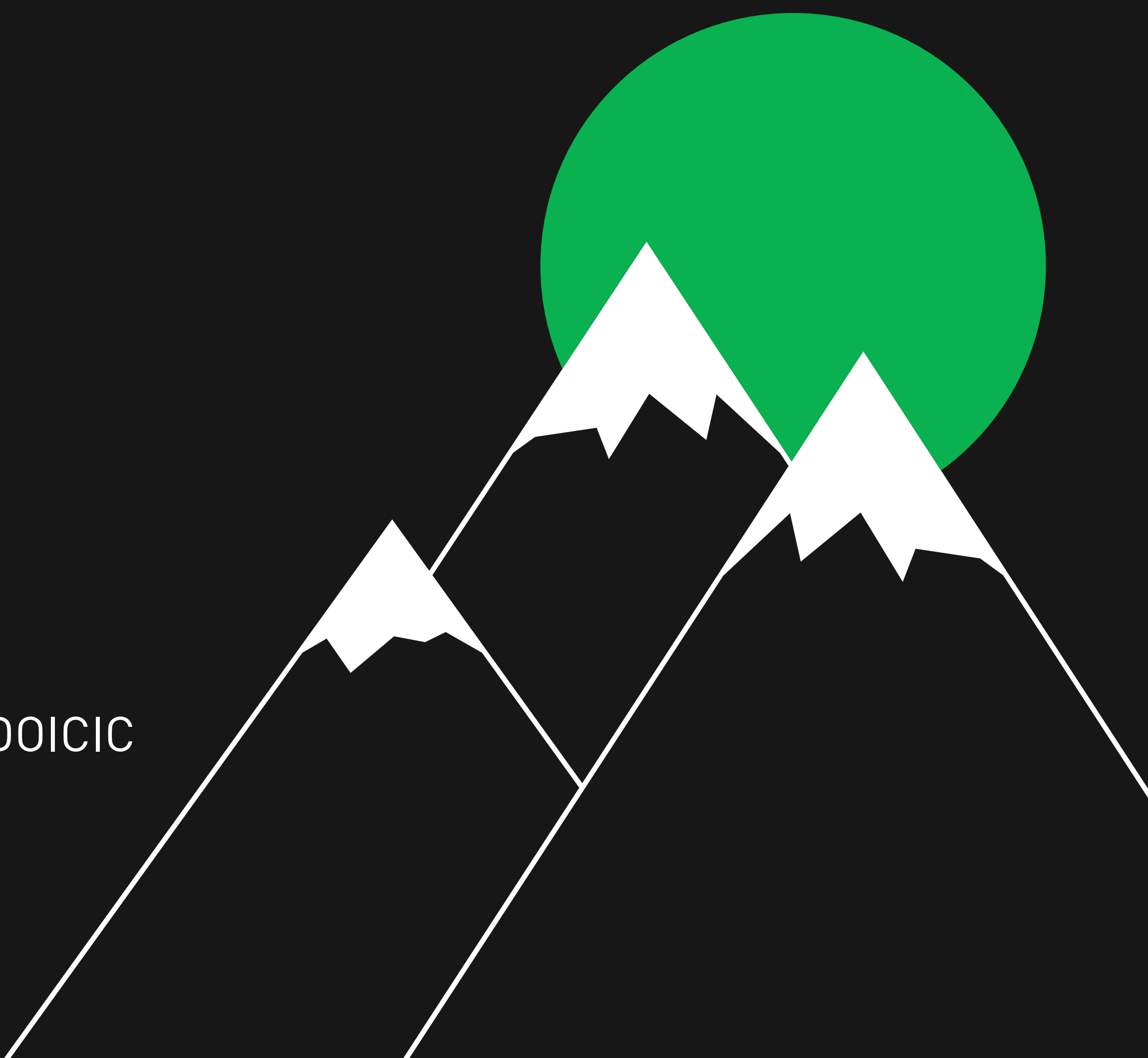
REVENUE GENERATION MATURITY STUDY 2020



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INTRODUCTION

Revenue is often examined more closely than profits when assessing the growth of a business. Investors want to see that a business is able to generate more sales over time as it builds on greater market exposure. A flat chart line or declining sales growth suggests that the company has stalled and offers limited hope for upward movement. Stagnant companies may produce near-term profit but they do not attract the interest of new investors.

Revenue generation, therefore, is one of the most important goals for companies to ensure their sustainable growth. The Revenue Generation Maturity Framework™ developed by The Growth Engine examines ***10 critical elements within an organisation that impact its ability to improve revenue performance***. These elements are like cogs in a well-oiled machine – free of the rust of backward thinking and other impediments that hinder action, each component seamlessly rotates and sets the entire system in motion. Vitally, revenue generation needs to be viewed as more than the responsibility of the sales department. Viewing revenue generation holistically – from how leads are generated, converted and to how sales are closed – is the key to creating and maintaining long-term growth.

The Revenue Generation Maturity Framework™ concentrates on the Revenue Generation Engine™, which includes these elements:

- Strategic Orientation
- Customer Profile & Segmentation
- People & Skills
- Organisational Structure
- Budgeting
- Sales & Marketing Alignment (Culture)
- Process
- Technology
- Communication
- Reporting

There are four different stages that reflect the level of maturity by which a company operates in the critical areas mentioned above. These four stages are:

- Crawl
- Walk
- Run
- Leap

A Maturity Stage Definition Chart describing the different maturity stages for each of the elements of the Revenue Generation Maturity Framework™ can be found in Appendix A.

In view of further validating the importance and impact of these elements on companies' revenue performance, a Revenue Generation Maturity Framework™ Benchmark Study took a high-level look at the current practices of B2C and B2B companies operating in the Asia–Pacific markets, seeking to exhibit the correlation between the maturity levels of these elements and overall revenue performance in the 10 areas identified in the framework.

It should be noted that this study is aimed at C-level executives with revenue responsibilities in medium to large organisations. However, as this particular study was conducted in partnership with B2B Marketing Leaders Forum APAC, the participants are almost exclusively marketers. As a result of these conditions, the results are predominantly perspectives from senior marketing professionals. A future study should build upon the concepts in this study by surveying a broader group of C-level executives with different responsibilities. Also, as this study utilised a survey-based methodology, all responses are based on the respondent's perception of their organisation's abilities.

RESEARCH METHODOLOGY

The Revenue Generation Maturity Study was administered online from 1 November 2019 to 15 December 2019. Respondents were asked to rate from 1–10 the maturity of their practice in the examined areas. Data was collected from responses from 121 of the 126 companies that participated. Responses from five companies, which fall outside the geographical scope of this study, were excluded. Research data is based on the respondents' self-assessment and the representativeness of the results herein depends on the similarity of the sample to environments in which this survey data is used for comparison or guidance. An independent marketing expert, Nick Flude (AFAMI CPM) reviewed report and findings.

In establishing the correlation between the elements identified in the framework and revenue performance, the Revenue Generation Engine™ scores (maturity ratings for each element) were averaged and compared to the average revenue performance scores of the participants. The smaller the difference between these scores (the differential), the stronger the correlation between the assessed components, and the greater the disparity, the weaker the relationship. Exact correspondence or a gap of less than one point between the scores indicates a direct or strong correlation between the relevant element and revenue performance; a gap of 2–4 points, moderate correlation, and a gap of five points or greater, weak or no correlation.

The maturity level of the companies for individual elements was determined based on the ratings they provided in the relevant item in the survey. Each survey item corresponded with a particular element in the framework. The maturity level for each practice area is determined based on the participants' responses and designated as falling under one of these four stages: Crawl (1–3), Walk (4–6), Run (7–8) and Leap (9–10). Leap is the most advanced stage while Crawl is the least advanced.

EXECUTIVE SUMMARY

The overall average of the Revenue Generation Engine™ scores, across all elements, situates the participating companies in the Run stage of the Revenue Generation Maturity Framework™.

From the data the following key findings are drawn:

- There is a clear trend across companies of all stages as participants consistently believe they have more advanced maturity in Strategic Orientation, Customer Profile & Segmentation, and Marketing Skills than the rest of the growth factors, with Technology, Reporting, Budgeting, and Communication practices scored the least maturity across the board.
- Companies of different overall maturity scores achieved the expected revenue outcomes based on the corresponding maturity stage they are in: Leap companies scored an average of 9.0. Run companies scored an average of 7.33, Walk companies scored an average of 6.32, and Crawl companies scored an average of 4.25 in revenue performance.
- Companies at the Crawl stage considered themselves with a more mature practice in Strategic Orientation, Customer Profile & Segmentation, and Marketing Skills. These three factors are considered the lifting factors as their maturity is above the average score of their revenue performance whilst the rest of the factors are considered the pulling factors impacting revenue performance in a negative way with Communication, Budgeting, and Reporting considered least mature for these companies.
- Companies at the Walk stage considered themselves with a more mature practice in Marketing Skills, Strategic Orientation, Customer Knowledge, and Organisational Structure. These four factors are considered the lifting factors for scoring higher than the average of their revenue performance whilst the rest are considered the pulling factors impacting their revenue in a negative way with Communication, Reporting, and Technology acting as the worst pulling factors.
- Companies at the Run stage considered themselves with a more mature practice in Strategic Orientation, Marketing Skills, Budgeting, Organizational, Customer Knowledge, and Process. These factors are considered the lifting factors for Walk companies as their scores are above the average of their revenue performance whilst the rest are considered pulling factors impacting their ability to perform with Reporting, Communication, and Technology acting as the worst pulling factors.
- Companies at the Leap stage have considerable higher maturity in Marketing Skills, Strategic Orientation, Organisational Structure, Budgeting, and Process. These five factors are critical in lifting their performance up while the other factors can be improved to help them to achieve their optimal revenue results. The pulling factors are Customer Knowledge, Communication, and Technology for Leap companies, despite all of the ten factors for these companies are far more mature than companies at Crawl, Walk, and Run stages.

Finally, the participants scored an average of 6.52 for their Revenue Generation Engine™ and 6.79 for their revenue performance. The small differential (0.27) supports a strong correlation between the Revenue Generation Engine™ and a company's revenue performance.

THE REVENUE ENGINE

STRATEGIC ORIENTATION

Strategic Orientation is the inclination of a company to focus on strategic direction to ensure superior performance. An organisation that is strategically oriented focuses on its strategic direction as a continuous process and makes it its long-range vision. Michael Porter, in his book *Competitive Strategy*, taught us that a positive relationship exists between strategic orientation and long-term financial performance.[1] By continuously seeking out new opportunities and ensuring strategic alignment, companies that exhibit a robust strategic orientation take action in new markets or product areas in order to generate a competitive advantage, resulting in improvements in revenue growth. In contrast, a study titled *Corporate Ideology, Diversification and Firm Performance*, conducted by Goll and Sambharya, has shown a negative relationship between strategic orientation and short-term outcomes such as sales growth and profitability.[2]

In our benchmark study, participants were asked to rate how strategically oriented they perceived their companies to be. Of the 121 companies, over 89% assessed themselves as strategic with their business practice, of which 32% claimed they were at world-class level. Of those who believed they operate at Leap or Run stages, 77% scored corresponding revenue performance in the last 12 months, indicating that there is a strong correlation between Strategic Orientation and Revenue Performance.

Strategic Orientation Maturity (Figure 1)

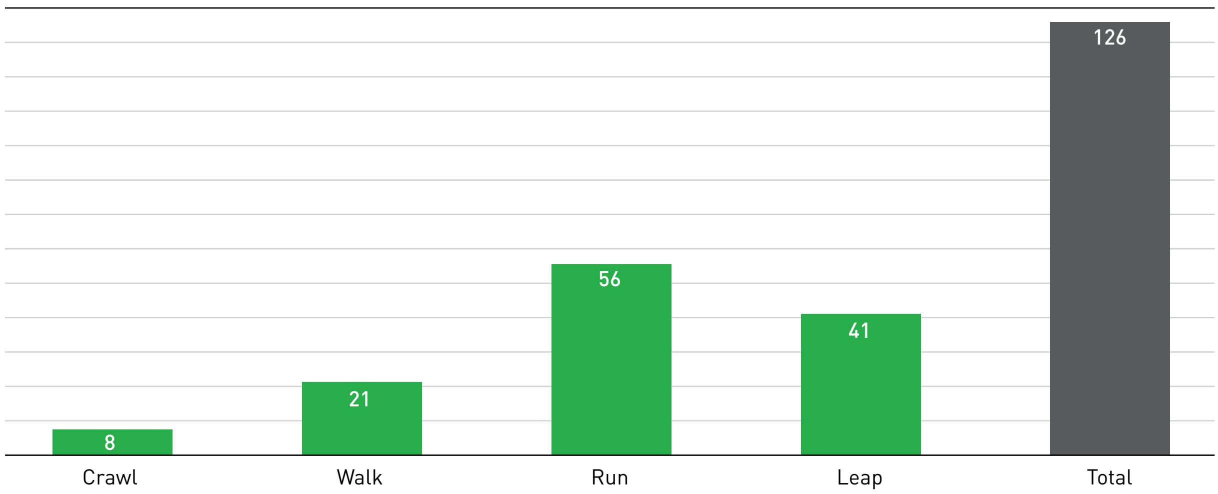
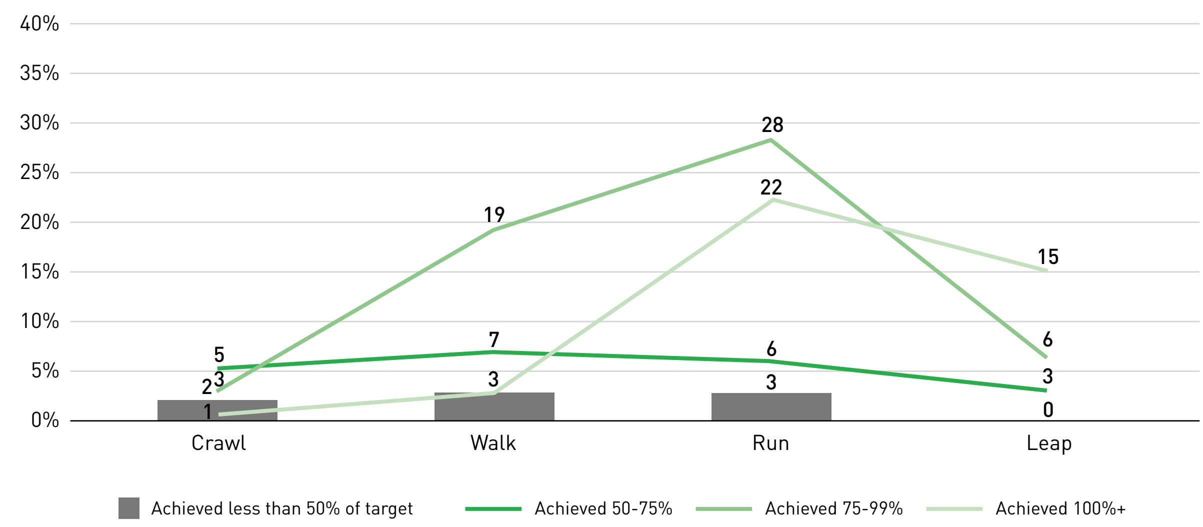


Figure 1. More than half the participants are in the Run stage of Strategic Orientation Maturity. Companies in this stage need to focus on better alignment of marketing activities with revenue objectives to progress to the next stage.

1 ME Porter, Competitive Strategy. Free Press, New York, Free Press, 1980.
2 I Goll & R Sambharya, 'Corporate ideology, diversification and firm performance', Organization Studies, vol.16, no. 5, 1995, pp. 823–846.

Differentials between participants' strategic orientation and their revenue performance were determined to assess the level of correspondence. Strategic orientation of 54.5% of the companies corresponded with their revenue results: 40.9%, moderately correlated, and only 4.6% indicated little or no correlation. This shows a strong correlation between Strategic Orientation and Revenue Performance among the study sample (see Figure 2).

Relationship between Strategic Orientation and Revenue Performance



CUSTOMER PROFILE & SEGMENTATION

Identifying the target market is of utmost importance in any organisation. It allows companies to create a viable and effective marketing campaign designed to reach the greatest number of your potential customers with the least impact on your resources, most notably money and time. An identified target market is a clear road map to your organisation's ultimate goal: more revenue. Segmentation is a well-known and widely used marketing practice employed to identify prospects and customers falling under similar criteria in some respects, while differing in others. These similarities and differences allow the customers and prospects to be segmented into distinct groups. Companies that take an overly simplistic a priori approach (which looks at historical data only) may end up with segments that are not maximally differentiated.

Twenty-two per cent of the respondents believed they know their customers extremely well while a further 46% believed they know their customers relatively well. Of the 66% who believe they have good practice in this area, 85% of them achieved their revenue goals in the previous 12 months. Of those who rated themselves poorly in 'Knowing your customers' only two (1.5%) achieved their revenue goals in the last 12 months. This indicates the importance of Customer Profile & Segmentation because it affects an organisation's ability to grow.

Customer Profile & Segmentation Maturity (Figure 3)

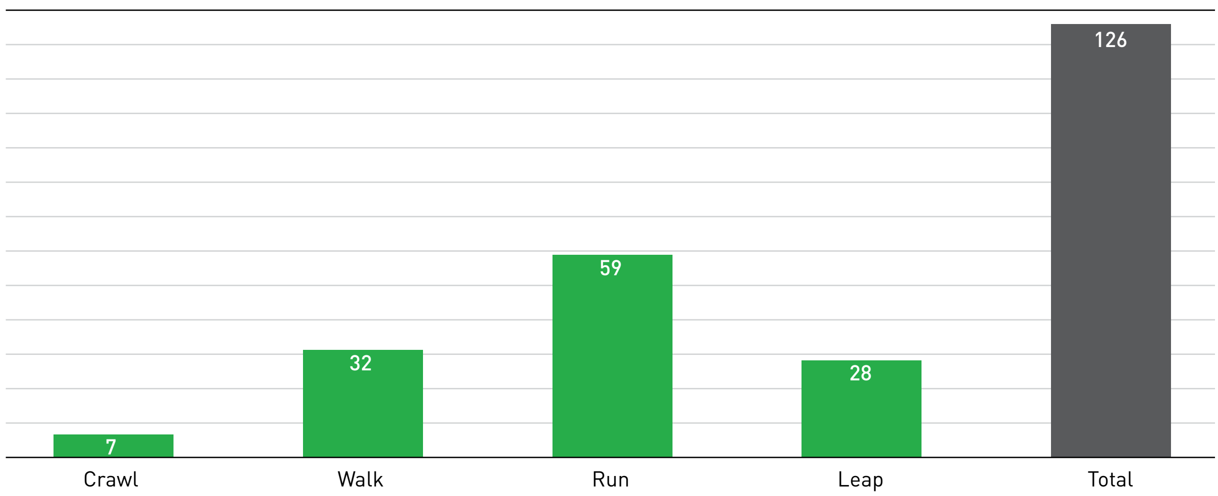


Figure 3. The majority of the companies are in the Run stage of Segmentation. All companies are beyond the Crawl stage and work with at least a good understanding of ideal customers.

For more than half the participants (59%), Segmentation Maturity is seen to be in direct correlation with revenue results. Meanwhile, a differential of 2–4 points is observed in 36.5% of the companies surveyed and more than five points in the remaining 4.5% (see Figure 4).

Relationship between Customer Knowledge and Revenue Performance (Figure 4)

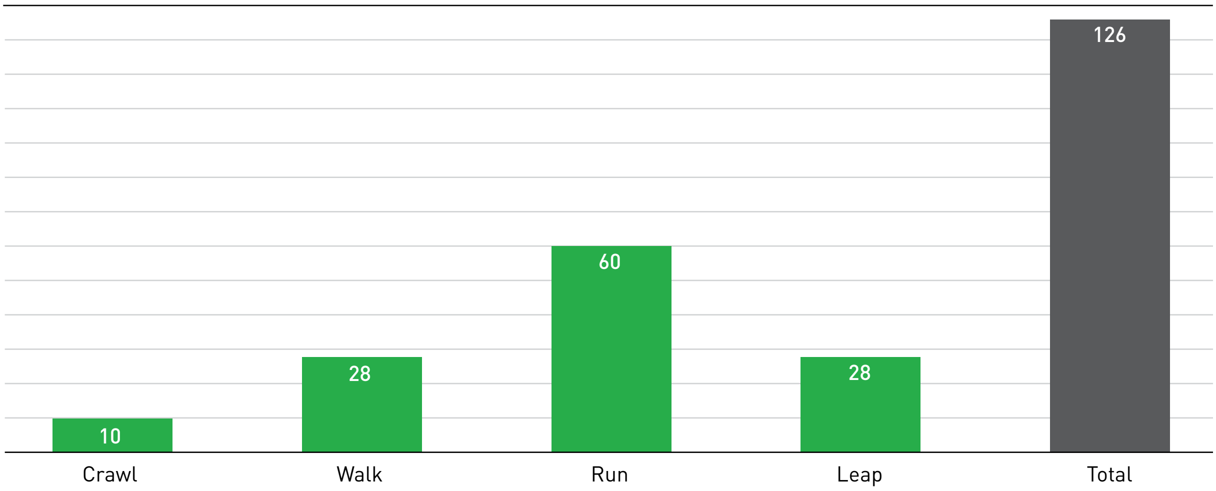
ORGANISATIONAL STRUCTURE

All too often, great strategy is derailed by poor execution. To be sure, there are many contributing factors to such failure and the presence of people always introduces the possibility of human error. However, one aspect that is usually neglected by top management is the possibility that their organisation is actually designed to fail!

Key roles that are not optimally structured to support business performance often lead to poor operational and revenue results. It is therefore critical that jobs are designed and structured for high performance and aligned with your business objectives.

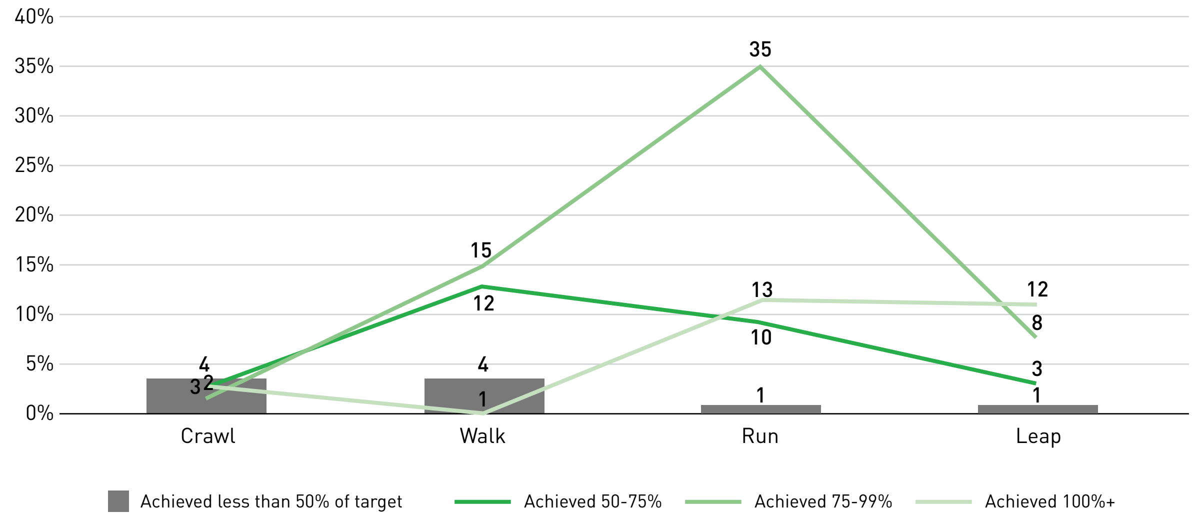
Twenty-two per cent of the respondents believed they have exceptional practice when it comes to organisational structure. Among these organisations, only three achieved below average revenue results. A further 47% believed they have above average practice in this area and among them, 71% achieved above average revenue results in the last 12 months. Nearly 30% considered themselves to have less than ideal practices when it comes to how well defined and structured their human resources are in their organisations. Among these respondents, 63.8% performed poorly in their revenue results in the last 12 months.

Organisational Structure Maturity (Figure 7).



Similar correlations exist between revenue results and Organisational Structure Maturity and Marketing Skills Maturity, with a direct correlation in 79.3% of the sample. The observed correlation implies that Organisational Structure is a significant function of a company's revenue performance (Figure 8).

Relationship between Organisational Structure and Revenue Performance (Figure 8).



PEOPLE & SKILLS

The next critical element to examine is the marketing roles within an organisation – the people directly responsible for any and all of a company's marketing efforts, including the decision-makers for marketing resources. Depending on the maturity level of an organisation, there might be senior leadership or strategic roles in marketing. If an organisation is at the higher end of the spectrum, they might have a chief marketing officer (CMO), along with Vice Presidents (VPs), marketing directors, managers and program managers in place. High-performing organisations know the marketing skills they need (whether in-house or outsourced) at different stages of their business growth and use these skills effectively to optimise revenue performance.

Ninety per cent of the respondents believed they have above average marketing skills in their organisations. A potential explanation for such a high rate could be the self-reflective nature of the survey, and possible bias. Of the 90%, 75% achieved or nearly achieved their revenue goals. Ten per cent of the respondents believed they have less than ideal marketing capabilities in their organisations; however, among these respondents 41% achieved or nearly achieved their revenue goals. This data shows that marketing skills/capabilities could have a direct correlation with revenue performance; however, it may not be the most critical factor affecting an organisation's ability to grow. Such results reinforce the need to further examine the other elements that impact an organisation's revenue performance (Figure 6).

Marketing Skills Maturity (Figure 5)

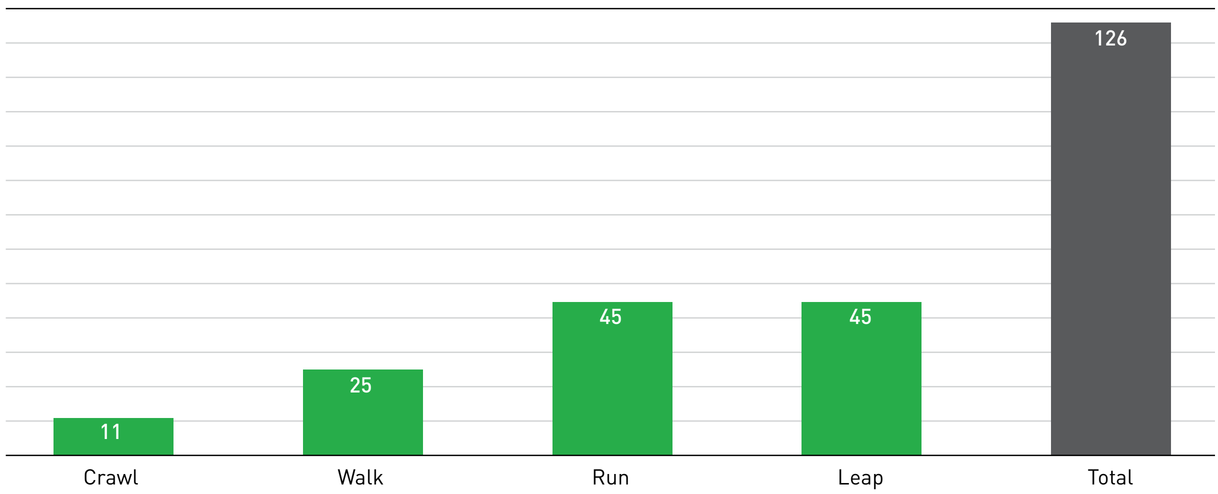
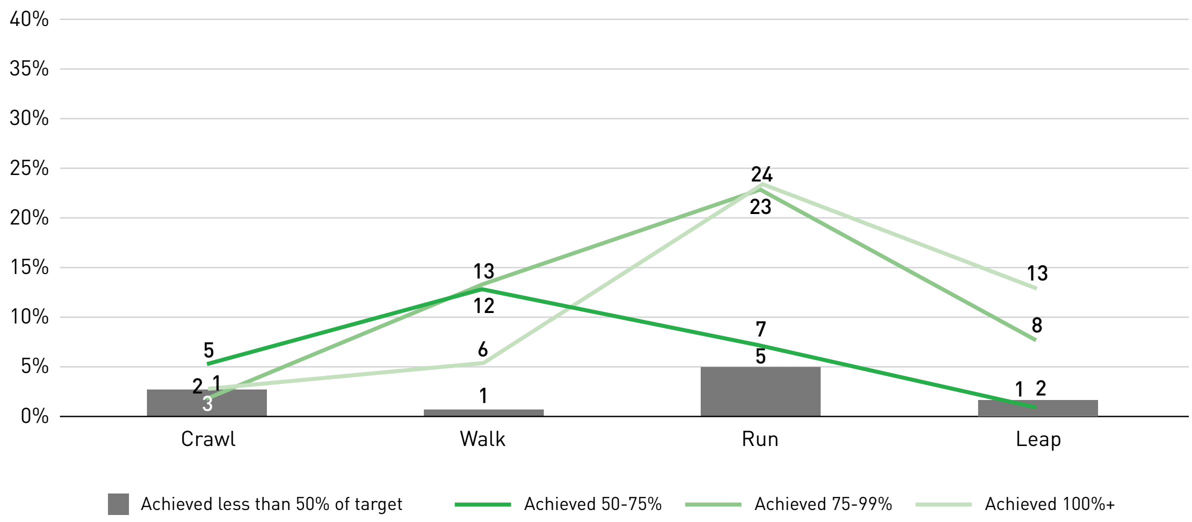


Figure 5. An overwhelming majority of the respondents gave their marketing skills a high maturity score of 7 and above, with the greater number of them being in the Leap stage.

Relationship between Marketing Skills and Revenue Performance (Figure 6)



SALES & MARKETING ALIGNMENT (CULTURE)

John Kotter and James Heskett, in their book Corporate Culture and Performance, describe how shared values and unwritten rules either profoundly enhance economic success or, conversely, lead to failure to adapt to changing markets and environments.3 Culture is the '"what and how'" of your organisation: how things get done, how things are decided on, what works and what does not, what gets rewarded and what does not, and how performance is rewarded or recognised. Your organisation's strategy must go hand in hand with your company's culture: Define your strategy and ensure that your culture supports it. Exceptional companies focus on developing a revenue generation culture beyond sales and marketing and across the entire organisation because optimising revenue performance for an organisation involves all departments in the business.

Of the respondents, 16.6% rated themselves exceptional when it comes to their sales and marketing alignment, while another 38.8% of the respondents believed they have above average practice in this area. Of these organisations, 78.6% achieved very good revenue results in the last 12 months, indicating a strong correlation between sales and marketing alignment and revenue performance. This coincides with the findings of the study done by Marketo[4], which concluded that sales and marketing alignment can make an organisation 67% percent better at closing deals, and reduce friction by 108% percent. Among the 7.9% of the respondents who rated themselves very poor when it comes to sales and marketing alignment, half of them failed to deliver revenue results, indicating this element is a crucial factor affecting an organisation's abilities to grow revenue.

Culture Maturity (Figure 11)

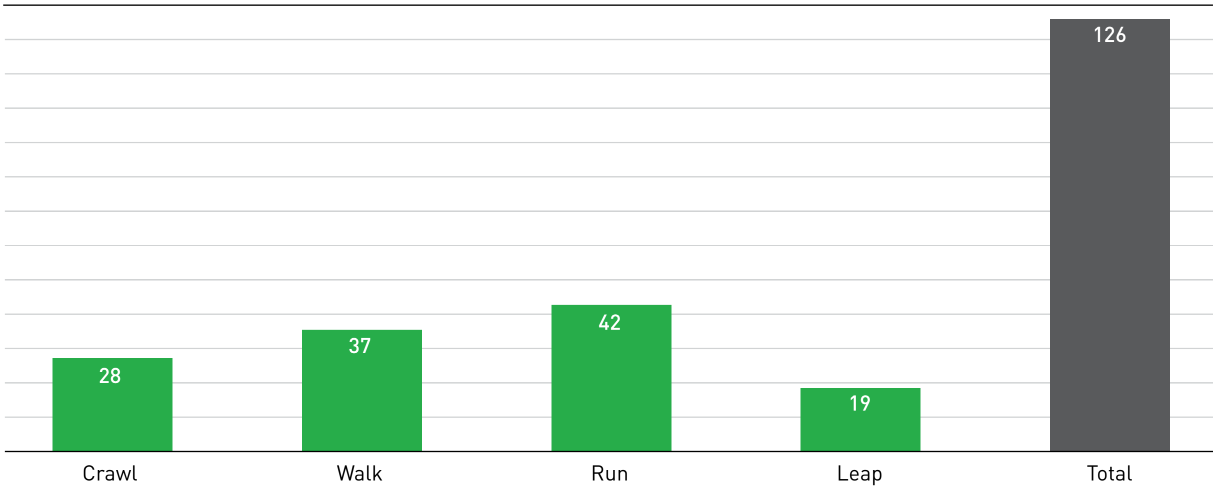
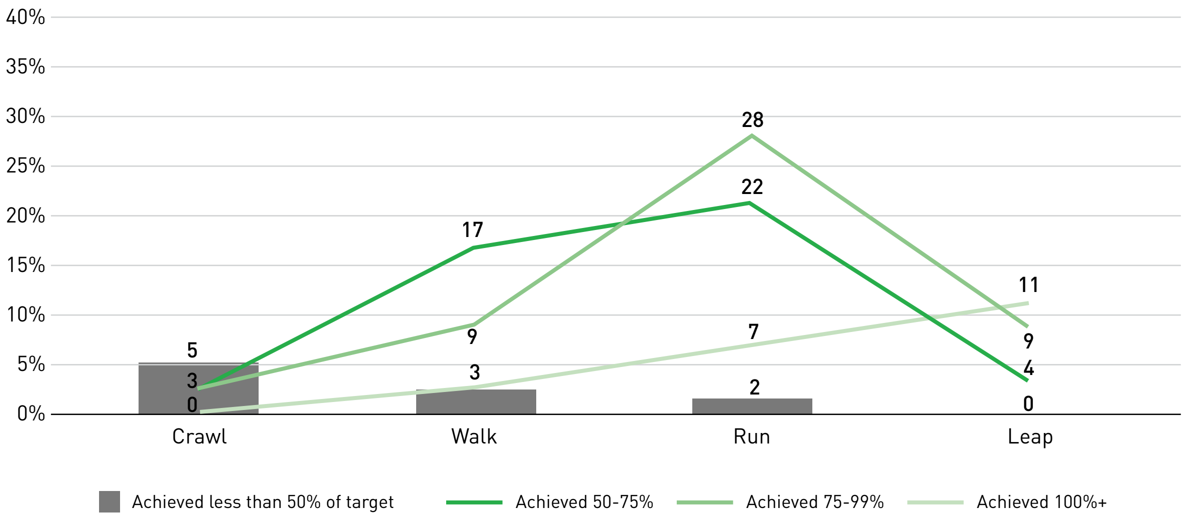


Figure 11. The high level of Culture maturity shown by more than 80% of the respondents is contrasted by more than 13% at the lowest level of maturity.

Direct correlation between Company Culture Maturity and revenue outcome is found in 76.9% of the responses.

3 John P. Kotter & James L. Heskett, *Corporate Culture and Performance*. Free Press, New York, Free Press, 2011.
4 https://blog.marketo.com/2016/04/dynamic-duo-close-more-deals-with-sales-and-marketing-alignment.html

Relationship between Culture and Revenue Maturity (Figure 12)



BUDGETING

A study done by Samuel Pimpong and Henrietta Laryea has shown that budgeting has a significant impact on the financial performance of organisations[5]. In the study, it was through budgeting that the participating organisations could effectively and efficiently operate with improved financial performance. The study also observed that an organisation's budgeting system played an important role in business management, especially in decentralised organisations where a company requires some budget to translate all the company's strategies into short- and long-term plans and objectives. Furthermore, the study has demonstrated that budget is one of the fundamental tools that all managerial levels use to plan and control a company's activities as well as make the business achieve specific aims and operational objectives.

When it comes to budgeting, 25.3% considered themselves to have exceptional practice. Forty per cent of these organisations achieved their revenue goals, while a further 53.1% of these organisations are close to achieving their revenue goals in the last 12 months, indicating a strong correlation between revenue results and budgeting practice. Nearly 12% of the respondents believed they have very poor practice when it comes to budgeting. Among these organisations, only 26.6% of them delivered very poor revenue results. This indicates that other elements can bear more weight as contributors to revenue performance.

Budgeting Maturity (Figure 9)

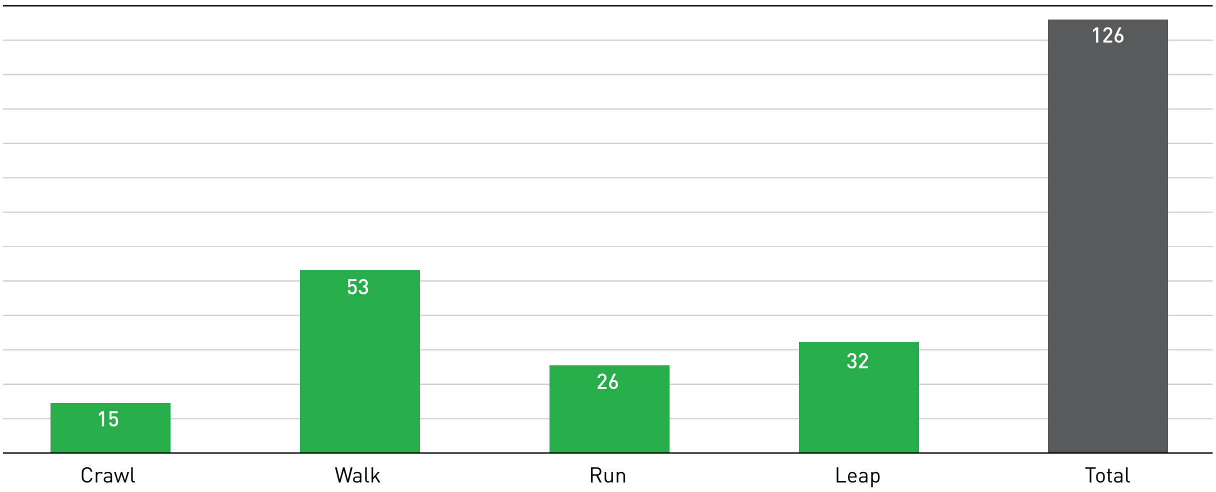
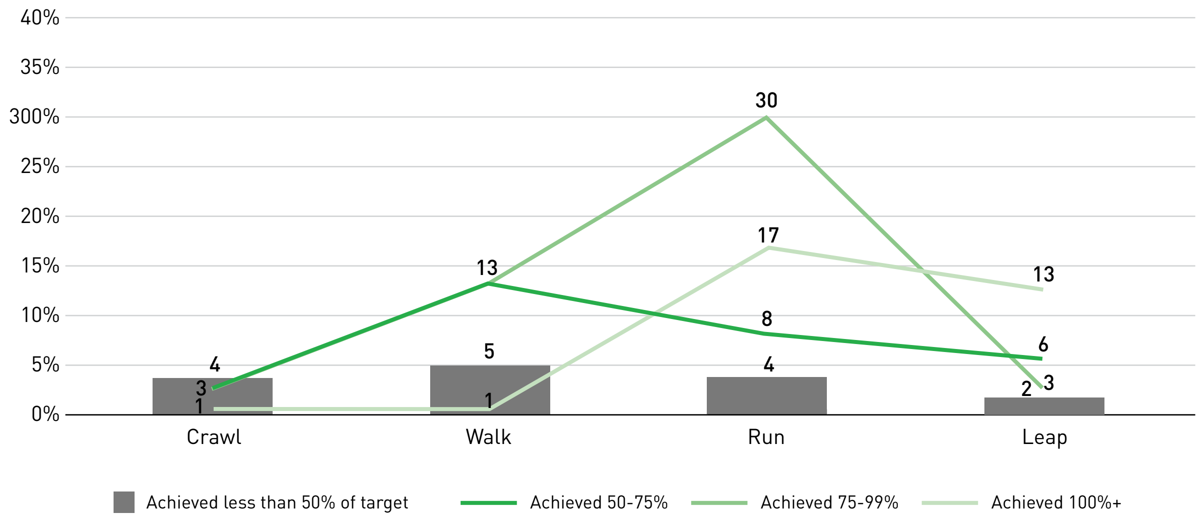


Figure 9: While a majority of the respondents are in the Run and Leap stages of Budgeting, nearly 10% still remain in the Walk and Crawl stages. These less mature companies should avoid ad hoc spending and start setting budgets with clear return-on-investment (ROI) expectations.

An examination of the relationship between Budgeting Maturity and company revenue results shows that in 76.1% of the sample data, Budgeting Maturity is highly correlated with revenue performance.

5 S Pimpong & H Laryea, Budgeting and its impact on financial performance: the case of non-bank financial institutions in Ghana', *International Journal of Academic Research and Reflection* Vol. 4, No. 5, 2016, https://pdfs.semanticscholar.org/6be4/99a27b733c50751702d6eeadffdd19ffdbac.pdf,. Accessed on 03/30/2020.

Relationship between Budgeting and Revenue Performance (Figure 10)



PROCESS

According to the book Powerhouse by Brian MacNeice and James Bowen, process is one of the most critical pillars of high-performing organisations. However, not all processes are created equal[6]. There are two distinct types of processes: those that drive revenue up; those that drive cost down. Increasing revenue is generally done by acquiring and growing customers and is an externally oriented behaviour. Reducing costs is done by increasing efficiency and is an internally oriented process. While both have value, research by Rust, Moorman, and Dickson has shown that increasing revenue had a positive correlation to the financial health of a company and improved customer relationships. Externally focused processes are the domain of marketing operations, with modern companies employing marketing automation to enhance these abilities further. While all companies should pay attention to both internally and externally focused processes, exceptional companies will prioritise processes that lead to customer acquisition, retention and loyalty. By breaking down processes into steps, mapping those steps, determining areas for improvement, and aligning Key Performance Indicators (KPIs) to those processes, a company can increase revenue in the long-term.[7]

When it comes to process excellence, 19% of the respondents considered themselves to have exceptional practice, while another 42% believed their practice is above average. Among these organisations, 77.9% achieved corresponding revenue performance. Of the respondents, 10.3% consider themselves to have very poor practice when it comes to their processes and among these organisations, only 23% of them achieved very poor revenue results in the last 12 months. Again, this indicates that other elements in the framework have more impact in affecting an organisation's ability to generate revenue.

Process Maturity (Figure 13)

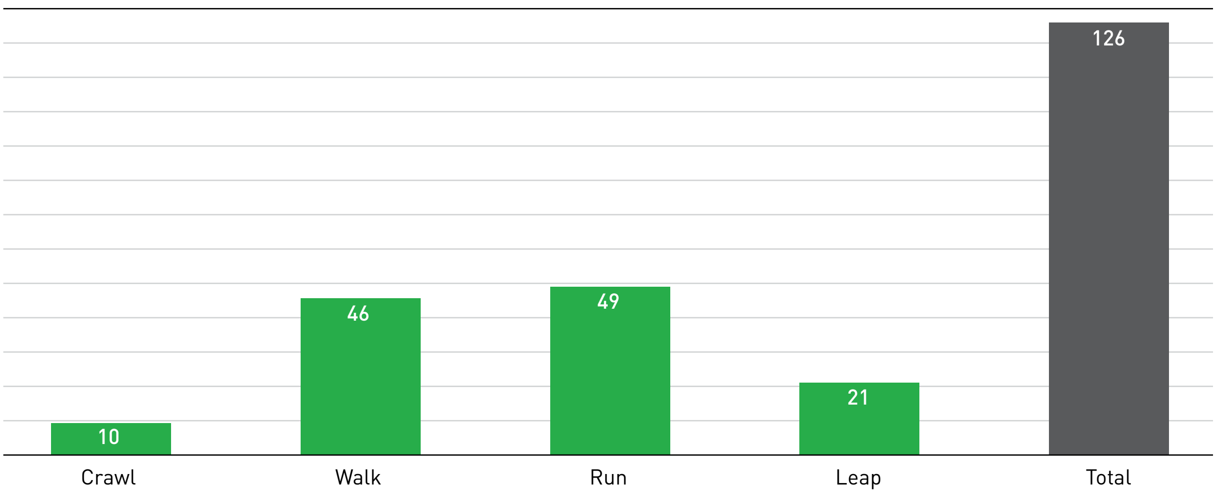
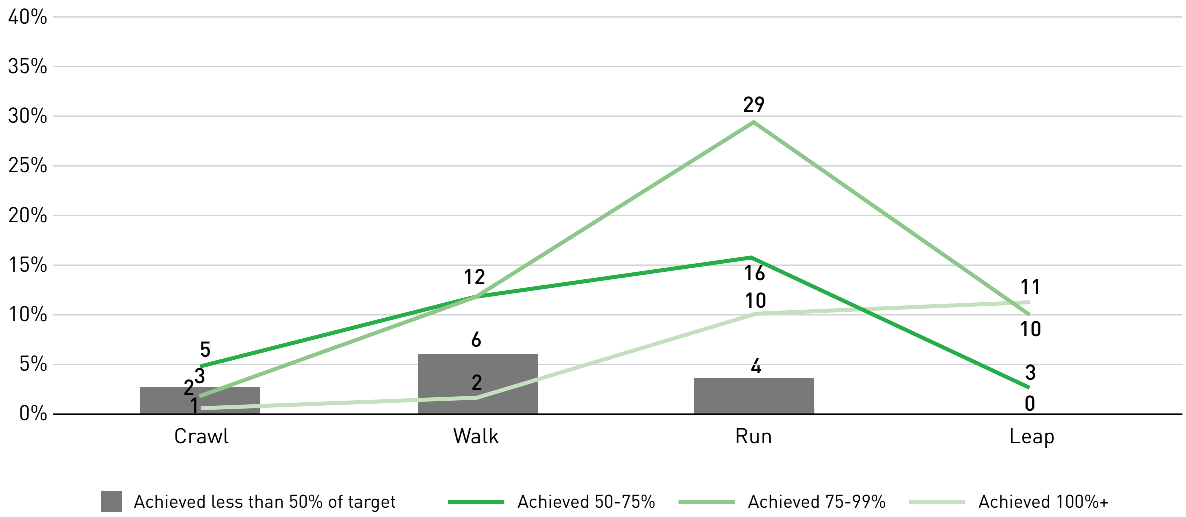


Figure 13. A clearly defined process appears to be a top priority for the companies surveyed, with a significant majority being in the highest levels of maturity. However, there is a small portion of the sample that still seems to struggle with getting their processes to work.

In examining the relationship between Process Maturity and revenue performance, 40.9% of the respondents are seen to have their revenue results directly linked to how well they define their processes, another 50%, moderately associated, and 9.1%, not directly related.

6 Brian MacNeice & James Bowen, Powerhouse. UK. Kogan Page. 2016.
7 L Patterson, 'Why Revenue-Oriented Processes Matter (And How to Get Started)', The CEO Refresher, 9 October 2017, https://www.refresher.com/why-revenue-oriented-processes-matter-and-how-to-get-started/, accessed on 20/03/2020.

Relationship between Process and Revenue Performance (Figure 14)



TECHNOLOGY

Sales & Marketing Automation (SMA) and Business Intelligence (BI) technologies are enabling tools providing organisations with insights about their customers and prospects. These technologies serve to deliver business intelligence more efficiently to both front- and back-end staff, allowing them to serve customers/prospects' needs better. Fragmented systems implemented in different departments not only hinder the customer's line of sight but also create barriers to internal communication and efficiency. McKinsey research found that applying technology to the activities of the commercial function could generate up to nearly US$300 billion in additional industry-wide revenues.[8]

Participants in this study were asked to rate the maturity level of the practice of sales value chain technology adoption (e.g. CRM, marketing automation) in their companies. Fifteen per cent of the respondents considered themselves to have exceptional maturity when it comes to their sales and marketing technology, and a further 33% of the respondents believed they have above average practice in this area. Among these organisations, 72% delivered corresponding revenue results in the last 12 months, again indicating a clear correlation between technology enablement and revenue performance. Twenty-two per cent of the respondents believed they have very poor practice in this area and only 21.4% of these organisations delivered very poor revenue results. This indicates that other elements have more influence than technology enablement alone.

Technology Maturity (Figure 15)

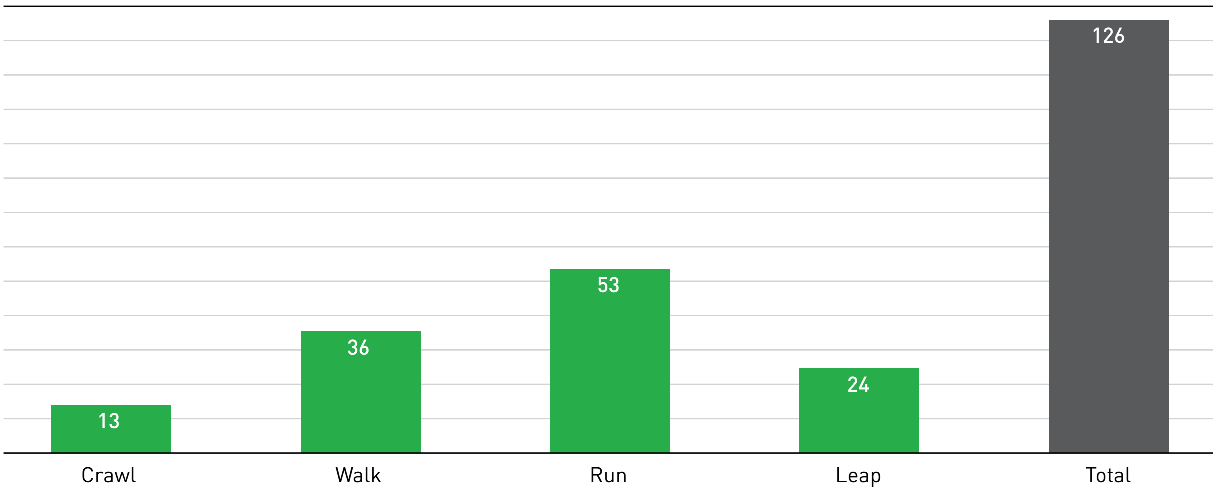
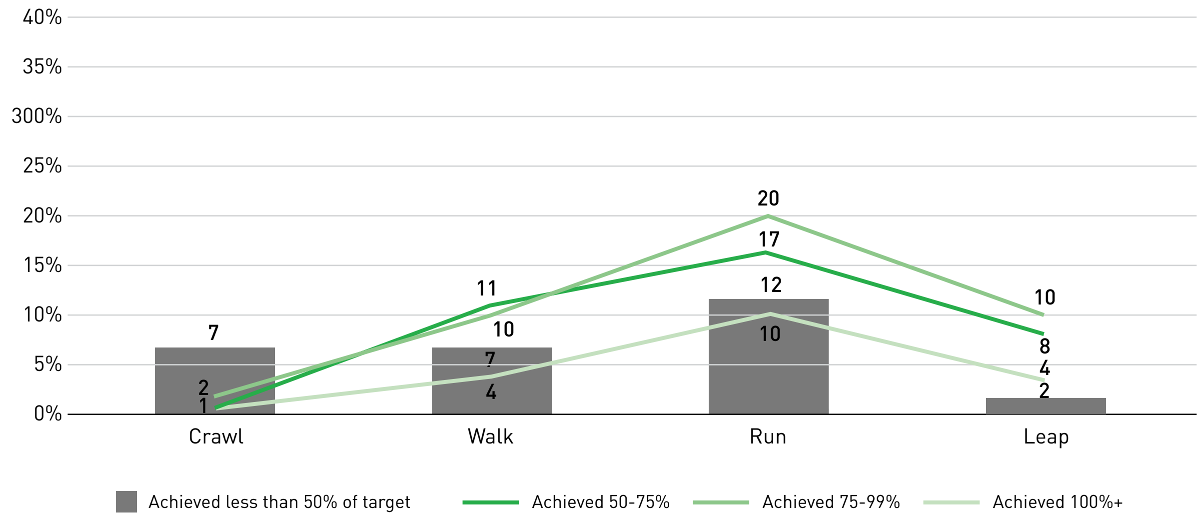


Figure 8. All the respondents have adopted at least some form of automation across the revenue generation value chain, although those in the Walk stage may not yet be fully utilising it. Those in the Run stage have automation systems functional and those in the Leap stage have their automation systems fully integrated.

Among the 10 elements examined, revenue generation focused technology is considered to have the least correlation to revenue results with only 63.4% of the data sample with high correlation to revenue performance.

8 McKinsey & Company, *Tech-enabled transformation: The trillion-dollar opportunity for industrials*, September 2018, https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/tech-enabled-transformation, accessed on 30/03/2020.

Relationship between Technology and Revenue Performance (Figure 16)



COMMUNICATION

Effective communication is another critical driver of revenue: it can make or break a company. Communication keeps internal processes and external interactions with customers, suppliers and employees smooth and productive. Communicating effectively, internally and externally and at all levels of management, has a direct impact on cash flow and revenue.[9]

From lower rates of employee turnover, through to great customer service and successful project deliveries, effective communication has immense benefits that are strongly correlated with an increase in the financial performance of organisations. Exceptional companies ensure they have well-structured and efficient communication processes and tools, which their sales, marketing and other teams with customer contact, have ready access to.

Out of the 121 responses analysed, 10.9% of the respondents believed that they have outstanding practice when it comes to Communication along their revenue generation value chain and a further 35.7% rated themselves above average in this area. Out of the 10.9% respondents who rated themselves exceptional in their communication practice across the life cycle of revenue generation, 73% achieved exceptional revenue results in the last 12 months. Of those with above average practice, 77.7% also achieved corresponding revenue results (above average revenue performance). Only 12.7% of the respondents marked themselves with very poor practice when it comes to communication and among these organisations, over half (56.2%) also achieved very poor revenue results in the past 12 months.

Communication Maturity (Figure 17)

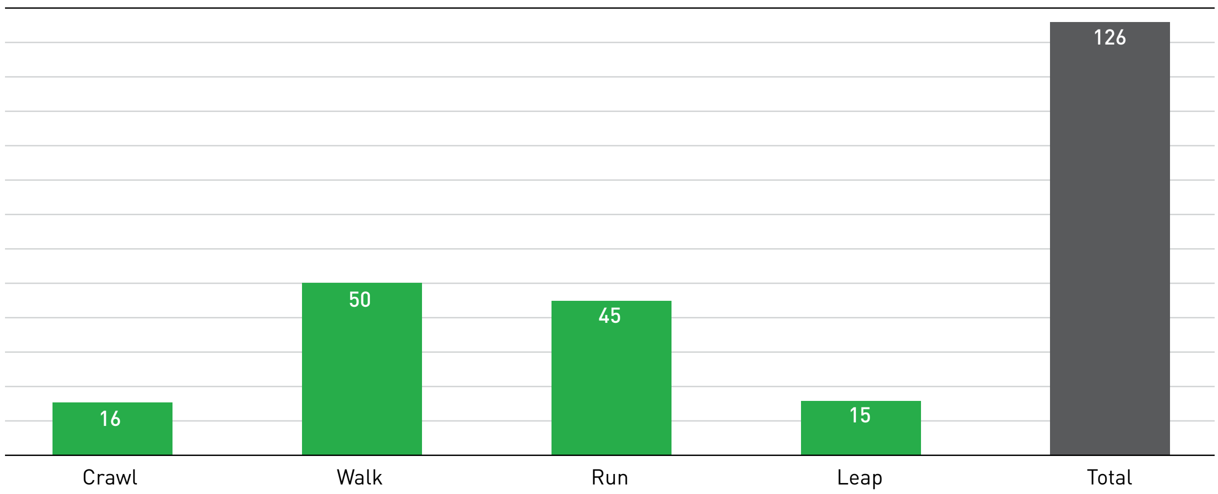
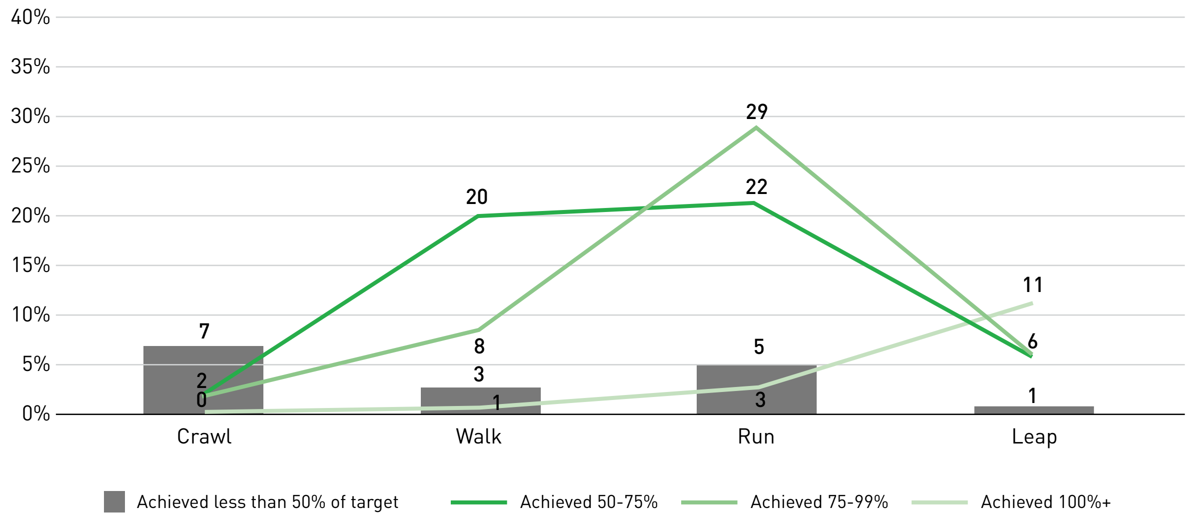


Figure 9. Majority of the respondents are in either the Walk or the Run stage of Communication. Participants were asked to rate their maturity when it came to communicating with relevant stakeholders across the value chain of revenue generation. One improvement that organisations in the Run stage can make to advance to the next level is to establish a communication structure to allow relevant stakeholders to facilitate efficient sales support across the entire sales cycle, from lead generation to quoting and contracting, as well as after-sales support and reporting.

Communication Maturity is observed to be an extremely important factor in the revenue performance of 80.9% of the companies surveyed.

9 M Schneider, 'Costs of Poor Communication Reach $37 Billion. Avoid Disconnects By Implementing These 2 Things', Inc., 11 July 2018, https://www.inc.com/michael-schneider/the-extrovert-vs-introvert-dynamic-could-be-costing-your-organization-millions-heres-how-to-bridge-communication-gap.html, accessed on 30/03/2020.

Relationship between Communication and Revenue Performance (Figure 18)



REPORTING

To improve your revenue performance, it is critical to monitor relevant metrics on an ongoing basis. Inaccurate reporting leads to incorrect insights on metrics that are supposed to guide your organisation's leadership in steering the ship in the right direction. Therefore, it is crucial that the metrics are understood by key managers across your business and are reported accurately. Metrics should be identified and developed in consultation with the entire leadership team.

Exceptional companies rigorously scrutinise their process for setting up metrics and routines for measuring, monitoring and reviewing information that has a significant impact on their goals. Furthermore, they examine the information they gather against strategy, effort and performance. Leaders of high-performing companies constantly ask themselves what metric they could track that would provide advanced notice for activities that could impact revenue results, either negatively or positively.

Participants in this study were asked to rate the level of maturity of their company's reporting practice across the revenue generation life cycle. Fifteen per cent of the respondents believed they have outstanding practice when it comes to revenue focused reporting. A further 31.7% believed they have above average practice in this area. Among these organisations, 81.3% achieved corresponding revenue performance in the past 12 months. This indicates a very strong correlation between reporting and revenue performance results. Of the respondents, 17.5% rated themselves very poor when it comes to reporting and nearly half of these organisations (45.4%), showed they achieved very poor revenue results too, further confirming the importance of reporting as it directly affects an organisation's ability to grow its revenue.

Reporting Maturity (Figure 19)

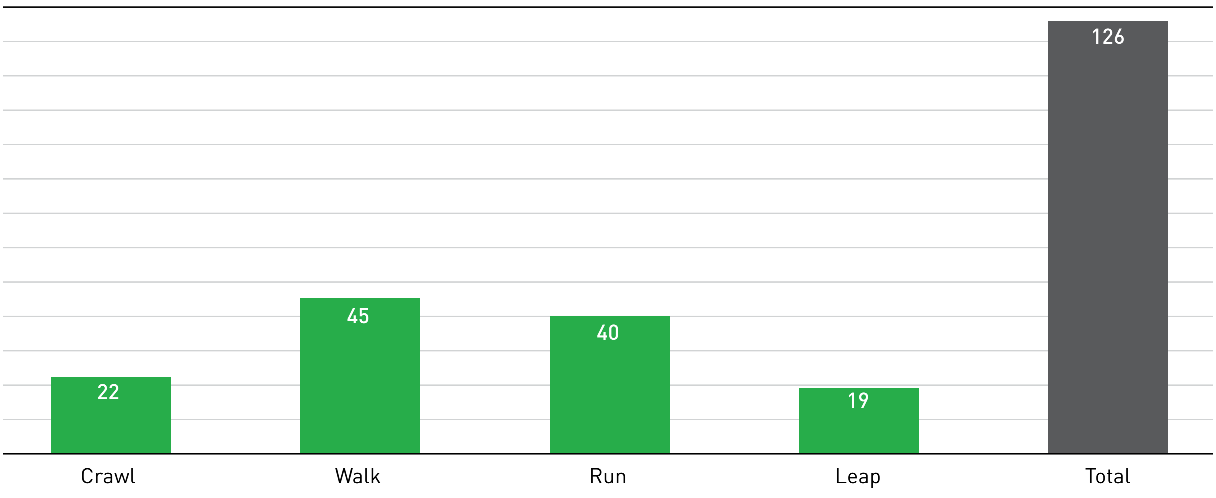


Figure 10. With no companies remaining in the Crawl stage of Reporting, participants are expected at the very least to have metrics established in their organisations. As companies move on to higher maturity levels, they work with more reports with increasing complexity. Companies need to ensure departments have access to functional matrices to track this data.

A significant majority of the responses (80.9%) indicate that Reporting Maturity is an extremely important contributing factor to favourable revenue performance. This highlights the importance of measuring the appropriate metrics and devising quality KPIs. This way, C-level executives can quickly and easily assess the components of the organisation for which they are responsible.

Relationship between Reporting and Revenue Performance (Figure 20)

CONCLUSION

Optimising revenue performance requires CEOs and CMOs to take a hard look at the 10 critical elements that impact their organisation's ability to improve performance as set out in the Revenue Generation Maturity Framework™.

As shown in the preceding sections, there is a strong correlation between the elements assessed and the companies' revenue performance. This points to the critical role played by Strategic Orientation, Customer Profile & Segmentation, People & Skills, Organisational Structure, Budgeting, Sales & Marketing Alignment (Culture), Process, Technology, Communication, and Reporting in driving revenue in today's business organisations. It is a significant finding that the average rating the participating companies received based on the Revenue Generation Maturity Framework™ is 6.71, while their self-assessed revenue performance rating is 6.79. This minimal difference supports the correlations put forward in the Revenue Generation Maturity Framework™, which links the 10 critical elements of the Revenue Performance Engine™ to optimised revenue results.

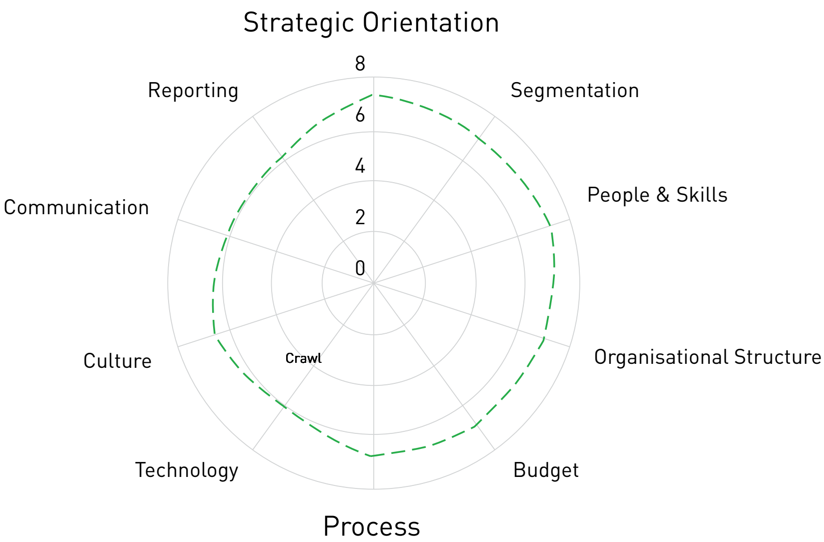
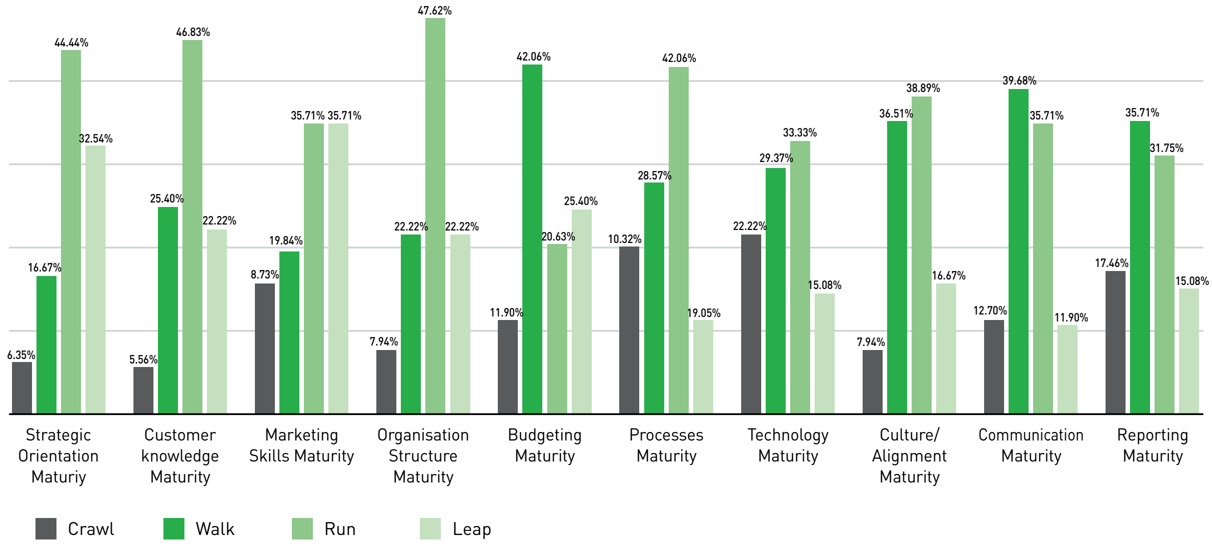


Figure 21. The world-class Revenue Generation Engine™ requires all elements scoring a 10 point. Based on the sample data, the average Revenue Generation Engine™ scores a point of 6.71

Figure 22. The chart below provides the details of the 2020 Revenue Generation Maturity Framework™ Benchmark Study results for each element in the Revenue Generation Engine™.



Use the Revenue Generation Maturity Diagnostic Tool to find out how mature your practices are in comparison to the industry standard.

APPENDIX A: DEFINITION

MATURITY STAGE DEFINITION CHART

	Stage 1: Infancy	Stage 2: Progressive	Stage 3: Mature	Stage 4: Worldclass
Rating	1, 2	3, 4, 5	6, 7, 8	9, 10
Strategic Orientation	Your organization may not have a plan of action to address different possible scenarios. Highly tactical instead of strategic, most business decisions are made on the spot as different situations arise. The company is entirely dependent on the owners and founders.	Your organization may have an annual business plan with defined revenue targets. Your organization may also have an annual marketing plan but the latter may not be aligned with former in terms of revenue goals and performance objectives. Tactical activities are outlined but lacks ROI expectation. Most notable is the absence of a quarterly plan which functions as a review.	Your organization may have an annual marketing plan which is aligned with business planning. Quarterly campaign plans are also in place. However, activities may not be aligned with the revenue objectives in a clear manner. ROI expectation for each activity may not have been set.	Your organization is very strategic with your annual marketing plan aligned with business planning and your quarterly campaign plans is aligned with both revenue objectives and ROI expectation for each activity.
Customer Profile & Segmentation	Little or no data is collected on your current customers and no demographic profiles defining your target audience.	From target audience point of view, you may have a good enough understanding of their ideal customers. General demographic customer information is defined but no customer profile data is collected.	You may have a well defined target market profile and segmentation. Demographic information of customers are also collected but does not include needs-based information.	You have well-defined personas and segmentation. Your company's ideal customers are identified, demographic information is collected and analyzed, and customer/prospects pain points are documented and acted upon.

People Skills	Your organization may not have existing senior leadership in marketing. Marketing is done only to the extent of meeting and servicing their sales people's needs.	Your organization may have a Marketing Manager who works parallel to the Sales Manager. Both report to the CEO. The marketing staff is minimal and usually consists of a couple of program managers who report directly to the Marketing Manager.	There may be a Director of Marketing in your organization who manages a number of segment marketing managers and marcom/program marketing managers. The Marketing Director reports to the CEO and is parallel to all other key functions in the organization.	Your organization may have CMO (Chief Marketing Officer), VPs, Marketing Directors, Managers and Program Managers in place. You may even have a Marketing Planning Manager. Your CMO is on the leadership committee and involved in business strategy planning.
Organisational Structure	Roles and responsibilities are not defined in the infant stage. Most, if not all roles are informal. Marketing resources have no job descriptions and as such, may be redirected for some other purpose.	Roles and responsibilities are defined for each marketing resource but are not aligned with revenue objectives and overall performance of the organization. Your organizational structure may not support lead generation/ management and customer lifecycle management.	Roles and responsibilities are well defined. The organizational structure supports lead generation/ management and customer lifecycle management. However, staff compensation are not aligned to revenue performance.	Your organizational structure and corresponding job descriptions are well defined and updated. The CMO and entire marketing team's compensation is aligned to revenue and marketing performance.
Budget	Budget is inexistent thus spending is completely ad hoc, all expenses are out of pocket and taken against daily revenues. Instead of being a profit center, any marketing effort is automatically classified as a cost center.	The marketing budget in your organization is included in the annual marketing plan and is available to support the revenue budget. However, it is not ROI based. Spending is no longer ad hoc and marketing is classified as a fixed cost center. Since budget is planned annually, no business case can be generated to acquire additional budget.	The marketing budget is aligned with revenue growth targets and has corresponding ROI expectations. Marketing is a fixed cost center and although quarterly reviews are in place, no additional fund can be provided through business case.	In your organization, marketing budgeting is connected to revenue growth targets with clear ROI (Return On Investment) expectation. Marketing is classified as a profit center. As such, additional funds can be made available provided there is ROI justification and if the proposed marketing effort can bring in additional revenue.

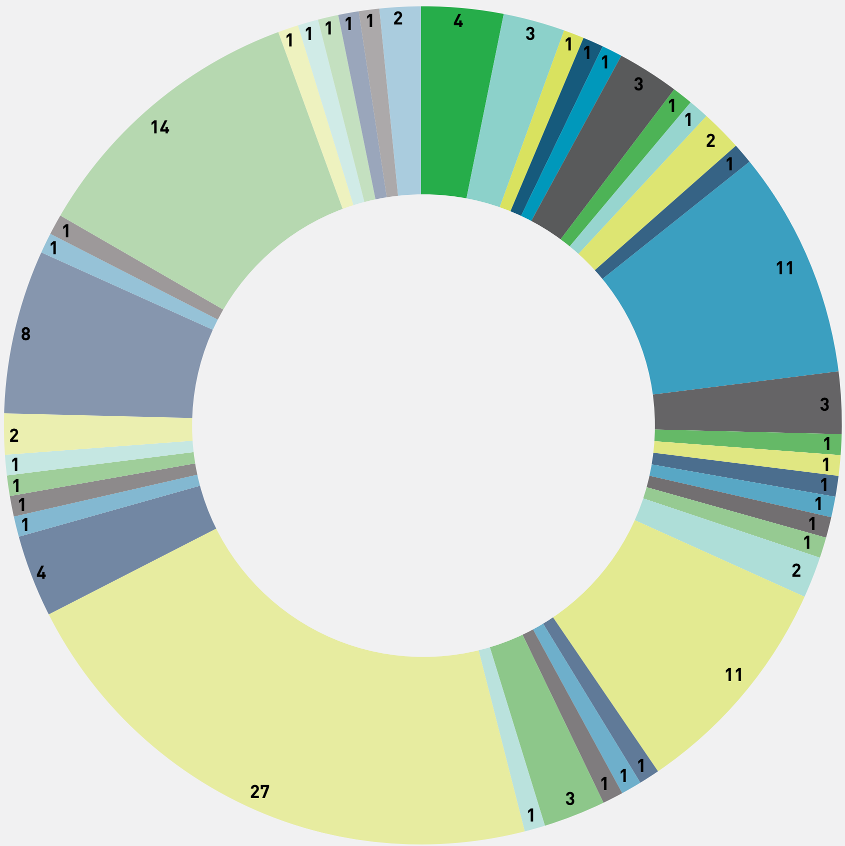
Sales & Marketing Alignment (Culture)	It appears your marketing and sales teams operate in distinct silos with minimal alignment on goals and activities. The absence of shared goals and collaboration often result in conflicting activities.	Sales and Marketing teams often try to collaborate but end up confused about each other's roles. The common goals have been communicated to both teams but are not followed on an individual level since their compensation are not aligned to their roles. Your organization holds annual revenue conferences where both the Sales and Marketing teams attend but they do so separately. These workshops are not integrated.	Your Sales and Marketing teams work hand in hand. Regular and structured meetings are held where revene goals are shared between both teams. Annual conferences also involve both teams in a cohesive manner. However, no other functional teams are involved in these workshops.	Your whole organization is a cohesive cross-functional group formed with leaders from all departments with shared revenue responsibilities. Individual compensation may be tied to revenue growth. Annual conferences and quarterly workshops involve all key members from the different teams. The entire business work together to achieve the same revenue goals.
Processes	In your organization there are no or few established processes. All activities are done ad hoc and merely as a reaction to a particular situation. Similar situations may result in different reactions since there are no standard procedures in place.	Business critical processes exist but are not designed across the business functions. These processes may be documented but are not optimized and measured.	Business critical processes are defined, managed, and documented in your organization. Some cross functional processes exist but are not being measured and may not be optimized.	All processes in your organization may be defined, measured, managed, documented and optimized.
Technology	CRM (Customer Relationship Management) and/or other marketing automation tools have not been established. Any marketing effort is done without the use of these resources.	CRM (Customer Relationship Management) is available but is not being used as a mandate by sales staff. Other members in the organization do not have access to the CRM. Marketing Automation tools are notably absent although these businesses may use Email Marketing systems in pushing their campaigns out.	Both CRM and Marketing Automation systems are in place but may not be integrated in your organization or integrated to the optimal level. Other customer facing functions also have access to the CRM system. Policy is in place to update information in the systems but not all customer intelligence are kept in the same systems.	CRM and marketing automation, and business intelligence systems exist and are integrated with customer intelligence about leads and customers. These tools are available to all sales and marketing staff and any other customer facing members in the organization.

Communication	Since communication & asset management and other similar tools are absent, there is no centralized portal for collateral or sales support material.	Formal sales support is available and tools & materials are communicated through internal email. However your organization may not have centralized portal for collateral. If there is centralized portal, not all customer facing staff have access to such on fieldwork. They would have to be log in onsite only.	Formal sales support and tools are available in your organization. A centralized portal is also available but may not be in a structured fashion to help your sales through the sales cycle.	The communication structure in your organization allows for full sales support across the entire sales cycle from lead generation to quoting and contracting. After sales support is also available. Reporting and feedback is effectively set up to drive the development of the sales support infrastructure.
Reporting	Your organization does not have established metrics but have a focus on generating advertising. As such, any revenue or effect of existing marketing efforts is not measured. More focus are drawn on looking into the number of impressions, number of ads, and etc.	From reporting point of view, the focus is on Program ROI and Cost per Lead. Other more sophisticated metrics are notably absent.	From reporting point of view, more advanced reporting exists such as cost to acquire, ROI and campaign metrices like MQL, SQL, SAL, and revenue outcome.	In your organization, there is a shift to revenue focused metrices such as customer lifetime value (CPL), retention rate, customer churn, conversion rate, brand equity, cost to acquire and ROI. All these are well defined and measured.

Figure 23: Revenue Generation Maturity Framework™ – stages of maturity based on sample data

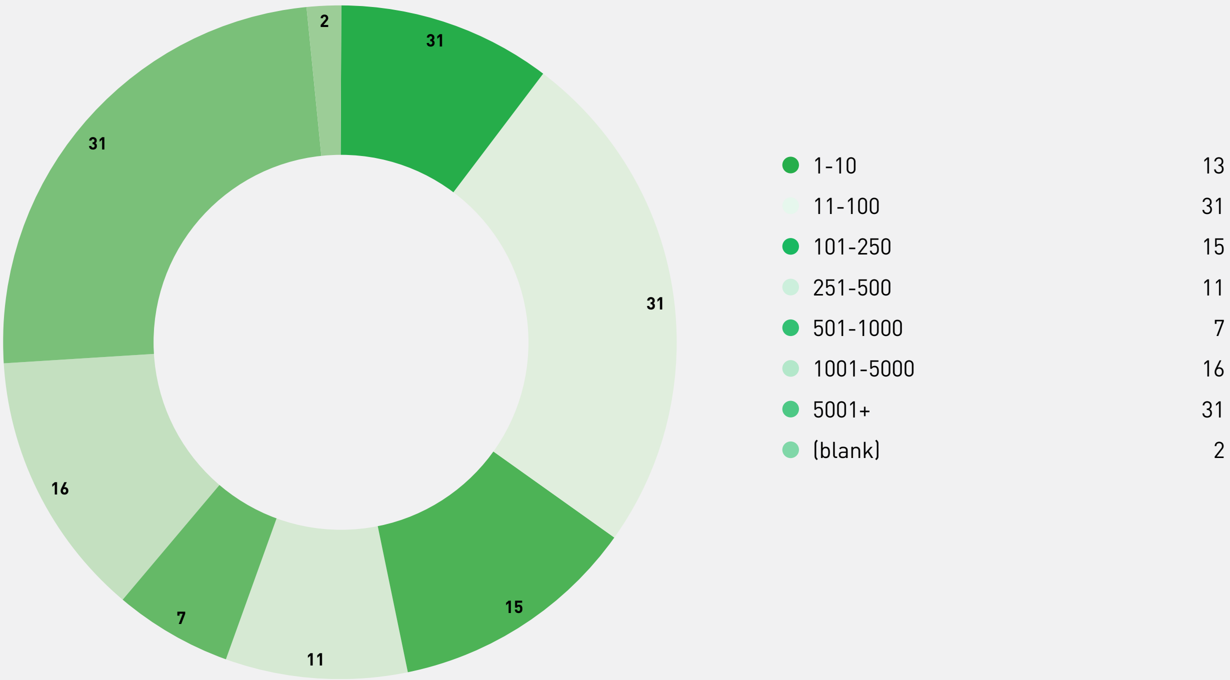
Title	Crawl (%)	Walk (%)	Run (%)	Leap (%)
Strategic Orientation Maturity	6.35	16.67	44.44	32.54
Customer Profile & Segmentation Maturity	5.56	25.40	46.83	22.22
Marketing Skills Maturity	8.73	19.84	35.71	35.71
Organisational Structure Maturity	7.94	22.22	47.62	22.22
Budgeting Maturity	11.90	42.06	20.63	25.40
Process Maturity	10.32	28.57	42.06	19.05

SURVEY RESPONDENT INDUSTRY OVERVIEW

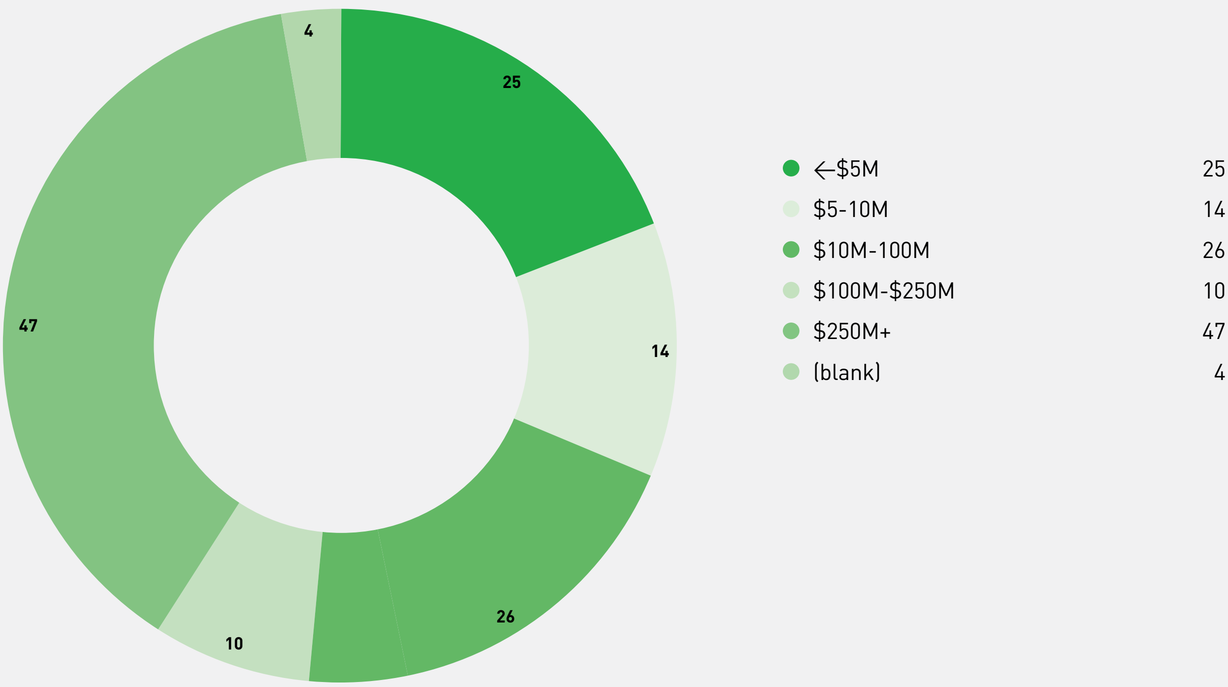


Accounting	4
Airlines / Aviation	3
Alternative Medicine	1
Automotive	1
Aviation & Aerospace	1
Banking	3
Biotechnology	1
Building Materials	1
Commercial Real Estate	2
Computer & Network Security	1
Computer Software	11
Construction	3
Defense & Space	1
Education Management	1
E-Learning	1
Electrical / Electronic Manufacturing	1
Entertainment	1
Environmental Services	1
Facilities Services	2
Financial Services	11
Food & Beverages	1
Health, Wellness & Fitness	1
Hospital & Health Care	1
Hospitality	3
Industrial Automation	1
Information Technology & Services	27
Internet	4
Investment Management	1
Law Practice	1
Legal Services	1
Leisure, Travel & Tourism	1
Logistics & Supply Chain	2
Management Consulting	8
Maritime	1
Market Research	1
Marketing & Advertising	14
Medical Devices	1
Outsourcing / Offshoring	1
Plastics	1
Professional Training & Coaching	1
Public Relations & Communications	1
Telecommunications	2

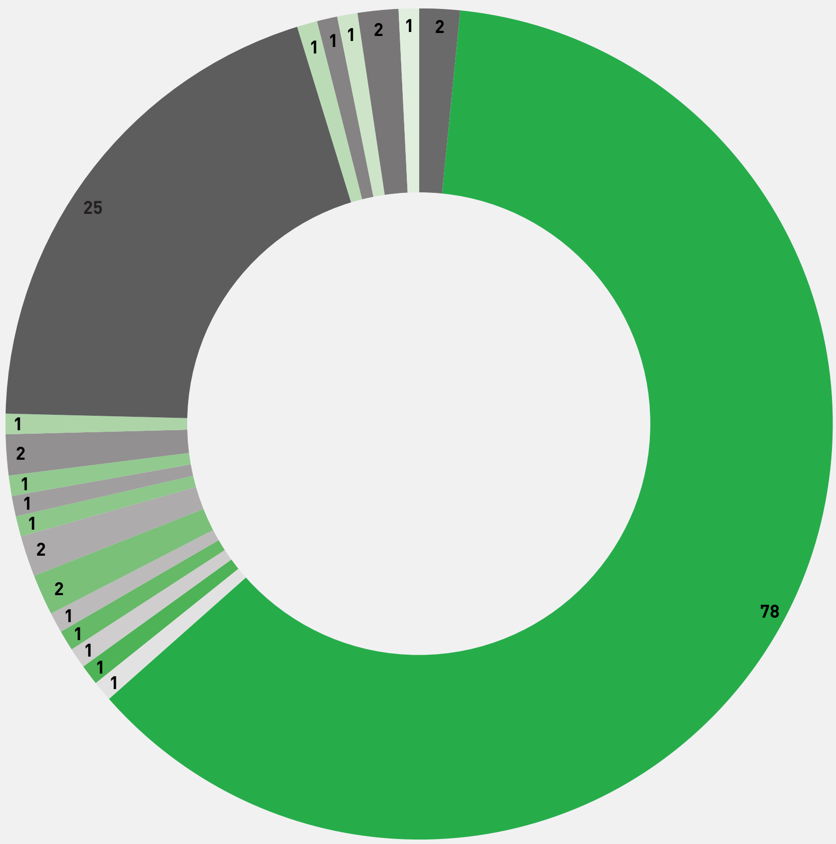
RESPONDENT ORGANISATION SIZE BASED ON NUMBER OF EMPLOYEES.



RESPONDENT BUSINESS REVENUE



RESPONDENT LOCATION



- Afghanistan
- Australia
- Cambodia
- China
- Colombia
- Democratic Republic of the Congo
- Germany
- Hong Kong
- India
- Indonesia
- Italy
- Malaysia
- New Zealand
- Nigeria
- Singapore
- South Korea
- Sri Lanka
- Switzerland
- United States of America
- Vietnam

ABOUT THE AUTHORS

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Qualified with an MBA from the Macquarie Graduate School of Management, Eve is an entrepreneur and senior marketing executive with over 20 years of senior marketing and business management experience. Eve's experience was gained from head of marketing or senior marketing positions in multinationals, government agencies and from private consulting practice in a wide range of industries. Prior to starting her own full-service agencies, The Growth Engine, Eve worked in senior roles with multinational organisations such as LexisNexis, Lexmark, Perceptive Software, and Konica Minolta, developing and driving high-performance teams, optimising operational processes and deploying smart technologies to achieve revenue results and optimal efficiency. During her career, Eve has successfully launched hundreds of B2B solutions and services in nearly 30 countries.

LJUBICA RADOICIC, MA MARKETING

Ljubica is a senior marketer with 20 years of B2B and B2C marketing experience gained in leadership roles across diverse industries, including technology (SaaS), professional services, construction/engineering, financial/legal services and publishing. Ljubica heads up Hexagon's marketing in the APAC region, where she transformed the marketing function from a cost-centre to a major revenue contributor. Prior to joining Hexagon, Ljubica led marketing teams at LexisNexis and Oracle Construction & Engineering (Aconex), where her achievements included launching new products and services, expanding into new markets, transforming marketing teams and delivering customer innovation. Qualified with a master's degree in Marketing, Ljubica' s passion for brand building, customer experience, revenue marketing and new market development have seen businesses achieve remarkable growth.