

# BD Initiative Marketing Track

December 21, 2004

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# BD Marketing Track

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## Overview of Marketing Track

# BD Marketing Track

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## Marketing Track Deliverables

- Define marketing roles and responsibilities (BU and Corporate)
- Standard definition of leads and lead progression
- Outline the activity standards that each BU marketing team will be responsible for
- Inventory of programs for marketing generated leads with estimated cost and return
- Inventory of RD/RM lead generating activities
- Overview of BU marketing program measurement and lead tracking

# BD Marketing Track

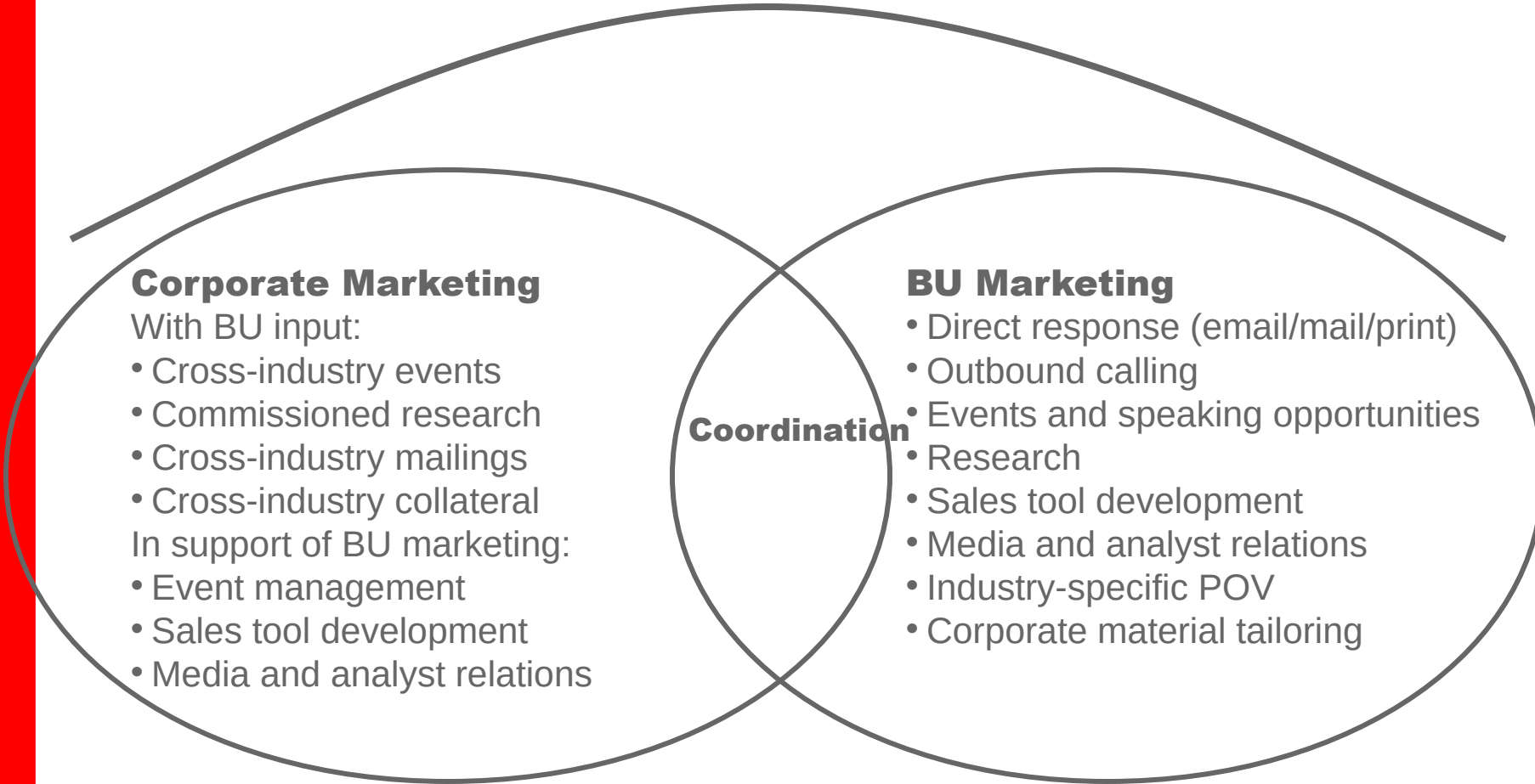
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## Roles and Responsibilities BU and Corporate Marketing

# Corporate and BU Marketing Roles & Responsibilities

## Specific to Lead Generation

### Corporate Marketing Brand Awareness and Perception



#### Corporate Marketing

With BU input:

- Cross-industry events
  - Commissioned research
  - Cross-industry mailings
  - Cross-industry collateral
- In support of BU marketing:
- Event management
  - Sales tool development
  - Media and analyst relations

#### BU Marketing

- Direct response (email/mail/print)
- Outbound calling
- Events and speaking opportunities
- Research
- Sales tool development
- Media and analyst relations
- Industry-specific POV
- Corporate material tailoring

**Coordination**

# BD Marketing Track

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## Lead Progression, Definitions and Assumptions

# Lead Progression and Definitions

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- 1. Lead:** Prospect with the potential for interest in Spire Express
  - Cold:** Prospect with no previous Spire Express contact (i.e. contact name from mailing/event lists). Contact information only provided.
  - Warm:** Target client who has requested information or follow-up, or one where we have a related relationship, but has yet no identified opportunity (i.e. response to direct response program, attendee a Spire Express event, warm introduction via Spire Express or alliance, request via Spire Express.com).  
Contact information and details of interest/request provided.
  - Hot:** Target client who has an identified opportunity where there is a real business opportunity. Contact information and details of request provided.
- 2. Meeting:** Target client that has agreed to talk or meet with us. Not in Pyramid. Activity standards measurement begins with meetings.
- 3. Opportunity:** Subsequent meeting scheduled, not yet fully qualified. Decision making process and timing understood. In most cases sitting in Pyramid at 10%. (“Identify” phase in the BDM).
- 4. Qualified Opportunity:** Identified project(s) where we can provide value and can define and/or propose work. Budget exists and/or business case exists. In most cases sitting in Pyramid at 25%. (“Needs Analysis” phase in the BDM.)
- 5. Win:** Project in pyramid at 95% or above



# Assumptions from the BD Model

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- Number of warm leads per year to be generated by each BU determined by mix of RD and RM and corresponding activity standards
- BU marketing to generate the majority of warm leads
- RD and RM to generate warm leads – RD/RM Activity Standards include cold lead calling

# BD Marketing Track

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## **BU Marketing Priorities and Critical Success Factors**

# BU Marketing - Priorities

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- Focus on interest and lead generating activities
- Develop tools to support sales activities
- Ensure strong partnership with new BD teams/structure
- Execute programs rapidly, within budget, and with clear metrics for measuring success

# BU Marketing – Critical Success Factors

- Freedom to test “new” interest/lead generating marketing programs
- Resources (budget) to execute interest/lead generation programs

## Q1 Sales and Marketing as a percentage of BU revenue

| BU           | People Expenses | Other Expenses | Total |
|--------------|-----------------|----------------|-------|
| AI           | 7.8%            | 1.4%           | 9.2%  |
| CT           | 8.2%            | 3.7%           | 11.9% |
| ES           | 10.6%           | 2.9%           | 13.5% |
| FS           | 3.2%            | 1.3%           | 4.5%  |
| PS           | 4.0%            | 2.0%           | 6.0%  |
| TC           | 5.3%            | 2.9%           | 8.3%  |
| <b>Total</b> | 6.0%            | 2.8%           | 8.7%  |

# BU Marketing – Critical Success Factors

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- Partnership with BD to:
  - Generate leads (event attendance, database development, etc.)
  - Develop sales tools (case studies, POVs, offerings)
  - Follow-up rapidly on leads (within 48 hours of receipt)
  - Report on lead status via use of the SFA tool
- Ability to track leads from inception through to Qualified Opportunity (ideally to revenue generated)

# BD Marketing Track

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## Lead Generation Programs

# BU Marketing – Overview Lead Generation Programs

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- Traditional direct mail
- Outbound calling (telemarketing)
- Broadcast email
- Email advertising - Opt-in and other
- Online advertising
- Print advertising
- Selling surveys
- Events: Spire Express-hosted
- Events: Spire Express-sponsored
- Events: Exhibit
- Events: Relationship Development
- Speaking Opportunities
- Media and analyst relations
- Alliance events
- Spire Express.com
- Win/Loss – external loss analysis
- Spire Express and alliance introductions

Program details (type, example, cost per X, expected return) in Appendix

# RD/RM Lead Generation Activities

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**In conjunction with, or in addition to, marketing lead generation activities:**

- Industry conference/exhibition event attendance
  - # to attend per quarter
- Local industry association seminars/mixers
  - # to attend per month
- Local Spire Express office workshops
  - # to sponsor/host per year
- Contact list database marketing: POVs, case studies, articles, press releases, event notifications/invitations
  - # per month
- Client mapping with local alliance partners
  - # per quarter
- Follow-up outbound calling Tier 1 target clients
  - RD/RM monthly activity standards
- Sales tool development – specifically case studies, POVs and offerings
  - # per year
- Development and/or participation in Relationship Building events



# BD Marketing Track

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## Program Measurement and Budget

# BU Marketing – Program Measurement

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## Marketing Program Measurement (specific to lead generation programs)

- Response rate
- Cost per lead
- Quality of leads

## Quarterly Activity Standards

- Warm leads generated/quarter (raw lead count): # per BD role
- Leads converted to Meetings: 25%-33%
- Meetings converted to Opportunities: 25%-50%
- Opportunities to Qualified Opportunities: 70%-80%
- Qualified Opportunities to Proposals: 80-95%
- Proposals to Win: 60%-80%

## What can be tracked:

- Warm leads generated (campaign management)
- Leads converted to Qualified Opportunities (SFA tool)

## What cannot yet be tracked:

- Revenue generated as a result of a lead, but are researching how that can

# BD Marketing Track

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## Appendix

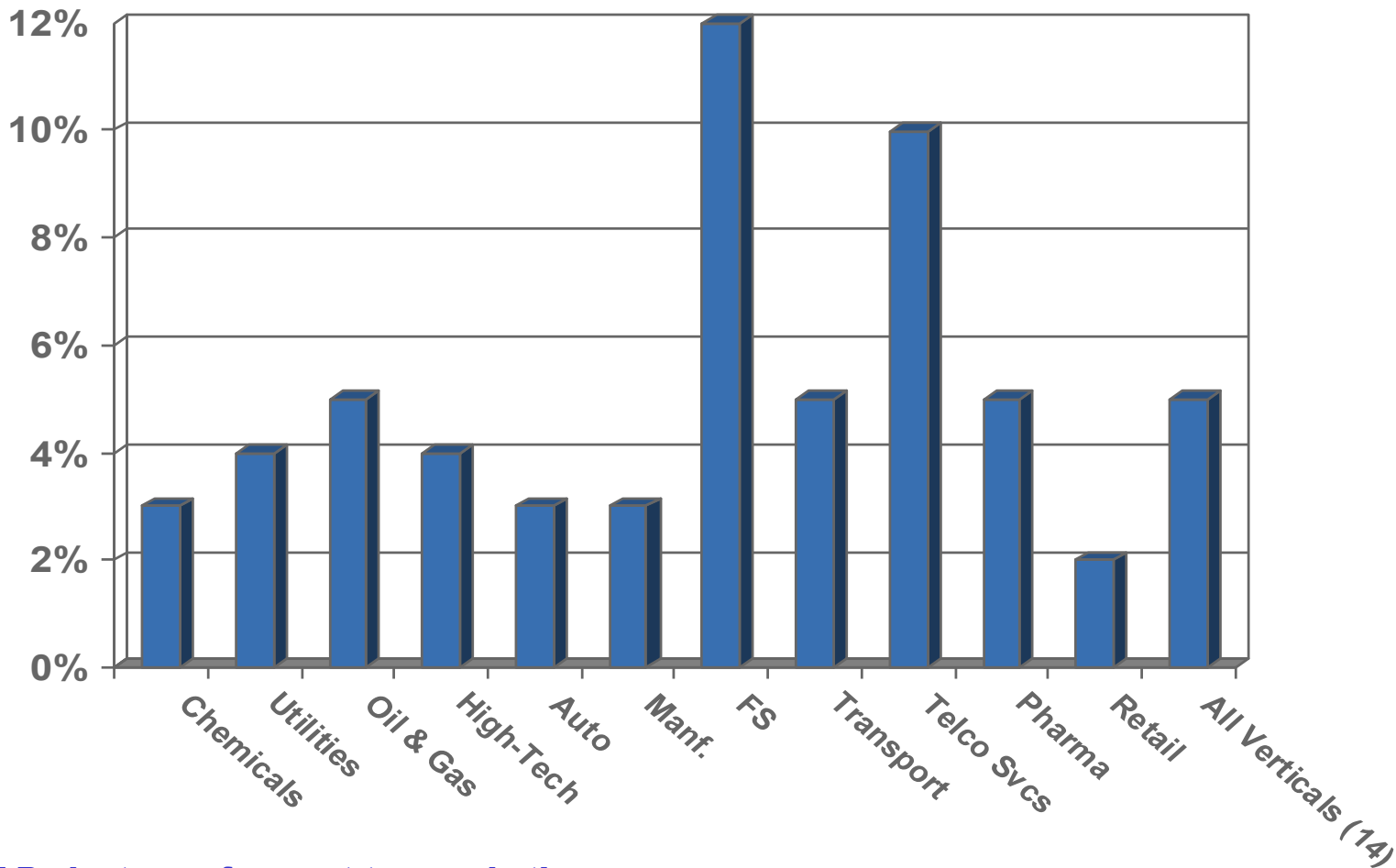
# BD Marketing Track

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## Summary Market Assessment

# Summary Market Assessment

2001 IT Budget as a Percentage of Total Company Revenue

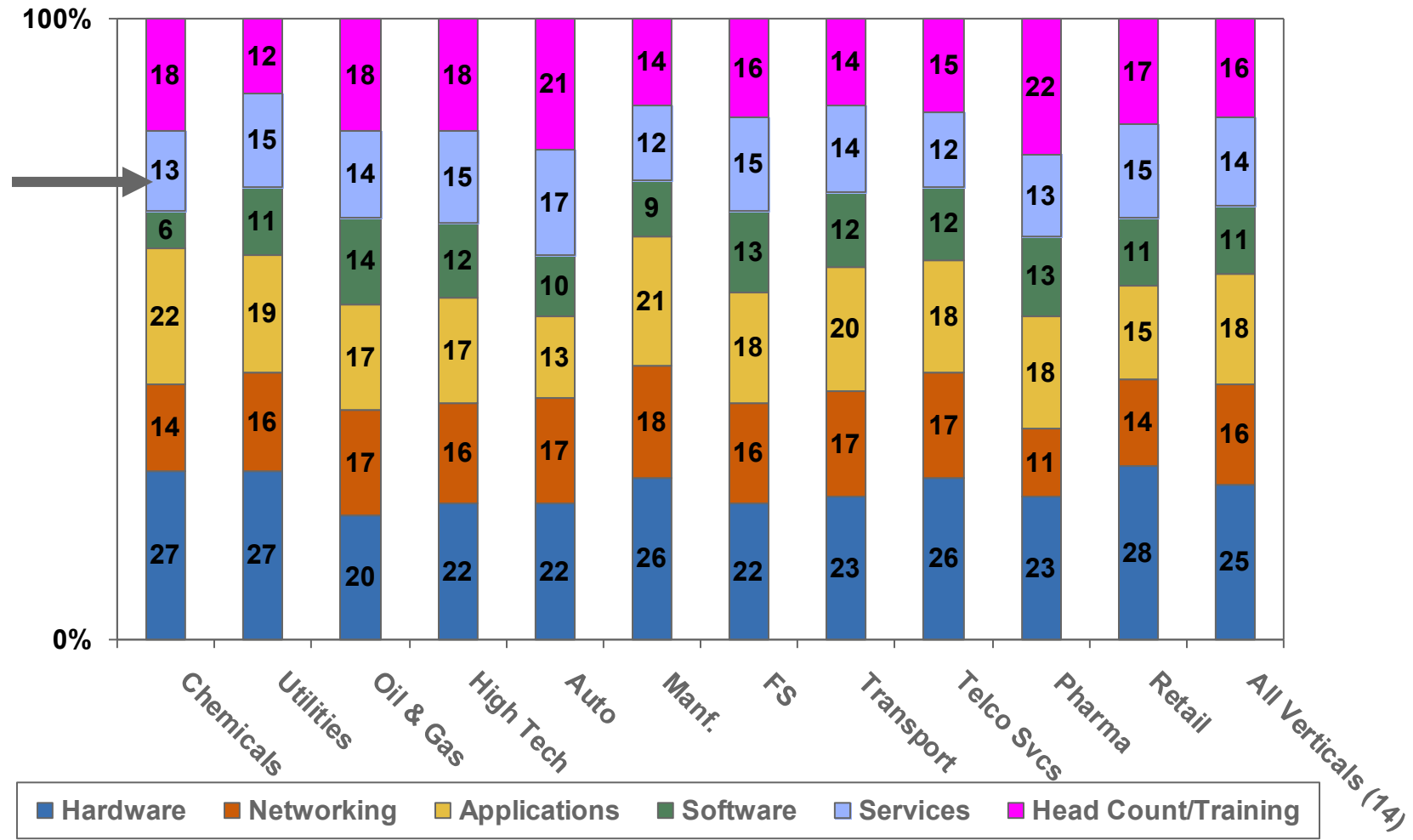


**IT Budgets are forecast to remain the same 2001 – 2003 across all verticals.**

Source: AMR Research, The Market Analytix Report, 2002-2003

# Summary Market Assessment

## 2001 IT Budget Allocation

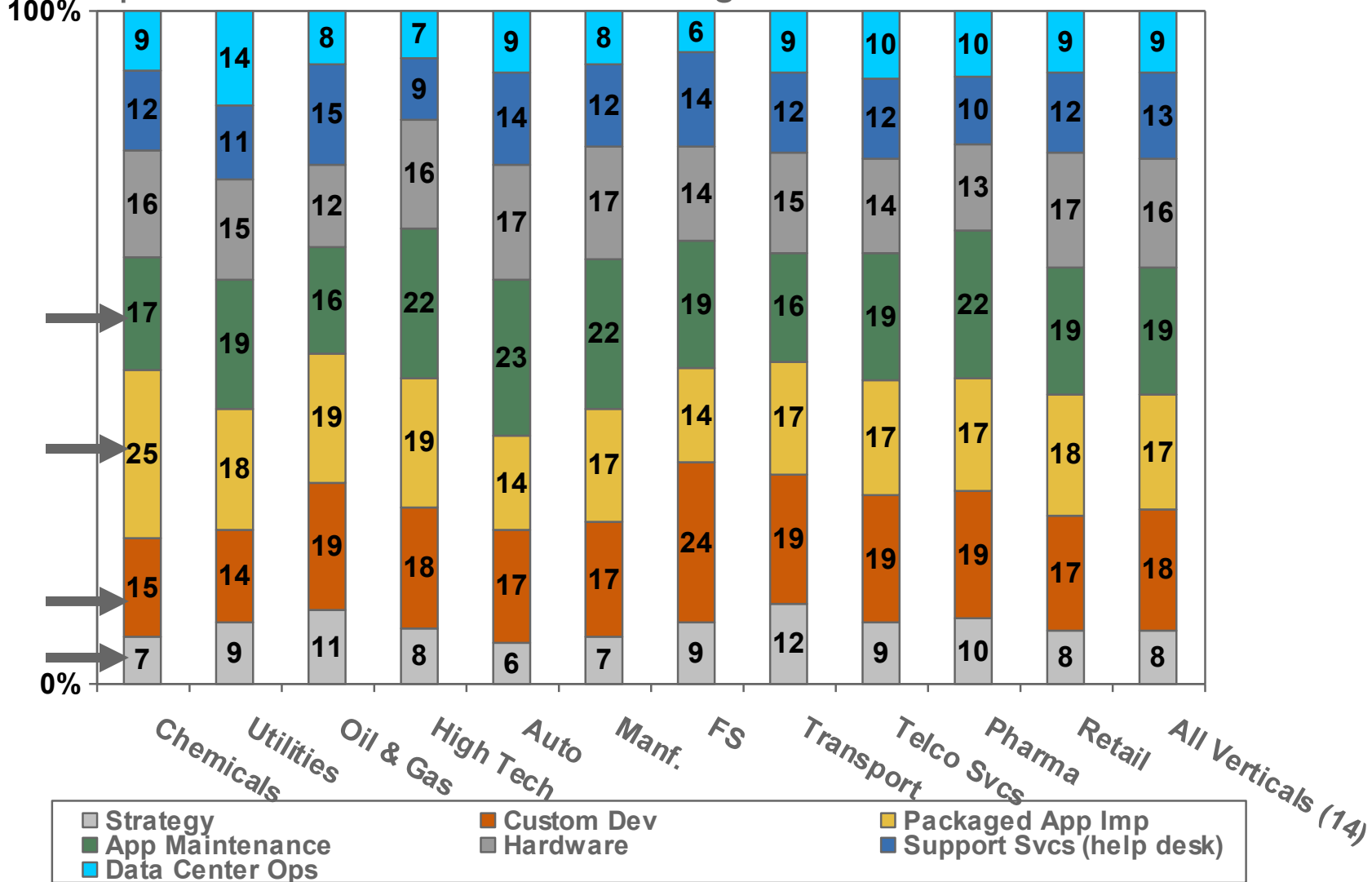


**Budget allocation for IT Services is forecast to remain the same 2001 – 2003 across all verticals.**

Source: AMR Research, The Market Analytix Report, 2002-2003

# Summary Market Assessment

## Components of the IT Services Budget



Source: AMR Research, The Market Analytix Report, 2002-2003

# Summary Market Assessment

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## Criteria for IT Services Partner Selection

What clients said are the most important factors when selecting an IT Services vendor:

1. Reputation
2. Experience and Expertise

Source: AMR Research, The Market Analytix Report, 2002-2003



# Summary Market Assessment

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2000 Federal IT budget for contractors \$29.7 billion  
- Source: Internal PS

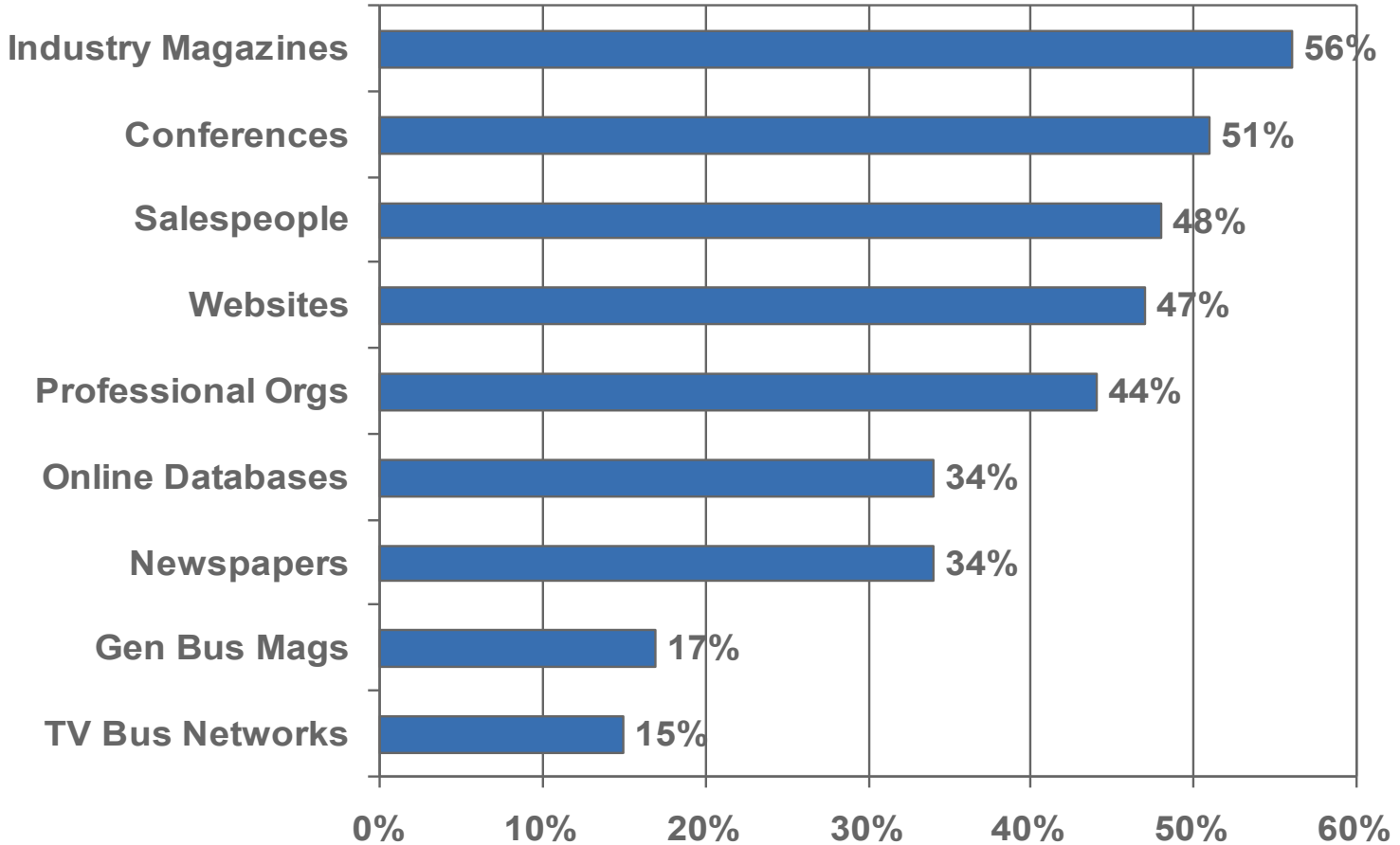
# BD Marketing Track

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## Marketing Program Effectiveness Data

# Marketing Program Data

## Where Business to Business Executives Get Information on Products and Services

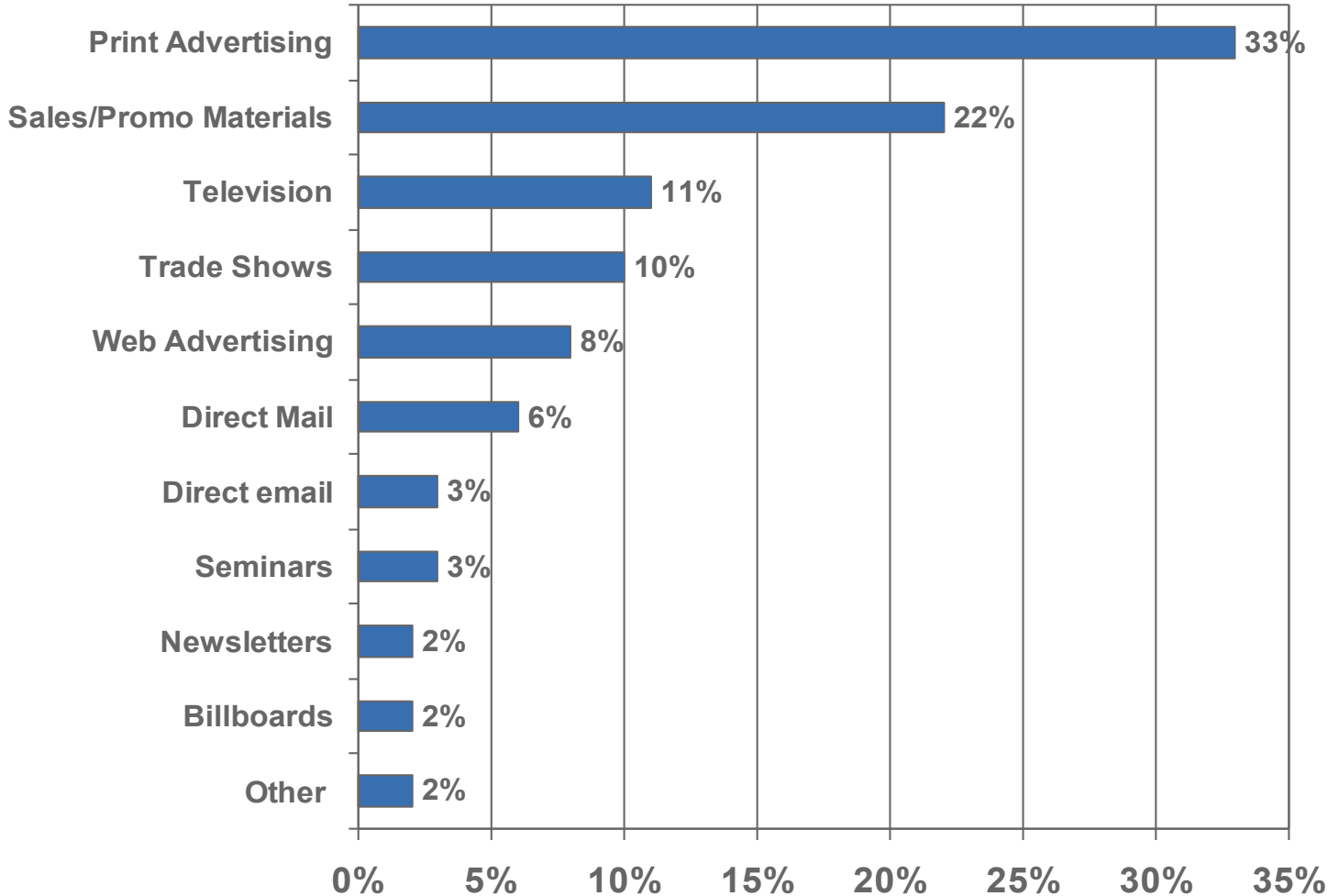


Responses are "extremely valuable" and "somewhat valuable"

Source: Business-to-Business Media Study, 2001

# Marketing Program Data

## Average Percentage of Marketing Budget Expenditures



Business-to-Business Advertising When Your Market is in a Recession or Expansion, 2001

# Marketing Program Data

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## email Marketing

According to Jupiter Research, 80% of email marketing messages are responded to within 48 hours compared to the 6- to 8-week response period for traditional direct marketing methods.

Shortened time to market allows the testing of multiple messages and to quickly adjust the message, the creative or the segmentation.

# Marketing Program Data

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2001 Average Opt-In email and Banner Ad Click-Through Rates

## **Overall**

**Opt-in-email: 2.5%-15%**

**Banner ad: .5%-2%**

## **Forrester**

Opt-in-email 2.5%-10%

Banner ad: .5%

## **Jupiter Research**

Opt-in-email: 5%-15%

Banner ad: .6%

## **Aberdeen Group**

Opt-in-email: 10-15%

Banner ad: 1-2%

## **eMarketer**

Opt-in-email: 3.2%

Banner ad: .3%

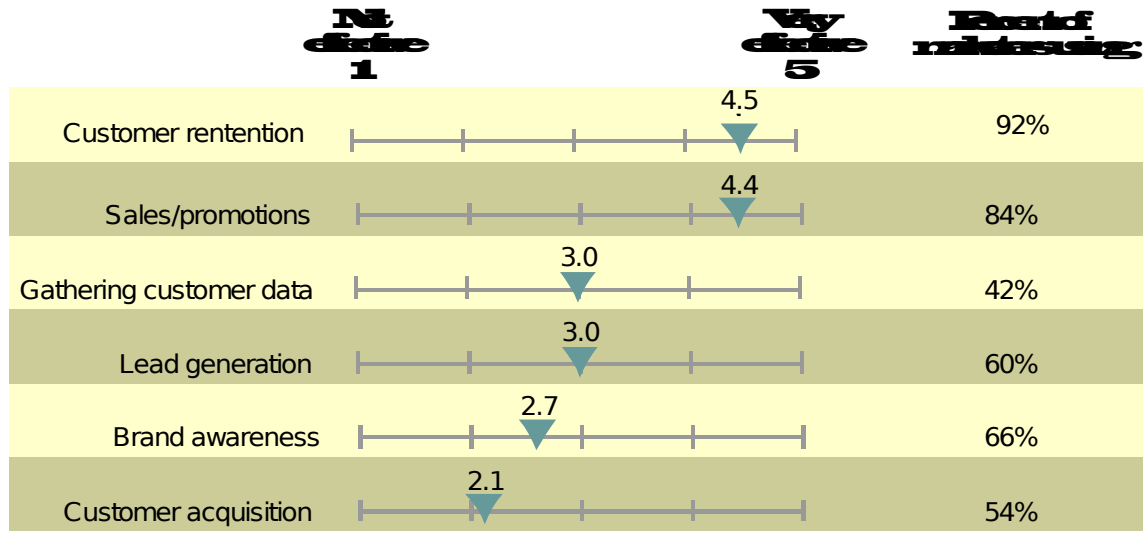
Source: eMarketer Report, 2001

# Marketing Program Data

According to Forrester, email works better for customer retention than acquisition, “Existing customers click through 50% more frequently than rented names do.”

**FORRESTER** Marketers Prefer Email For Retention Over Acquisition

*“My research has shown that the following activities are the most effective for email marketing.”*



Base: 50 email marketers

# BD Marketing Track

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## Lead Generation Program Details



# BU Marketing – Lead Generation Programs

| Program Type                        | Examples  | Cost per X  | Expected Return   |
|-------------------------------------|---|---|---|
| Traditional Direct Mail             | POV or industry report with cover letter to targeted mailing list.<br>Promotional material with call to action.   | \$.10-\$.20 per name<br>\$3.50-\$4.00 each letterprint, postage, handling<br>\$3.00-\$5.00 printed 12-page POV<br><hr/> 500 mailing: \$3300-\$4600<br>@2% response = \$330-\$460 per lead | 1-3% response (warm leads)  |
| Outbound calling                    | Follow-up to top x% direct mail recipients.<br>Follow-up to potential event invites.  | No outside cost for BD<br>LeadMasters \$338 per conversation<br>LeadMasters \$2,600 per warm lead   | 2-5% response (meetings and event attendance)                                     |
| Broadcast email                     | Press releases, case studies, bylined articles, event invitations, sponsorship/ speaking announcements  | \$0 Internal list<br>\$.20 per name<br>\$100-\$500 to broadcast   | X% Opens<br>X% CTR  |
| Broadcast email<br>Opt-in and other | Internal list<br>XactMail opt-in email (text or HTML)<br>EnergyCentral online newsletter distribution list<br>New Energy Economy email blasts<br>Forbes.com Daily<br>FatTail c-level newsletters<br>Energy Central Newsletter ad<br>Energy Central Direct email | \$100-\$500 to broadcast<br>\$150 CPM<br><br>\$75-\$100 per thousand<br><br>\$.50 per name + \$1k set-up<br>\$40 CPM<br>\$75-\$175 CPM<br>\$2195 week<br>\$.50 name plus set up           | 30-40% Opens<br>3-10% CTR<br><br>Overall average for opt-in email<br>2.5%-15% CTR |

# BU Marketing – Lead Generation Programs

| Program Type                       | Examples   | Cost per X   | Expected Return (Leads)  |
|------------------------------------|--|--|--|
| Online Advertising (banners)       | Forbes.com homepage<br>EnergyCentral homepage  | \$50 CPM<br>\$1495 week  | .5%-2% CTR   |
| Print Advertising                  | Forbes<br><br>Harvard Business Review<br>Oil & Gas Journal   | \$48,990 (full page, 4/C, 7X rate)<br>\$31,000 (full page, 4/C)<br>\$8,860 (full page, 4/C, 6X rate)     | Varies based on call to action   |
| Selling Surveys                    | Surveys designed to learn about target client needs, initiatives, view of the market, partners, etc. | \$0 internal list<br>\$.10-\$.20 name<br>Letterhead, letterprint, postage (outbound & return), incentive | 4%-36% response with incentive   |
| Events:<br>Spire Express-hosted    | A morning with Tom Peters  | \$100 per invitee<br>\$1,000 per attendee  | 10% attendance<br>Opportunities: 73%<br>Qualified: 30%<br>>10% in Pyramid: 8%                |
| Events:<br>Spire Express-sponsored | Industry association conference (CERAWEEK)   | \$60,000 for sponsorship, speaking slot, event host, free passes   | Example (CERAWEEK):<br>25 from sponsor/breakfast<br>50 BD-generated<br>(\$800 per warm lead) |
| Events:<br>Exhibit                 | Trade show firm conference/exhibition  | \$10,000-\$12,000 (space, booth, graphics, materials, etc.)  | Very few   |
| Speaking Opportunities             | Industry or trade show conference  | \$600/quarter TechTalk fee<br>\$1,000-\$2,000 speechwriter (if needed)                                   | 5-10   |

# BU Marketing – Lead Generation Programs

| Program Type                      | Examples   | Cost per X  | Expected Return (Leads)  |
|-----------------------------------|--|---|--|
| Event: Relationship Development   | Special event dinners/event (industry conferences, industry awards/ associations, museum, theater, etc.)<br>Golf Tournaments, client-sponsored event participation, etc. | Varies greatly  | Build relationships with former/existing clients<br>Generate additional contacts through referrals |
| Win/Loss – external loss analysis | External firm loss analysis  | \$1,500 per company analysis  | Re-connect with clients, shows commitment to improvement   |
| Media and analyst relations       | Bylined articles, expert contributor, inclusion in analyst reports   | Internal: \$ time and travel<br>Brain Drain program \$9K (GCI) netted 2 bylined articles and 3 expert contributions. \$1800 each (equate to advertising space cost) | # of article reprints for distribution<br>Brain drain – 5 reprints                                 |
| Alliance Events                   | T&C/Oracle Supply Chain iSeminar   | \$5,000 (split with Oracle) for list development  | 30 attendees<br>X opportunities<br>4 Qualified Opportunities                                       |
| Spire Express.com                 | Require base demographics (name, company, email) to download POVs, etc.  | Internal cost to add functionality to website   |  |