we have 20 people signed up for the event. This is too soon to know whether anyone will buy anything from you. And, if the typical sales cycle once you have a "warm" lead is two months, then we should allow for that amount of time for a sale to close. (Lead quality is usually measured using a BANT methodology: budget, authority, need and timeline for purchase.)

Cause & Effect

Although it is sometimes easy to track what follow-up activity resulted from a specific marketing tactic, it is more challenging when tactics overlap, and the passage of time makes it hard to attribute a direct link to where a prospect came from. For example, if you mail out a direct marketing piece four weeks after your event, and one day later someone from the event responds, how do you know what caused them to call—the event or the mailing? There are a variety of techniques to use, sometimes automated, to attribute response cause-and-effect. The discussion of these is outside the scope of this paper, but suffice to say that your lead tracking system should have a data field to record "source" of the lead. This will allow your ROI calculations to be meaningful.

Relativity

The main purpose of the ROI measure is to interpret the campaign's results relative to the ROI of other investment opportunities. All other things being equal, if you can get an ROI of 2.5 for the event, and investing the same funds in a direct mail campaign yields an ROI of 1.5, which would you choose? (Hopefully, you said "the event.")

A secondary use of ROI is to compare tactics as they are deployed a second, third, etc. time. If we plan another event later in the year, our benchmark ROI would be the result from the first one, 2.5. If the results from the second event are not 2.5 or higher, we know we have some investigating to do. But if there is no basis for comparison—i.e., there are no historic results or comparable marketing campaigns, then you are left judging the ROI of 2.5 on its own merits. Now you really can't tell if this ROI is good or not so good, although you do know that you are more than doubling your (incremental) investment.

Forecasting versus actual

Certainly the use of ROI in determining actual results from marketing campaigns should be clear. But ROI can also be used to forecast a return for a planned investment. And you can bet that your CFO will appreciate your ability to do this! Forecasting ROI requires some good history, or at least judgment, on the factors that take a prospect to a closed deal. This basically says that we need a handle on "conversion" rates. In our event example, we would need to know typical conversions for the following:

- How many invitees will respond to the invitation
- How many responders will actually attend the event
- How many attendees will become "warm" leads
- How many leads can be converted to actual clients

Obviously, the higher the conversion rates along the way, the higher the ROI. Over time, you should attempt to understand what drives conversion the most at each step in the marketing process, and invest in those areas.* For example, it may be that the inclusion of a promotional element in the invitation to the event will double the response rate. Re-running the ROI calculation at this higher response rate will give you an idea of how much money you could invest in the promotion and still maintain the targeted ROI.

Key take-aways

ROI is a powerful approach, and measuring it for marketing activities is a necessity in today's business and economic environment. You will have the most success in using ROI for your business if you keep in mind the following:

- Use ROI to measure specific marketing initiatives and tactics
- Use incremental expenses to measure "I"
- Use operating profit to measure "R"
- Give enough time for the tactic's response to take effect
- Push for break-even or, preferably, ROI over 1 (over 100%)
- Compare results to the ROI of other marketing opportunities; favor those with highest returns
- Use the ROI method to forecast returns on specific, planned tactics —compare actual results to forecast assumptions, and revise assumptions for the next time

Appendix E: Direct marketing

What is direct marketing?

Direct marketing is any direct communication to a consumer or business person that is designed to generate a measurable response in the form of an order, a request for further information (lead generation), and/or a visit to a store or other place of business for purchase of specific product(s) or service(s) (traffic generation).

Simply put, direct marketing is a way to reach out to prospects directly. Using direct marketing techniques, you can share information about the added value that you provide to IBM-based solutions, and the ways in which your company is different. The goal is to inspire prospects to action.

Direct mail

Direct mail is printed material, delivered through the postal system, designed to elicit a specific response. There are several advantages to targeting clients and prospects with direct mail. Compared to advertising, it reaches a more focused audience, usually costs less, and lets you track responses fairly easily. It also allows for more detailed copy than advertising or e-mailing—an important feature when you are selling technology solutions.

The key elements include:

- **Objectives:** Define your objectives for the campaign. The objective should be a response from your target audience that is measurable, such as motivating them to call a 1-800 number, send in a Business Reply Card, or register at a Web site. Don't expect direct mail to result in an immediate sale, especially when the purchase decision involves multiple decision makers. Direct mail can move prospects from awareness through preference, but you need telesales or face-to-face sales tactics to close the deal.
- **List:** The most important factor in the success of any direct mail campaign is your mailing list. The list should be as targeted and focused as possible to minimize cost and maximize return. Reference the Target Audience Planner in Appendix A for more information on types of lists, how to obtain them, and a checklist of questions to consider.
- **Offer:** Next to your list, the offer is the most important success factor in your campaign. Some examples of offers to a business audience include a free white paper, free downloadable software or a desirable premium (i.e., gift item) that is tied to the creative theme of your marketing campaign.

To make sure the offer fits the audience, refer back to the Target Audience Planner in Appendix A. Are they C-level executives or solution implementers? Are they LOB or IT management? Your offer should be perceived as valuable by your target audience. The table below shows the type of offers that are best-suited to each type of audience. You should also make sure your offer is not something your competitor is already offering or is readily available elsewhere. For example, if you are offering a free white paper, use it for your direct mail campaign first before posting it on your Web site.

Tailor your offer to your audience	
Role in Midmarket Organization	**Offer**
Strategists	Books, White Papers Seminars, Consulting
Chief Executive Officers, Chief Operating Officers, Chief	Books, White Papers Executive Assessment
Marketing Officers, Line of Implementers	T-Shirts Software, Upgrades
Chief Information Officers	Technical Studies, On Demand Assessment

For example, Executive Assessment is being used successfully by Business Partners during all phases of the sales cycle—everywhere from initial demand generation to closing the sale. Executive Assessments help solution providers analyze a client's business opportunities and present a business case for implementing a specific IBM software solution. Business Partners have featured Executive Assessment in a wide variety of marketing tactics, including a trade show draw, a direct mail call-to-action, a telemarketing campaign offer, and as an offer in a personalized mailing to Chief Marketing Officers and other Line of Business executives in mid-size companies.

- **Call-to-action.** A call-to-action clearly states your desired response. It may be an invitation to send in a reply form, a prompt to call your 1-800 number or visit your Web site for more information. Whatever your call-to-action is, it must be written clearly, simply, and made very visible. Use places like the P.S. in the letter to restate it. Consider adding a time limit to increase response rate. For example, "Space is limited. Call by (specified date) to reserve your space at the this free seminar," or "Call today to schedule an Executive Assessment."
- **Measurement.** Tracking the cost and effectiveness of campaigns is critical to charting your longer-term marketing strategies. Use the Closed Loop section in Appendix C and the ROI section in Appendix D to understand what to measure and how to measure it. For direct mail, you may decide to measure the number of responses, the number of qualified responses, and/or the conversion rate (the number of responses that are converted to sales).

Effective direct mail for business-to-business audiences

Business audiences have different needs, preferences, and tolerances than consumer audiences. The direct mail you receive at home shouldn't be used as a model for the type of direct mail piece you will be developing. Business professionals are a sophisticated audience. They do not respond to slogans, long-winded writing or oversimplified messages.

IT people are willing to read more information than many other business audiences. If this is your intended audience, you can write longer copy and build your offer around information-heavy offers like white papers and assessments.

Clarity is critical. Avoid acronyms and focus on a few key benefits rather than a shopping list of technical features.

Small and midmarket companies are looking for solutions, not products. Make sure your headlines and lead paragraph get right to the point about a pressing business problem and how to solve it.

Words like "free" or "complimentary" will always be powerful motivators. But make sure your free offer fits your target; a CEO is motivated by a very different incentive than a developer.

Use first class postage (rather than metering or bulk rate postage) on the envelope and address the mailing to a specific individual, not just a title. Letters using indented paragraphs and wide margins pull better than block paragraphs and narrow margins.

Direct e-mail

Direct e-mail can be less costly, more focused, and quicker to develop than a direct mail campaign. It is also easier to revise, if you want to test your offer or list and tailor the campaign based on results. E-mail allows for a higher degree of tracking, allowing you to see if and when your message has been read. It is a relatively simple and effective first step to let prospects know about your business.

Direct e-mail shares many considerations with direct mail, such as the need to define objectives before you begin, the need for a compelling offer and an easy-to-follow call-to-action. However, it is different from direct mail in several ways, which you need to keep in mind as you design your campaigns and write your e-mail copy. It needs to be briefer, it can't rely on graphics or unique packaging to stand out, and it runs a higher risk of being perceived as "junk mail" by your target audience.

Key considerations when designing a direct e-mail campaign include:

- **List.** Beware of repeatedly sending unwanted e-mail to a broad audience. If you are renting a list, consider finding out whether it is "opt out" (previous e-mails allowed the recipient to opt out of future communications, but they did not choose that option), "opt in" (e-mail that is explicitly requested by the recipient) or "double opt in" (the subscriber has confirmed his or her subscription, usually by responding to an automatically-generated tracking message sent to their e-mail address). See the Target Audience Planner article for more information on obtaining lists.
- **Content.** Choose your e-mail content carefully. Sales e-mails that read like advertisements are usually deleted immediately, if opened at all. An insightful update on industry issues, trends, research findings, or other topics of interest that tie in well with your solution or services will be better received. You are essentially giving the audience something

of value—information—for taking the time to open and read your e-mail. If you decide to send an e-mail with graphics, make sure it is well-designed, compelling and a good fit with your message.

- **Measurement.** There are three standard ways to measure the success of your direct e-mail campaign: Open rate, click-through rate (CTR), and conversion rate.
  – The open rate is calculated by looking at your sent mail count compared to the number of e-mail messages opened. Take your opened e-mail count and divide that by the sent mail count to create a percentage. This will give you a more standardized comparison between e-mail campaigns.
  – CTR is the total number of clicks divided by the sent mail number. If your target audience is opening the e-mail but not clicking through, look again at your offer and even at your list. It tells you they've opened the e-mail but have not been motivated enough to take action.
  – The conversion rate can measure either a completed action or a completed sale. For example, if your e-mail sends recipients to a Web page where they can register for a seminar, you may decide to count each completed registration as a conversion. Or you may decide to measure only e-mail responses that lead to sales.

Guidelines for effective e-mail

Use the Subject line to command attention. After the list, this is the biggest predictor of whether your e-mail gets opened. If you have a big enough list to provide representative results, test a few different Subject lines.

Avoid the word "free" in the Subject line; many companies have e-mail filters that automatically reject this.

Get to the point quickly. Use the first paragraph to sum up the problem, solution and offer.

Include the click-through link in the first or second paragraph.

If you're using HTML, skip adding a click-through step. Design a response form and include it in the e-mail.

Although HTML lets you send graphics, readers without enough bandwidth prefer text. Let them choose their preferred format for future mailings.

Practice permission marketing—give recipients a way to opt out of future e-mailings.

Direct response advertising

When most people think of advertising, they think of image advertising—which promotes a company's brand and reputation—or product advertising, which tries to convince someone to buy a specific product, like laundry detergent. However, the purchase decision making process for information technology products and services makes direct response advertising more appropriate. Like other forms of direct marketing, its success depends on a strong offer.

Advertising delivers a much broader reach and can raise your company's overall visibility more effectively than direct mail or e-mail campaigns, but it also costs more to execute and can be harder to track. However, by carefully targeting your media buy and creating a compelling offer, you can cast a wider net for prospects while getting the best mileage from your advertising dollar.

Build on what you know about your current clients when developing a direct response ad. What is their most urgent need? What would inspire them to take action? Consider their media preferences so that you can choose the best vehicle for your media buy. What industry journals and business publications do they read? How do they research their purchases? What response mechanisms would they prefer? Telephone, Web, or mail-in card?

The key steps to execute a direct response advertising campaign are:

- **Set objectives:** Like direct mail and other direct response tactics, the objective should be a response from your target audience that is measurable, such as calling a 1-800 number, registering at a Web site, or sending in a Business Reply Card.
- **Consider the competition:** Examine your competitors' ads. Be sure that your message and offer will differentiate your company, by communicating your unique value proposition and/or countering their claims. Also, take a look at where competitors are placing ads—you may find that their choice of vehicle will be effective for your business, too.
- **Understand your audience:** What are your target's key "pains" that your solution or service can help solve? Examples include cost savings, increased efficiency, recognition by a manager, more free time, increased security, increased sales, and improved client service.
- **Develop a pre-creative work plan:** A pre-creative work plan outlines your strategy for reaching and motivating prospects, and serves as a roadmap for designers and copywriters to develop ad concepts. Whether or not your ad is produced by an outside agency, you should complete a pre-creative work plan and use it to ensure you have buy-in from all the decision makers in your company involved in the campaign. See the Addenda for a template work plan.
- **Develop creative and integrate a response mechanism:** The creative design of your ad should present your message in a compelling, attention-getting way that speaks directly to the pain your target audience is feeling. It can be tempting to say too much in an advertisement. Don't do it. It is better to focus on one or two key messages. There should be a prominent call-to-action for prospects to request more information by calling a 1-800 number, registering at a Web site, or tearing out an attached Business Reply Card.
- **Choose media vehicles and evaluate cost:** Research the publications your target audience reads to determine the options with the highest concentration of prospects. It can be very helpful to check a publication's readership audit—particularly if you are trying to reach a specific industry, function, or title. Before making your final selection, perform a cost analysis. In advertising, efficiency is measured in cost per thousand (CPM). For example, an advertisement in an industry journal with a readership of 20,000 may cost $2,000.00, so the cost per thousand is $100.00. An alternative publication may charge $3,000.00 for the same ad and have a readership of 40,000, so the cost per thousand is only $75.00. Also, evaluate less traditional advertising vehicles, including banner ads and ads within the online versions of industry journals. Online publications often charge by impression or click-through rates, so you may pay for an ad to run until it has achieved 30,000 impressions rather than for three months, for example.

- **Measure response and ROI:** Direct response advertising is generally measured in terms of cost per response. To test the effectiveness of a creative approach, you can provide a dedicated response channel for each approach, such as a unique 1-800 number, a "department code" on a Business Reply Card, or a special Web URL. This enables you to track the number of responses for each creative approach and to calculate the corresponding cost per response. Similarly, to test the effectiveness of a media vehicle, you can provide a dedicated response channel for each publication. The goal is to continue to fine-tune your creative approach and publication mix to produce optimal results for available budget.

Maximizing your investment: executing multi-touch campaigns

It is increasingly difficult to execute cost-effective marketing tactics which generate business opportunities in today's highly competitive technology marketplace. The best way to maximize your lead generation investment is through integrated multi-touch campaigns. A multi-touch campaign is a campaign that is designed to be executed in more than one phase, and involves multiple communications with a single contact at the target company. The communications can take many forms, such as a mailer, an e-mail, a telemarketing call or a direct response advertisement.

Analyze where you are in the sales cycle with your target audience, then choose the format and frequency of your communications based on what you need to achieve at the current step and how you are going to move them to the next step. To choose the most effective communication tactic, think about your target audience. Do they prefer to be reached by telephone or e-mail? Do they have an assistant who screens their mail? Do they read the white papers that you've sent or do they prefer brief executive summaries?

Conclusion

Direct marketing offers you a wide array of communication vehicles to move your target audience from awareness through preference to sale and then long-term loyalty. In choosing the best tactics and deciding on how to design and deliver them, be disciplined. Limit yourself to a few specific goals and make sure you're clearly communicating a unique selling proposition that differentiates your company and leverages the brand equity of IBM.

Key takeaways

- Make sure your campaign goals are measurable and that you have a process for tracking them
- Engage your prospects in a dialog; design multi-touch campaigns so that they hear from your company regularly
- Marketing is largely common sense. Use what you know about your best clients to succeed with other companies
- Don't reinvent the wheel—seek out IBM marketing resources that you can build on to execute your campaign

Pre-creative work plan template

This template helps you define the information that your copywriter and designer need to write the copy and design any graphics and packaging. It is also a useful document to share with the sales, marketing and solutions executives in your company involved in the campaign, to ensure that there is a common understanding of these fundamental premises.

Target Audience: (include sample titles, company functions, geographic scope and any other demographic—age, gender, income level, marital status, and education level information or psychographic—attitudes, beliefs, opinions, personalities and lifestyles—information)

Current Impression: (the current belief that the audience holds about your solution or service)

Desired Belief: (the belief you would like the audience to have about your solution or service)

Key Fact/Problem: (the most relevant business problem or fact that your solution or service can help address. For example, "small and midmarket businesses have under-invested in disaster recovery and business continuity planning. According to Analyst ABC, two out of five enterprises that experience a disaster will go out of business within five years of the event.")

Single Promise: (the single promise that your service or solution can make)

Support for this Promise: (proof points supporting the promise, such as client ROI results, product features, analyst findings)

Strategy: (the overall strategy for the campaign)

Competition: (the other companies or choices that your target audience may consider. This can range from other solution providers to actions such as "develop a solution in-house")

Mandatories: (elements that must be included in the campaign, such as company logo, URL, etc.)

Appendix F: Seminars and events

A seminar is a personal communication medium in an environment you control. Seminars are an effective and affordable way to deliver messages about the benefits of your products and services to a targeted audience in a concentrated amount of time. Seminars generally show and tell people about new trends, give industry insights, and sometimes demonstrate how to use new products or get more from the products they already use. They usually avoid "selling" the audience. Instead, seminars act as a door opener, putting you in touch with people who have a need for your offerings and creating opportunities for future contact. When you conduct a successful seminar, everybody wins. Clients and prospects get information they need; you get direct contact with them, as well as leads that help drive your sales process.

Types of seminars

There are three standard ways to deliver your seminar content to your prospects and clients:

- **Traditional seminars:** A one-to-many, in-person presentation, traditional seminars can be held at your facility, a hotel conference center or another appropriate location. With traditional seminars, a speaker or series of speakers deliver information through stand-up presentations and roundtable discussions. The high level of personal interaction is a key benefit of the traditional seminar.

- **Webcast:** A Webcast is a live or pre-recorded, Web-based, interactive seminar that helps you reach potential clients and even internal sales teams online. Convenient and affordable, Webcasts allow you to evaluate your audience's interest through live questions and answers. This provides the experience of a traditional, in-person seminar without requiring attendees to leave their office.

- **Teleseminars:** Teleseminars are delivered remotely, over the telephone. All parties dial into a pre-arranged teleconference to participate in this type of seminar. This is a cost-effective, less formal approach to presenting information; it may be appropriate for some of your audiences (existing clients, for example), but is not the best choice for providing in-depth information.

The benefits and limitations of the tactics being discussed in this document are illustrated below:

Seminar Type	Benefits	Limitations
Traditional	Provides "face time" with clients/prospects. Positions organizations/individuals as "thought leaders". Facilitates CRM and builds recognition/loyalty.	Becomes costly when overly elaborate. Requires dedicated resource(s) for planning/logistics. Often requires participation from guest speakers/successful clients to generate interest.
Webcast	Offers cost-effective way to reach large audience, eliminates geographical/distance/travel limitations. Drives Web site traffic. May be made available as a replay following the webcast date.	Often excludes technology laggards. Presents difficulty in evaluating quality of leads. Provides no opportunity for face-to-face interaction.
Teleseminar	Offers low cost approach to reaching a targeted group. Requires little time/attention commitment from audience. May be made available as a replay in an audio file format following the teleseminar date.	Can be difficult to hold attention of audience. Offers no opportunity for visual appeal/impact.

Seminars and thought leadership

One of the best reasons to host a seminar or event is to reinforce your organization as a thought leader in your industry and market. To this end, seminars can take many forms, from full-scale events hosted at a hotel or conference center, to more intimate gatherings at your office. One popular and affordable approach is to host a two-hour evening gathering, inviting others in the industry to discuss the day's pressing challenges and potential solutions. Or, a seminar may be a full-day event that features guest speakers and first-hand accounts on business and technological challenges, successes, and best practices.

Before you begin

Before you get started on planning your seminar or event, make sure you have gathered detailed, relevant information about your audience and the best approach for reaching them. Think about the best way to reach participants and generate interest. Often, targeting industry-specific audiences is best, since you can tailor your presentations in a way that resonates with the audience by focusing on a specific industry challenge and appropriate solutions.

Planning the seminar

No matter which type of seminar you choose to deliver, remember that you must demonstrate value in order to encourage participants to come. This starts in the planning stage. For your existing clients, you can offer value by showing how they can take the next step in On Demand leadership using a new strategy, technology or product. For prospective clients, that value might be achieving a competitive advantage, realizing a greater return on investment, or mitigating risk by adopting a new strategy, technology or product. You should tailor your seminar topics according to the value you intend to deliver.

Even the best topics can't overcome a poorly planned seminar, however. Be sure to pay proper attention to the planning and preparation phase. Where the seminar is held, how it is organized, how you organize and present your information—all of these can make or break its effectiveness. There are several things you can do to ensure that your seminar provides value to both your audience and your business.

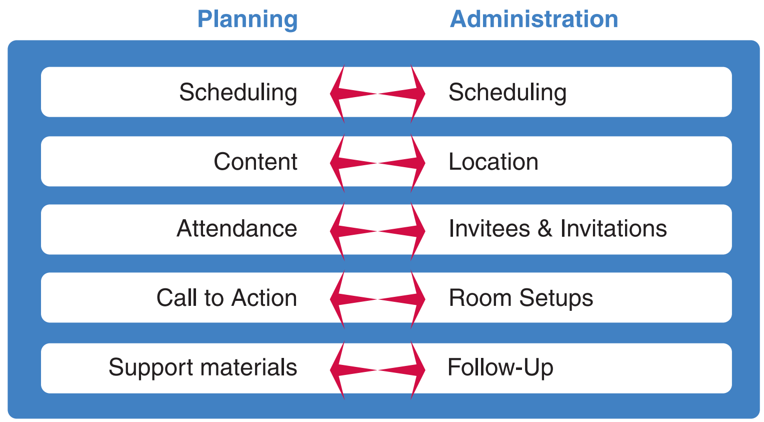

Figure 6: Seminar strategy includes content and administration

Set clear objectives

As with any marketing program, deciding what you want to accomplish is the first and most important step. Is it to educate? Build relationships with existing clients? Gain qualified leads for new clients? Schedule follow-on meetings? Close deals?

Determine content

Everything you deliver through the seminar creates an impression of your company. Because you will have limited time with your audience, you should limit the amount of material that you plan to cover. An outline of your seminar content may look like this:

- Introductions
- Industry trends and business challenges
- Solutions and resources to address these challenges
- Success stories—client examples or co-presenters who demonstrate best practices
- Future predictions, what to look for next
- Wrap-up/Call-to-action/Q&A

Bringing content to life	
Delivering content:	A variety of audio-visual equipment is available to help you communicate your messages: PC-based presentation tools, slides, video, audio tapes, and overhead projectors. Live product demonstrations are a good way to give participants hands-on interaction with products. Requiring only an Internet connection and telephone, Webcasts offer Web-based delivery of your content and allow you to evaluate the audience's interest through live question-and answer sessions.
Communicating the message:	A recognized guest speaker adds credibility to your seminar and can also encourage attendance. Featuring clients and users is a good way to provide lively testimony about your business, as they present a credible, third-party perspective based on their own experience and advice.
Involving the audience:	Get your participants involved. Consider round table discussions, breakout groups and question-and-answer periods. Schedule an informal time after the event to allow participants to ask specific questions, get clarification on points of interest and meet with your sales associates.

Drive attendance

Consider offering a takeaway in order to drive attendance for the event. The offer must be very compelling and relevant to your audience. The right takeaway offer can mean as much as 300-percent difference in participation. Offers are of two flavors: personal and organizational. An example of an organizational offer is an Executive Assessment, which you may want to offer to highly qualified prospects as a first step in showing how your organization can help.

Personal offerings are often an even better approach. White papers have been tested against personal small gifts, such as golf balls, movie tickets, music CDs, etc. The small personal gifts demonstrated a 2.5 to 5 times better response rate. Therefore, consider including a small personal gift for attendees, but avoid expensive offers that can conflict with corporate gift giving policies.

State the call-to-action

At the end of the seminar, you must provide something attendees can act upon, a "next step." A strong call-to-action can help you determine your "A" leads—those interested in moving on to the next step. Whether it's signing up for a free assessment, turning in a business reply card, or visiting your organization's Web site to download a white paper, the call-to-action must be compelling and something participants can act on immediately or shortly after the close of the seminar.

Provide support materials

Give your message more lasting meaning by providing a "take-home kit" that reinforces the information you provide during the seminar. Typical materials include:

- A seminar agenda
- Copies of presentations
- Information about the speaker or presenters
- Solution/product/service information, such as brochures or white papers
- Information about your company
- Company contact information/business cards
- A seminar evaluation form

Consider providing some of these materials on a CD to avoid presenting prospects and clients with a stack of paper to carry around.

In the kit, you may also want to include a promotional item such as a clipboard, paperweight, or pen with your company's name and telephone number or Web address imprinted. Keep in mind that personalized items require significant lead time to produce. Plan to place your order at least two months before the seminar.

Administering the seminar

Whether you are delivering your seminar online, over the phone, or in person, smooth administration of all key parts—timing to invitations to follow-up and measurement—is crucial.

Scheduling

Seminars can last an hour or two, or an entire day. Typically, a half-day seminar gives enough time to present information, answer questions, provide demonstrations, serve refreshments and talk with attendees. A typical agenda for a half-day morning session might be:

- 8:30 - 9:00 Continental breakfast and registration
- 9:00 - 9:15 Welcome, introduction of seminar goals and speaker or presenter
- 9:15 -10:45 Presentation followed by questions and answers
- 10:45 - 11:45 Product demonstrations and individual discussions with attendees

An afternoon seminar typically begins at 1:00 or 1:30, with refreshments served at the end. For a full day seminar, plan a midday meal, or allow sufficient time for the attendees to get a meal and return to the seminar. You may also want to include two 10-15 minute breaks during the seminar.

An evening seminar is a good alternative, since it can be held at your facility without the distraction of the typical workday. Because evening seminars are held off-hours, however, you should feature a guest speaker of note from your industry or business community to generate interest, and use the opportunity to educate your audience on an important trend or opportunity that links to your organization's solutions.

When delivering a Webcast or teleseminar, don't exceed two hours. People's time commitments and attention span generally won't absorb information beyond two hours if they are at their own desk. If the content exceeds two hours, consider breaking the seminar into two sessions. Other scheduling considerations include:

- Consider that you may be dealing with multiple time zones. Use your earliest time zone as the guide when scheduling the start time.
- Avoid Mondays, Fridays and short workweeks.
- Verify that there are no major industry events taking place at the same time.
- Don't schedule the seminar just before or after holidays.

Location

Even if you have an adequate meeting room within your facility, there are advantages to holding your seminar in another location. A meeting room in a conveniently located hotel or convention center is generally a good choice. Or check with your IBM Regional Manager about holding your seminar at a nearby IBM location or IBM Executive Briefing Center. It is particularly important to secure the room several months in advance when holding a seminar off site. Some other considerations:

- You will usually need to make a deposit to hold the room.
- Check on cancellation policies. Facilities sometimes require a cancellation fee.
- Check with the meeting facility prior to the seminar if you need to bring in large amounts of equipment, heavy objects or equipment that uses other than standard power.
- Be sure the room is the right size for the number of people you expect.
- Remember to include your company's representatives in the total. A room that is too small is uncomfortable. A room that is too large discourages interaction and makes it look as if your turnout was smaller than expected.
- Provide free or valet parking.

The invitation

When it comes to the invitation, research shows that an attractive invitation or well-written letter can pull 100 percent better response than a poor one. For any invitation, whether delivered by telephone, direct mail, personal courier, or e-mail, the more personalized, creative and informative it is, the better:

- Use the invitee's correct name and title, and put a personalized touch on each piece of the invitation
- Provide a local telephone number for registration (and make sure it is always answered)
- Instill a sense of urgency by including a "quick response" card, or an offer for a free personal gift if the registration is sent back within the week
- Send invitations out between four and six weeks before the seminar, with follow-up reminders as the event nears

To reinforce the invitation and generate awareness of the event, consider supplementing the invitation with a "multi-touch" campaign promoting the seminar, using several communication vehicles:

- **Press Release:** Issue a press release with details of the upcoming event. Highlight the guest speakers, information value of the seminar and what job function/level the seminar is geared to. Don't give the location of the seminar in the release; instead, offer a number to call for registration so unqualified people don't show up at the door unannounced. Post the release on your Web site and distribute to local, regional and even national media if appropriate.
- **Local newspaper advertisement:** Consider running an ad in the local newspaper or business magazine. Plan to run your ad two weeks in a row, starting four weeks prior to the seminar. If your first ad fills the seminar, you can cancel the second insertion and contact interested prospects for your next seminar.
- **Telephone calls:** Use follow-up calls to verify that your invitation was received. This opens the invitation to others in the organization who may be interested. Call about a week after your prospect receives the invitation, and again approximately two weeks prior to the seminar.
- **Reminder calls:** A week prior to the seminar, call the people who have signed up to attend to remind them of the date, time and place and to reconfirm their intention to attend.
- **E-mail:** Use e-mail to confirm registration, send directions to the seminar or provide instructions for logging or dialing in.

The room

Room planning is much more than setting up tables and chairs. Whether you're planning a two-hour seminar or full-day event, think about the room configuration and details ahead of time. Consider the following:

- **Audio-visual equipment:** Most meeting facilities have audio visual equipment available. Make specific arrangements to have it placed in the room you are using, and confirm a few days before the seminar date.
- **Demonstration equipment:** If you will be holding a hands-on demonstration, determine where you want to set up your demonstration equipment. Look into electrical power availability.
- **Registration:** Set up a registration process at the event that captures each attendee's name, title, company name, address, and telephone number, and e-mail.

Follow-up

A seminar is only one part of a selling cycle. All your efforts may be wasted if you don't plan multi-touch follow-on activities that build on the relationship you've established. You can do several things to maximize the value of the seminar:

- **Evaluation:** Ask participants to complete an evaluation form before they leave. Participant evaluations can help you gauge interest in the topic covered, reactions to speakers, and things to do differently (or the same way) next time. Ask about the convenience of the location, whether the length of the seminar was appropriate, if the information was valuable, and so on.
- **Thanks:** Send a follow-up letter thanking the participants for attending and reiterating the seminar's key messages.
- **Calls:** Call everyone who attended to further qualify them. Remove unqualified contacts from your database. Offer qualified prospects something compelling to move them forward in the sales cycle, such as an IBM Executive Assessment.

Measuring success

Quantifying your success is key to any marketing tactic. Depending on your objectives, the following is a list of things to consider when measuring the event's success:

- Numeric Results/Conversion factors (projected and actual)
- Number of invitations mailed/number of accepted
- Number of accepted/number of attended
- Number of attended/number of qualified leads
- Number of leads/number of sales
- Revenue of sale
- Cost per attendee
- Cost per lead
- Return versus total investment
- Skills transferred (use this session as a way to train your own sales teams)

Conclusion

Seminars and events are a proven way to educate and promote awareness among your target audience. As an approach that gives you direct interaction with prospects and existing clients, seminars can help build relationships and further the sales process. Careful planning and administration of the event are necessary to ensure success.

By leveraging the brand equity of IBM within your seminar presentations, question and answer sessions, and follow-up activities, you can reinforce your unique selling proposition and demonstrate to your audience why your company is different from the competition.

Key takeaways

- Set measurable objectives as the first step in planning the event
- Bring content to life through guest speakers, client testimonials, and hands-on demonstrations
- Designate a resource to handle event logistics to make sure the event runs smoothly
- Don't reinvent the wheel—seek out IBM marketing resources that you can build on to execute your seminar

Seminar checklist

The seminar checklist, shown below, breaks out the variety of items that you must handle to make the event successful. Note: The lead times noted below may vary according to your location.

Pre-event activities

12 weeks:

- Identify the regional manager/point person within your area who will manage the seminar
- Choose cities within your region to hold the seminar. Choose and secure a seminar location. It is recommended that you select a mid to high-end venue (e.g., Ritz Carlton, Marriott, Hyatt, Renaissance, etc.)
- The event order form that you provide the hotel should include:
  - Continental breakfast including coffee and juices
  - Morning coffee break
  - LCD projector with screen
  - Table at front of room for computer and LCD projector
  - Easels for signage (signage/poster optional by region)
  - Registration table, two chairs, and a wastebasket
  - Room set up (classroom-style--two people per six-foot table; theatre style; rounds)
  - Set up by 7:00 a.m. the morning of the seminar
- Tailor and/or translate seminar content for your region (if applicable)
- Engage an event management company (if applicable)
- Develop a call center/registration campaign to handle: database modifications, report development, call guide development, response management mechanism setup (800#, e-mail, and/or Web), qualification survey, fulfillment, agent assignment and training
- Begin activities related to list development
- Find a presenter

8 weeks:

- Customize invitations

3-4 weeks:

- Mail invitations
- One week after mailing invitation, begin follow-up telemarketing (include at least two attempts to contact each prospect)
- Order handouts, literature packs, promotional items, and door prizes
- Order signage

3 days before event:

- Compile attendee roster
- Produce attendee name badges (you can include your company name with the IBM Business Partner logo)
- Confirm number of attendees to hotel
- Mail signage, literature/ handouts, and promotional giveaways to hotel
- Prepare on-site seminar host kit to include:
  - Banquet event order, including hotel on-site contact
  - Registration check-off list
  - All shipping paperwork with tracking numbers (# of boxes and contents listed)
  - All shipping paperwork for returning signage
  - Fax confirmation

1 day before event:

- Confirm arrival of all shipped items, including:
  - Signage
  - Literature
  - Prizes
  - Name badges

On a daily basis:

- Input registrants into database
- Send confirmation letters, product/seminar information fulfillment, registration and status updates to appropriate parties
- Transfer "hot" leads to your sales representatives

Day of event:

- Confirm room setup
- Display signage
- Distribute presentation copies and other literature
- Display badges at registration table for sign-in
- Register each attendee for drawing
- Conduct seminar
- Present door prizes and promotional items
- Administer evaluation survey

Post event activities

1 day:

- Tabulate evaluation surveys and completed roster

2 days:

- Update attendees/no-shows in database

2-3 days:

- Input evaluation forms
- Mail "thank you" letters to attendees
- Mail "sorry we missed you" letters to no-shows

1 week:

- Telemarketing follow-up to no-shows, and to attendees who did not submit feedback

2 weeks:

Follow up with direct mail literature to attendees, no-shows, and other prospects

Appendix G: Telemarketing

Telemarketing is a powerful, highly targeted way to communicate with business decision makers and influencers. This article provides an overview of outbound telemarketing and its role in the business-to-business sales and marketing process.

What is telemarketing?

Telemarketing combines telecommunications and information systems with personal selling and servicing skills to help companies keep in close contact with existing and prospective clients, increase sales, and improve business productivity. It is often used in an integrated, “multi-touch” marketing campaign because it can dramatically increase the campaign’s overall success rate. With an emphasis on personal selling using non-face-to-face contacts, telemarketing is an integral part of a well planned, organized, and managed marketing program.

There are two types of telemarketing:

- **Outbound.** Outbound telemarketing, the focus of this article, is outreach by a representative from your company, over the telephone, to a client or prospect. The objective of most outbound business-to business telemarketing calls is to generate qualified leads. There are other applications as well, which are listed below. A call to someone who has no prior relationship with your company is called a “cold call.” Telemarketing cold calls can be an efficient and cost-effective way to generate leads and qualify prospective clients for a salesperson to follow up in person.

- **Inbound.** Inbound telemarketing occurs when clients or prospects call your company. They are usually already interested in your product or service, and may ask questions that will help them decide on a purchase, make an appointment with a sales representative, or place an order. Most people think of selling when they think about the term “telemarketing.” But telemarketing can be used effectively throughout every phase of the sales cycle from building awareness and increasing preference for your offerings, to discovering and encouraging qualified prospects, right through to up-selling companies who are already your clients.

Most people think of selling when they think about the term “telemarketing.” But telemarketing can be used effectively throughout every phase of the sales cycle (Figure 1), from building awareness and increasing preference for your offerings, to discovering and encouraging qualified prospects, right through to up-selling companies who are already your clients.

	Prospect/Client Mindset
Build Awareness & Shape Perceptions	Not Ready to Buy
Increase Consideration & Preference	Distantly Considering
Generate Leads	Actively Seeking Solution
Nurture through to Sale	Evaluating Vendors
Up-Sell & Keep Loyal	Have Bought

Telemarketing through the sales cycle

The goal of your telemarketing campaign can be as simple as confirming a name and title to add to your database. Or it can be as complex as qualifying a company for your solutions based on such factors as technology environment, business problems, IT budget and buying intentions. The typical goals of telemarketing include:

- Name discovery (e.g., determining who is responsible for IT purchasing decisions)
- Database maintenance
- Event support (e.g., drive seminar attendance)
- Lead generation
- Lead qualification
- Appointment setting

Telemarketing also can be a valuable tool for post-sales client service. For example, calling to gauge a client's satisfaction with a product/service they have just bought can yield information about potential add-on sales. If the client is unhappy, this could trigger a follow-up visit by a salesperson to be sure the issue is resolved so the client remains loyal. In addition, the intelligence gathered from follow-up telemarketing can be an extremely useful feedback channel for fine-tuning your entire selling process and even making modifications to your product/service.

Using telemarketing in a multi-touch campaign

Telemarketing is often used in one or more phases of an integrated, multi-touch marketing campaign to increase the campaign's overall effectiveness. For example, if you are planning a seminar to promote your IBM-based solutions, your telemarketing representative may call companies before the invitations are mailed to add new contacts to your mailing list and correct out-of-date information (i.e., name discovery and database maintenance). After the mailing is sent, he or she may contact recipients to secure attendance at your seminar, and then after the event, follow-up with attendees to further qualify them and set an appointment with your sales representative.

Benchmark response rates

Telemarketing is usually more time-consuming and expensive than direct mail or e-mail campaigns. However, when executed by skilled operators using a high-quality list, telemarketing can be extremely effective, with benchmark response rates as high as 10%.

Before you begin

Before you begin planning your telemarketing campaigns, make sure you have established the profile of the ideal contact in your target client base. For example, is the primary decision maker a line of business executive? The CIO? An IT manager?

Elements of a successful campaign

The key elements of a telemarketing campaign include:

- **Objectives:** Using the Addendum in the How to Choose the Right Tactic section, defines your objectives for the campaign. The objective should be a result that is measurable, such as securing attendance at a seminar, establishing information about a company to qualify them for your offerings, or even disqualifying a company or contact and removing them from your database.
- **List:** One of the key contributors to the success of any telemarketing campaign is your list. Make sure you include current clients and qualified prospects in the list you assemble. If you use a third-party list (e.g., members of the local Chamber of Commerce, or a list of mid-sized insurance companies that you rent from a list broker), you should anticipate that some of your telemarketing resources will be spent correcting contact information. As business professionals relocate, change positions or leave companies, it is virtually impossible to keep a list 100% accurate at any time. If you are using an in-house list, be vigilant about correcting data as you discover errors.
- **Telemarketing Script:** Develop a detailed script for your telemarketing representatives to use. A well-designed script provides multiple paths that a call can take, depending on the contact's answers. For example, if your telemarketing representative establishes that a contact is interested in security and business recovery solutions but can't attend your upcoming seminar, the representative needs to quickly branch to a place in the script that lets him or her offer some other premium or next step to keep the sales dialog going. Another important point is to make sure the qualifying questions are at the beginning, so that the representative can quickly end the call — but not without asking if the contact can recommend another company or contact that would be a better fit for your offering.
- **Training:** Identify and provide any special product or sales training required to make your telemarketing representatives more effective. When you begin using a new script, gather feedback frequently from your telemarketing representatives on unanticipated questions or issues that arose during calls, and incorporate responses to these into the ongoing education of your representatives.

- **Measurement:** Tracking the cost and effectiveness of your telemarketing activities is important, especially since telemarketing can be fairly resource-intensive. (Although a skilled telemarketing representative may make 25-30 phone calls per hour, they may connect with only a few decision maker/influencers in that same timeframe.) The variation in success rate is linked to many factors, including the length of the telemarketing script, the market awareness of your company, and the obstacle posed by a "gatekeeper" (such as "always-on" voicemail or an executive assistant).

The following is a list of things to consider when measuring the success of a telemarketing campaign:

- Lead generation percentage (percentage of decision makers/influencers contacted that resulted in a qualified sales lead)
- Lead source effectiveness (i.e., the list(s) that yield the best results)
- Average closing ratio (percentage of sales leads that result in a closed sale)
- Average revenue of sale
- Average time to close the sale
- Cost per call
- Cost per qualified lead
- Cost per sale
- Return on investment

Effective business-to-business telemarketing

Always begin calls with your name, the name of your business, and why you're calling. You may want to leverage the brand equity of IBM by describing yourself as an IBM Business Partner. Your reason for calling can either be a compelling benefit statement that convinces the contact they want to continue the conversation, or can be designed as the first in a series of brief questions that qualify the prospect's need.

Avoid the executive's gatekeepers (such as an administrative assistant) by calling very early in the morning, at lunchtime or after normal office hours. This technique often lets you get around voicemail, too.

Try to avoid calling business professionals on Mondays—when they are anxious to tackle the week's work—or on Fridays—when they are already in a weekend frame of mind.

If the person you are calling is abrupt or seems rushed, try asking when would be a good time to call back and set a specific date and time.

Referrals are powerful ways to get the attention of a caller who might be neutral or even hostile. If you are calling someone whose name was provided by a mutual colleague or someone else in the prospect's or client's company, make sure you say so (e.g., "JOHN SMITH gave me your name and suggested I call").

If you send information after speaking to a qualified prospect, follow up with a call 7-10 days later. Do not wait for the prospect to call you.

Conclusion

Telemarketing provides a highly personalized and targeted way to communicate with business decision makers and influencers. Unlike consumer telemarketing, business-to-business telemarketing often succeeds because the contact being called is experiencing relevant business "pains" and is receptive to your solution. By showing how your offering can address their business needs and by leveraging the brand equity of IBM when you call, you can take advantage of telemarketing to accelerate the time it takes to move prospects through the sales cycle.

Key takeaways:

- Set measurable objectives that move prospects along in your company's sales process. Avoid vague goals such as "introducing your company"
- Use a telemarketing script for every call. Make sure it offers a compelling benefit statement for your offering very early in the call
- Include telemarketing as part of an integrated multi-touch campaign to increase your return on investment
- Consult IBM marketing resources for existing scripts or other resources that can help you conduct your campaigns

Appendix H: MAD marketing worksheet

Here's a one-page guide to determining the message, audience and delivery for your campaign.

1. Which companies could benefit from your product offerings?

Industry	Manufacturing, Chemical, NAICS code 3251
Company size	75-100 employees, $25M to $100M in sales
Location	North Eastern US, postal sectional center codes 001-100

2. Who is involved in the purchase decision making process?

Function	C-level	Line-of-Business (LOB)	IT/MIS
Title	CEO, CFO	Director of Marketing	IT Director, IT Manager
Role	Make final decision	Requestor, Influencer	Recommender, Influencer

3. What are the needs and interest for the different audiences?

Function Needs	Interests	Messages	Offers	
C-Level	Increase profitability	ROI, Reduce costs	Leverage your IT investment	White paper
LOB	Retain clients	Increase client SAT	Shorten response time	Self-assessment
IT	Technology infrastructure	Implementation Systems Integration	Great price/Performance, Open Standards	Price, Value-added service

4. What are the benefits and limitations of the tactics at your disposal? (Rank the top three options.)

Tactic	Rank according to alignment	Benefits	Limitations
Direct advertising			
Direct mail			
Web and interactive			
Telemarketing			
Events			
Sales tools and collateral			

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