

- a nucleus group company
- 720 third avenue, suite 2300
seattle, wa 98104
206-493-5450 main
206-493-5410 fax
- www.appatureinc.com

Sales Pilots the Ship, Marketing Charts the Course

An exploration of the critical differences between Sales Force Automation Systems and Marketing Management Platforms

Summary

Sales Force Automation systems and marketing management platforms are role specific software tools that are adept at enabling the differing needs of sales professionals and marketing managers. This difference is especially true in the healthcare industry where the needs of the marketer, in terms of data and features, are not available with a sales force automation solution by itself. It is the purpose of this paper to explore how the needs of sales and marketing differ, and how those differences translate to the importance of utilizing the right tool for the right job.

Sales and Marketing - Different Jobs, Similar Goals

On a sea of potential business opportunities, a company's sales force is the pilot of the ship. A company's marketing group is the ship's navigator. In healthcare, this is especially true as marketing and sales have a very indirect interaction with physicians and patients, just like a ship interacts directly with the sea and the fish lie below the waves. Both sales and marketing have the same destination in mind as they set sail. To reach their shared goal requires each crew member to employ different tools and techniques. The pilot needs to understand how the ship operates, how to use the wheel and rudders, when to raise and lower the sails, and use a sales force automation system. The navigator needs to understand maps and angles. They use a sextant, compass, pen, and a marketing platform. Both the pilot and the navigator look at the sea, and they both ride the waves together. Without working in concert on their separate tasks and utilizing the proper specialized tools for their respective jobs, the goal of reaching their destination will be unnecessarily fraught with peril.

At their core, sales professionals and marketing managers in the healthcare industry both want the same thing. They both want to grow the Market Share of their product, brand, and company. They both operate primarily through influence with healthcare providers and patients to sell their products. They both realize that growth of market share translates to increased revenue, a higher stock price, and better compensation. They both know that this is the lifeblood goal of any successful business.

Unfortunately, while it may be straightforward for sales and marketing to agree on their overall purpose, the type of work that sales professionals perform is fundamentally different from the type of work performed by marketing managers. Sales professionals typically focus on individual deals either at the single product level or on volume contracts with distribution channel partners. They do the hard work of working with customers to find solutions to their problems with what the company has to offer. To facilitate this work, software tools are often used. Sales force automation systems enable a sales team to track information about prospects and opportunities. They enable sales managers and executives to gain insight on how well they are tacking to their goals for the month, the quarter, and the year.

Marketing managers, on the other hand, play the critical role of bringing prospects to the table by identifying and understanding target markets, raising awareness, and educating potential customers. In many cases the tools marketers utilize might rely on information from the sales

team, but more often than not marketers need to gather their data from as many sources as possible. Raising awareness and building customer dialogs requires marketers to use tools that let them send email messages, perform market research studies, initiate direct mail campaigns, organize tradeshow events, purchase online and offline ad space, and so much more. Essentially, everywhere a target customer might be, the marketer's message needs to be there.

Thus, we can see that sales professionals and marketing managers have the same end goals in mind. They both need customer information to get their work done, and software tools can help. What we can't see, however, is whether or not a sales force automation system by itself is good enough for both sales and marketing to use. To illustrate where a sales force automation system really shines, it is helpful to consider the following diagram:

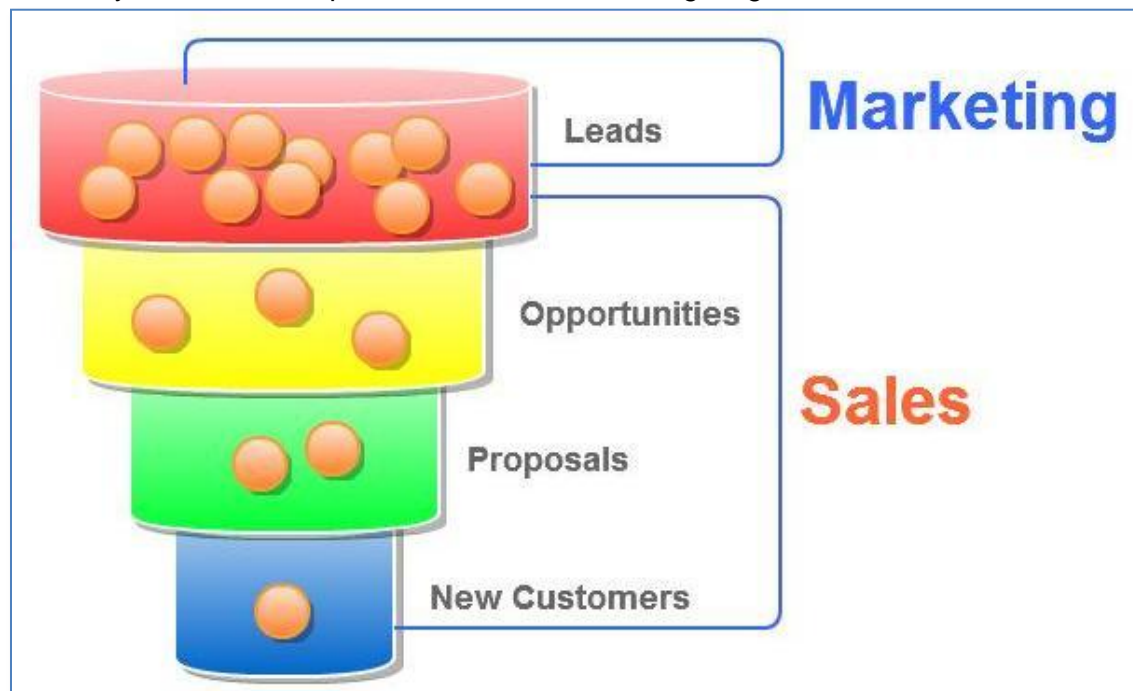


Figure 1: A Sales Force Automation System's View of the Customer

In this diagram, we see a generic sales funnel with various potential customers represented as balls inside the funnel. Sales force automation systems usually start by dividing the world up into leads, contacts, accounts, and opportunities. Opportunities have sales stages, probabilities, and estimated revenue, and they are linked to contacts, leads, and accounts. This approach has proven to be effective in modeling the sales pipeline and delivering on the promise of helping to measure a sales force's effectiveness. As we can see, however, a sales force automation system's view of marketing is fairly limited. It typically only intersects the funnel at the top. This highlights the common euphemism for marketing's job as being responsible for "filling the top of the funnel". The implication here is that sales force automation systems miss whole swaths of functionality related to solving the real problems of the marketer. They are all too often myopically focused on sales.

In truth, a marketer's view of the problem looks more like what is shown in the following diagram:

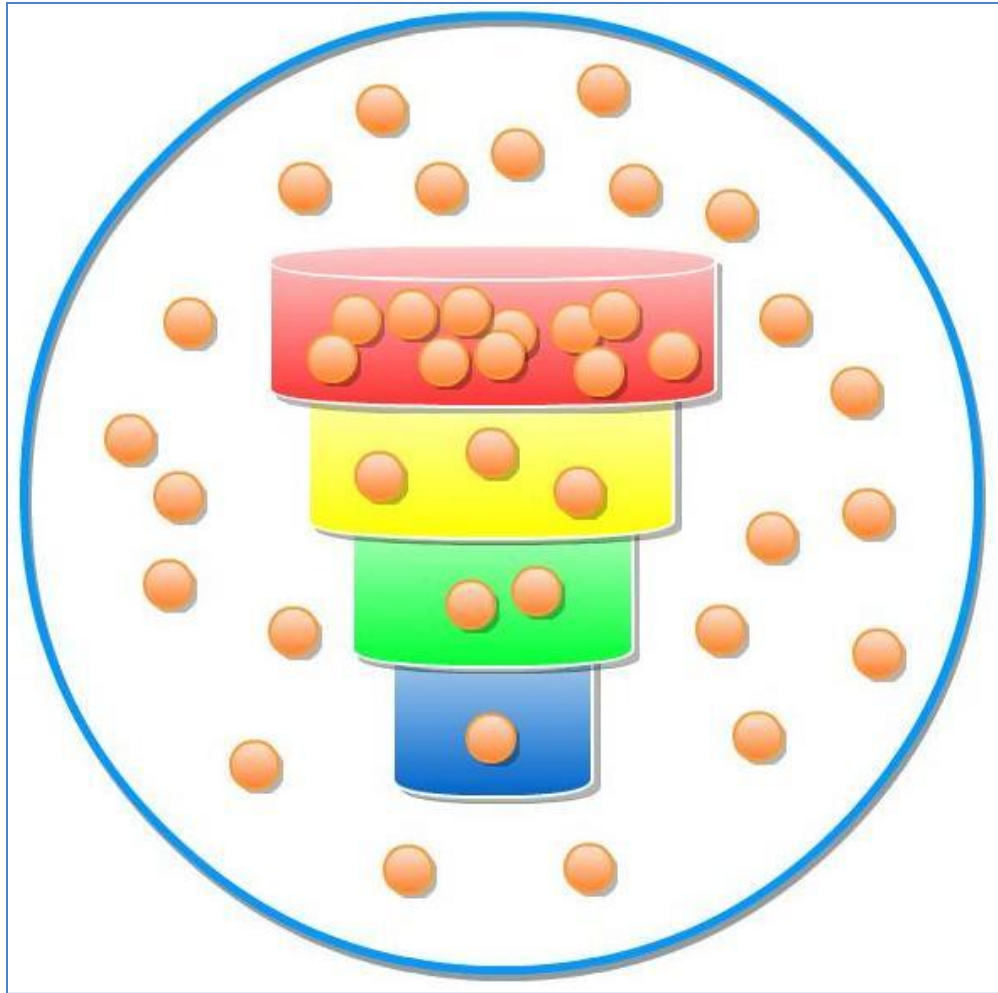


Figure 2: A Marketer's View of the Customer

While the sales funnel is a central figure for the work of a marketer, we can see that it is a far cry from being the entire picture. Potential customers need to be found, nurtured, educated and transformed into leads and opportunities from outside the sales funnel. To do this, marketers need to utilize a wide array of messaging channels and tools. They need to obtain customer information from both inside the organization and outside of it. They need to make sense of all of the data they have available quickly in order to point their sales force in the right direction. Sales force automation systems, by themselves, rarely have what it takes to meet these needs without an investment in customization work that can easily dwarf the licensing cost of the system. What's more, in the healthcare space, the gap between a sales system's capabilities and the needs of marketing is even wider. Heightened privacy concerns and a highly regulated environment can make Healthcare IT departments rightfully hesitate when it comes to adopting new technology. Pure multi-tenant SaaS solutions, without the right capabilities, are especially at risk when it comes to storing sensitive healthcare related information.

Marketing managers need software solutions that take a whole customer approach and enable the work they have to accomplish. Sales professionals are the ones driving the "Sales Funnel

Ship". Marketing Managers need to chart a course for that ship so that everyone on board gets to where they want to go. A robust Marketing Management platform is an essential complement to an organization's sales force automation system. It enables the marketing department to optimally deliver results that the sales force can capitalize on. Trying to hit corporate revenue targets without both types of systems in place can be like sailing the high seas without a sextant, compass, or map.

What Does Marketing Need?

To really understand why both systems are necessary, it is good to start with an understanding of the respective needs that sales representatives and marketing managers have.

At a high level, Healthcare Marketers are accountable for driving sales and market share for their brand. It can be difficult to do this in the competitive markets in which they participate. They typically engage in a very wide range of endeavors to accomplish these goals. Thus, focus will be applied to a core set of problems that great marketing management platforms can solve, aiding the Healthcare Marketer in the accomplishment of their objectives.

In particular, healthcare marketers need to have access to as many of following things as possible:

- As wide a view of their customer as they can possibly obtain with up-to-date and accurate information.
- A variety of ways to easily capture new customer information so that it stays clean, de-duplicated, and accurate, and that allows for tracking opt-in / opt-out preferences at a very granular level.
- Seamless integration of multiple information sources, including sources of data that have already been purchased or built by the healthcare marketing organization in the past.
- The ability to deliver messages to current and prospective customers in a timely, relevant, and actionable way using a broad range of possible mediums.
- Tools that enable measurement of campaign effectiveness encouraging campaign changes that optimize programs, offers, and messaging.
- Intelligence that makes it possible to identify new markets and opportunities, learn what members of target markets really care about, optimize product distribution channels, and understand market penetration levels.
- Workflows that help manage campaign collaboration and the regulatory approval processes.
- Support for secure protection of data and adherence to data handling policies that are in line with stringent government healthcare regulations.

Beyond these core needs, there are requirements that a healthcare marketing department's IT group will have for any system that they adopt to solve marketing's problems. Some of these include:

- The ability to store personally identifying information in an encrypted and isolated data store.
- All information sent to and from the marketing management platform is done over an encrypted channel using Secure Sockets Layer (SSL) or other equally effective encryption technologies.
- A strong SLA ensuring 98% or higher system uptime.
- A mechanism for deploying custom Business Intelligence reports on top of the marketing management platform so that it can be delivered directly to their marketing users.
- A robust API that allows new data to be integrated easily enabling existing data feeds to be altered quickly in response to schema changes.
- A flexible and configurable application schema that allows the system they are working with to be fit to any particular business process that might arise over time.

How Well does Sales Force Automation Satisfy Marketing Needs?

Given all of these Healthcare Marketing needs as well as the requirements of IT, it is possible to build a needs matrix that show how sales force automation systems stack up against them. This is shown in the following table:

Healthcare Marketing Need	SFA	HCMP*
Wide 360° view of the customer	⊗	✓
Variety of ways to capture new customer information	✓	✓
Customer information that stays clean, de-duplicated, and accurate	✗	✓
Ability to track opt-in / opt-out preferences for programs, brands, and products	✗	✓
Seamless integration of Healthcare Industry Data	✗	✓
Robust support for message personalization and distribution	⊗	✓
Automated A/B Split Testing support w/ Random Sampling and A/B Analysis	✗	✓
Campaign Effectiveness and ROI Reporting	⊗	✓
Market Intelligence reports to measure patient and HCP market share	✗	✓
Market Intelligence reports to measure message channel performance	✗	✓
Online market research	✗	✓
Tradeshaw data management that captures visitor interest	✗	✓
Marketing campaign planning and tracking	⊗	✓
Workflows for managing regulatory and legal marketing document procedures	✗	✓
Support for secure data protection inline with government regulations	✗	✓
Healthcare IT Requirements		
	SFA	HCMP*
Ability to hide and encrypt Personally Identifying Information	✗	✓
All data transfer over secure encrypted channels	⊗	✓
An SLA with a 98% or higher system uptime requirement	✓	✓
A platform for deploying custom business intelligence reports	⊗	✓
A robust API that enables data integration management	⊗	✓
A configurable data model that can be adjusted to meet changing business requirements	✓	✓
* HCMP stands for Healthcare Marketing Platform		
	✓	Full Support
	✗	Minimal Support
	⊗	Partial Support

Figure 3: Healthcare Marketing Needs Satisfied by an SFA

Before diving into the details here, a note about what is meant generally about "Full" vs. "Partial" vs. "Minimal" support is in order. In this diagram, the following definitions are used:

- **SFA** - Sales Force Automation system
- **HCMP** - Healthcare Marketing Platform
- **Full Support** - Systems of the type listed have a rich set of features in this area. They require little to no adjustments to realize the value after implementation.

- **Partial Support** - Systems of the type listed have some features in this area, but they require a non-trivial investment in customization to get working or have severe limitations. Either that, or not all SFA systems fully support the need or requirement.
- **Minimal Support** - No SFA systems offer any significant functionality to meet the listed need.

Looking at this table it becomes apparent why many people would, at first glance, think that a Sales Force Automation system should be able to meet the needs of both sales and marketing. By considering places where "Full" or "Partial" support scores are present, we can see that both types of systems are able to give a view of a customer profile record, provide a variety of ways to load data into the system, at least some level of support for sending messages via email, and an ability to view basic information about how well those messages reached inboxes. These areas of overlap are highlighted above in the needs matrix.

Furthermore, at a technical level, the similarities are even greater. This can lead many IT teams to fall into the trap of thinking they can take an SFA and utilize it for the needs of the marketing group. When the IT team looks at an SFA, they might see data being encrypted in transit between systems, decent API support, and rich customizability. This can lead them to believe that they could implement whatever is necessary on top of that platform. While this may be true if the group's IT team is adept at software development, the investment required to deliver on the marketing team's needs will most likely outweigh the costs of simply licensing a marketing platform. This becomes especially true when you consider that marketing platform vendors are experts with their own technology. They can offer professional services that allow them to complete integration work rapidly and at a fraction of the cost to do it in-house. Thus, by spending far less capital on licensing and implementing a Healthcare focused marketing platform, the IT team can look like heroes for making a decision that will get the marketing group's needs met in a rapid and cost effective manner.

Where do Sales Force Automation Systems Shine?

Alternately, it is helpful to consider a sales needs matrix like the one below. This matrix highlights the fact that a sales force automation system is good at the things sales needs most, and how most marketing platforms don't provide these capabilities:

Healthcare Sales Need	SFA	HCMP*
Sales focused view of the customer including linked opportunities, accounts, and activity	✓	✓
Variety of ways to capture new customer information	✓	✓
Sales process automation and sales process rules engine	✓	✗
Sales representative efficacy reports	✓	✗
Service and support customer issue tracking	✓	✗
Robust support for message personalization and distribution	⊖	✓
Sales forecasting and pipeline reporting	✓	✗
Email and Outlook integration productivity tools	✓	⊖
Opportunity and quote management	✓	✗
Fullfillment management and inventory integration	⊖	✗
Basic customizable sales report building tools	✓	✗
Marketing campaign planning and tracking	⊖	✓
Mobile device sales data entry	✓	✗
Sales material document repository	✓	⊖

* HCMP stands for Healthcare Marketing Platform

✓ Full Support

✗ Minimal Support

⊖ Partial Support

Figure 4: Healthcare Sales Needs Satisfied by an SFA

In this figure we can see the highlighted overlap between an SFA and a Healthcare Marketing Platform is similar. What is different in this case, however, is that there are a large number of sales focused needs that sales force automation systems excel at where marketing platforms have little or no capabilities. Things like sales forecasting, outlook integration for data entry, service and support, and sales process automation are the bread and butter of a sales force automation system. Most marketing platforms don't even bother trying to implement these kinds of features.

Conclusion

In this paper, the needs of both marketing and sales in the healthcare industry were explored. Having looked at the details of these needs overlaid with the types of capabilities sales force automation systems and healthcare marketing platforms have, it became clear that the two systems make a powerful combination when used in concert across an organization. Both types of systems offer functionality that is specific to the tasks of their respective users. Sales force automation systems can really help sales professionals pilot the ship. Healthcare marketing platforms are the right set of tools to help marketers chart the course.

To put the concepts in this discussion to a test, you might consider taking the following set of actions:

1. Get a cross-functional team together for a 2 hour meeting. Include a mix of Marketing and Sales professionals.
2. Have the Sales professionals list out what they like and don't like about their SFA system and wish they had visibility to from Marketing to help them meet their goals.
3. Have the Marketing professionals list out what parts of their jobs are difficult to execute (and why) that an enabling technology would help in achieving their goals.
4. List all opportunities generated from Marketing and Sales, group complementary ones and then prioritize.
5. Focus on finding solutions to these gaps that take advantage of the powerful combination of an SFA with a HCMP to grow market share and sales - and prepare to sail your ship ahead of all others.

About the Author

Christopher Hahn is the co-founder and Chief Technology Officer of Appature, Inc. He has over 14 years of experience architecting, managing, and developing both hardware and software applications. He has worked on problems ranging from 3D Graphics acceleration at ATI Research to digital inking and the Windows shell in Microsoft's Windows division. Passionate about technical architecture, building scalable web applications, and solving challenging business problems, he is responsible for driving all of Appature's applications to meet the stringent demands of healthcare marketers around the world.

About Appature

Appature, Inc. provides Surprisingly Simple® Web-based marketing solutions designed exclusively for healthcare companies. At Appature, we integrate multiple data sources to make your customer information actionable while providing a platform to launch our marketing applications — or for you to optimize your own. Our solutions allow organizations to quickly gain new customer insights and create programs to deepen brand relationships and drive greater sales growth. Leaders in the pharmaceutical, medical device, and health and wellness industries rely on Appature to realize the true potential of their marketing efforts.

For More Information

For help getting started with tools for deploying a Healthcare Marketing Platform to complement the sales force automation system in your organization, give Appature a call at 206-493-5450 or visit us online at <http://www.appatureinc.com/contact> to set up a free consultation.

©2010 Appature Inc. All Rights Reserved

This white paper is for informational purposes only. APPATURE MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN THIS SUMMARY.