Account-Based Scoring & the Seamless Revenue Cycle:

Using Account-Based Marketing Metrics to Drive Sales

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Sales follow-through on Marketing's ABM metrics makes the difference

SALES THRIVES ON KNOWING THE TRUE STATUS OF AN ACCOUNT AND ACCURATELY MEASURING ENGAGEMENT

Account-Based Marketing (ABM) for B2B firms has been well touted as a powerful approach to grow pipeline faster and win more deals. But nothing happens without strong follow-through by Sales. Sales needs useful metrics and actionable intelligence that can be put to good use every day in the field. This demands that account status can be accurately determined through consistent and objective scoring.   For B2B marketers seeking to support Sales more strongly, Account-Based Scoring can be a primary driver of pipeline and revenue growth.

A Seamless Revenue Cycle

An account's journey—from first awareness of your company and its products, to first contact, to active sale process, to signed deal, to evangelist client and recurring customer—is a long path involving most departments in your organization.

That journey is best viewed as a single seamless revenue cycle that unifies Marketing and Sales in a continuous, seamless, repeatable process that will underpin long-term business growth.
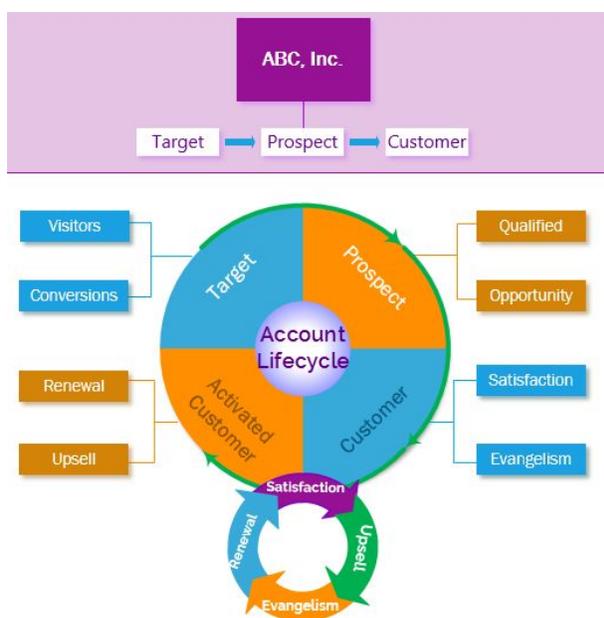
More predictable revenue and growth are built on knowing the health and momentum of each individual revenue opportunity. Account-Based Marketing provides B2B firms with ideal metrics in the form of Account-Based Scoring.

Account Lifecycle & the key actions at each stage

Marketing's Expanding Role

As B2B marketers increasingly embrace marketing technology and Account-Based Marketing (ABM), they are becoming uniquely placed to provide Sales with more impactful revenue generation support than ever before—particularly in the form of account engagement metrics.

ABM differs from demand generation marketing in that it focuses on quality per account rather than lead quantity. For Sales teams with larger, more complex and longer sales cycles, ABM delivers value by determining quality and progress of each account as a revenue opportunity.

ABM is integrating Marketing more strongly with all parts of the Sales organization—including inside sales, sales development, pre-sales, sales operations, direct sales and channel sales. Each Sales area can benefit from ABM metrics at different stages in the revenue cycle.

ABM meets Account-Based Sales Development

Marketing's ABM activities are playing a more substantial role in sales development. Helping Sales better allocate efforts to the right opportunity at the right time with the right actions is one of the greatest values Marketing can ever deliver to the Sales organization.

While it might appear Marketing is encroaching on Sales Operations' turf, the reality is—certainly with respect to metrics and measurement within the revenue cycle—Marketing Operations and Sales Operations are steadily converging towards a single unified Revenue Operations model.

Sales, meantime, need results yesterday. To see value in Marketing's ABM strategies, Sales need tangible, actionable intelligence that can be used on the very next sales call —objective, quantifiable, solid indicators— not subjective judgments.

Account-Based Scoring is where ABM rubber hits the Sales pipeline road. It provides Sales with objective measurement of account momentum through actual observed prospect behavior.

All accounts can be divided into three natural groupings; pre-pipeline, pipeline, and existing clients:

- Target Accounts
- Prospect Accounts
- Client Accounts

Target Account Scoring

Target Accounts are those specific named accounts you know you want to do business with, but who have not yet been qualified enough to be put in your pipeline.

Scoring all your target accounts is important because it provides critical visibility into Pre-Pipeline Momentum—one of the best predictors of future growth in pipeline, and an excellent measure of overall marketing success in the early-stage revenue lifecycle.
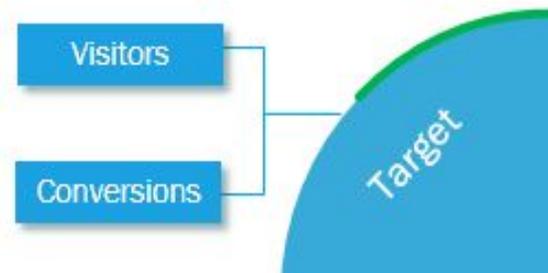

There needs to be a methodical and rational way to quantify meaningful engagement behavior among target accounts. This in turn drives how much attention and focus to give each individual target account, and the next-best-action to take for each.

Target Account Scoring monitors and scores each target account's responses and interactions with sales and marketing efforts, dispassionately assessing where to spend more time, effort and resources.

Aggregating all Target Account Scores across all target accounts provides the organization with a complete picture of Pre-Pipeline Momentum, and critical visibility into health of the early-stage marketing-sales funnel as well as the outlook for pipeline growth overall.

Prospect Account Scoring
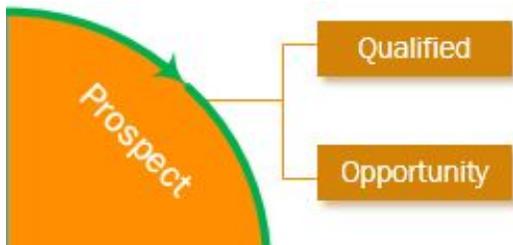
Prospect Accounts are those with whom you have live deals in the pipeline. At each pipeline stage, Marketing should report to Sales on how engaged an account and its key decision-makers are. Engagement with non-key decision makers may be good, but not as valuable as engagement with key decision personnel.

Prospect Account Scoring provides an objective measure of overall strength and vitality in the pipeline. This is a powerful complement to more intuitive and subjective assessments that Sales staff need to make on their deals on a daily basis.

Client Account Scoring

Maximizing lifetime value of existing client accounts—through renewals, referrals, references, upsell and expansion—is a core goal of Account-Based Marketing. Scoring all client accounts for engagement and satisfaction helps identify those likely to make additional purchases and even support your firm's marketing and sales.

Client Account Scoring helps turn customers into long term Activated Customers who evangelise on your behalf and consistently renew and expand their usage.

Core Inputs for building Account Scores

There are a number of core underlying inputs that can be readily tracked to generate a full range of account-based scores (preferably fully automated and in real-time):

- No. of Target Accounts
- No. of Target Personnel (both key and non-key personas in all accounts)
- Website Visitor Activity and Engagement
- Event Attendance - both digital and physical (e.g. webinars, conferences, briefings)
- Interpersonal Interactions (e.g. phone calls, face-to-face meetings)

- Digital Interactions - Inbound / Outbound (emails, downloads, webinar playbacks, etc.),
- Account Status and Opportunity Status
- Pipeline Stages - Objective / Subjective
- Internally Assessed Scores and Progress Measures
- Time-Based Measures (e.g. deal cycle length, estimated time to close deal)

With these core inputs, it is possible to construct a powerful and versatile range of ABM metrics, specifically suited to your business's products, services and sales process.

Depending on your Martech infrastructure, this data can be maintained entirely in your CRM as the book of record, drawing on information from peripheral Martech systems as needed.

Account-Based Scoring

These ABM metrics can then be deployed as Account-Based Scores for your organization, providing up-to-the-minute insight into the health and momentum of each account—and all accounts in aggregate. This insight extends to the entire revenue cycle at each stage - pre-pipeline, pipeline and post-pipeline (existing clients). The Account-Based Scores include:

- Account Obtainable Revenue
- Coverage
- Sales Penetration
- Awareness
- Engagement
- Reach (Precision & Relevance)
- Influence (aka Impact)

These are described in more detail below.

| **Account Obtainable Revenue** | **Account Obtainable Revenue (AOR)** is revenue your business can reasonably expect to obtain from all ABM-tracked accounts over a defined horizon (1 to 3 years being useful periods). If you're not tracking an account, you can't reasonably include its revenue potential in any forward looking view. AOR puts a sharp focus on assumptions and thoroughness in forecasting and sizing. It requires complete and accurate account records in your CRM. ABM enables AOR to be analyzed for revenue predictability based on objective account scoring, which has the benefit of significantly improving revenue forecasting.

AOR adds a level of granularity and accuracy to traditional sizing measures such as Total Addressable Market (TAM), Serviceable Addressable Market (SAM) and Serviceable Obtainable Market (SOM). The difference is that AOR forces accountability as to which accounts revenue may come from. AOR evolves beyond these other measures by tracking specific accounts rather than making nonspecific aggregated estimates. This is a major benefit of having an ABM infrastructure in place. It is a key way in which Marketing is taking a more central role in the Revenue Cycle as well as reinforcing |

Marketing-Sales alignment.

AOR can be applied across targets, prospects and customers:

- **Target Obtainable Revenue (TOR):** TOR estimates the value of products and services sellable to each Target account, and then aggregates this into a total number for the 'Targetsphere'. Assumptions can be based on firmographic, demographic and behavioral data to help formulate estimates. The model can be evolved and improved over time through ongoing analysis and feedback from predictive analytics models.
- **Prospect Obtainable Revenue (POR):** POR estimates the value of potential future product and services add-ons, up-sells and cross-sells to each Prospect plus current deals in the pipeline. This is aggregated to give a total number for the 'Prospectsphere'. Once again the model is dynamic and can be improved over time.
- **Customer Obtainable Revenue (COR):** COR estimates the value of future product and service add-ons, up-sells and cross-sells that are sellable to each client, and then aggregates this into a total number representing the 'Clientsphere'. This is done in the context of your entire product catalog.

Coverage

Coverage is the degree to which you possess all relevant data necessary to target, track and market to your intended accounts individually. Successful ABM thrives on accurate and complete data. For all key decision-making personas at all target accounts, what percentage do you have of lead and contact records in your CRM? How complete are the records?

Coverage metrics indicate how well Marketing is maintaining data necessary to reach and engage target accounts and personnel as part of a full ABM program.

Measures include:

- **Key Persona Coverage:** Percentage of all required key persona data for all accounts that is actually recorded (covered) in your CRM.
- **Account Coverage:** Percentage of all required company data for all accounts that is actually recorded (covered) in your CRM.

Sales Penetration

Sales Penetration measures how well Marketing's coverage and engagement has been converted into account penetration by Sales. It's where the marketing rubber hits the sales road. ABM supports this process. Of all target accounts and key personas, how many has Sales had direct contact with? How in depth was the contact? Whichever part of the Sales organization has contact—Inside Sales, Sales Development Representatives or Sales Executives—Sales Penetration metrics help determine how well Sales is following through on Marketing's efforts.

Sales Penetration measures include:

	• **Account Penetration:** Percentage of assigned accounts that Sales has had contact with (digital or personal), whether key or non-key personas. • **Key Persona Penetration:** Percentage of all key personas at assigned accounts that Sales has had contact with (digital or personal).
Awareness	**Awareness** of your company and its products by your target audience is an early stage precursor to buying interest and intention. It indicates how much you are on your account's radar. The most straightforward way to measure awareness is by closely monitoring website activity, at both the persona and account levels. It's also important to identify spikes in website visits that can indicate a surge in interest. Measures include: • **Website Visits:** In aggregate and by individuals. • **Website Page Views:** In aggregate and by individuals. • **Website Minutes:** In aggregate and by individuals. • **Interest Surge Alerts:** When there is a sudden spike in number of website visitors and digital activity from an account within a short time frame, a surge alert is triggered. This can indicate internal buying interest may be occurring within the account and might otherwise have been missed by Sales.
Engagement	**Engagement** quantifies the level and quality of interaction an account has with your company. Of all your target accounts, and key personas within those accounts, how many have engaged with your organization, and in what way? It is useful to compare underlying engagement strength between accounts, which in turn guides allocation of time, effort and resources. Measures include: • **Digital Engagement:** Digital interactions and attendance at digital events (e.g. downloads, email opens, webinar attendances, etc.). • **Physical Engagement:** Personal interactions and attendance at physical events (phone calls, conference calls, conferences, executive briefings, product demonstrations, etc.). • **Total Engagement:** Digital and physical engagement combined using relative weightings. • **Marketing Qualified Accounts (MQA):** Aggregate weighted score of all engagement at a target account compared against a defined engagement threshold. If triggered, the account becomes a Marketing Qualified Account (MQA) and is flagged for immediate attention from Sales. This is a sister measure to Marketing Qualified Lead (MQL). Engagement can be quantified using your existing Lead Scoring methodology. It is important to think carefully about how to weight different activities in your scoring matrix, and how these are aggregated into an account score.

Weightings can also play an important role in fine tuning your predictive analytics module.

Engagement scoring can be measured over different timeframes (daily, weekly, monthly, or quarterly) to detect trends, patterns, spikes and drop-offs.

**Reach
(Precision &
Relevance)**

Reach (Precision and Relevance) quantifies how well you are reaching and engaging your desired target audience. ABM's account-centric structure enables you to discern between those accounts you really want to connect with and those you're not so concerned about. There are two sides to the Reach coin:

1. **Precision**—is the proportion of *all* accounts you are reaching that are *actually in* your 'sweet spot' i.e. in your desired target audience (both accounts and key personas) that you want to engage with.
2. **Relevance**—(aka Accuracy) is the proportion of your *total desired* target audience that you have *actually reached* and engaged.

The **Precision Gap** is another useful metric that measures the audience you are reaching that you *did not intend* to connect with. ABM does not exist in a vacuum. Ongoing demand generation activities can attract engagement in unexpected places. ABM can track this at the account level. Valuable insights can be gained from analyzing these unexpected audiences for patterns that could lead to identifying new viable target markets and evolving your target landscape. Predictive analytics apps can support this process significantly. This feedback cycle enables continuous improvement in ABM's efficacy over time.

The **Relevance Gap** measures how much of your desired audience you are *not* reaching and engaging. This forces tough questions and careful analysis of your ABM program to figure out how to improve its reach.

Precision and Relevance metrics are highly effective measure of overall Reach along its two primary dimensions. The insight they provide enables ABM to be dynamically evolving and naturally self-improving. With well executed ABM, Precision and Relevance will improve over time while simultaneously enabling new viable market segments to be discovered and less viable ones let go.

Some useful Reach measures include:

- **Overall Precision:** The proportion of all engagement that has reached your desired audience (i.e. targeted key personas and accounts).
- **Campaign Precision:** The proportion of an individual campaign's engagement that has reached your desired audience.
- **Overall Relevance:** The proportion of your desired audience your total engagement activity reached.
- **Campaign Relevance:** The proportion of your desired audience that an individual campaign reached.

Influence — also known as Impact — is the tangible, measurable effect of

Influence

ABM marketing initiatives on actual Sales activity. Improving and accelerating Sales Penetration is the first step. Improving actual Sales activity—and related metrics—is the end goal. ABM's account-centric focus along the entire revenue cycle can impact a sale at every stage. Influence metrics are key indicators of the general health of revenue generation—and a powerful tool for managing, and continuously improving, marketing and sales effectiveness.

Key Influence measures include:

- **Deal Velocity:** The speed at which a deal moves through each stage in your pipeline from deal qualification to close. Marketing can improve Deal Velocity by providing key personas with the right content and interactions at the right time. To achieve this requires accurate records in your CRM of all target, prospect and, client accounts, as well as opportunities and deal stage transitions.
- **Win Rates:** The rate of won deals to all contested deals for a particular category of product or service over a defined time period. Marketing can improve Win Rates with well executed ABM. Extracting Win Rates from your CRM requires maintaining detailed and accurate data on each and every deal.
- **Revenue-to-Date:** The total revenue derived from a client account to the present time. It is one of the best measures for determining the positive effect of ABM. Because it is based on past revenues, it is a readily available and objective measure, as opposed to Customer Lifetime Value which is a future-looking measure based on assumptions. Account Revenue-to-Date can be extracted directly from your CRM as long as accurate records are maintained.
- **Average Contract Value:** Can be increased with ABM due to focus on higher quality accounts with higher contract values, and improved upsell activity during the sales process.
- **Retention Rate:** The probability that an existing client will renew at the next contract expiration date. Retention is a time-lagged measure which over time can be improved with ABM. Tracking retention requires initially assembling an accurate record of all clients lost over a previous period (for example, each of the previous three years) to establish an attrition benchmark. Attrition rates are then monitored rigorously and compared against the benchmark to reveal any trends.
- **Net Promoter Score (NPS):** The likelihood that a customer will recommend your product to others. It tends to correlate closely with Account Lifetime Value, the increase of which is a key goal of ABM. A Net Promoter Score solution can be integrated into your overall ABM Impact metrics.
- **Customer Evangelist Score (CES):** An objective measure of customer support based on observed behavior rather than survey responses, that is, what your customers do, not what they tell you. CES measures actual client participation and support as an indicator of potential willingness to promote your company in marketing initiatives. In contrast to Net Promoter Score, which is often collected as survey responses, Customer Evangelist Score is designed to be derived from behavioral data readily available in your CRM.

Healthy growing companies are built on powerful consistent revenue generation. Collectively, these account-scoring metrics provide a powerful and comprehensive arsenal of tools for quantifying the health, momentum and progress of your company's revenue generation machine—right down to the granular level of each and every individual account. These account level insights enable better control and more tailored responsiveness across the pipeline.

This range of ABM metrics provide businesses with much choice. To calibrate an account-based scoring framework appropriately, each company should consider their analytical needs in the context of variables such as industry, market segment, product and service line-up (i.e. catalog), competitive dynamics, growth conditions, existing marketing programs, marketing-sales alignment needs, and existing reporting capabilities.

Incorporating Account-Based Scores at the Account Level in your CRM will win over Sales quickly

With Good Data, Anything is Possible

As long as your data is well structured and maintained in your CRM, and you have real-time monitoring and automated processes in place, all these metrics can be tracked and reported up to the minute for the benefit of Marketing, Sales and your entire business.

For marketing teams using predictive analytics, these ABM metrics can be used to test and improve predictive models. With well-structured and maintained data, most predictive analytics engines can include many of these account-based scores in the model calibration process, helping to determine which metrics are most valuable to your organization and contributing most to revenue predictability.

The value delivered to Sales by account-based scoring is substantial. It provides an objective insight and visibility into buying intent, revenue predictability, and true health of the pipeline and the broader revenue cycle.

Account-based scores are practical, tangible tools that provide actionable intelligence that Sales can readily make sense of and put to good use every day in the field. In so doing they help Marketing and Sales to align and work closer together than ever before in pursuit of their ultimate common goal: expanding revenues and strong sustainable growth.

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SpearMaven is the creation of two 15-year+ Silicon Valley tech marketers who solved most of the biggest challenges in Account-Based Marketing (the hard way) and decided to turn that knowledge into reusable methodologies useful to all B2B marketers.

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