

A person is shown from the side, wearing a white shirt, sitting at a desk. They are looking at a laptop screen. A tablet is also visible on the desk. The background is a solid blue color with a subtle pattern of small white dots. The text is overlaid on this background.

# HOW TO BUILD A BUSINESS CASE FOR A DATA MANAGEMENT PROGRAM AT YOUR COMPANY

# INTRODUCTION

You drank the Kool-Aid. You know that having quality marketing data in the right systems—at the right time, for just the right people—is fundamentally important to almost everything your sales and marketing teams do. So you know that it’s critical for your company to invest in data management.

Now you just have to convince everyone else. This guide helps you build a business case that you can share with the rest of your organization for why you need to invest in a data management program.

**In this guide, we’ll highlight the key areas where a data management program can help improve both the top line and the bottom line.**

## THE COST OF BAD DATA

Prospect Database: 100,000 names	Average	Strong	
Usable Records	75,000	90,000	25 percent of an average prospect database is inaccurate; best-in-class organizations run at about 10 percent.
Inquiries (2% response rate)	1,500	1,800	
Marketing Qualified Leads (MQLs)	59	88	Due to better targeting and cleaner data, we assume a 25 percent jump in INQ-MQL conversion from 3.9 to 4.9 percent.
Sales Accepted Leads	34	58	As trust builds with sales around lead quality, we assume a 12.5 percent jump in MQL-SAL conversion from 58.3 percent to 65.6 percent.
Sales Qualified Leads (SQLs)	17	28	From here on out, we use constant conversion rates, as it is assumed that a cleaning process is done in both cases by teleprospecting.
Closed/Won Business	3.9	6.5	
ASP: \$50,000	\$195,000	\$325,000	
ASP: \$150,000	\$585,000	\$975,000	Strong data organizations will realize a 66 percent rise in revenue than those in the average category!

**Figure 1:** SiriusDecisions Research Brief: The Impact of Bad Data on Demand Creation. Research shows that when a company improves the quality of its marketing database from average to strong, it can yield 2.6 more deals for every 100,000 names, or \$390K in additional revenue, assuming an average deal size of \$150K. SiriusDecisions subscribers can view the report here: <https://www.siriusdecisions.com/Research-Articles/T/TheImpactofBadDataonDemandCreation>

# INCREASE ENGAGEMENT BY LEVERAGING MORE MEANINGFUL PERSONALIZATION

Personalization technologies let you tailor 1:1 interactions to improve engagement with your digital properties. They allow you to create personal experiences that are specific to a buyer persona, industry, or progression in the buyer's journey. However, this ability to create personalized engagement at scale is only possible if you have high quality data.

Data management allows you to create multi-dimensional segmentations of your database to power personalization engines, such as:

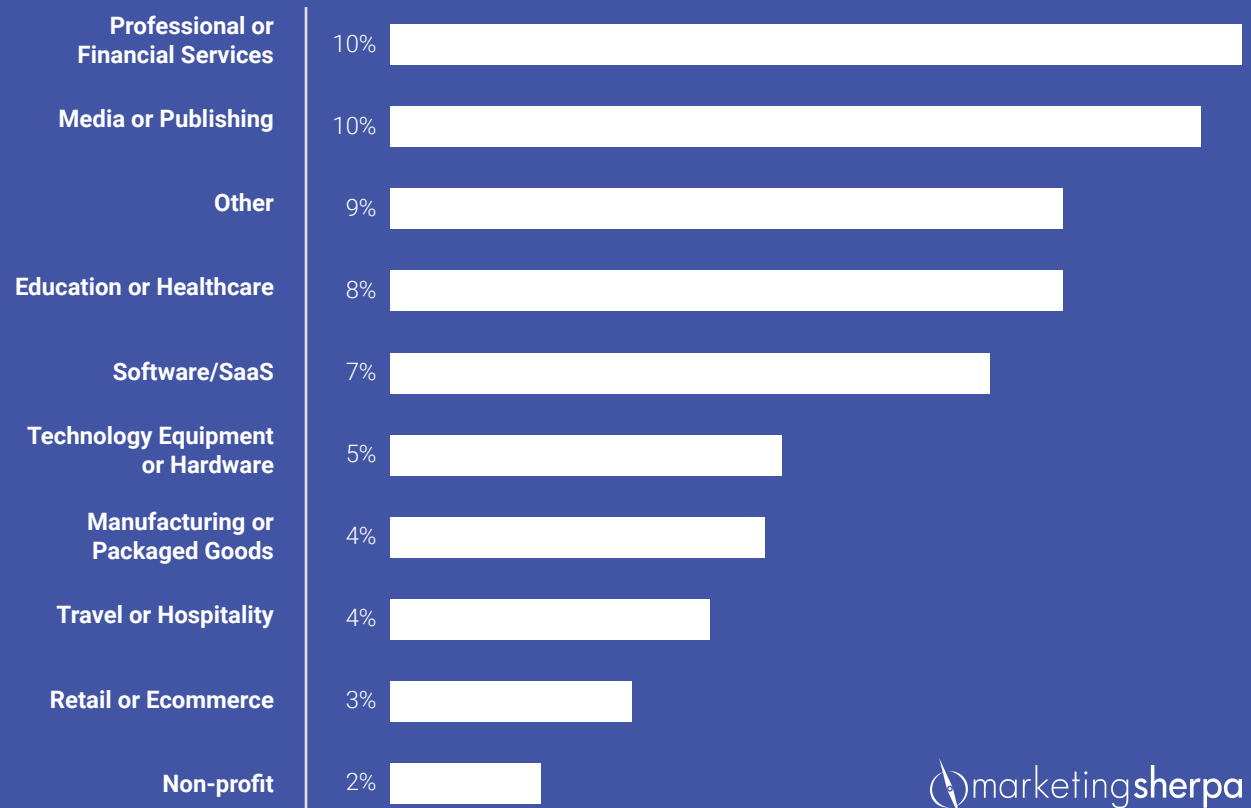
- » **Role segments** like job function and job level, so you can serve up buyer-persona specific contents to your website visitors
- » **Personal segments** like age range, income level, and educational level, so you can offer the appropriate product that will interest the consumer most
- » **Firmographic segments** like number of employees, annual revenue, and size of vehicle fleet, so you can highlight the most relevant challenges you can solve for the prospect
- » **Geographical segments** like country, language, and metropolitan areas, so you can showcase the results with one division of a customer to a prospect from another division who is not yet a customer



# INCREASE ENGAGEMENT BY LEVERAGING MORE MEANINGFUL PERSONALIZATION

## DATA MANAGEMENT BY THE NUMBERS

MarketingSherpa studied the average website conversion rate by industry (<http://www.marketingsherpa.com/article/chart/average-website-conversion-rates-by>). At an average conversion rate of 7%, a personalization engine supported by a data management platform can easily boost that performance by 20% to 8.4%—a very achievable goal according to a study by Capterra (<http://blog.capterra.com/average-b2b-conversion-rate/>). What does a 1.4% improvement in website conversion mean to your organization?



Source: © 2012 MarketingSherpa Website Optimization Benchmark Survey Methodology: Fielded April 2012, N=167

# INCREASE LEAD CONVERSION BY REDUCING FOLLOW-UP TIME

Study after study shows that prompt follow-up after a prospect engages can dramatically improve the conversion rate. For example, a Harvard Business Review study (<http://hbr.org/2011/03/the-short-life-of-online-sales-leads/ar/1>) showed that following up with a prospect within one hour of filling out a web form improves conversion by a whopping 700%. Why? Because you want to engage the prospect while your brand is still top-of-mind and before she has the opportunity to be influenced by your competitors.

How can data management technology help reduce your follow-up lag time?

In a number of ways:

- » Replace slow, manual data cleansing tasks with automated, real-time cleansing
- » Append leads to reduce manual research effort
- » Improve lead scoring to prioritize hot leads
- » Automate lead-to-account matching and expedite lead routing

Data management solutions can automate most of the data processing work that is currently manual, therefore greatly increasing the speed of and reducing the error within your lead follow-up process.



# INCREASE LEAD CONVERSION BY REDUCING FOLLOW-UP TIME

## DATA MANAGEMENT BY THE NUMBERS

The SiriusDecisions model assumes a 2% inquiry response rate. With better data, if you can improve the response rate for even a small group of prospects, you'll be able to dramatically lift your overall response rate.

Let's say we start with 1,000 names. 1/10 of that is 100 people. For this group, the response rate is improved by 5x, so  $5 \times 2\% = 10\%$ . In other words, 10 people respond. For the other 900 people, the response rate is still 2%. So  $900 \times 2\% = 18$  people respond.

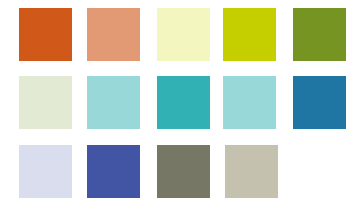
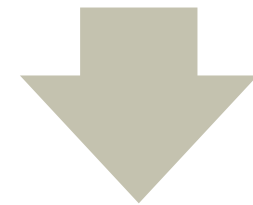
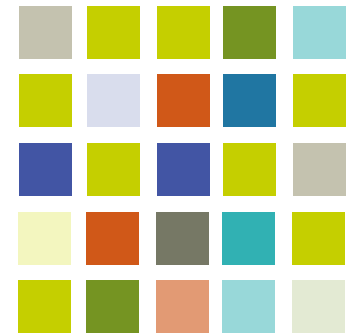
**So for the group of 1,000 people that we started with, a total of  $10 + 18 = 28$  people respond, delivering an overall response rate of 2.8%, a 40% improvement!**



# CUT SOFTWARE LICENSING COSTS BY REDUCING DATABASE SIZE

**Most marketing automation databases contain anywhere from 20%-60% duplicates.** In addition, unmarketable leads such as leads with no email or hard bounced emails can comprise another 10%-30% of the database. In addition to the process and automation problems they can cause, duplicate and unmarketable leads cost you money every single day; most marketing automation platforms charge you by the number of lead records in the database, and new account-based marketing solutions often charge by the number of accounts found in your database.

Data management can clean up your database, removing, merging, or archiving duplicate and unmarketable leads. It reduces both data clutter and your technology license fees.



# CUT SOFTWARE LICENSING COSTS BY REDUCING DATABASE SIZE



## DATA MANAGEMENT BY THE NUMBERS

The average marketing automation solution license fee is \$50,000 a year and grows at more than 20% annually. If you can remove the duplicate and unmarketable leads, you can easily reduce your database size by 20% immediately, and reduce the year-over-year growth rate by at least 5%. That's an instant savings of \$10,000 and an additional \$2,500 each year (without the compounding effect), respectively. **Even if your database is already in fairly good shape, over the course of four years, that will add up to a minimum of  $\$12,500 \times 4 = \$50,000$  in savings.**



# ELIMINATE MANUAL TASKS TO IMPROVE SDR EFFICIENCY

In many ways, sales is a numbers game. Given a certain conversion rate and a non-saturated market, the more prospects you can connect with, the more deals you can close. Simple as that. You'll want to make every Sales Development Rep (SDR) as efficient as possible. They should be spending every working minute doing two things:

- » Contacting known leads via phone, email, chat, or social media
- » Prospecting for new leads and researching leads

The research effort should be focused on tasks that require human ingenuity and business judgment, not on repetitive tasks that are boring and can be efficiently automated. For example:

- » Append leads with job title, job function, job level, and buyer persona data

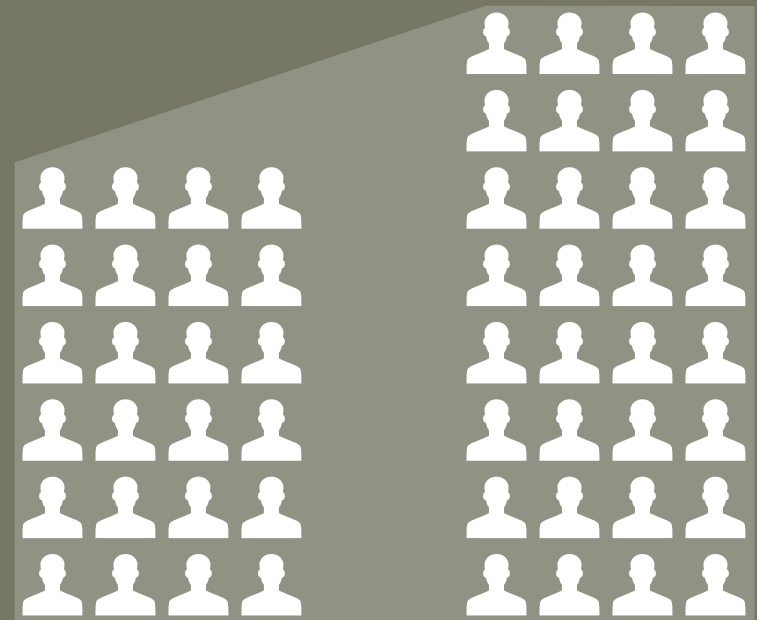
- » Append, normalize, and validate contact information such as email, address, and phone number
- » Normalize phone number format and append time zone data so the lead is "dial-ready"
- » Score leads using both demographic and activity-based scoring so that SDRs know which leads should receive higher priority handling

**Minimize the time your SDRs spend on unnecessary manual tasks like data cleansing, appending, and normalization, so they can spend more time connecting with prospects and following up on inbound leads as quickly as possible.**

# ELIMINATE MANUAL TASKS TO IMPROVE SDR EFFICIENCY

## DATA MANAGEMENT BY THE NUMBERS

Let's say your SDRs spend an average of 20 minutes on every quality inbound lead: 5 minutes on data preparation, 10 minutes on research and a personalized outreach plan, and 5 minutes on making contact. At this rate, your SDR can process 3 leads an hour and 24 leads a day. If you can remove the 5-minute data preparation task, then your SDR can now process 4 leads an hour, 32 leads a day. That translates to 8 additional leads a day, or 2,000 additional leads a year. That's 20 additional customers per year per SDR, even with a 1% conversion rate from lead to deal. What is that worth to your company?



**Scenario 1:**  
20 minutes per day spent on  
leads = 3 leads per hour

**Scenario 2:**  
15 minutes per day spent on  
leads = 4 leads per hour

# IMPROVE SEGMENTATION TO INCREASE MQL CONVERSION & MAXIMIZE RETURN ON CONTENT

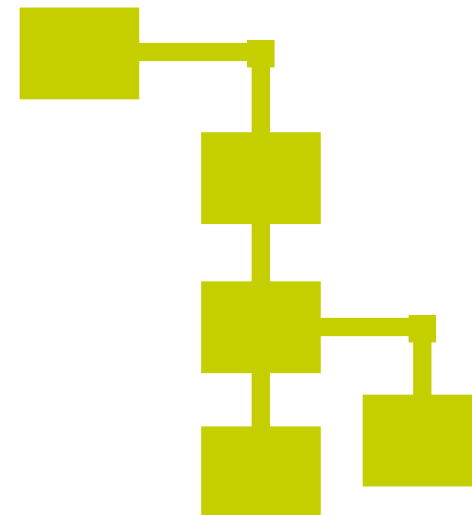
You need highly relevant messaging and targeted content to stand out from the digital noise and get your prospects' attention. A healthy amount of your budget is spent on creating content that targets specific buyer personas at each part of the buyer's journey.

Wonderful start! Now, are you able to deliver this targeted content to the right prospect at the right time? If your marketing database is not segmented by the right:

- » Job function, job level, buyer persona
- » Industry, company size, geography
- » Buyer stage

...then the answer is "no". Your conversion rate will remain sub-optimal, even if you have the best content money can buy.

Data management solutions ensure that your marketing database can support your content-driven marketing strategy, and maximize the return on investment for your content.



# IMPROVE SEGMENTATION TO INCREASE MQL CONVERSION & MAXIMIZE RETURN ON CONTENT



**Figure 5:** High quality content that cannot be delivered properly is like a fancy car without its wheels.

## DATA MANAGEMENT BY THE NUMBERS

In the SiriusDecisions model, with the help of better data, you can generate 25% more MQLs (Marketing Qualified Leads). Say your content driven campaigns account for 50% of the MQLs. By improving the target and delivery of your content, you can improve your MQL conversion by 12.5%.

# IMPROVE OPEN RATE AND REDUCE UNSUBSCRIBE RATE THROUGH BETTER SUPPRESSION

Having a low open rate for your marketing emails is depressing enough, but every unsubscribe is adding insult to injury. An unsubscribe is a lost opportunity to communicate, not to mention money wasted on lead acquisition. A high unsubscribe rate can also negatively affect your sender reputation score. To improve open rate, you must:

1. Create high quality emails and content
2. Have a well-defined target audience



You should only send emails to prospects who might be interested in the content of the email. Data management can help you segment your database, precisely targeting and withholding email recipients. For example:

- » Permanently suppress leads not in the targeted buyer persona. In other words, if you sell security software, suppress all leads in finance, HR, marketing, and sales. With fine-grained segmentation on job sub-functions, you should even be able to suppress anyone in IT, but not specifically in security or security-related functions.
- » Send only content that is appropriate to the buyer's progression in her buyer's journey.
- » Send industry-specific content to only users with the right firmographic segmentation.

# IMPROVE OPEN RATE AND REDUCE UNSUBSCRIBE RATE THROUGH BETTER SUPPRESSION

## DATA MANAGEMENT BY THE NUMBERS

In MailChimp's Email Marketing Benchmark Report (<https://mailchimp.com/resources/research/email-marketing-benchmarks/>), open rates range between 14.63% and 28.64% across different industries and company sizes. That's a 2x difference, spanning the best and the worst performers. A good data management program can improve your open rate, in addition to improving the sender reputation score. Say you send 5 million emails a year to a database of 500,000 leads, and have an open rate of 20%. Even a small improvement in open rate from 20% to 22% will amount to 100,000 more opened emails, boosting your overall conversion rate.

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# STRETCH ADVERTISING BUDGET THROUGH PRECISION TARGETING

Whether it's Google Adwords, LinkedIn ads, or banner advertising, if your targeting isn't precise, you can easily blow through your budget with low quality leads. Do you need to get leads to fill in gaps in your accounts, or is your goal to get more of the same leads so you can scale a "rinse and repeat" demand gen strategy? Either way, you must measure lead quality across your segmentation dimensions, such as:

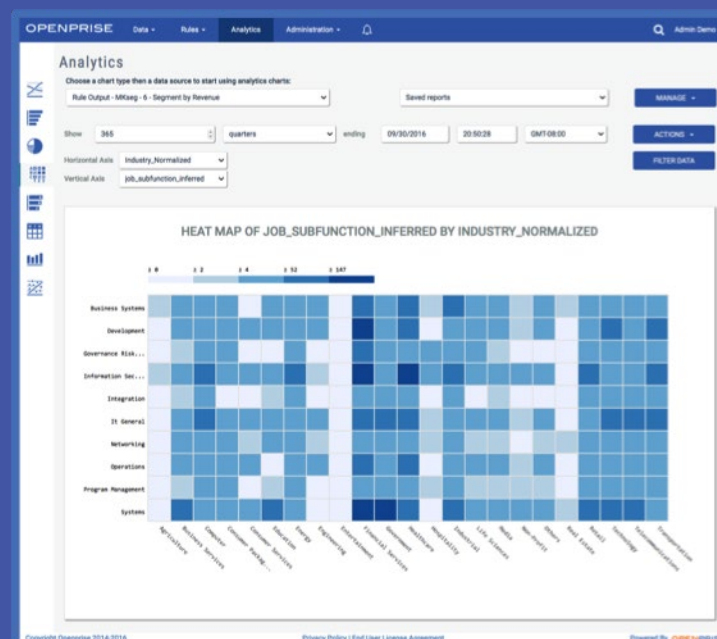
- » Job function and department
- » Seniority
- » Industry
- » Company size
- » Geography

Data management helps you analyze your lead database and clearly highlight your strengths and weaknesses, identifying how to invest your advertising budget.

# STRETCH ADVERTISING BUDGET THROUGH PRECISION TARGETING

## DATA MANAGEMENT BY THE NUMBERS

Say your online advertising budget is \$10,000 per month. A 20% improvement in lead volume, driven by more precise targeting metrics, is the **same as an annual budget increase of \$24,000.**



**Figure 6:** Do you have the right leads from the targeted industries? A heat map showing lead's job function vs. standardized industries.



# IMPROVE THE EFFECTIVENESS OF PREDICTIVE ANALYTICS WITH CLEANER DATA

Are you using a predictive analytics or scoring solution? Predictive solutions are only as good as the data in your system. This is a classic garbage in, garbage out problem. Bad data leads to bad models, which lead to bad predictions. To prevent this vicious cycle, you will need clean data on leads, contacts, campaigns, opportunities, and closed deals:

- » Lead source and attribution
- » Job function and buyer personas DURING the deal lifecycle
- » Firmographic data DURING the deal lifecycle
- » Lead, Contact, and Activity data correlated to the correct account

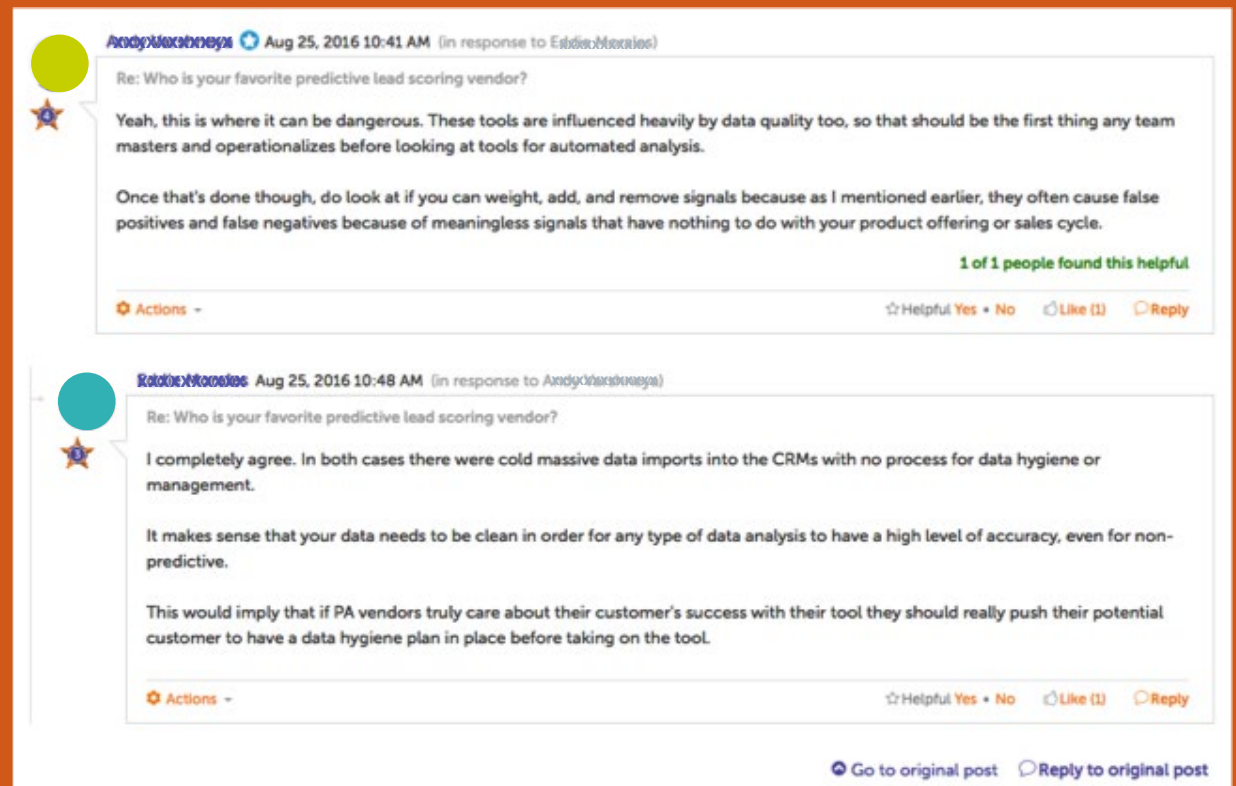
Predictive technologies that analyze your successful deals require historical data, which is difficult to get from crawling public sources online. To get the most out of predictive technologies, you must capture and maintain accurate, high quality, and historical data.



# IMPROVE THE EFFECTIVENESS OF PREDICTIVE ANALYTICS WITH CLEANER DATA

## DATA MANAGEMENT BY THE NUMBERS

What improvement in MQL-to-SAL (Sales Accepted Leads) conversion are you expecting to gain by using predictive analytics? Are you getting the improvement you expect? In the SiriusDecisions model, with the help of better data, you can generate a 12.5% jump in MQL-to-SAL conversion. Add this improvement to your current results. Does that get you closer to where you think you should be with your predictive solution?



**Figure 7:** Example of a Marketo user forum conversation about the importance of data quality for predictive analytics. (need to mask name and pictures)

# IMPROVE TARGET ACCOUNT CONVERSION BY ADOPTING MORE EFFECTIVE ACCOUNT-BASED MARKETING TACTICS

Account-Based Marketing (ABM) programs help marketing and sales align their activities for large, strategic accounts. Unfortunately, marketing automation platforms have a lead-centric architecture. Whether you are ready to invest in an ABM solution or not, it is critical to first have a data management program in place.

Any experienced ABM marketer will tell you quality data is a prerequisite of ABM programs, because:

- » Account cleansing and deduplication are required to build the target account list
- » Job function and job level segmentation are required to evaluate if you have the right contacts in an account
- » Lead to account matching automatically links all leads to an account
- » Multi-system data integration is required to build a multi-facet view of each account
- » Integration and unification of data from multiple data providers are necessary to fill missing contacts into accounts



# IMPROVE TARGET ACCOUNT CONVERSION BY ADOPTING MORE EFFECTIVE ACCOUNT-BASED MARKETING TACTICS

## DATA MANAGEMENT BY THE NUMBERS

Not all customers are created equal. For most companies, 20% of the most profitable customers can account for 80% of the revenue. ABM and data management can boost your conversion ratio for the most profitable segment of your customer base. Say your pipeline is \$100 million and conversion is 20%, so your revenue forecast is \$20 million. If a single program can improve your conversion for all prospects by 5%, then your program ROI is  $\$100\text{M} \times 5\% = \$5$  million. If an ABM program can improve your conversion rate by 10% for 20% of your most profitable prospects (that contribute 80% to your revenue), then your return on the ABM program is  $\$100\text{M} \times 80\% \times 10\% = \$8$  million. While the ABM program has a lower unweighted conversion improvement of 2% ( $20\% \times 10\%$ ) vs. 5%, its revenue-weighted conversion improvement is higher at 8% vs. 5%.



For most companies, 20% of the most profitable customers can account for 80% of the revenue

# IMPROVE EMAIL DELIVERY RATE BY IMPROVING SENDER REPUTATION

Your email marketing team spends a lot of time and effort to craft the perfect email subject line. Every email is A/B tested to maximize open rate. However, all that effort is wasted if your email lands in spam.

Whether your finely crafted email is flagged as spam depends partially on your sender reputation score. Spam filters use these scores, available from a number of rating services, to determine if your email should be blocked. Keeping your email data clean helps you improve your sender reputation score by reducing the number of:

- » Undeliverable emails / unknown leads
- » Rejected / bounced emails
- » Unsubscribes and complaints

All these numbers are also evaluated as ratios to the total number of emails sent. By sending out only very targeted emails to highly segmented prospects, all these ratios will improve as well.

# IMPROVE EMAIL DELIVERY RATE BY IMPROVING SENDER REPUTATION

## DATA MANAGEMENT BY THE NUMBERS

In MailChimp's latest Email Marketing Benchmark Report (<https://mailchimp.com/resources/research/email-marketing-benchmarks/>), hard bounce rates range between 0.17% to 1.31% across different industries and company sizes. That's a 7x difference between the best and the worst performers. With better data management, you can reduce your bounce rate and improve your sender reputation score. If you send 5 million emails a year to a database of 500,000 leads, even a mere 0.2% improvement in email delivery rate will amount to 10,000 more emails delivered.

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# UNDERSTAND THE QUALITY OF THE LIST BEFORE YOU BUY

## LET'S CRANK IT UP TO 11! HERE IS A BONUS TIP, AND A VERY IMPORTANT ONE.

List buying and data appending still has its place in demand generation and can consume a significant part of your budget. Whether it's strategic partners you routinely buy from, or a one-time purchase to support specific campaigns, list buying can be a frustrating experience, especially when the quality doesn't live up to your expectations. Scrutinize the list before you buy. Don't settle for 1,000 sample leads. Instead, ask to inspect the entire list, without personally identifiable information. Use data management tools to analyze the leads in the list to see if they fit your ideal customer profiles.

### **For B2B lists, evaluate if the names are from:**

- » The right departments and job functions
- » The right levels within the organization
- » Your target industries
- » The right size companies?
- » The target geographies

### **Similarly, for B2C lists, ask if they:**

- » Are from the target age group and gender group
- » Live within the target geographies
- » Have the target education level
- » Own complimentary or competing products
- » Are from targeted social-economic groups

**Know exactly what's in the list, and negotiate your price accordingly.**

# UNDERSTAND THE QUALITY OF THE LIST BEFORE YOU BUY

Rank top 10 words in job title

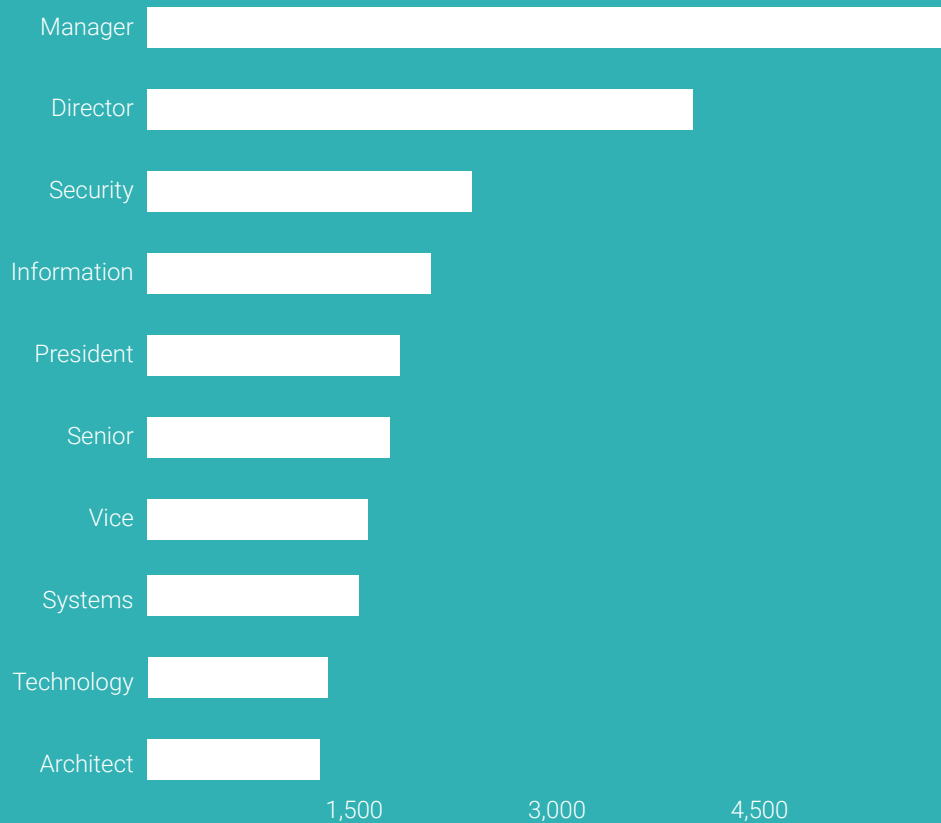


Figure 3: Analyze the most frequently appearing words in the list's job titles

Rank top 10 words in industry

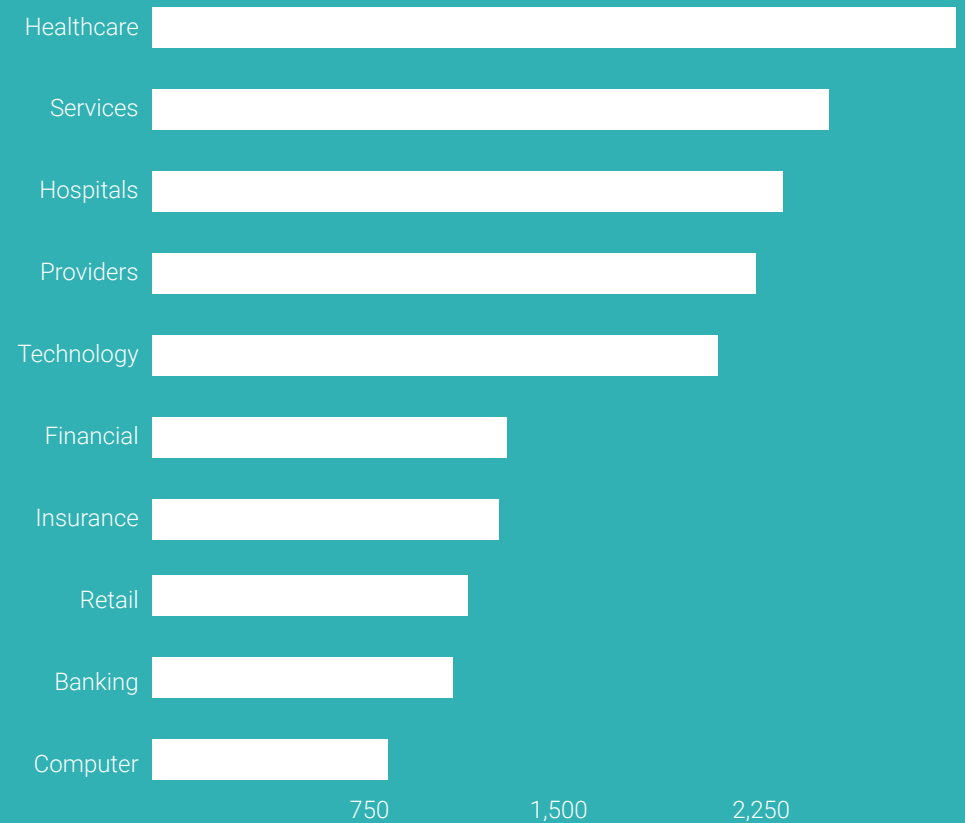


Figure 4: Analyze the most popular industry keywords in the list



# DATA MANAGEMENT RETURN ON INVESTMENT WORKSHEET

Here is a worksheet to help you calculate your return on investment for a data management program.

Benefits	Metric	Revenue Gain	Cost Savings
1. Improve email deliverability	Improve delivery rate by %	\$	
2. Improve email open rate	Improve delivery rate by %	\$	
3. Improve website conversion	Improve inquiry conversion rate by %	\$	
4. Improve inbound conversion	Improve SRD conversion rate by %	\$	
5. Improve SDR productivity	Improve SRD productivity by %	\$	\$
6. Buy only quality lists	Reduce the cost of list purchase by %		\$
7. Improve content effectiveness	Improve MQL conversion by %	\$	
8. Improve effectiveness of ads	Improve conversion of ad leads by %	\$	\$
9. Improve ROI of predictive program	Improve predictive conversion by %	\$	
10. Improve ROI of ABM program	Improve ABM conversion by %	\$	
11. Reduce marketing automation licensing fees	Reduced marketing database size by %		\$
Sub-total		\$	\$
<b>Total Revenue Gain + Cost Savings</b>		<b>\$</b>	
Cost of Data Management Solution		\$	
Return on Investment			
		%	

# ABOUT OPENPRISE

Openprise is a Data Orchestration Platform. We solve the garbage-in/garbage-out problem to make data-driven anything possible in Marketing, Sales, and Support. Openprise automates critical data management processes including data onboarding, cleansing, enrichment, and unification. Openprise is designed from the ground up for CRM, so it has the business rules, best practices, and data built right in, and it seamlessly integrates with CRM solutions like Marketo, Eloqua, Pardot, Desk, and Salesforce, so you're up and running fast.

**For more information, please visit [www.openprisetech.com](http://www.openprisetech.com).**

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