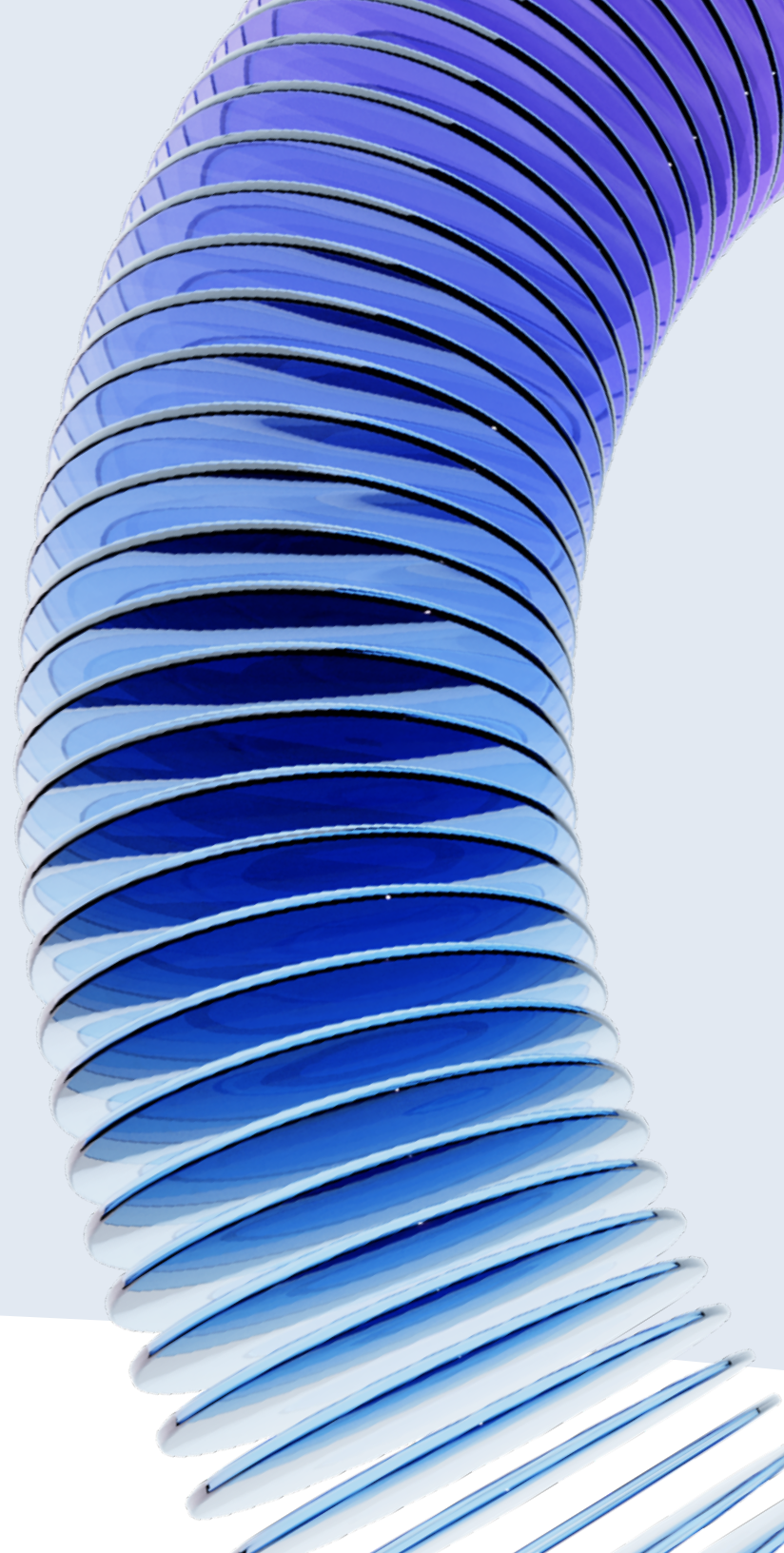


EBOOK

Expert ABM Budgeting Strategies

DEMANDBASE



Introduction

If you're like most marketers today, you're probably pretty excited about Account-Based Marketing (ABM). But as you're starting to bridge the gap from theory to reality, you're running into some new challenges.

At most companies, the budgeting cycle for a new strategy takes place well in advance of the final goal setting and program planning. This leaves the marketers, who are ready to execute on ABM, confused about how to finance the change, especially when they've previously committed budgets to a set of programs and technologies. While they don't want to miss out on the benefits of ABM, they're worried they won't be able to fit it into their plans effectively.

The truth is, you don't need an unlimited budget or a trust fund to get started with ABM. In fact, there are several ways to successfully finance your ABM initiative, from programs to technology—and none of them involve starting from scratch.

In this eBook, we'll share how your marketing programs will change as a result of ABM, the types of technologies you'll want to invest in, and finally we'll explore a few ways you can budget for these changes.



You need to know how ABM will change the way you plan for marketing—from budgeting to goal-setting and execution.



Marketing Programs in an ABM World

When it comes to ABM, one of the first questions marketers always ask is: “How will this impact the programs I’m already running?” While we’d like to say everything is going to stay the same and you’ll magically be doing ABM, the truth is, there will be some change to your existing programs.

Let’s take a look at some of programs you’re already running and see how they (and their designated budgets) will change with ABM:

💰 budget decrease 💰 budget increase 💰 budget reallocated



Sponsored Events 💰

Before ABM: Lots of events, small budget for each

After: Fewer events, more budget for each



Field Marketing 💰

Before ABM: Low-touch events across country

After: Increased high-touch events in key territories



Webinars 💰

Before ABM: Educational webinars focused on product and thought leadership

After: No change



Advertising 💰

Before ABM: Untargeted advertising campaigns

After: Focused advertising campaigns geared toward a set of accounts



Direct Mail 💰

Before ABM: Wide-reaching direct mail programs

After: More high-value direct mail campaigns



Content Creation 💰

Before ABM: Broad-scale content program

After: Focused content creation for key segments



Content Syndication 💰

Before ABM: Focus on lead volume, with low conversion rates

After: High conversion rates from target accounts



Website 💰

Before ABM: One experience for all website visitors

After: Unique, personalized experience for target accounts

Thinking about Technology

While it's important to understand the changes to your programs at a strategic level, once you've done that, you'll probably realize that you need additional resources to execute them. Technology is one of the resources that helps support those programs, automate processes and scale your ABM strategy.

Technology isn't a silver bullet, nor is it one-size-fits-all. You could have all the technology in the world, but if you don't have a plan for each piece (or an understanding of how your entire stack fits together), you won't be successful. A better way is to evaluate your current processes to identify problems and opportunities. That will give you a clear picture of your strategy and the technology that will help you execute on your plan.

We've created an ABM technology stack, with some technologies we know are useful to an ABM strategy. It will give you some options to consider as you start to build out your technology strategy for ABM.

There are several ways you can get the budget you need for your programs and technologies. Over the next few pages, we'll talk through some of the most common ones.



Getting the Budget You Need

We've talked about how some areas of your budget will be reallocated for certain programs and technologies, but what does that look like in practice?

The first step to moving budget around starts with taking an honest look at your current marketing performance.

Answering these questions isn't just a good starting point for ABM, it's an important exercise your team should be doing on an ongoing basis. Once you've figured out what's working and what isn't, you can start to make bigger decisions around budget and use one of the following budgeting strategies to optimize your current marketing programs:

1

Running an experiment

2

Rolling it up

3

Splitting the cost with Sales

You'll need to make a list of all your marketing programs and tactics to answer the following questions:



What marketing programs are you currently running?



How much are you spending on each program?



What's working?
What's not working?



What's falling behind?



Where can you free up budget?

Running an Experiment

At many companies, there's usually one person who's super excited about ABM and a bunch of other people who're trying to figure out why that one person is so excited. One way to bring these groups of people together (and build advocacy for ABM) is through an experiment.

These days, a lot of companies have a portion of their budget set aside to try new things. If you're one of them, you can use your experimental budget to test ABM initiatives and technologies. Using the list of questions you answered above, you can make decisions about where to allocate this budget.

The length of your experiment will vary, depending on how much budget you have, but given how long the sales cycle is at most B2B companies, it can take some time to generate those deep-funnel metrics, like pipeline, close rates and Annual Contract Value (ACV), which paint a clear picture of the success of ABM. Usually it takes about a year to get those metrics, but if you don't have the budget for a year-long trial, we recommend looking at top-of-the-funnel metrics that are related to engagement—things like target account activity, downloads and lift.

Whether you're embarking on a year-long experiment or starting a short trial, we recommend keeping these metrics in mind:

SHORT-TERM SUCCESS METRICS



MQLs



Web Traffic



Unique Visitors



Conversion Rates



Time on Sites



Target Account Activity

LONG-TERM SUCCESS METRICS



Pipeline



Close Rates



Funnel Velocity



Average Deal Size



Cost per Opportunity



Annual Contract Value (ACV)

This type of experimentation is a good way to approach ABM, particularly if there are people on your team who haven't bought into the promise of the strategy yet. And since nothing brings people together like data (except maybe cupcakes), you can use the results to build a case for ABM and make decisions about the scope of your initiative.

Rolling it Up

Another viable option is integrating ABM into existing categories of your marketing budget. For example, if your Director of Web Marketing is already working on a website relaunch, it might be a good time to walk up to his or her desk and recommend rolling a personalization solution into the existing proposal. Or, if your demand gen team is already investing in direct mail or content syndication, you can work with them to make sure those campaigns go exclusively to the accounts on your target account list.

ROLLING YOUR BUDGET

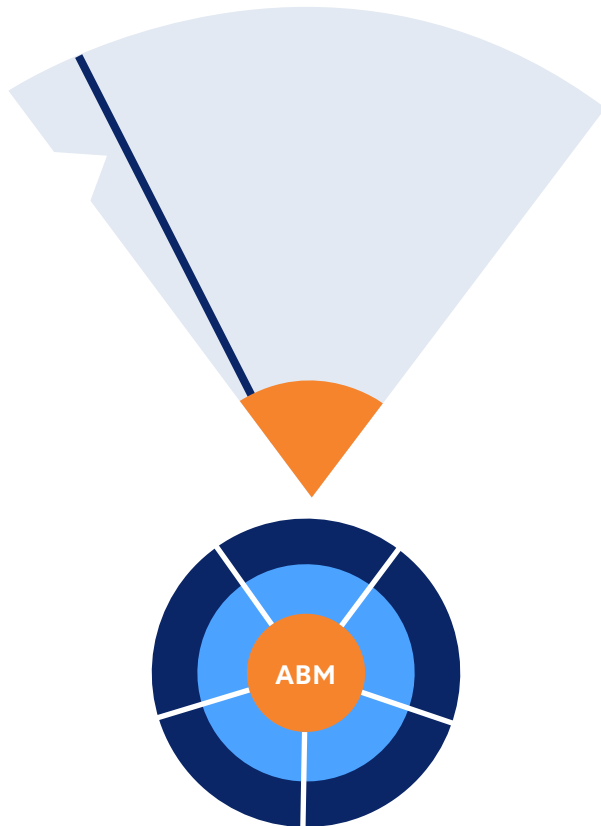


With this method, you can test the effectiveness of ABM at your organization, with the added benefit of not having to dig up new budget. And as you start to get success metrics from your efforts, you can make the case for more ABM initiatives. For example, if you get great results from your website personalization efforts, you'll not only get bragging rights, but you'll also be able to get buy-in for other areas, like digital advertising.



Splitting the Cost with Sales

You can approach budgeting for ABM in a more creative way by splitting the cost of certain technologies with your sales team. Since sales and marketing alignment is a big piece of an ABM strategy, you'll want to invest in technology to make the processes that go into making that relationship successful more efficient.



At Demandbase, we've seen sales and marketing teams effectively partner together to invest in sales enablement tools like account insights and sales intelligence, which can help both Marketing and Sales build and iterate on their target account lists and deliver meaningful information about their key contacts. These insights are incredibly helpful as both teams develop relevant messaging and campaigns.

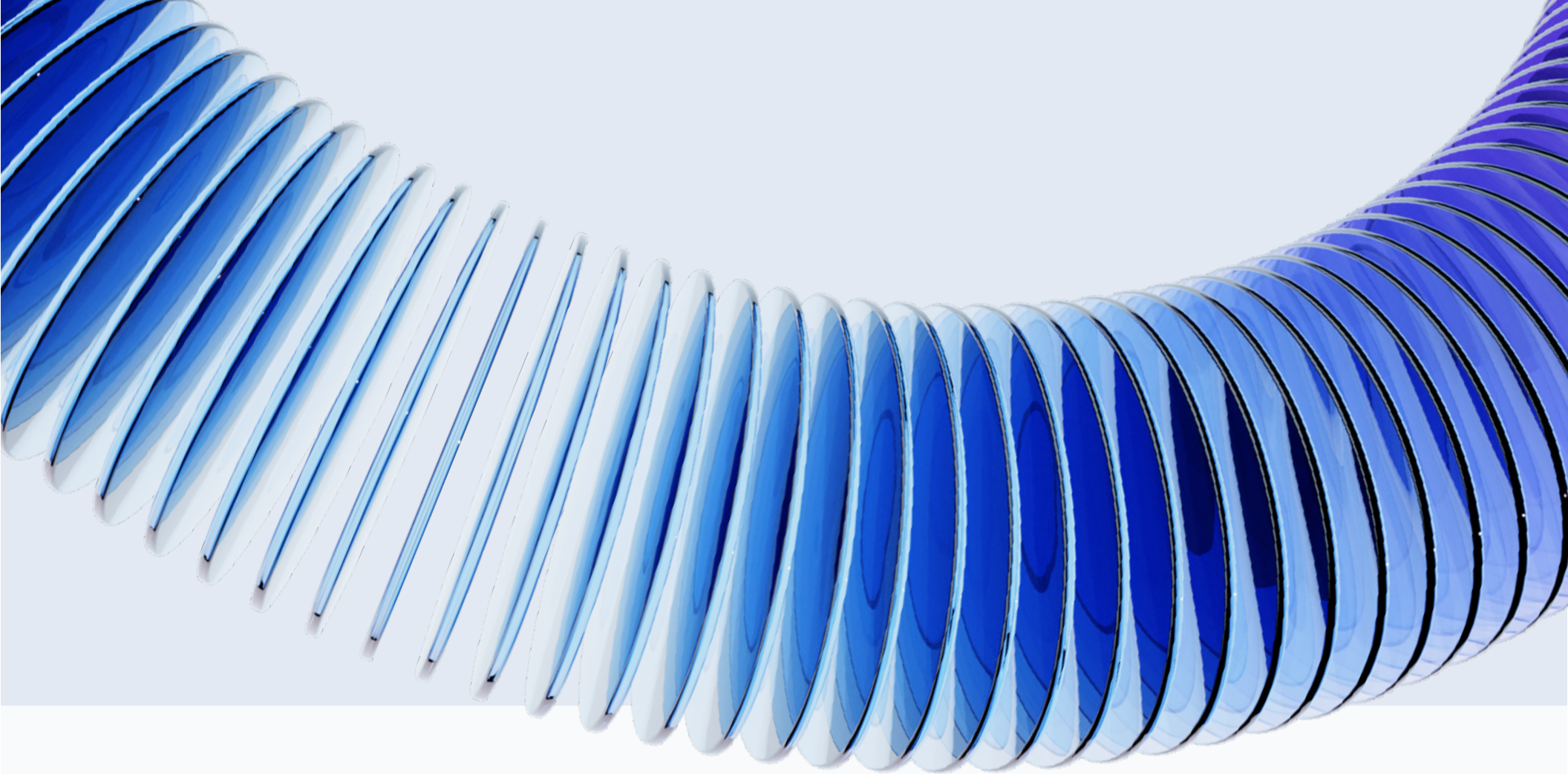


Conclusion

However you choose to approach the problem, the key takeaway is that you don't need an unlimited budget to get started with ABM.

If you'd like to learn more about each of the strategies we've discussed and hear from someone who's gone through the process themselves, we recommend this webinar, which shares how one of our customers, WhiteHat Security, approached budgeting for ABM at their organization ([link to webinar](#)).

#EXPERTABM



DEMANDBASE

Demandbase is the leading account-based GTM platform for B2B enterprises to identify and target the right customers, at the right time, with the right message. With a unified view of intent data, AI-powered insights, and prescriptive actions, go-to-market teams can seamlessly align and execute with confidence. Thousands of businesses depend on Demandbase to maximize revenue, minimize waste, and consolidate their data and technology stacks - all in one platform.

For more information about how Demandbase can help you scale your GTM strategy, visit www.demandbase.com.

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