

# How we scaled this

## Growing revenue by aligning sales & marketing

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### Summary

While a solid sales leader and sales team are key to revenue generation, sustainable **SaaS growth requires alignment of sales and marketing**. However, the way SaaS companies view and manage their pipeline\* prevents their GTM teams from fully aligning. The result? Inconsistent and missed revenue.

SaaS businesses derive their revenue from a mix of new business, renewal, and expansion revenue. Unfortunately, many view their pipeline as a single entity, blinding them to what is really happening in their business. **Mistakenly believing they have enough pipeline — and failing to harness marketing's contributions to drive revenue in the entire sales funnel — they then miss their revenue numbers.**

When building a model for revenue success, companies need to consider and optimize marketing's involvement in the entire sales funnel. By planning for that involvement everywhere from building awareness to helping close deals — and through onboarding, renewal and expansion — SaaS organizations greatly increase the chances of hitting their revenue numbers.

I've helped multiple Scale clients foster sales and marketing alignment by tracking pipeline across the funnel. This helped them predictably and repeatably hit revenue, and drive exponential growth. **The key is the culture and math that enable the entire GTM team to partner in driving revenue success.**

### About the author

Tricia Gellman is an experienced CMO, executive advisor and board member with over 20 years of marketing experience building brands, driving revenue and leading change at companies like Apple, Adobe, Salesforce, Checkr and Drift.

Tricia has a proven track record of partnering with C-level executive teams in hypergrowth public companies and independent startups to build scalable go-to-market programs that accelerate revenue and increase corporate valuations.

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\*Pipeline in this case is defined as sales-accepted opportunities that have been assigned a dollar value and that sales is working to drive revenue.



## Overview and results



### Challenge

Marketing is held accountable for new business leads and sales is held accountable for revenue



### Solution

Align marketing and sales around the same goal: pipeline for all revenue sources



### Results

Enable efficiency and productivity across sales and marketing

Predictably hit revenue repeatedly

Increase deal velocity



### Target

Mid-market  
enterprise



### Product

SaaS



### ACV

Any

## Align GTM culture around revenue

The GTM culture needs to underscore that both sales and marketing win or lose based on the company hitting its revenue number.

### What we did

We built a culture where everyone understands their responsibility and role in hitting pipeline goals.

### How we did it

Together, the marketing and sales leaders cultivated a mentality across the GTM team that marketing and sales sink or swim as one.

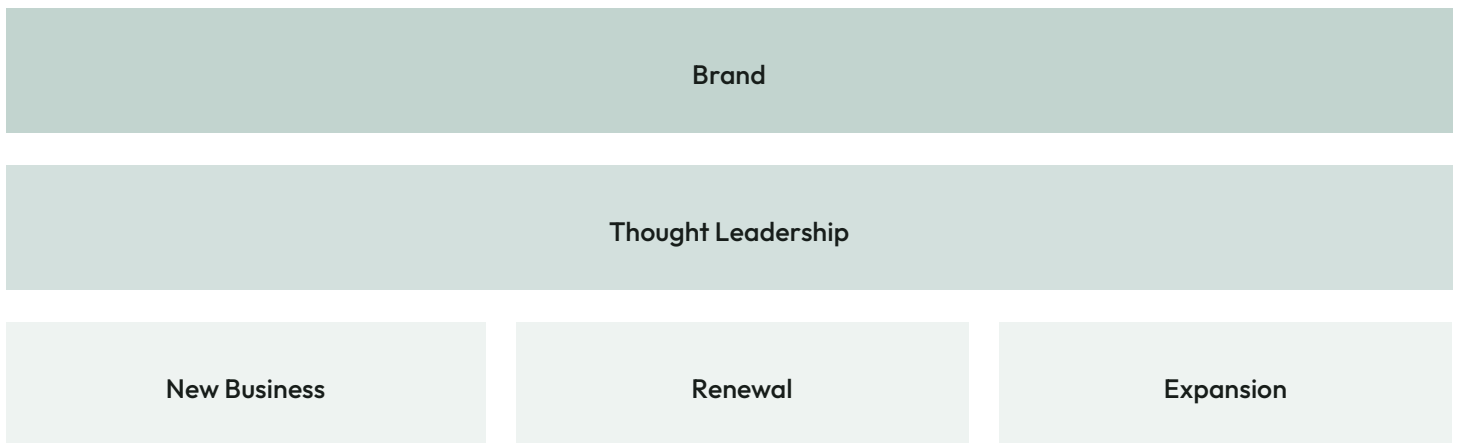
Part of that was ensuring an understanding of the three revenue sources: new business, renewals, and expansion.

Next was clearly delineating responsibilities: who owns what, and in what scenarios does marketing or sales delegate to the other. This includes setting granular targets that help pinpoint priority opportunities.

### Why it worked

The goal of marketing is to help build velocity in generating revenue. The diagram below shows how brand and thought leadership can warm the entire funnel and influence the SaaS revenue lifecycle.

Throughout the cycle, marketing may be responsible for pipeline generation or might partner with sales. Either way, the key is that everyone aligns to reach the revenue goal. That's why a shared view of the pipeline is so important.



Understanding revenue sources and **responsibilities throughout the sales funnel helps align resources and efforts at each stage/in each revenue area.**

Priorities continually change, but sales and marketing leadership can align to prioritize resources based on the biggest numbers and most urgent need.



### Top tip

Define granular targets to help everyone see and agree where marketing's help is required — and to eliminate the finger-pointing that typically occurs.

## Build the math to reach revenue goals

Identify how to reach revenue targets based on the pipeline generation shared across the GTM team.

### What we did

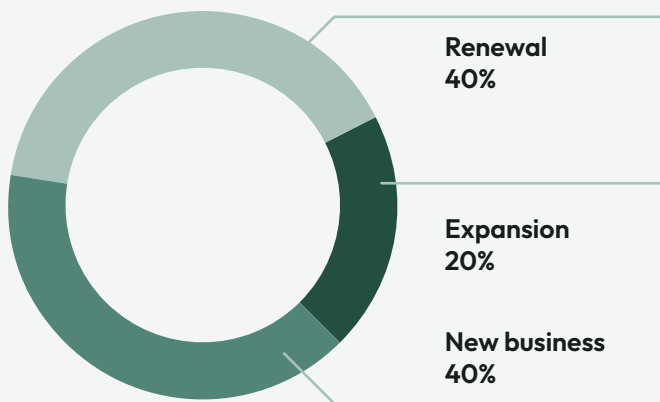
Identified how the organization drove revenue.

### How we did it

The marketing and sales leader broke pipeline into buckets (new business, renewal, and expansion), and defined precisely what percentage of business each accounted for.

Next, they broke down pipeline needs and targets to align to each of the revenue sources. Building this math required knowing several pieces of data and making assumptions on how sales and marketing will work together to achieve the numbers.

TOTAL REVENUE SOURCES BY PERCENTAGE



BUSINESS PIPELINE MODEL ASSUMPTIONS

New business close rate	30%
Deal cycle time	3 months
Amount of coverage needed per month	3-4x
Contributors to pipeline	
Marketing	70%
AE	10%
BDR	20%



With these assumptions in hand, they built out targets for each team.

**NEW BUSINESS PIPELINE ACCOUNTABILITY MODEL**

	Q1 CY	Q2 CY	Q3 CY	Q4 CY
Marketing	\$5,827,500	\$5,827,500	\$6,405,000	\$11,655,000
Sales	\$832,500	\$832,500	\$915,000	\$1,665,000
BDR	\$1,665,000	\$1,665,000	\$1,830,000	\$3,330,000
Total Pipeline Target	\$8,325,000	\$8,325,000	\$9,150,000	\$16,650,000
Total Pipeline Target for Year			3x coverage	\$35,000,000
Target ARR per quarter	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
<b>Total ARR Target for Year</b>				<b>\$10,000,000</b>

**Why it worked**

With this math, the sales and marketing organizations have a foundation to see what pipeline is needed from whom every quarter.

Such information makes it possible to triage issues efficiently, since you'll know why they're happening, as well as how the collective team is going to coordinate to make up the gap.

For example, as you progress through a quarter, you may see that AE pipeline generation is behind target due to a lack of pipeline coverage in the next quarter. In turn, maybe you run a SPIFF where your sales development team does call downs to opportunities that died in previous quarters but didn't truly say no.



**Top tip**

Look at each revenue source individually because you will assign different teams, different close rates, and different coverage to each.





### Assign responsibility for each revenue target

Once you clearly define goals and needs for each revenue bucket, you can assign the appropriate resources to achieve the numbers.

#### What we did

Built team activity around each motion.

#### How we did it

The CMO and CRO aligned on hitting all the numbers, and then assigned teams to achieve the targets (for example, different sales teams owned new business vs. renewal vs. expansion).

Knowing the sales structure and targets, marketing can build its annual strategy and align quarterly programs to generate pipeline as needed to hit the revenue goals. At the same time, sales executes on its goals and collaborates with marketing, giving feedback on what is and isn't working to close the pipeline.

With granular targets transparently tracked in a CRM and clearly defined ownership across teams, it's easier to diagnose problems and quickly take action, driving to revenue repeatability.

#### Why it worked

Generally marketing and sales do not discuss the complete revenue cycle. Creating this dialogue and assigning teams to own each part achieves two outcomes:

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The teams talk about actionable numbers on a regular basis.

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People below the CMO and CRO are aligned, build relationships, are accountable to each other, and take action quickly to hit granular targets.



#### Top tip

When possible, break down the targets not just by sales as a whole but by sales leaders and/or individual reps.



# Create a cadence of collaboration and accountability

Marketing and sales alignment must carry through to continually identify bottlenecks and prioritize resources to drive business success.

### What we did

Created a culture of collaboration and accountability across the GTM team.

### How we did it

The marketing and sales leaders hosted weekly or bi-weekly Pipeline Council meetings to discuss pipeline health and pipeline generation. These meetings served three purposes:

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Aligned everyone around the most important numbers in the business. For instance, missing the SMB revenue number may be acceptable if the team hits the pipeline generation number for enterprise that month.

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Drove collaboration to identify what was and wasn't working. For example, marketing may be producing leads that convert to meetings, but those meetings may not be with the right level of people in an organization.

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Identified priorities to ensure everyone focused on the next best action. Say pipeline generation is not where it needs to be but coverage is strong. Reallocating marketing dollars to help close pipeline may be more important to hit short-term ARR goals.

### Why it worked

During the Pipeline Council, the team looked at the pipeline coverage in place to hit the current quarter's ARR goal, and separately reviewed the pipeline generation needed to hit current and future quarters.

This helped identify where programs and sales teams were performing to target or missing the mark, and what action was needed from sales, marketing, sales development, or partners.



### Top tip

The more granular you get with revenue targets, the easier it becomes to identify opportunities to make moves that help hit those targets.

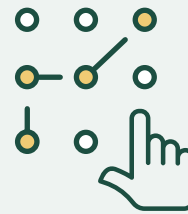
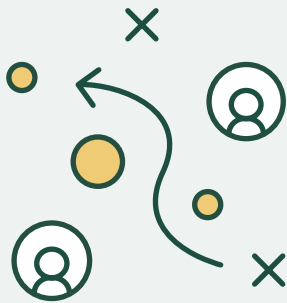


The following table shows achievement to date 55% into the quarter, by region across the GTM team on their assigned pipeline generation goals. The overall goal for the quarter is \$18 million (\$8 million for new logo business and \$10 million for expansion), split amongst marketing, SDRs, AEs, and channel partners for new logos, and amongst AEs and channel partners for expansion revenue.

	TEAM	% OF TARGET				
		TOTAL (%)	MARKET (%)	SDR (%)	AE (%)	ECO (%)
<b>NEW LOGO</b>	NA EAST	70	60	77	1,253	10
	NA WEST	91	118	NA	51	55
	EMEA	47	23	36	64	94
	APAC	45	5	NA	40	176
	<b>TOTAL</b>	<b>67%</b>	<b>58%</b>	<b>72%</b>	<b>131%</b>	<b>45%</b>
	TARGETS	\$9,458,000	\$4,806,000	\$1,868,000	\$938,000	\$1,846,000
<b>EXPANSION</b>	NA EAST	10	NA	NA	4	74
	NA WEST	17	NA	NA	3	0
	EMEA	72	NA	NA	76	20
	APAC	0	NA	NA	0	0
	<b>TOTAL</b>	<b>25%</b>	<b>NA</b>	<b>NA</b>	<b>20%</b>	<b>24%</b>
	TARGETS	\$10,000,000	0	0	\$9,500,000	\$500,000
<b>TOTAL</b>	NA EAST	50	62	77	36	16
	NA WEST	45	149	NA	10	33
	EMEA	61	24	36	75	74
	APAC	8	5	NA	4	122
	<b>TOTAL</b>	<b>45%</b>	<b>65%</b>	<b>72%</b>	<b>30%</b>	<b>41%</b>
	TARGETS	\$19,457,000	\$4,806,000	\$1,868,000	\$10,437,000	\$2,346,000



## Key takeaways



### Break down the pipeline per revenue bucket

Breaking down the pipeline needed to achieve each revenue bucket paves the way for a healthy dialogue between marketing and sales while also building more predictability into the business.

### Foster alignment between sales and marketing through tracking the pipeline funnel

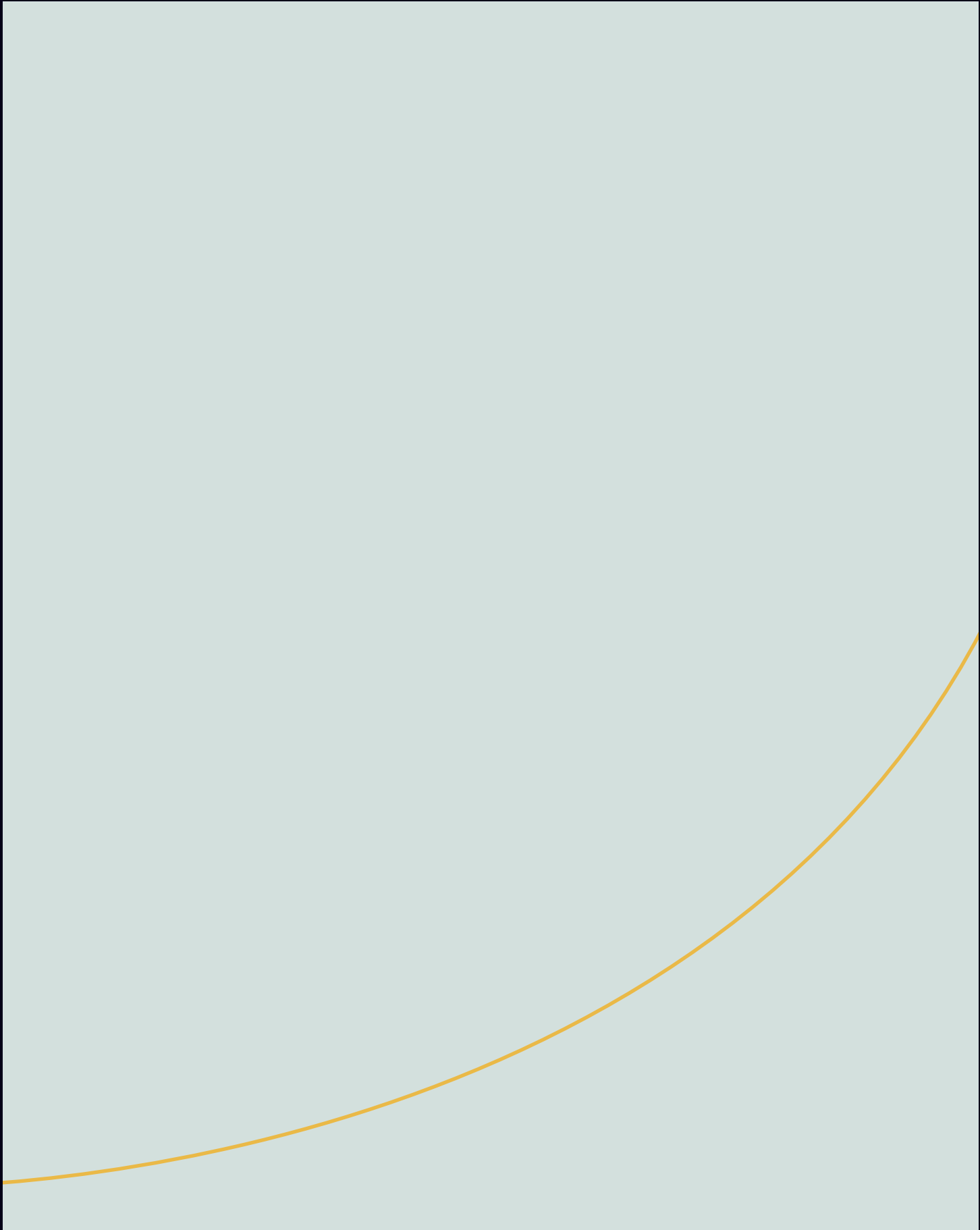
Fostering alignment between sales and marketing through the tracking of pipeline across the funnel drives exponential growth compared to holding marketing accountable for leads and sales accountable for revenue.



### Align the GTM team around the same pipeline metrics

Aligning the GTM team around the same pipeline metrics means everyone works off the same set of numbers, setting the stage for true and meaningful collaboration.





**SCALE**

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