Winning big with account-based marketing

The key elements that today’s marketeer needs to know.
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Building the case for ABM

A number of factors are defining today’s B2B marketing teams in large enterprises. More than ever, budgets must stand up to scrutiny and demonstrate return on investment.

Making an impact on decision-makers means being heard across a deafening choice of content, communications and channels. And while digital has made it easier to broadcast to audiences at scale, it also dilutes the specific value we offer our customers. In fact, Forrester estimates that only 1% of leads create value.1

The reason behind this is that too much B2B marketing lacks focus. It’s not built on specific insight into customers. It’s often overly obsessed with broadcasting information about a brand or product. And it doesn’t articulate the specific value you offer customers. Put this in the context of your biggest, most strategic accounts – which represent a large proportion of your revenues – and then the case for ABM becomes clear.

1 Forrester, May 2017
Enter account-based marketing

ABM is a highly targeted, hyper-personalized approach to marketing that gives you a powerful alternative to lead-gen communications. With ABM, you get laser-like levels of accuracy. And you can reach out to the decision-makers that matter – not with a catch-all, fingers-crossed approach, but with bespoke messaging that feels much more human.

Whether you’re looking for improved account engagement, better conversion to closed deals or higher than average deal sizes, then ABM is for you. What’s more, ABM can help you address that one critical challenge all marketeers are facing: budgets that are getting tighter by the day. This is because ABM focuses money on where it will make a real difference, and helps you get cut-through in a market that is drowning in content.
Account-based marketing today

In recent years, ABM has grown in popularity to become a mainstay in marketing teams that want a better way to nurture customer relationships and grow value. From early pilots to transformational programs, ABM has earned the right to a bigger share of marketing budgets and mindsets. And we’re seeing some consensus emerge about the best way to deploy ABM: businesses are taking a blended approach where the level of account personalization they use – and the money they invest in campaigns – is tailored according to business goals.

We believe that ABM is reaching a tipping-point. Of course, we realize that some organizations will be more cautious and will want to stress-test ABM rather than rush headlong into marketing transformation. And that’s fine: we’ve seen time and again that with ABM you can start small and build things up. This guide tells you how to best harness your ABM efforts with a step-by-step approach, practical guidance on how to get going, and real-life examples in action.

Key facts

- ABM is the application of 1-to-1 marketing principles for your strategic customers.
- ABM is not new but has grown since the mid-1990s, illustrating the trend away from mass marketing towards more targeted approaches.
- ABM marks a shift towards building advocacy and increasing the lifetime value of customers.
ABM comes of age

ABM is now widely recognized as a top marketing priority\(^2\). To borrow Gartner’s terminology, “ABM has crested the peak of hype and is now playing an important role in the marketing strategies of B2B companies.”

The movement of ABM to mainstream marketing has been dramatic. But this increased attention has also bought confusion over definitions, strategies, and technology. The reality is that different flavours of ABM are being adopted as companies flex in different ways to respond to their unique challenges and opportunities.

But one thing remains clear: ABM is not a tactic, technology, or campaign. It is a strategic discipline which orchestrates resources around your most important accounts. This not only grows the value of your accounts but achieves more meaningful customer engagement and tighter alignment with sales.

The results are game changing for those companies seeking to acquire and grow high-value customers better served with highly customized sales and marketing efforts, rather than a broadcasting approach.

Account-based marketing defined

“ABM helps you win bigger deals and transform customer relationships by treating each enterprise account as a ‘market of one.’”

\(^2\) ITSMA, 2018
The power of ABM

ABM delivers higher returns
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Coordinating investments around high-value accounts yields better results than conventional, siloed marketing and sales.

ABM helps close complex deals
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Large deals and long buying cycles demand careful orchestration and consistency of message.

ABM provides the opportunity to up – and cross-sell
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The insights gained during the ABM process help identify other parts of the same account ripe for sales opportunities.

ABM is an alternative to the B2B ‘funnel’ approach
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By aligning with the customer need and the buying journey ABM is more relevant to prospects’ businesses.

ABM looks across the customer lifecycle
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By continuing communications after a sale, ABM builds meaningful relationships and long-term loyalty from acquisition to advocacy.

ABM moves the conversation from product to value
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This is particularly important in crowded marketplaces, or when buyers struggle to see the difference between vendor solutions.

With ABM, organizations have seen an uplift in value:

- 35% say overall engagement in ABM accounts is up at least 50%
- 60% say that influenced revenue has increased
- 91% say ABM increases average deal size
- 92% say ABM increases the percentage of closed deals

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Sirius Decisions, 2017
The main attraction for marketeers wanting to adopt ABM is undoubtedly its well-documented ROI. Research consistently shows that it delivers the best return out of all marketing initiatives. Other shifts in the B2B marketing landscape also provide further impetus for ABM.
Five of the most significant shifts in B2B marketing

1. Data growth and analytics
   Data creates a new source of differentiation by enabling you to get ahead of competitors through proactive insight and action. This moves marketers beyond the traditional roles of brand stewardship and demand-gen to become the sales team’s business partner across the customer engagement lifecycle.

2. Commercial alignment
   Businesses are now rightly asking a key question: “If 80% of our revenue comes from 20% of our customers, then why aren’t we focusing our marketing spend on them?” ABM provides a clear means for you to do just that. What’s more, with budgets shrinking enterprise-wide, ABM gives your marketing team better strategic alignment to justify a seat at the top table.

3. Customer growth priorities
   According to Gartner’s 2016-2017 CMO Spend Survey⁴, retaining and growing existing customers is where senior management’s expectations of marketing are increasing most. With its focus on growing loyal and long-term customers, an ABM approach can fill your pipeline with proven, pre-qualified buyers who are more likely to be retained.

4. The explosion of content
   The B2B marketing environment is awash with content. If your brand is to achieve ROI – and be heard above the crowd – you need to differentiate. By focusing on the needs of individuals within key accounts ABM allows marketers to achieve this aim.

5. The growing complexity of buying-decisions
   The number of people involved in B2B purchases has climbed from an average of 5.4 two years ago to 6.8 today⁵. Buying teams are also becoming more complex, with participants coming from an ever-growing list of roles, functions, and geographies. At the same time, the buying cycle is elongating and fragmenting across different channels. A proactive approach – as offered by ABM – can increase purchase ease by 86%⁶.

“ABM seeks to achieve the ultimate goal for a marketer: to make a customer or prospective customer feel they are understood and to communicate your value to them.”

Michael Avis, Senior Director, ABM, Oracle EMEA

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⁴ Gartner, 2017
⁵ CEB, 2017
⁶ Ibid
What type of account-based marketing is right for you?

There are three distinct types of ABM, but sometimes a blended approach across all three is the best solution.
The three types of ABM

In recent years three types of ABM have emerged. And if you read the B2B trade websites, you will be familiar with these terms:

1. One-to-one, or Strategic ABM
2. One-to-few, or ABM Lite
3. One-to-many, or Programmatic ABM

While this segmentation has been useful in helping people make sense of ABM, the reality is less clear-cut. In practice, ABM comes in a vast variety of shapes and sizes, with some organizations implementing a blend of all types, or customizing ABM techniques to suit their particular needs.

At MomentumABM, we recommend getting the right ABM design for your organization’s unique context. Take a look first at your overarching goals. Are you trying to grow in new geographies? Redefine brand perceptions? Craft a few very large deals? Or tailor a simpler proposition which has relevance for a group of accounts? When thinking about how to align your account list and internal resources, it can be helpful to see ABM as made up of degrees of scale.

Use cases across the ABM spectrum

Here are some practical examples of how organizations are using different types of ABM:

Deal provocation
A sign that an account is ripe for the full ABM treatment is when your sales team is actively looking for marketing support on a major deal. This presents an opportunity for an account-based approach to make an immediate impact. In these cases, ABM activities are usually intensive and extensive – from gathering insights to creating highly customized propositions, messaging, and creative.

Change perceptions
A common scenario is when organizations have been selling a certain type of solution or service to a group of accounts over several years, yet are struggling to grow their footprint beyond this. ABM can help by revealing synergy across a group of accounts and aligning your value in a more meaningful way. You can then achieve economies of scale through creative execution – for example, by creating a campaign that allows for 20% customization at an account level.

Increase relevance
Many clients are swimming in content about their products and services, yet very often this is not organized in an account-centric way. By undertaking a content audit through an ABM lens, you can better select assets that are relevant for a group of accounts and types of stakeholders. This then enables you to orchestrate more relevant campaigns for your accounts by aligning messaging and content types across the customer lifecycle.
Marketing’s accountability for business performance comes with both acute challenges and changes across a variety of budget areas. Changes to marketing technology (martech) spending year over year are a case in point. Spend on marketing technology was 27% of the overall budget in 2016-2017 but is down 15% from last year. CMOs pulled back from last year’s high spending amid concerns about marketing’s ability to effectively acquire and manage technology.

Don’t get caught in the technology trap

We live in an increasingly tech-centred world, and it’s easy to think first and foremost in terms of technology solutions – particularly when it comes to creating scale. When it comes to ABM, we caution against doing this. Of course, technology does play a role – you’ll need it to automate low-value tasks and generate customer insights – but it shouldn’t be seen as the be-all and end-all.

In fact, successful ABM is as much about very human considerations such as creating tailored insights, compelling propositions, and creative thinking. So, instead of thinking about scale purely as Programmatic ABM on repeat, think instead about how to apply technology to free up human minds for the more valuable parts of ABM.

The purchase of technology should be a secondary consideration to what really matters: the problem you’re trying to overcome and the goals of customer first, though closely connected to ourselves as suppliers/providers. That’s where the ABM magic happens.

Gartner CMO spend survey 2017-2018
Budgeting and planning for ABM

When you’re planning your first ABM campaign, here’s how to get the ball rolling.

Budget and organization planning
When scoping an ABM program, one of the first questions faced is around your budget and spend across an account or groups of accounts. Coupled with this are internal costs and organizational considerations, such as team structure, skill sets, and bandwidth – especially if ABM is an extra responsibility on top of people’s day jobs.

ABM challenges traditional budgeting cycles, as for the first time you will need to calculate spending at the account level and what the likely return is. ROI in an ABM setting is all about turning the spotlight on your big-bet opportunities. It can be unnerving to use a significant proportion of your budget on 10 or 20 accounts, but ABM is about value, not volume.

Securing marketing spend
This same mindset can be used when trying to secure a bigger share of your organization’s overall marketing spend for ABM. If your business is prioritizing winning or growing a selection of strategic accounts, then the ABM ROI figures should put you in pole position to extract budget from activities such as PR or events. Of course, this ROI is built on the basis that you have chosen the right accounts in the first place, which is why upfront insight, selection, and segmentation is so critical.
Successful budgeting

Not all accounts are created equal – it can be tempting to take your annual spend and divide it across your account list. But before you do that, look first at your accounts and how best to prioritize and segment them. You might find that just five accounts warrant 50% of your budget as they have a higher likelihood of return. You might also discount some accounts immediately, for example if the sales teams are not engaged. And you might then look for economies of scale by grouping accounts of a similar profile – e.g. in terms of a shared challenge, sector, or proposition alignment.

It’s important to remember that ABM is not a ‘one size fits all’ prescriptive process. — Alisha Lyndon, CEO, MomentumABM

Staffing, spending, and account coverage

Given the nuances of different contexts it’s hard to find concrete metrics or formulas to calculate a precise ratio of spend to account. However, using our own experience with clients – and insight from industry commentators – we have developed some guidelines. Our model below shows typical budget allowances across accounts and breaks down the time investment and activities expected from ABM teams. For example, if your deal sizes are a lot smaller or you work in mid-market it may be more prudent to spread your budget across a higher volume of accounts through programmatic methods.

<table>
<thead>
<tr>
<th>1 : 1 ABM</th>
<th>1 : few ABM</th>
<th>1 : many ABM</th>
</tr>
</thead>
<tbody>
<tr>
<td>34 accounts with $100m revenue</td>
<td>42 accounts split into 6 clusters</td>
<td>Hundreds of accounts</td>
</tr>
<tr>
<td>c.5-10 accounts per ABMer</td>
<td>3-5 clusters per ABMer</td>
<td>No alignment with ABMer</td>
</tr>
<tr>
<td>$40-80k per account, per annum</td>
<td>$40k per cluster</td>
<td>Part of broader spend</td>
</tr>
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</table>

- Integral part of the account team
- Gather account and stakeholder insights
- Build tailored value propositions for accounts
- Create engagement plans and content
- Budget sourced from both marketing and account P&Ls

- Lighter-touch engagement with sales teams
- Look for insight across clusters and personas
- Share propositions or personalize existing
- Budget sourced from central marketing budgets

- Zero engagement with sales teams
- Automated insights
- No tailoring of propositions
- Rules-based campaigns with martech/adtech
- Budget sourced from central marketing budgets
Selecting and prioritizing accounts

For your ABM programs to be a success – and result in the highest possible ROI – you must choose the right accounts in the first place. This is why upfront insight, selection, and segmentation are so critical.

Instead of leaving account selection to subjectivity and opinion, businesses are increasingly using data-led techniques. This involves enriching account lists with data points – for example firmographic, demographic, or technographic data – and building out models and visualizations to shine the light on high potential accounts, or clusters of ‘lookalike accounts’ which share similar characteristics. By applying these techniques, you can take a more objective approach to account selection and have better confidence in where to apply your marketing spend.

A real-world perspective

Of course, data-driven decisions needs to be balanced with a real-world perspective of what’s happening on the ground with account teams. For example, embarking on activities in an account where the sales lead is disengaged will be an unwanted hurdle, while ABM could be perfect timing in an account with a recently formed or enthusiastic team.

We also recommend re-thinking annual, or even quarterly, account-planning cycles. Whilst you may start the year with a view of where opportunities lie, this can change overnight.

For example, if an account announces a change to its executive team, a profit warning, or a planned merger, then this can disrupt or re-energize opportunity for your teams. Marketing teams are increasingly looking for data and insight that can keep them up to speed with these developments, for a near-time, more dynamic approach to prioritizing efforts. In achieving this, you can stay in step with your customer and add a new layer of value to sales teams by making proactive ABM recommendations.

Data with intent

Third-party intent data is a source of intelligence used by marketing teams to uncover opportunity in accounts. Collected by a number of data vendors, it collates insight on browsing habits and content consumption across a wide array of websites, showing spikes of intent which indicate when businesses are in market for specific solutions and services.

While third-party intent data is one source of insight used for account prioritization, it should not be seen as a silver bullet. Our advice is to bring together as much data as you can – e.g. from account plans, CRM systems, data management platforms and inbound traffic – to build a 360-degree view of your customers.

MomentumABM helps customers analyze large volumes of data to:

- Identify trends on each account’s markets, business, and people
- Segment insights into topics that align with strategic priorities
- Aggregate social data for hyper-personalized intelligence on key decision-makers
- Analyze social networks to understand the connections between stakeholders and influencers
- Consolidate the latest news and investor insights.
The ingredients of account-based marketing

How do you conceive, plan, manage, execute, and measure an ABM campaign? We believe there are five key ingredients essential for success, and they lie at the heart of our five-step ABM framework.
Stage 1: Discover
Insights are the cornerstone of a customer-first strategy and influence all activity that follows in the execution of ABM. Gaining insights means putting in the work up front – but the effort at this early stage pays dividends. Insights are the result of effective, extensive and expert techniques – that throw light not just on an industry but an organization, and the people that matter.

Mission: Understand the challenges and opportunities for the account
Activities: Select accounts, uncover account insights, stakeholder and personality profiling, and horizon scanning for always-on insight
Outcome: A clear and motivating case for change

Stage 2: Challenge
One of the major benefits of ABM is a planning process which brings sales and marketing together. The joint ABM plan complements sales plans to give a single, centralized view of the customer and the value you offer.

Mission: Craft a strategy to engage and develop opportunities within the account
Activities: Design-led thinking, workshops, ABM vision, strategy, and engagement plan
Outcome: Fresh perspective with a clear purpose

Stage 3: Message
With the right insights on the account and audiences, messaging can focus on customer needs and demonstrate empathy with individual stakeholders. This is a powerful part of ABM as you can connect on an emotional level – earning trust early in the sales cycle whilst influencing different stakeholders to open up new dialogue.

Mission: Build value-based messaging for the account
Activities: Account narrative/storytelling, value proposition development, and thought leadership
Outcome: A shared narrative to win relationships and mindshare

Stage 4: Create
You need content that stands out. The way to achieve this is to create a consistent account story – one that talks less about your products and services and more about the specific value you can deliver. ABM creative lets you match content type to the message and audience, making a powerful impact through subtle nuances in tone of voice, and look and feel.

Mission: Disrupt perceptions and make impact
Activities: Cross-channel creative and comms (e.g. digital, video, VR, 3D, apps, interactive, PDF, PPT, DM, and social, etc)
Outcome: Relevant visibility and repositioning across stakeholders

Stage 5: Engage
The buying cycle doesn’t stop at the point of sale – in an ABM context you should be thinking beyond the sale to nurture customer satisfaction and loyalty. This can take many forms – from jointly celebrating successes with your customer, supporting the rollout and adoption of a solution, or co-creating success stories with an account’s key stakeholder. By capturing and re-communicating your value, you sustain trust with your customer and lay the foundation for future opportunity.

Mission: Create engagements and develop advocates
Activities: Advocacy development, co-create and sell with events and CSR, and measure success
Outcome: Joint collaboration based on understanding and trust
Measuring success

Let’s face facts: measurement hasn’t always been marketing’s strong point. This is because we all too often go for what’s easy rather than for what’s useful. However, if you want to claim a seat around the boardroom table this will need to change.
The best way to gain credibility and quantify the value of ABM is to clearly set out how you drive sustainable business development. If you can get this right, you’ll be better able to align your activities with business results and grow your budgets in the process.

**Measurement the MomentumABM way**

Our approach to measuring ABM success is underpinned by a series of metrics that help understand short-, medium-, and long-term success in ABM. These can be broken down into several stages:

1. **Readiness**
   - a. Do you have an account strategy?
   - b. Do you have account insights?
   - c. Have you built account audiences?
   - d. Have you created an account narrative?

2. **Reach:**
   - a. How are you reaching people up and across the organization?
   - b. Are you reaching the right people?
   - c. Are you broadening your reach?

3. **Outcomes**
   - a. What responses are you getting?
   - b. What is the quality of the pipeline?

4. **Impact:**
   - a. How are you driving revenue?

Building these metrics into a dashboard, you’ll be able to build a strong business case for future ABM efforts or activities and put yourself in the best possible position to secure more funding from the business.

### Single approach to measuring the success from your ABM programme

<table>
<thead>
<tr>
<th>Readiness</th>
<th>Reach</th>
</tr>
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<tbody>
<tr>
<td>Opportunity awareness and alignment with account team</td>
<td>Tracks audience coverage and engagement</td>
</tr>
<tr>
<td>- Robustness of account plans</td>
<td>- Number of active contacts</td>
</tr>
<tr>
<td>- Perspective of account potential</td>
<td>- Audience growth over time</td>
</tr>
<tr>
<td>- Depth of customer insight</td>
<td>- C-level engagements</td>
</tr>
<tr>
<td>- Goal alignment with account team</td>
<td>- Number of activities reaching ABM accounts</td>
</tr>
<tr>
<td></td>
<td>- Number of meetings and engagements</td>
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<tr>
<td></td>
<td>- Percentage opt-ins of first-party content</td>
</tr>
<tr>
<td></td>
<td>- Third-party intent signals for an account</td>
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</table>

### Outcomes

**Demonstrates the results from ABM activities**

- Lead to pipeline conversion (compare ABM and non-ABM accounts)
- Deal win-rate
- Pipeline growth and attribution to ABM engagements
- Number of new opportunities in an account
- Salesteam feedback

### Impact

**How ABM influences the bottom line**

- Pipeline velocity and rate of return
- Growth of deal size
- Win rates
- Total revenue influenced
How to get started with ABM

With the benefits of ABM now so clear, you’d be forgiven for thinking that every marketeer worth their salt is rushing out to get their programs up and running. But this isn’t the case.

In fact, while 84% of marketeers say ABM delivers higher ROI than any other approach⁷, only half of organizations have an ABM pilot in place⁸. Marketeers are a cautious bunch, however; although the benefits of ABM are well understood many people are still holding back.

Executive-level sponsorship and a significant budget may be desirable before embarking on an ABM program, but they are not always available. Commonly, marketeers will need to prove value by starting small and scaling up.

⁷ ITSMA, 2015
⁸ Sirius, 2017
What’s driving caution?

Despite the clear business rationale to champion ABM, organizations can typically become overwhelmed at the start. Our experience shows that this boils down to several key concerns:

• ABM is going to take a significant amount of time to set up.
• ABM will not only need a hefty budget but also large, dedicated marketing and sales teams, plus other subject specialists.
• The business doesn’t have the skills or capabilities for ABM.
• ABM requires a completely new go-to-market approach.

Where should businesses start? Few companies are willing or able to fully commit to ABM without testing the concept first, which means the best practice approach to launching an ABM program is to start small and use the resources you have to hand. In reality, most organizations can see early rewards by taking small steps into ABM. And even a small step is enough for you to see the benefits that ABM brings. It just requires that shift in mindset to apply your resources in a more strategic way.

Here are five key tips to help you build a successful pilot:

1. Start small: We suggest you start with one or two strategic accounts with high revenue potential and sales managers ready to try out ABM.

2. Be flexible: You don’t need to commit to one type of ABM model – use the pilot phase to gather vital lessons for the future.

3. Get buy-in: ABM will transform how your organization goes to market. But this won’t happen from day one; instead, put all your efforts on getting buy-in from sales and senior business leaders to gain momentum.

4. Focus on metrics: As discussed above, metrics will help build a strong business case for further investment in ABM. For the pilot, keep the metrics simple and short-term.

5. Educate and evangelize: Talk to your sales stakeholders, get them excited, and deliver something early on that will make an impact.
So, you’ve done a pilot and enjoyed some early success – but what happens next? Having worked with many clients across hundreds of accounts, we’ve built a typical picture of an ABM roadmap. This is rarely a linear process that takes you from A to B; your roadmap will have different twists and turns along the way.

ABM is often less about going from pilot to implementation, and more of a series of different iterations. These iterations can take place in different accounts or different parts of the business as you embed ABM in your go-to-market model.

The ABM maturity curve

<table>
<thead>
<tr>
<th>ABM adoption</th>
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<tbody>
<tr>
<td>3-6m</td>
</tr>
<tr>
<td>6-12m</td>
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<tr>
<td>12-18m</td>
</tr>
<tr>
<td>18-36m</td>
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**Pilot**
“Help me get going and deliver some early results.”

**Establish**
“We’re ready to take the next step and extend our ABM efforts.”

**Growth inflection point**
“We want to design and implement a larger ABM program.”

**Scale and impact**
“We’re ready to embed ABM as BAU and roll it out globally.”
Account-based marketing we prepared earlier

We’ve delivered ABM of every shape and size. Here are some end-customer examples of the impact we’ve delivered:

**VMware**
- Opened up a multimillion pound sales pipeline with a strategic account
- Time to account effectiveness was reduced by more than six months
- A strategic planning meeting with the UBS team was secured within four months of start

**SAP**
- Helped SAP align nearly 100 sales and marketing teams
- Communicated with over 5,000 contacts
- Opened up a $792 million pipeline

**Google Cloud**
- Alignment with 20+ sales people, coverage across five industries and 81 customers
- $3.5m in pipeline and $5.5m in accelerated pipeline
- Response to meeting request within 15 minutes of outreach

**Fujitsu**
- Won deals worth £16 million (UK contracts)
- €55 million EMEIA framework and software deals closed
- 30+ C-suite relationships created
Get in touch

To find out more about how ABM can help drive tangible business value for your organization, please get in touch:
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