How Business Analysis Can Improve Sales and Marketing Outcomes

In today's environment, the strategic focus for most organizations is revenue growth. Almost all executives are searching for ways to drive additional revenue growth, yet research shows that over 75% of CEOs are dissatisfied with their organization's progress in achieving revenue goals. So what's blocking their strategic goals for increasing business? The answer could be a variety of things such as friction between the sales and marketing departments, poor execution of sales and marketing processes, weak demand or lead generation capabilities, lack of key information to make informed decisions, and integrated sales and marketing metrics to measure performance. Finding a solution for one of these problems can be daunting; however, help may be available in an unforeseen place. That place is applying business analysis methods and techniques to find a solution for the problem. Finding solutions for problems such as these is precisely what a business analyst does.

Business analysis is a research discipline of identifying business needs and determining solutions to business problems. Solutions often include a systems development component, but may also consist of process improvement, organizational change, or strategic planning and policy development. Today, businesses require effective business analysis to maintain competitiveness. Effective business analysis involves taking information from sources and analyzing the information for forecasting future trends, finding ways to enhance business strategies, improving operations, and making smart decisions to build revenue and the bottom line. Business analysis involves the following activities:

- Analyze the current situation.

- Gain and understanding of the problem(s) or opportunity.

- Identify and evaluate options to resolve the problem.

- Document the proposed solution.

- Prepare a business case to implement the solution.

- Elicit needs from customers, users and other key stakeholders.

- Define requirements for the solution.

- Evaluate and assess the solution to determine that it is meeting the business need.

Let's examine how business analysis can be applied to the sales and marketing area. The situation involves constant friction between sales and marketing. We all know the story. It's the end of the quarter and the sales numbers are below target. The sales team is pointing fingers at marketing because they aren't bringing in enough qualified leads. Marketing responds by saying sales is at fault because they don't know how to follow up on a lead. Does this sound familiar? This is an all too familiar story-friction between sales and departments. This friction starts out small and becomes quite large making the entire sales and marketing function dysfunctional. In the sales and marketing environment, these friction points become obvious when:

- Marketing designs and launches a new campaign with little or no sales input.

- A campaign targeted to existing customers is launched without notification or proper training for sales staff.

- Sales doesn't provide timely feedback in the company's customer relationship management (CRM) system on sales related issues needed by marketing.

Unfortunately, for most organizations, sales and marketing have always encountered resistance with each other. For collaboration between sales and marketing to work, an underlying cultural shift needs to take place. Groups need to trust one another in order to find common ground, and use their combined efforts to increase revenue and improve customer relationships. They need to acknowledge their different charters, timeframes, vocabularies, and work styles.

The EVP of Sales and Marketing becomes frustrated and asks to have an independent business analyst investigate the situation and come up with a set of recommendations for what to do. The business analyst analyzes the situation and, working with representatives from both marketing and sales, recommends focusing on five areas. Each of the five areas is defined as a "Feature" and a sponsor is assigned to each feature to define a set of requirements of how to proceed. Let's examine the areas below.

1. **Communication.** The key to any successful relationship is two-way, continuous communication between sales and marketing, which is vital for the company as their efforts play a major role in the revenue. If one department is unaware of the other's actions, then they both risk undermining each other. To work together, Marketing and Sales must be able to understand each other's goals and expectations. Establishing communication between the two departments ensures that they will both be successful and valuable to the company. Communication can be improved in a variety of ways. Some as easy as simply conducting joint meetings. Other improvements will require technology solutions to improve collaboration.

2. **Definition of a qualified lead**. The clearer both departments are on what leads are the right leads for the sales department, the less friction there will be. This will involve defining the term "qualified lead" and specifying a set of business rules that can be applied so that the CRM system can automatically classify leads. Statistical analysis will be used to determine what are the right leads for sales to be working.

3. **Number of qualified leads delivered to sales**. More qualified leads will cost more money; so being clear on the number of leads that marketing is delivering is key. The number of weekly leads that are needed will be defined and divided out by territory and type of lead so that the sales department can work more smoothly.

4. **Lead follow-up process**. Proper follow-up is required to maximize the value of the leads, so agreeing on the follow-up and making sure that it is accomplished is key. This will involve creating clear rules of engagement, including hand-off points for important tasks such as lead follow-up. It may also involve setting up queues and monitoring workflow as leads move through various stages. A new process model will be created and carefully reviewed by sales and marketing. Automation for the process will be accomplished by changes in the workflow in the CRM system where possible.

5. **Use relevant data and information.** A key problem of communication between the two departments results from a lack of common language and shared information. Instead of using general terms and descriptions, or meaningless data, the two parties should use solid evidence to convey their viewpoints and concerns. Instead of saying, "We have no leads" or "There are no sales," the two departments should use data to concentrate on the real dilemmas. This will involve defining standard definitions of various terms used between the departments and revising existing reports to use these new terms.

Now let's examine the process that the business analyst will use to gather the requirements to make these changes stick. First, the analyst recommends the use of a proven business analysis platform and methodology provided by Enfocus Solutions. A collaboration tool is important so that all key stakeholders can participate and have complete visibility into the solution.
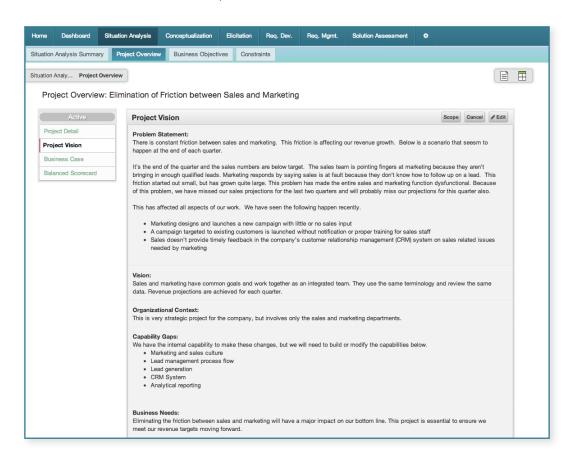
1. Understand the Problem

Before starting on any project, it is important to fully understand the problem and the underlying cause of the problem. To resolve the underlying problem, it is essential that project teams and stakeholders collaboratively determine what the real problem is, document it, and understand it. This may sound easy, but it is difficult for most organizations. People often find it extremely difficult to recognize and document the real problem, partly because they focus on the wrong things, generally symptoms rather than cause, and make incorrect presumptions of how the process works. It is important to have a good problem statement before starting to elicit requirements for a solution. A good problem statement should answer questions such as:

1. What is the problem?
2. Who has the problem?
3. Where does the problem occur?
4. When does the problem occur?
5. How often does the problem occur?
6. What causes the problem?
7. What does the problem impact?

Once the problem is understood, it should be documented along with the project vision, organizational context, and capability gap assessment and delivered to key stakeholders for review and comment. This is best done using a system designed for business analysis collaboration such as Enfocus Requirement Suite™.
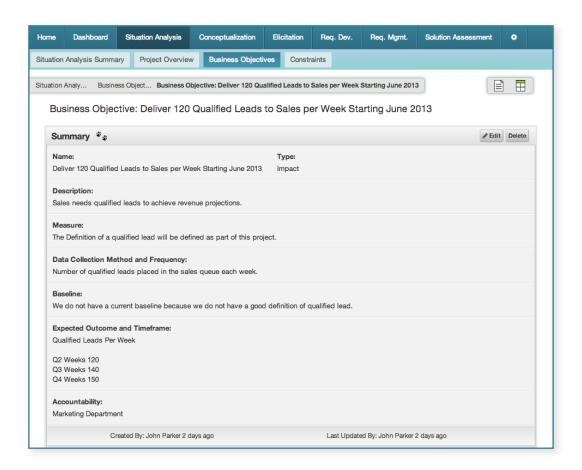
2. Define Objectives

Managing a project calls for clear objectives. Defining clear project objectives significantly increases the likelihood of achieving desired outcomes for the project. Clearly defined objectives consist of:

- **Statement**: A brief narrative description of what you want to achieve.

- **Measures**: Indicators you'll use to assess your achievement.

- **Baseline Performance**: How your organization is performing today.

- **Target Performance**: Expected performance for your organization.

An example of objective is shown below.

3. Assess Capability Gaps

By assessing capability gaps, business analysts determine if the enterprise can meet the business needs using existing capabilities and using the existing organization structure, people, processes, and technology. If the enterprise can meet the business need with existing capabilities, then the resulting change is likely to be small and less complex. However, if existing capabilities are inadequate, a project will need to create the capability. Adding or significantly altering a capability generally requires significant change to business processes, business rules, workflow, staffing, lines of business, business locations, organization structures, knowledge and skills, training, facilities, desktop tools, data and information, application systems, and/or technology infrastructure. A gap analysis is performed by documenting the capabilities that are needed for the business need, documenting the current state of each capability, documenting future state, and then determining what gaps exist between the current and future state.

4. Define Solution Scope

Defining business requirements is the most important and usually the least well performed activity in the systems development lifecycle. Business requirements can be defined as *"What needs to be delivered to provide value."* Business requirements achieve value by meeting business objectives. Business requirements define *what* as opposed to *how*.
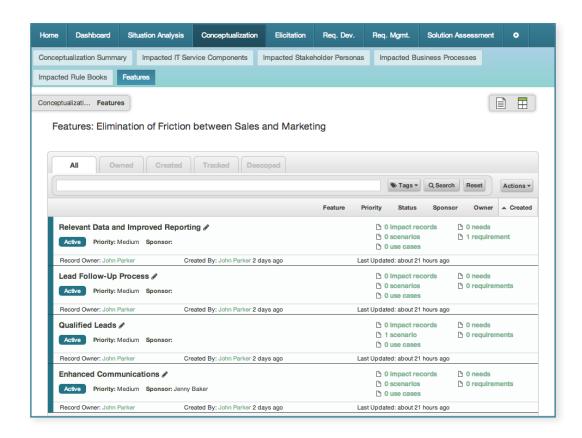
Many people confuse the terms business, user, and system requirements. Many even think they are the same; clearly, they are not! Business requirements state in business language the business results that must be delivered to resolve the problem documented in the problem statement. Business requirements reflect the needs of the business, and in so doing they define the scope for the proposed solution.

User requirements reflect what the users need to perform their work. User requirements are often expressed in terms of stories and scenarios expressed from the perspective of a user. Often a persona is defined which provides details of a fictional person representing a class of user. An impact statement is prepared which shows how the proposed solution will impact the user. Scenarios or stories are defined to explain how the user will interact with the proposed solution.

System requirements, which are sometimes called requirement specifications, describe the high level design for the solution, which was chosen to deliver the business requirements. A business analyst generally prepares system requirements. They need to be clear, concise, and testable. These system requirements are the communications vehicle used by IT in building and implementing an application to respond to business needs.

A feature is a key capability that delivers value and is needed to meet the business objectives defined for the project. Collectively, the features define the solution scope. The combination of the vision, objectives, and features represent the business requirements for the project. Features are used to control scope, elicit stakeholder requirements, and to develop solution requirements.
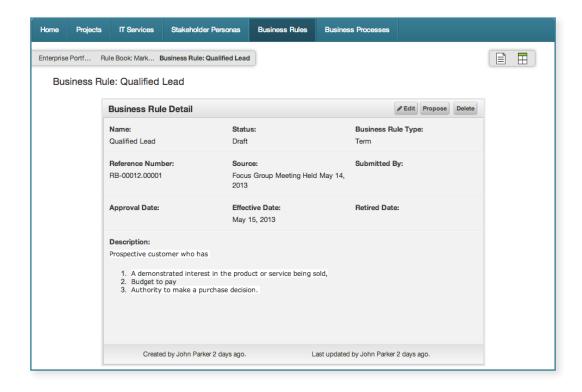
6. Define Terminology and Business Rules

Business rules exist in every organization. In sales and marketing, rules generally exist for order entry, sales quotas, and booking and shipping orders. But there are seldom, if any, rules governing how sales inquiries and leads should be managed.
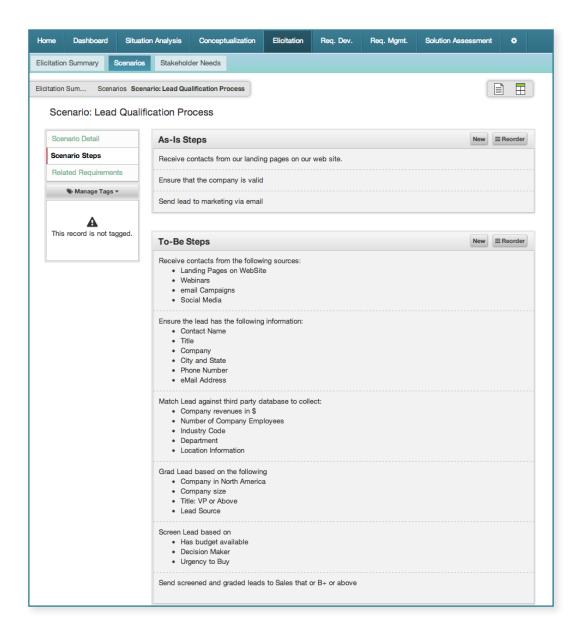
The justification for business rules for inquiry management is simple: people generally follow rules, especially if they are documented and communicated. The most successful business rules for lead and inquiry management are usually one page in length and with five to ten rules for marketing and sales to follow. If the rules are properly defined, time will not diminish adherence even as marketing conditions and organizations change. Many of the rules can be enforced through technology such as making changes to the CRM, lead generation, or demand management systems. Business rules should always defined by the business—the IT department can help necessary changes to systems after the rules have been defined. Below is an example of a business rule that is used to define the term "Qualified Lead."

7. Elicit Stakeholder Needs

Requirements elicitation is the practice of identifying and collecting needs from users, customers, and other stakeholders. The practice is also sometimes referred to as requirements gathering. Often stakeholders have a difficult time expressing their needs, but they can almost always describe what they do and what problems or encounters they face in their work. These are best expressed as activity or problem scenarios. Scenarios often capture how things are done and how things will be done in the future. Please see the example scenario below. For any solution to be successful, it must help the user in performing his or her activities.
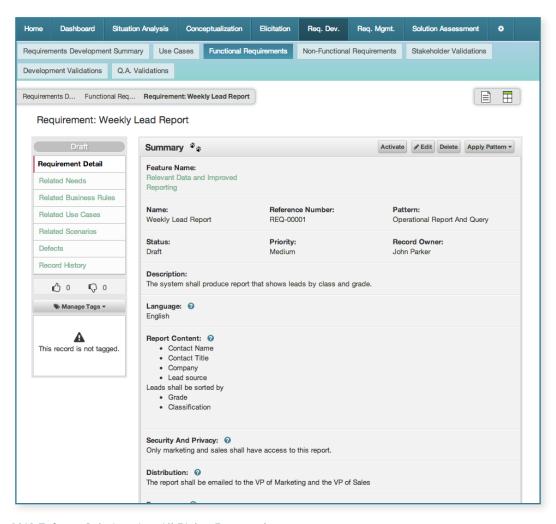
8. Develop Requirements

After stakeholders have been defined, it is important to develop a clear set of requirements to build the solution. Good requirements are defined in layers on a feature by feature basis. Good requirements involve much more than just text. Good requirements often have:

- Visualizations
- Comments
- Attachments, such as copies of existing reports and screens
- Business rules
- Acceptance criteria
- Dependencies
- Additional details, such as data elements, user centered design, edits, etc.

The level of detail will vary based on several factors, including whether the solution is purchased or built. Below is an example of requirement for a weekly lead report. This report was produced using a standardized pattern.

9. Assess and Validate Solutions

Solution validation is required to ensure that the project and its outputs deliver a proposed solution that meets the defined requirements. Problems identified through solution validation are reported and prioritized for resolution. When a problem is identified with the solution such as a failure to meet a stakeholder need or requirement that was not correctly specified, the business analyst helps the team determine the most appropriate action to resolve the problem.

Defects are generally identified through participation in lifecycle events. Below are some examples of lifecycle events for waterfall projects:

- Design Review

- Code Review and Demonstration

- System and Integration Test

- User Acceptance Test

- Organizational Change Plan

- Solution Deployment Plan

Effective solution assessment and validation helps to ensure that the delivered solution meets the business and stakeholder needs.