



Using Account Based Marketing and Sales to Find Untapped Potential Revenue

This transcript was lightly edited for clarity.

Chris: Today, I am talking to Ethan Kopit. Ethan is a co-founder of Acenna Data, and Acenna is building the first account-based marketing platform to help life science companies increase the productivity of their marketing and sales teams. That's what we're going to talk about today: account-based marketing and selling.

Welcome to the podcast.

Ethan: Thanks. Thanks. I'm an avid listener, so I'm excited to be here.

Chris: Well, thanks for listening. Tell your friends. All right. The idea of key accounts is not new, but what do we mean? Because I think this is somewhat of a trend in our industry and probably a lot of industries. I see a lot of posts on the internet about this. What do you mean by account-based marketing and sales?

Ethan: Right. Right. Well, I think, before you can really dive into like what account-based sales and marketing is, you have to think a little bit about why people implement key accounts in the first place, because key accounts and having an account-based marketing system are different, but they have many of the same value propositions.

I was talking to a regional manager this morning, and I was asking him, "Why do you have key accounts?" He was basically saying, he manages the northeast region for an instrument company, and he says that he implemented key account management because it allows him to have more focused sales plans for his team. It helps them form stronger relationships with the customers they have at those key accounts. Then, also, at his company, he discussed how that 80/20 rule about revenue, where 80 percent of the revenue is coming from 20 percent of the clients, really holds true. Those key accounts are a big part of that 20 percent. He also talked about 50 percent of their revenue, like every year consistently, comes from their existing customers.

I think, for him, having a key account management system really allows them to optimize for that model where you're having not a small number but a smaller portion of the clients generating a lot of the revenue, and you also have a lot of existing customers contributing to that revenue stream. A key account system allows you to really optimize for upsells, for cross-sells, for creating a more defensible system against competitors. You can encourage referrals within the account. That's, I believe, why people have a key account management system in place.

When you look at the difference between key accounts and account-based marketing, I think there are really two big differences. The question that I think account-based marketing poses to people who use key accounts is: Well, what if you could expand the benefits of having key accounts and then also align your marketing and your sales team at the same time?

The way that account-based marketing does that is that ABM basically focuses sales and marketing on a discrete number of target accounts, which, at Acenna, we call target accounts. Target accounts are a lot like key accounts, but the definition of them I think is more holistic. Target accounts have a lot of factors that define them, like you're looking at technographic data, like what tools are being used in an account, firmographic data, intent data, engagement data, but I think the biggest thing that differentiates them from the key account is, for target accounts, you're really focused on where the untapped potential is. It's not just about where are we pulling the most revenue, it's where is the most untapped potential and what is the easiest way that accounts would be most easy for me to break into that untapped potential.

Target accounts and key accounts are similar. You might have key accounts that are target accounts because penetration into an account isn't a bad thing. There might be an account that has a lot of untapped potential, but you have good penetration there, and that's great, right? That's probably going to make it easier to capture that potential. But the focus is on how there is untapped potential with that account. You might look for penetration, but you definitely don't want to see saturation. Penetration might help you capture that untapped potential, but you don't want to have an account where there's penetration but there's not a lot of extra opportunity to capture. That's one big thing that ABM is different than having key accounts is the definition of what the target account is is different than the key account.

I think the other and perhaps more important difference has to do with the alignment of the sales and marketing teams because I was reading an article last week. It was by this agency called Topo. I don't know if you've ever heard of them, but they were basically discussing how their research shows that about 10 to 20 percent of the leads that marketing is generating are actually for accounts that the sales team is prioritizing. If you flip that on its head for a second, that means that 80 to 90 percent of the leads that marketing are generating are not for accounts that the sales team are going to be able to- They're not leads that the sales team is going to be able to use as effectively as they might from maybe key accounts or target accounts.

What ABM does is say to both the marketing and the sales team: Let's identify what our target accounts are, and let's prioritize these accounts, and let's focus on generating the leads that we need there. Let's focus on putting the time in there. Let's focus on expanding our customer base there. That way, you can take that 10 to 20 percent statistic and move that up to maybe 30 or 40 or 50.

Chris: Yeah. Okay. Let me make sure I get this right. The difference between a key account and account-based marketing, it's a similar approach, but now you're going to the key accounts' account for a lot of your revenue. Account-based marketing is taking, say, the next slice of the pie where there's a big opportunity and focusing in those areas. Is that a fair summary?

Ethan: I think that's close. I mean the thing is that it almost has to do with the redefinition of what key account is maybe. That might help. There might be a lot of untapped potential in your key accounts which would make them great

target accounts. But, at the same time, there also, and this is what you were saying, there also might be some that are below the key account level that also have a lot of untapped opportunity. Really, it's about prioritizing the target accounts, and what a good target is is kind of up to you based on how your sales process works and what products you sell.

Chris: Exactly. I love this, and here's why, and then I want to get back to the lead question. I'm saying that just so I don't forget. But I love this because, when I was a marketing communications manager, one thing that I struggled to get from my product management team was more or higher levels. They'd say, "We have these goals to grow by so much," but it was difficult to say, "Where do we think the opportunity is? Is it in a geography? Are there people who should be using this product but aren't yet because it's a new application?" Any number of other criteria to really focus down and say, "This is the kind of person we want to get, not just get more of the same or go out and find anybody who can possibly use this thing." I love that idea of prioritizing who you're targeting and in a very, very specific way.

Then, with respect to those leads, you're saying you could generate a lot of leads, and maybe they aren't the ones, as you say, that the sales team are interested in, so this whole alignment thing of having the sales team say, "If we got leads that look like this in this type of account, that would make us more efficient about how we go about doing our work."

Ethan: Right. I mean it's something I've heard just because we recently started this company, and one of the things we did to start was interview, actually, it's over 100 sales and marketing professionals, and I've heard that from both sides. Marketing is basically saying like, "I'm giving the salespeople good leads," and I've heard salespeople say, "I don't understand why this is a good lead. This isn't what I want, and this isn't what I planned for." I think the mutual agreement between the two teams, and you have to have marketing's participation here, like it shouldn't be a sales-led initiative or a marketing-led initiative. It's a business strategy. You should agree on those target accounts and say, "This is where the best customers are. This is where the growth customers are."

Chris: Yeah. It just seems like, if I were a marketer, or I am a marketer, but, if I were a marketer in a company, like that would make my job so much easier if you told me, "These are the companies we want. This is the type of person at that company that we want. You could really do much more specific marketing,

like we were talking about right before we started recording specificity in any message makes it so much better and makes it stand out versus all of the other noise that those people are receiving. I like that.

What makes this whole idea so attractive right now? What do you think's driving this? Is it just what we've talked about is crappy leads and bad prioritization? Or why is this going on?

Ethan: I think it's a little bit more complicated than...

Chris: And data I'm sure is part of your answer, right?

Ethan: Oh, it's part of it, but it's not all of it. I do have the bias of being from a data company, but no. I think it really has to do with the intersection of 3 things, which are, on the one hand, it is about data analysis. In the past decade, we've, I mean, really expanded our capacity to absorb, organize, analyze, and understand data. That's not a complicated thing. I don't think a lot of people are going to disagree about that, but that's one element of it because ABM does require a lot of data analysis. You need to know the accounts. You need to know who you're talking to and what they want.

But there are 2 other elements at that intersection. The first one is personalization. I think that people have wanted a more personal relationship with their customers for a really long time. This is actually something that, at last year's ACPLS meeting, Hrissi (Samartzidou) talked all about the customer experience and understanding the customer. Sales and marketers want a more personal relationship with the customer because it makes their jobs more fun and interesting but also there are a lot of quantitative benefits that are associated with that. A salesperson that has a more personal relationship with a contact, that might decrease the friction of a deal, or, a marketer that's been able to personalize their reachouts, that's going to drive higher engagement.

I think the third intersection is that the technology stack- I don't know if you've ever heard of the term "stack." It's a tech term, but it really just refers to like the technology that's being used in sales and marketing. The technology stack is evolving a lot. Even in just the last three years, how much technology is deployed in sales and marketing is growing, and the capabilities of that technology is growing. I think that's helping because, again, ABM does require data analysis and does require those technologies,

but also, marketers, it's always been their job and continues to be their job to have mass awareness campaigns. They should be nurturing customers and keeping customers interested. Just walking my way down the awareness, interest, decision, action cycle there.

They should be doing the multi-million impression advertising campaigns. They should be doing the tens of thousands of email blasts. Like that's a part of their job, and they should continue to do their job, but the technology stack is evolving to automate many of the wrote tasks that are associated with doing that, and so now marketers can ask themselves, "Well, now that I maybe have some more ..." I wouldn't call it free time, but, "Now that I have more time, where can I take this and put it where it's going to have the highest possible ROI?" That is ABM. It is literally ABM. There's an agency called ITSMA. According to them, account-based marketing has the highest ROI of any tactic or strategy. Not the downside, but part of that is that you need the time, and I think technology is enabling that.

Chris: Nice. Talk about that time for a little bit. What does that look like? You have a little bit more free time, but the technology is demanding of that a little to some degree. I'm just curious: What does that look like?

Ethan: Well, I was talking to somebody yesterday, they're from a big consumables company, and I was talking to them about ABM. They said, "Isn't that sales' job? Isn't it sales' job to like pick target accounts? Isn't it sales' job to explore accounts and even write specific content for the prospects in that account?"

I disagree, and I actually think that that's a lot of where marketing can come in with that extra time is, if you're going to be implementing a really strong account-based marketing model, you need to understand the accounts really well. You need to hyper-specific content. You need to be generating the right leads. All of that is something that takes more time. It's easy to generate crappy leads. It's not easy to generate the leads that your team needs to execute on this 6 person buying process.

Chris: Right. Okay. The life science industry, and I'm sure you've heard this, and other people have said this on the podcast including Hrissii who you just mentioned. We're talking about Hrissi Samartzidou, who's the VP of marketing at Thermo for their biosciences division. She and others have said that our industry lags behind other industries, high-tech, any consumer segment, when it comes to marketing, and I assume our sales technologies

and activities are lagging behind as well. You and I talked a while back, and you said you believe our industry is poised to be a leader in account-based marketing and sales, so explain to the audience why you think that is.

Ethan: Oh, yeah. I absolutely do. I think life sciences, for the first time in a long time, is going to wipe everyone else off the map. A big part of that is because it has to be with data, big surprise there. That's because, in most other industries, like the ones you talked about, high-tech, consumer, those companies and industries are really good about collecting data, and they collect a lot of data about how people are purchasing, when they're purchasing, what they read, what content they open, all that good stuff. I call it internal data. The life science does that as well. We also collect internal data, and that data is important.

But, in the life sciences, we are sitting on this gigantic goldmine of research data where our customers are actually publishing in structured data sets details about their research, what tools they use, who they work with, the direction of their research. They give us so much research data, and that is why we are poised to, I think, create better account-based marketing systems than anybody else because we can combine the data that we have internally with the data that our customers are providing us in publications and patents and clinical trials and press releases, pharma pipelines. I mean I could just keep talking forever, but we can combine those two data sets to plan effectively, plan our ABM really effectively, and then also hyper-personalize our marketing messages and our sales efforts.

I think our account-based marketing is going to be more advanced than any other industry, and I think we're going to see a higher ROI and a faster update than any other industry.

Chris: Nice. When we interact with companies online, customers are providing all kinds of data, as you say, for their internal database, but the nature of their work, particularly in academia and I imagine in other places as well when they're publishing and communicating through any other channel, are putting out data that is widely available and can be pulled in and combined with, as you said at the beginning, their internal data to learn exactly what those people are doing.

Ethan: Yeah, absolutely. I mean you're absolutely right that there's both data available in academia, but there is also a lot of data in terms of what the

government's doing and in terms of why it is being done in corporate R&D, in small biotechs and big pharma and the like. I think the biggest difference between those 2 groups is academia is easy because the data is structured. There's a lot more publications, and there's more grants and things like that. That's easier, but this goes back to the intersection of those 3 points I was talking about before. We have the analytical capabilities now to look into unstructured data sets like press releases or patents or [web crawls from different pharma pipelines, and to do historical analyses. I mean there's so much that we can do. Hopefully, who knows, soon, we might even be doing predictive analytics, right?

Chris: Yeah. Can you talk a little bit more about that? You got me curious there about the unstructured data, and give an example because I'm sure there are people listening who- because my assumption was based largely on academic publications. What other kinds, and you mentioned press release and maybe some pharma things, so let's take pharma or whatever example you want. What's that data look like, the unstructured that you're able to analyze?

Ethan: Yeah. Let's see. I'll think of a good example. Let's think of a small biotech. Let's say I'm- I don't know, I could be selling anything. But the point is I'm looking to move into small biotech. I've talked to a lot of people because plenty of companies sell into small biotech all the time, and they do research online, and that's just fine. But, in terms of data sets that are available to us, maybe let's walk through what ... the data that somebody could find and how they might analyze it and how we might be able to automate that.

A small biotech, there's a venture deal associated with that small biotech. There's a certain amount of money. Maybe we know based on our historical experience what proportion of that money might be going to R&D. We also know that there's a press release in terms of what this company might be working on. We can look at the publication history of their 2 science officers or any other people we can see in that organization. They might have been funded by like an SBIR grant from the NIH. We might look at also what patents their business relies upon. Even beyond that, we can take all of those different pieces of data that we have and start to create a profile of who these people are.

That's done in a very old-fashioned way right now. You're looking at LinkedIn, and you're looking at press releases, and you're kind of writing stuff in a notepad, but a computer could also do that very effectively.

Chris: Nice. Okay. Yeah. Got it. That's really helpful. Let's move on. Let's talk about the sales process. If I'm a sales manager and I'm trying to figure out a strategy, and now, my marketing team, we've identified target accounts, as you say, and the marketing team is building up profiles of those companies and the people within them, what does the process look like for a sales manager? What are trying to figure out about how they want to approach those companies?

Ethan: Right. Well, I mean the first thing is I think, again, account-based marketing is something that can be- It can be led by one person or a department, but it really does have to be a collaborative approach between the 2 of them. I think, when you're creating your, we call them ideal customer profiles, ICPs, or the profile of your ideal accounts, that should be a collaborative process between marketing and sales because, again, there's data about them that is market research data, but there is also data about those ideal accounts that sales is going to be able to provide and not necessarily all of it is going to be ... It's not all going to be quantitative. Maybe it's just that they've had certain types of experiences at those accounts.

To take a step back, I think really the whole process breaks into 6 pieces. The first thing you've got to do is, like we just talked about, you got to create those ideal customer profiles. You can look at the firmographic data, the technographic data. You can look at, for my ideal account, what kind of intent would they be showing me? Have they visited my website a certain amount of times? Or have they sent in some sort of form? Then, also, the engagement data. At your ideal account, how much have you already engaged that account? Does the ideal account already have a sale? Or does it already have a key opinion leader installed?

Once you've created that ideal customer profile, that ideal profile of the account, you go into what you were just talking about, which is identifying the target accounts where you basically just say, "Hey, we have this ideal profile. Let's pick a number of accounts that is appropriate for the number of people that we're throwing at account-based marketing. Maybe, to take a step back for a second, that's actually one of the things I like about account-based marketing is that you don't need to change up your entire marketing and sales strategy and switch to ABM. ABM is something that can be done iteratively, slowly, contested every step of the way.

When you're identifying target accounts, you might only want to throw 2 marketers and a salesperson at account-based marketing, in which case you only want 25 or 35 accounts or something like that. Once you've identified your target accounts, you want to create effective account plans. Account planning is kind of a buzzword right now. Maybe it's a plug, but, for anyone who's interested in account planning, you should attend the ACP-LS annual meeting. Kathy Lee from Affymetrix is going to be doing a good session on how to do account planning effectively.

But account planning really just breaks down into looking at what you have in terms of what prospects are in the CRM. You got to map your buying centers. Where in this account are those opportunities? Then, you also should establish some reasonable plans for what you need. What leads does marketing need to generate? What are appropriate expectations for revenue, deal size, lead life cycle, that sort of thing?

Then, once you've created your account plans for those accounts, you need to go in and dive into those buying centers and basically look at the buyer personas. If you have 6 people contributing on average to a buying decision, who are those people? You want to assign or create the content that you need to address those people's concerns in the buying process.

Once you've done that, you go into what I call the account monitoring stage. You're executing your plan. Your content's being sent out. The sales team is executing. The marketing team is generating those targeted leads. You should be monitoring the account for how it changes because change I like to think is opportunity. If somebody leaves the lab, that might be an opportunity. If somebody joins the lab, that also might be an opportunity. It's worth mentioning that you should monitor the target accounts, but you should also monitor whatever capacity you can. Maybe this is where automation really comes in.

You should monitor the non-target accounts because, when you were creating that ideal customer profile, it might be that there were a lot of accounts who were really close to being a target account, but they just didn't make the cut because they didn't have the funding or they didn't have the size or they weren't using the right tools or complementary tools. You should keep an eye on the non-target accounts.

The last thing, sorry, a long list there, but the last thing is you should just evaluate the plan. I talked about it being iterative and testable. You shouldn't evaluate the plan every week. You should evaluate the plan maybe once a year or every 6 months depending on what your lead life cycle is, but it is an iterative process, and you should figure out what's working and what's not working. The big metrics there are just you should look at customer acquisition costs. It's probably going to go up a little bit. But you should also look at the overall lifetime value of the account. That should be going up a lot.

Chris: I like it. That's really helpful. I like that detailed list. I think people listening are going to appreciate having a picture in their head of what this whole thing looks like. If they're thinking about tackling this, it's good to know where they're going.

You told me a while back the whole philosophy of account-based marketing and selling takes us way beyond just marketing and selling. I think you were talking about in terms of business strategy and how you think about the big picture. Describe what you see happening in that regard.

Ethan: Right. I mean I kind of talked about this at the beginning, but I think the reason I say the philosophy of account-based marketing goes beyond just marketing and selling is because I think that it's not just a strategy. There is a philosophy that underpins it, and that philosophy has to do with the automation of rote tasks. It has to do with an improved customer experience. It has to do with personalization. I think that's the way that business is moving.

I'm actually excited about that because, maybe this is a little bit funny, but, as a millennial, that's how I actually want to be sold to. I'm a millennial, but I'm also a millennial that buys ... I'm a business owner. I buy technology from other businesses all the time, and I like that I'm able to go out and find really good content. I like that, once I'm finished doing that, I can be approached by a company, and they can really target their messaging just to me and say, "Hey, tell us about what you're thinking. This is what we think would be good for you. This is how we could help. This is how we can be more consultative." I'm excited to see the industry move more in that direction. I think you're going to see more tools that help you do that.

Chris: That's very cool. It's neat that someone like you is thinking about a bigger picture and really how this changes how we do things and beyond just our

own businesses or how the world is changing and how this whole idea fits in and really looking ahead. I just think it's kind of inspiring.

This has been really, really helpful. I think it was an excellent primer on account-based marketing and selling that the audience is really going to appreciate. Where should people go to learn more about you or Acenna if they're interested?

Ethan: They should go to www.Acenna.com. I mean this is really our thing. We're building a first account-based marketer platform for the life sciences, and so we're going to be producing a lot of content about how to do account-based marketing because there's a lot of great content out there from companies like Engagio and Topo and ITSMA. But, for our purposes, account-based marketing changes a little bit. Like, just for one second, I mean think about even the definition of an account. In a lot of industries, an account would be a company, but, in the sciences, is an account a university? Or is it an institute? Is it a hospital? Is it a large lab? That's a hard question to answer. For that type of content, come to our website. Look at what we've got, and chat with us about it and make it better.

Chris: Yeah. For any of you who don't know, Ethan is a prolific content producer. He's doing a great job on that and for the ACPLS. I appreciate the little plug for the meeting. I'll put a link to Acenna in the show notes for this episode so you can find it easily. Ethan Kopit, thank you so much for this great conversation today.

Ethan: Thanks for having me, Chris. I really appreciate it.

Chris: You bet. My pleasure.

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