REVolution

Cold Emails and Hot RevOps

Featuring Kelsey Galarza

Episode 109

Kelsey: Button mashing has been the death of marketing, right? We did big, big campaigns for millions of people with direct mail, and you had to be very good. You had to be very precise. You had to match your list offer and creative. Because before you spend a million dollars to send a million letters to a million people, you better have it right.

Alex: Kelsey, it's wonderful to see you. Thank you so much for being here with Mary and I on the REVolution podcast. We really appreciate it. I will say I've been looking forward to this conversation for a while because you know your stuff and you're also one of the few people in my opinion that really don't hold back with your perspective on things, and we need more of you.

So I am very excited to hear your thoughts and perspectives on things and, you know, let's just let the conversation go where I think it's going to go. Does that sound okay?

All right, so kick us off. Kelsey, I don't know if I ever really got the background of, what was the impetus for your firm Orange Marketing?

Kelsey: Oh, actuallyit's a great story and it relates to the conversation we were having before the recording started. So, I worked in big companies early in my career, very big companies. One of 'em was a company you might know called Verizon Wireless. So working in what, what was then, not digital marketing, but CRM and database marketing for customer loyalty and retention.

My boss at the time, is a smart woman called Rebecca Gonzalez. And so we met each other very early in my career. And then I was always interested in going into startup land. My destination was always to work in early-stage startups, what I wanted to do. So I kept going in smaller and smaller companies and, eventually ended up at an early-stage company that is now a unicorn.

But I decided I hated it. I actually really, really hated it. I hated working in a startup, felt that there was too much focus on kombucha on tap and ping pong, and not enough focus on getting work done. But it was mostly because I was chronologically too late to the party. And so I ended up going to work for a boutique consulting firm where, I was, you know, kind of requested to work on a special project.

And that was cool for a minute. And I learned about being more entrepreneurial, but in the end, that wasn't a fit for me either. And so I decided I was going to do my own thing. So I just was, you know, making money. And at the same time, Rebecca Gonzalez came back in the picture again, we actually had worked together three other times during, during that, whole time.

She was doing her own thing and we were like, Hey, wouldn't it be fun, since we've known each other for a million years, like do our own thing together? And truthfully, it was kind of a whim, like it was a little bit like, wouldn't this be a fun idea? And we would meet at a bar and talk about what this company would look like. And, we're getting ready to start our sixth year in business. So it's been quite a journey.

Alex: That's cool. Yeah. That's awesome. Congratulations to you and your smart colleague there, your co-founder. All right, so let's get into it. Kelsey, what's going on in B2B revenue today? And when I say that, I mean when I say B2B revenue, you know, I usually mean all things revenue. So marketing, sales, customer success, product. What's going on?

Kelsey: So, at Orange Marketing, we work with, primarily, you know, with SMB technology companies, but all B2B, and we work definitely in the sales and marketing and customer support and success worlds. You're right about multiple functions getting involved and the passing of the torch for who's responsible for revenue continues.

You're definitely hearing many, many more companies are moving to a rev ops function. I think that's kind of a trendy thing. I think people hear that people, you know, believe a lot of what they read on the internet. In truth, it's not that much different than it should have always been. It's just a new name for the same thing, but you are starting to see a lot more people being named, you know, Chief Revenue Officer and they have a rev ops function.

So I think that's a good thing because they're acknowledging that, you know, everybody has a part to play in making revenue. Externally we're seeing a lot more shifts towards personalization, and by personalization I mean that in all sorts of ways. Like people are really trying to, let's say if you go to LinkedIn, you're gonna see LinkedIn looks more like Facebook than it used to because people are trying to put in their own like person to try to get some attention.

Because the main reason for all of this is the usual stuff's not working. During Covid, people just put all of their attention into the basics, and so every B2B company, especially on the software side, they've got a SDR function or BDR function or both, and they are doing outbound email like it's, you know, like there's no tomorrow and they're actually, you know, destroying the chances for everybody.

So, cold email is sucking huge time. And, you know, response rates have always been low, but it's getting lower now that most people have moved to these platforms that allow you to really do, cold email marketing at scale. And so the response rates, I mean, we're seeing some people with response rates, real responses, true responses. Like, yes, I'd like to have a meeting and learn about your product, you know, in the fractions of 1%.

And so they're just, it's just painful. And, you know, content marketing is not working as well as it did either. I think Google has really started to crack down on co-opted content. And so, you know, you've gotta come up with something that's really original that has a point of view, and that's really hard for many marketers. So it's a, it's definitely a challenge out there. What are, what are you hearing something different maybe?

Alex: Yeah, I, I, I'm curious about the, we, we've had so many different sort of iterations in marketing and sales. We've talked about, you know, and we're maybe gonna talk a little bit about this attribution.

We've talked about alignment. We've talked about, you know, I remember back in the, you know, two thousands, I guess Eloqua Marketo. Now we're talking about rev ops. It feels like we have these sort of moments of evolution. I'm hopeful though that this rev ops, I'm not sure yet if it's a meaningful change or if we're just using term du jour again and, you know, cuz for example, I'll say there, I know a lot of people that have now in sales ops that call themselves rev ops.

So whenever somebody says they're in rev ops, we have to have a conversation and say, what does that mean for you? so are, are, what's your, what's your thought on that? You know, are we at a significant inflection point where we're gonna have some meaningful change? The people with whom you're speaking, you know, it's interesting the companies with whom you speak, Kelsey, they are in a growth stage, right?

So are they, are they actually doing things differently or do you find them airing more on what they know?

Kelsey: Oh, sadly, definitely the latter. And I tend, you know, that's kind of why, you know, made a little bit of quip about the rev ops because I, I kind of right now feel like in many companies it is the term du jour, where they just read that on the internet and that's what they're calling it versus making some real change.

I think at mid-size and larger companies, it's more meaningful. But I also believe they already had a head start on that because they already knew that that's what you need to do. That these functions are all, they, they don't just coexist, they have to collaborate. They, you know, they have to have a seamless belief in how they affect revenue.

And so they, for them, I think that's a more realistic nomenclature, like it's the right word for them. For these, smaller companies that we're talking to, they that like feels like a trend.

Mary: One thing I was gonna ask you about in kind of the trend space and things that are going on in B2B revenue, I, I feel like one of the struggles, regardless if your rev ops or not, is first party data and thinking about the focus on that.

I feel like most organizations, at least in recent years, started to rely more on third party data and intent and things like that. Now they're sitting there within, whether it's revenue operations or marketing operations, and they're looking at this database that a lot of times they've acquired through third party sources and they're trying to activate them, and they're using the same old content to do it.

How do you see organizations kind of approaching the health of their first party data today and, and trying to kind of revitalize that audience that they have?

Kelsey: That's a really good question, Mary, because you're right. A lot of these people have, you know, gathered, whether it's, you know, tools like ZoomInfo or Seamless or scraping or whatever they're doing.

And they have, you know, tens and tens of even small companies that have tens of thousands of contacts in their database. And the funny thing is that what we see mostly is they have no interest in trying to mine those people. They, we have to really push them towards like, Hey, how about these people who came in inbound some time ago that you haven't really converted?

Like maybe those would be a better source, people for whom you actually have permission in who, at least at one time, wanted to learn something about you rather than, what they'd really rather do is ignore the 59,000 people they already have in their database and go get some more from, from Seamless.

Right. I don't, I don't know why they think that I, it's so mind boggling to me, rather like, rather than truly mining the folks that, you know, we have tools like, so we're a HubSpot Diamond agency partner. There's tools to be able to very, very simply identify people who have had engagement with any of your stuff.

Right. You know, email clicks, website visits, name your thing, like there's so many ways to figure out somebody who has shown some engagement, like prioritize those, you know? So we have to have conversations about that. Sadly, I think it's crazy how people feel like, oh, this rando, who has no idea who we are from Adam, let's go email cold, email them instead of like picking up the phone or trying to reach out to somebody who has shown interest in us before. I don't know. It boggles the mind.

Alex: I, I will admit, I was definitely, I'm gonna date myself here. Do you remember when Salesloft first started and it was basically a LinkedIn scrape?

You could just collect. And then they got a cease and desist from LinkedIn and they had to pivot into what they are today, more sales enablement. And, and you're right, it was more of like my BDR team back in the day, it was almost just this like, let's collect everything we possibly can, but we didn't really stop and think about what's the point?

Like to what end, why are we doing this? And I want to, that's the part that I wanna focus on. Why are people still doing that? Is it because it's easy just to collect all the data and it's so much harder to actually get, I mean, it's not as hard as it used to be, but it's still hard to do something with data.

Right? I remind people all the time, for example, you know, you hired sales reps, not data scientists, and we shouldn't expect our sales reps to spend 20% of their week, you know, wrangling data and, and trying to interpret reports and dashboards. Is that why we continue to just do the easy thing, the outreach, and because we don't have tools to do the hard stuff yet, or at least the tools aren't what they should be?

Kelsey: Well, I mean, I definitely think that's part of it because you're right about that being the easy thing. Even though that's where this whole idea of rev op comes in, like the marketing team should be teeing up those or somebody, sales ops, marketing ops, somebody should be teeing up those ideal next conversations to the salespeople and providing some idea of what they should be saying, like what the message should be like.

There needs to be a little help because you're right, they are not data scientists, they're salespeople and most of them don't know how to sell to begin with. I mean, I'll be frank, right? Most of them, if they can get someone on the phone, they just try to go through the, you know, do you wanna buy yes or no, buy?

And they don't bother with, you know, like trying to understand how their product might help someone. So they're missing opportunities anyway, but I digress. The other reason I think it happens, and this is even the sadder part, is because sometimes it works. And so we had a client early when we first started, and I, I love these people to death and they've since pivoted and they're crushing it.

But at the time, they were using a third-party tool to send millions of cold emails and I mean millions. And they were totally unpersonalized and it was garbage. They were selling into senior leadership in HR, and this was just a disaster from a brand standpoint. They were destroying their domain.

It was just awful. And I had to convince them because I was like, Hey, how about something a little bit more personalized that talks a little bit more about value and what you can do for people. The reason it was so hard to talk them out of it is because that one time they got like a super huge deal out of cold emails, millions of 'em, like that one time.

And so that was good enough for them, right? And so I think it's easy. They sometimes get results and you know why, you know, stop what's working, even though it's, it's not really working at scale. So I think there's a lot of factors why people keep doing it. But Mary's question was really, I think more like, what are we gonna do when that whole train stops?

Mary: Yeah. I agree. I think part of it too is like, it, it goes back a little bit to even the way we measure success. I think marketing in some ways has been so focused on just top of funnel volume. It's a quantity game and the move to personalization, you talking about that as like a big theme in B2B, I think is where we need to go and marketing has to move to more of a quality motion, but that means that sales expectations then of, you know, all of these.

You know, we always say sales has complained for a long time, that we don't give them good leads anyway. Right. But like we had to do all of that volume to try to get to that one that's ultimately going to, to pan out. But I do wonder how much of it is kind of swim lane issues internally on knowing, well, who is responsible?

You know, coming from a big enterprise, we had, you know, over a thousand marketers who had access to this database, and you truly did not know who was going to scoop someone up or not, versus in a smaller organization, you have that kind of more finite database size to go after, but there's still confusion over who's doing what with each person.

And so I think in some ways just knowing who's on point and like are we fully covering the database as it exists or not? Like that's, it's kind of basic math at some point, but it seems like most organizations, there is something around the org structure and who's responsible that makes it challenging. What are your thoughts on that?

Kelsey: I mean, definitely, that's definitely true. And you know, even though as I said, you know, I think people are trying to, you know, bridge that gap most of the time. And I think you kind of pointed this out too, a lot of the time it has to do with KPIs or measurement, right? So consider that marketing is typically, being measured on how many, like, so the MQLs, right?

How many leads are there? And that could look like how many people filled out a form or how many new contacts got added or whatnot. In, in a lot of organizations, it doesn't really matter how many of those become sales opportunities or customers or revenue, which is a miss. Right? That, you know, that's a miss.

Like if you had to, if you asked me how should marketers be compensated, it's on revenue end point, right? Same as salespeople, and I don't mean even booked revenue, I mean like realized revenue. So you know, you put a little bit more focus on quality rather than quantity to your previous point. And then the salespeople, you know, depending on what function, which sales function you're in, if you're a BDR, SDR type, you know, meetings, again, if those people aren't also compensated on, how many of those meetings turn into meaningful sales conversations and revenue, like wrong metric.

So if you have those two pieces of the, you know, top and sort of middle-ish, top ish, middle of the funnel where they're just trying to get volume, like of course we have problems and you're starting to see those conversion rates be different than they used to be 10 years ago because it's, you know, it's just like a kind of the wild west of trying to meet your KPIs rather than being focused on the real outcomes that we're trying to drive.

And so the same is true for the database usage. So a sales rep is like, Hey, I just gotta get some meetings on the board, or I just gotta find some deals to put in my pipeline. They're just reaching out to whatever they, they can find. And a lot of times they'll do it by like literally eyeballing it, right?

So they'll look through a list and they're looking through for something like a big brand name that they've heard of or something like, so they're trying to be that filter in their brain because they're, because of their KPIs and motivations. And that comes to the other thing that you mentioned, which is, you know, they are, you know, sort of cherry picking. Well, yeah, like, you know, you're right that sometimes, you know, sales will say, marketing's lead sucks, because sometimes they do. But also you always have heard, and this goes back a long time too, sales isn't working the leads.

Well, that's definitely also true. And so if you acknowledge that both of those things are true and you say, Hey, sales, we're trying to collaborate with you. We wanna give you the best leads we can because we need for you to turn it into revenue cuz we're all compensated for the same thing. You tell us when the leads are bad by using statuses that are meaningful that we can use to optimize campaigns. And in return, you promised to process every lead we hand you so that we can know whether they're good or bad.

And so then they say that if you start to develop some trust that way, then you say, okay, great. We're doing that with these inbound leads. That's a no-brainer. So now how can we take the other, you know, 49,000 of this 50, 59,000-person database and process them the same way?

How can we marketing help you tee up the best options to try to get through these and, and you know, to some, Purge some of it, like they don't need 59,000 contacts if they all came from ZoomInfo and half of 'em are the wrong, you know, kind of persona. Like, bye. Like just clean it up.

Alex: Agreed. Kelsey, are, are you, I wanna, I wanna spend some time, Mary, it's a great question about the first party data and something we talk a lot about, Kelsey, you've probably heard me say, we're data rich, information poor.

I, I think we continue to just collect data and not do a lot with it. But are, are you seeing any trend where people are finally starting to pay better attention to the data that they have on hand and what you're talking about, whether it's 50,000, 25,000, 250,000, the information that they've already collected in their database are, are they actually paying attention to that information or, and how are they mining that?

Are people actually paying better attention to the data that they have on hand? Like you talk about engagement data, you know, tools like HubSpot, I wanna talk about, you know, why you're such a big fan of HubSpot. They are trying to make it easier for people to get to some of the, the meaning and the data, right? The signal through the noise.

Kelsey: Well, the folks we talked to, I wish I could say that the answer was yes, but the answer is no. We try to really encourage that because that's where your results are going to come from, but I'm telling you like people when they're at the stage where they're in growth mode, they're, you know, eating and sleeping indoors, they're really just trying to, you know, get something going and, they don't have enough bandwidth, both like physically and, you know, in terms of time in the day and, and, and mentally in terms of prioritization of stuff that has to happen to get to that level, even though it really would be the more, you know, closer to the money types of conversations if they, if they would pay attention to those signals.

I mean, we try, when we're working with them to tee those up. For example, we always create a list for their sales rep. And by list in, in HubSpot, I mean like a literal list of, a query. And it is a query of, we call it interesting activities in the last seven days. And it's, it's exactly that. It's like, Hey, sales rep, if you were gonna try to identify someone to call, if you had no one to call today, if you had no one to reach out today, these people in this list are your best bet because they did something interesting in the last week.

And I mean, they're just better, better than whatever, you know, thing that you're gonna grab off of Seamless today. And, it's still hard to train them to do that. like I said, I don't blame them. They're being, they're under a lot of pressure and they're trying to do what's right without taking a minute to you know, experiment, explore, and really try these focus things. it goes back to what I said a few minutes ago about, you know, cuz sometimes it works to do stuff at, you know, massive scale. They just feel like that's more of a sure thing than some kind of cool experiment where, you know, I, I really am keen on some of these other, you know, more, they're not novel by the way.

These things go back eons. and I know cuz I'm eons. But things that used to really work, like small in-person events, right? We're gonna have a cocktail party in Los Angeles and we're gonna invite 15 people, and one of them is gonna be somebody fancy that's a customer. That will be the draw to get people to come to some kind of peer-to-peer cocktail hour, right?

I mean, you are gonna make some deals that way. I like this idea. We used to do it back in the day, now they call it gifting and there's all these tools and platforms for gifting. It's not the same like we used to do kind of like a quid pro quo thing where we would send them part of a nice something and to get the other part of it, you had to have a meeting, which, you know, it is like a true quid pro quo.

But we got meetings out of that kind of stuff, and this kind of really focused outreach. Using, if you know all of these people have 10 million contacts, like use them. Okay. Can you give me an introduction to so-and-so? You know, like, let's get back to real personalization to try to make deals.

Otherwise this is a, you know, kind of a toilet bowl spiral. I don't, I mean, my feeling is that this cold outreach is gonna be shut down by the government in United States, right? We already can't do it in Europe and Canada and what have you, although, you know, most of the time they're not really coming after you for it, but it's gonna, you know, California has the, CCPA and, and that kind of stuff, but in B2B, people just straight out ignore that, which I'm fine with at this point, but, you know, it is gonna change and so people have to start planning for what are they really gonna do, and it's time to start now.

Mary: Yeah, I do, I do wonder how much of it is the technology enabled us to. Kind of do so much so quickly and you felt like you could cover a hundred, 200 people at a time in these blasts, right? Whereas the idea of sitting down, crafting a thoughtful email, looking at someone on LinkedIn, looking at connections like you're, in some cases like logging 30 minutes, an hour, maybe even more to do like thoughtful research to reach out to someone.

And by the time you do that math right, it doesn't take long to be like, wow, okay, I'm gonna spend a few days this week trying to activate this handful of accounts. And it is just a different motion to think about being more intentional and more personalized versus just kind of, hoping that it works out if you send it out to a couple hundred at a time.

It's just, in some ways, to me, it's like going back to what we've known has always worked, but technology got us away from. I think I'm, I'm hopeful that this pivot is going to actually get us back to some good marketing and some good skills.

Kelsey: Yeah. I, I, I agree with you on that for sure. And I, I, I have always said like the button mashing has been the death of marketing, right?

Yeah. And you know, Alex started the conversation by saying, well, I date myself. Well, I'm gonna date myself by saying that I started in marketing before there was. So we did big, big campaigns for millions of people with direct mail, and you had to be very good. You had to be very precise. You had to match your list offer and be creative.

You had to test it. You had to double check. You had to triple check it and quadruple check it and quintuple check it because before you send a million dollars to send a million letters to a million people, you better have it right.

And now you can.

Alex: Kelsey, don't forget, don't forget the press checks that we had to go at, go to the 3:00 AM in the morning.

Kelsey: Press, the press checks, the date, you know, the sheets of the data where you had to check all the personalization.

It was great times. I mean, look, I, it was great times. I'm not gonna lie. But nowadays you can send an email to 10 million people in a click, right? And it's really easy to screw that up. It's really easy to be lazy. It's really easy to just like, man, oh, well that didn't work. Try again. And again, I think it's like, you know, causing the whole system to kind of shut down.

But the button mashers, you know, lovingly refer to them, are not real marketers, right? Because they're not having to think as hard about that audience and what's gonna work and why they should care about what, what we're, you know, sending them and how it's gonna help them. I mean, there are definitely some

people out there that are still really, really great, but, you know, there's a lot of people who came up without having those fundamentals. And, it is technology enabled for sure.

Alex: You know, back to the compensation question, Kelsey, why, why haven't we, not, especially in marketing, let's pick in marketing for a second, why hasn't the marketing function evolved, from a compensation perspective? Is it because of the data and technology? Like it's just too difficult?

Kelsey: Because of the technology it should be so easy. It's completely easy to track your, your, I know you're going to go to that attribution question, Alex, and I can't wait to talk about it. But, this is the lead in to that because right, you can track whether your activities are leading to revenue or not.

There's no, there's no reason I'm passionate about this. There's no reason that marketers shouldn't be being compensated for their revenue contribution. And it's not because of technology. Technology makes it more possible. I think it's because people, They still are kind of in that old school mentality where, you know, marketing is a function that gets paid in salary and sales is a function that gets paid in commission. You know, both parties should have that risk income. It would change things.

Alex: Yeah. So let me ask you this. How many of the companies you know, like leaders you know today, how many of them have a variable compensation model for marketing that is, let's just say mimic sales.

Kelsey: I would say it's less than 10%.

Alex: What percentage? Less than 10%. And has it increased over the, I mean, or has it stagnant.

Kelsey: Okay. Yeah, it increased from zero, but no, I mean, I think people at some degree acknowledge that there's a, you know, again, this has a lot to do with size of organization. So you said of the people that you talk to?

Of the people that I talk to on a day-to-day basis, a small percentage, I think in mid-size and larger companies, so let's call it a hundred million or more companies, they are probably much smarter about that. And I'm not just talking about like, you know, your bonus is tied to company revenue or something.

Something like that. Like, let's assume everybody's doing that. But I'm talking about your specific, you know, compensation is tied to your specific…

Alex: I, I wouldn't make that assumption. I, I don't think there are that many large companies, nope. Mary, what do you think?

Mary: I mean, coming from a pretty large company, it was tied to revenue. So, but I think it's loosely tied, like the attention to detail to manage quarter to quarter tied to more real time KPIs, like, if we're talking about marketing towards, like less about quantity, more about the quality and tied to conversion points throughout the funnel. I would agree with you Alex.

It's not to that level of detail, but is it tied to overall company revenue? Yes, but not accurately enough that it is actually driving change and performance, in my opinion.

Alex: Yeah, like sales, back to your point, Kelsey, like it's not just booked revenue, it's realized revenue, you know, and, and Mary, that's where I'd want to see marketing get con, you know, be tied to contribution.

I mean, really no wonder they're not aligned, right? I mean, this is, this is, it's ridiculous and it continues to happen. And it's interesting, Kelsey, that you say the technology's there. I actually still don't think we're there yet.

Okay. and what I mean by that is I, I don't think the technology has evolved enough to allow people to do this easily. I still think that too many people on a daily basis, especially in the marketing function, are drinking from a fire hose and have way too much stuff going on.

You know, horizontal Kelsey, I think you and I have talked about this. Marketing has become very horizontal inside the organization, way more than any other functional area, right? Marketing's doing comms, pr, marketing ops, rev ops, demand, creative. They've got a whole bunch of different stuff going on, and honestly, the last thing that they have time to do is figure out how their compensation model, you know, they've got so much cognitive load and physical load going.

I feel bad for marketing. I really do, because I don't think that they're in a position right now to be able to evolve the way that they need to evolve. So the technology should be more helpful in that regard. And I don't think in the, in the early aughts with Eloqua Marketo, like we had a lot of progress.

We had a lot of evolution, and I agree with both of you. Unfortunately, it developed some bad habits. I don't think we've had that evolution now in about 20 years. I don't think we've had anything that has really helped us. Like, look, Kelsey, let me ask you this. What do you think about CRM? What do you think about Salesforce today?

Kelsey: Okay, well, first of all, I wanna go back to your previous point about the tools not helping. I'm gonna go, I'll talk that about that because I think I'm, I'm in a segue here. The tools, you're right, you're, I

know that like what you guys are trying to do at Klearly is trying to go in this direction, and I think that's awesome because if you change the compensation, the tools will come, not the other way around.

Right? Change the compensation. Like all of a sudden, marketers will be screaming for the tools to help them make their, you know, paycheck. It'll happen overnight., right? Like, everyone will be trying to solve that problem the minute you change the comp. So I think it's a chicken and an egg story there.

But in terms of CRM, I'll, you know, I'll, I'll speak. I've been, like I said, using CRMs for, you know, since dinosaurs roamed the Earth. But the funny thing to me is people are still talking about CRM the same way that they did 25 years ago. I mean, that literally, they're like still saying, oh, it's so you can get a 360-degree view of the customer.

I was like, are you freaking kidding me? Like we've been having this conversation as long as I've been alive. And you know, now it, the technology is better and we're getting there. But you know, people to Mary's original point still aren't using it. Like it may be there, or at least it's a lot there. It's a lot there.

It's more there than it ever was before. And it's more affordable for any size company than it has ever been in history. And people are still not availing themselves necessarily. Now, again, there are some companies that are doing this incredibly well. I'd like to give a shout out to my friend [Kelly Holmstrom](), who has been doing just a ton of amazing work in, you know, truly predictive types of stuff. Realtime decisioning for, you know, great big companies. There's some great big companies that are doing a lot of good, good stuff and they're spending huge money investing in real time decisioning so that they can get better.

But, you know, your average company, and again, you know, if you think about, you know, the size and shape of the employment market and the number of firms. The number of firms in this country is massively, massively, massively dominated by small businesses, massive. And so the small businesses are the ones who can really use this CRM data the most effectively, like think about house painting business, right?

House painting business. We have a client right now who is in the, they're in, local SEO. And so a house painting business is paying more to try to get new clients to come in to find them. If they're looking to get their house painted than they are doing outreach to the people who they painted their house six or seven years ago.

Like, that's a no-brainer. You know, I don't know. I don't know why. I wish I could answer the question about CRM, you know where it is because the technology, I think, is mostly there. There's always opportunity from tech and, and there's fun stuff going on all the time. But just avail yourself of it.

Mary: Yeah. I still, I know I'm, I always come back to this, I still think it's a matter of people and aligning them to actually use the data.

I'm curious when you think about those organizations, in kind of that small to medium size, I feel like it's easier to kind of work in this more pod concept where marketing and sales are working together. I saw something the other day. It was, I think it was like customer value squads as a concept and bringing that forward.

And then I also then saw the Forrester prediction for next year that by the end of next year, they're saying 20% of marketing, like traditional demand teams will be reporting into sales. Like, do you feel like this whole move to bring maybe in pods or squad concepts together will maybe get us away from the button pushing and actually help us get back to working better together to drive?

Kelsey: Well, I'm optimistic about that. I'm optimistic about it. I hope so, because I think that's, I don't know about having the Demand Squads report to sales. I feel like old habits die hard in sales and that they'll almost revert more to, you know, the, the, you know, mass marketing. Like, we gotta make something happen.

I, I feel like that is a risk there, but I do feel like a true CRO, somebody who's truly a CRO. Who really believes that it's the combination of sales and marketing together, that can lead. I like the pod and squad idea, right? Where, you know, here we're gonna collaborate together to try to come up with how we're gonna move things forward. I'm optimistic because I definitely think that is how it will work best.

Mary: I feel like that's kind of the value of HubSpot in some ways. If you're all in on HubSpot, at least sales and marketing are used to working in the same place together, versus if you are essentially in a bigger organization where you have sales who's traditionally used to working in Salesforce, Salesforce, and then you have marketing with a marketing automation platform over here, and you think about this pod or squad concept, each of those teams is used to working in their own kind of silo with their own data.

And I think that's gonna be a challenge for the bigger organizations to figure that out where, whereas at least if you're smaller and you can go all in on something like HubSpot. I guess it was at, at Inbound this year, they talked about like the connected customer. Yes. At least from a platform perspective, I feel like they're driving some innovation in that space.

Kelsey: Yeah, and, and it's actually, you know, they, they actually have, have made some nice changes in the user experience itself to try to tee up some of those things for sales so that sales can see what they should be using to, you know, make those connections. And so I think the technology is going in the right direction in terms of teeing it up.

But training, it's the training, to train the sales reps how to avail themselves. Like I always use that avail yourself, right? It's there. Avail yourself, because if you use it, your results will be better. I mean, we, that's what we've been talking about for 45 minutes, right? And so if you know, if it's the old adage, if you lead a horse to water, That is very true, by the way, I have horses. Even if you put it right in front of 'em, this person just filled out this form on this page to get this asset, and then they visited this website.

It's right there in front of you and most sales reps just ignore it, and so you have to help train, and you have to help them get that success, right? You have to get the success where, oh yeah. If you use that kind of real personalization, your results are gonna improve. We have a client who's sales manager, and he's an experienced guy. He writes the best, most personal emails that I have seen in my career. And every single person responds to him. Everyone.

Mary: Now I wanna, now I wanna be on the receiving end of those emails.

Alex: Yeah. Tell us who it is so we can sign up. Yeah, totally.

Kelsey: yeah, shout out, shout out to Mike Z at Film Track.

Alex: All right. Kelsey, there is, you know, with sales something, excuse me, that Mary and I have seen over the last few months, and heard as we've been talking to sales managers, sales leaders, sales executives, there does seem to be a generational shift happening within the sales function.

And it seems that there are less experienced sales reps, especially because of the labor shortage these days taking on, you know, BDR account roles. And the good news is we are hearing now, I don't know if it's happening, But we're hearing that these reps really do want to sit down at their desks every day and have what you were saying, a to-do list.

They are actually open to having the technology, you know, now, again, it should not be a, a, a dashboard diving exercise where they need to go find the signal through the noise. This is one of the things that, you know, we try to do. It Klearly is, it's one of the reasons I named the company Klearly, like give it to them in lay person speak, like even if it's natural language generation, which we do a lot of through messages, like these are 10 accounts that you should be focused on right now.

So there, there does seem to be a little bit of a generational shift happening. I hate to be an ageist here, but there does seem to be some of that occurring here in the market, primarily because of the labor shortage. What we're hearing, we do have these inexperienced reps that are starting, or that are a couple of years out of college or whatever it is, out of high school. And you know, they, they want technology. They are open to technology, at least using that blend of art and science in terms of enabling them, empowering them.

Whereas the old school, they relied a lot more on art and a lot less on science. They were questioning the data. Are you, are you seeing that with the companies that you work with?

Kelsey: A hundred percent. A hundred percent. And you're absolutely right. It is kind of a generational thing and I think it's a good thing.

I'm really excited about the new generation because they, they are Used to having technology clue them in on things, right? That is real time, right? So think about all your social feeds and all that stuff. All of that is real time based on what's happening. And so if you tee that up to them and then you support them with the training that I mentioned a minute ago, like how do you use your business acumen to connect with someone and how, you know, teach 'em how to learn that stuff, they will be much more successful.

We, we try to do a similar thing just to help them have literally 1, 2, 3, 4, like focus on these people, not on those people. So we filter out anybody who has ever been unqualified, anybody who's already a customer, anybody who is, you know, a, a student, anybody who is already a member of your organization. Like, never look at those records again, right?

Look at these ones in this order, brand new, never been touched because they, are a new inbound lead. Like those are first priority, like act fast, five minutes, like that whole thing is still true. Then work your sales opportunities closest to the money, like if you run out of time at the end of the day. And that generation tends to, you know, have, have a better, a more realistic view of work life, life balance, which I appreciate a lot.

You know, they can feel like they're done at the end of the day because they've focused on the things that are gonna result in, in the highest level of opportunities.

Alex: You, you talked about, so I, I, I have, I have an opinion. I don't know if I've ever even shared this with you, Mary. I probably have, but like, I think the future of Revenue, Kelsey, is about projects.

Like, I, I think it's more about allowing the data to identify the projects that sales, marketing, CS Pro product together. Maybe finance, maybe some other teams as well. That's why I'm. And to use an example like, you know, Workday, or monday.com, you know, the, these technologies that are more project based.

This comes back to the pod or squad, you know, concept that we've been talking about. I think the data's there. It, it's really interesting. Kelsey, too. I'm very thoughtful about the compensation model that you said. I wonder if that is the, I've long been thinking about frameworks and what's gonna help people evolve.

And I really wonder if it's as simple as perhaps changing compensation model. Marketing, you're now getting comped the same way sales gets comped and making it more about these projects. Like the data tells you what to focus on a subset of accounts right now, the folks who are not engaging yet the accounts who are not engaging, put them in an automated nurture, warm 'em up.

Like that's the button pushing, by the way, or, and when I say warm 'em up, it doesn't necessarily mean spamming the hell out of them. It means like, hey, be aware when they start engaging with you on your website, calling in, you know, then triage them and get them into conversation with sales and marketing. But this pod concept still, I, I really do think about project management and I think data is the linchpin that allows the teams to work together and, you know, be able to scale this.

I think it's, it's about very simply, let's focus on the companies that are engaging with us. If I'm going back to be a marketer, let's focus on the companies who are engaging with us and let's work collaboratively with the other functions, sales, marketing, customer success, product. The accounts that are not engaging with us right now.

Let's do stuff to keep them, you know, the air cover build that air cover, but also let's have technology that makes us aware of when those accounts start to engage with us. So, you know, we can then bring them into the, you know, collaboration fold. That's my vision. It's, it's more project based than it is. And I think that will help align sales, marketing, customer success and product.

Kelsey: Yeah. I love that idea actually, because you're right. I mean, there are projects in there and some of them are time-based and some of them are, you know, just swim lanes like you described. You know, people who are, who have fallen out of being engaged, what happens to them?

At what point do you say like they're really, really, really not interested. I mean, I tend to think, I tend to think never, right? If they were once interested, they, they might come back, right? So they just are living their lives trying to figure something else out before they come back to this project. But, some of them, like if you got them from you know, third party data, they were the wrong people anyway. Like, when do

you get rid of 'em? So there should be a project of getting rid of people that shouldn't be there. You know, I, I like the project idea.

Alex: We're going, we're, we're going through that right now with a customer. You know, where they, by the way, they are migrating to a new operating system and it is HubSpot.

And you know, I'm, I'm so proud of them because they are going through this exercise. We have, you know, hundreds of thousands of contacts and we have got to prioritize and figure out and cleanse. And it's not just because of cost. They're being very thoughtful about, you know, what that process looks like.

And they're taking those building block steps. They're really looking at their, you know, their existing first party data to, to figure out and not relying on third party data. Alright, Kelsey, so we are not gonna have time to talk about it to the extent that I, yeah, yeah, yeah. So boy, oh boy. Attribution. I mean, where, where did we lose our way?

We're, we're gonna have to, we're gonna have a season two of this. And we, I promise you, you and I, Mary, who am, maybe we have a panel. I don't know. We're gonna, we're gonna deep dive into attribution, but where, where did we go wrong?

Kelsey: The, I think this goes back to Mary's point about the technology, right? So the technology itself kinda leads people in a certain direction.

Then then this trend thing comes in too, and people start talking about, oh, attribution, you know, we have to have all these different models and whatnot. Attribution is both the problem and the solution for all of the things that we just talked about.

So if we're talking about compensation, Compensation is a pain in the you know what, if you are talking about attribution, because people can change it. Like there, we have all kinds of clients who have, you know, the, the first touch attribution is very clear, right? The systems identify it clearly, and then the sales reps can say, oh, no.

Well, but they actually, I've reached out to them too, so now I'm gonna take credit. You're gonna have a fight on your hands. Like if, if marketing is suddenly being compensated, you know, for revenue that they created, then you're gonna have a fight on your hands about attribution. That's why I think the compensation needs to be like, everybody gets compensated the same.

It does not matter about the attribution. I'll be honest, that would be my preference because I think businesses are far too often using compensation for the wrong, I mean, using attribution for the wrong purpose. They're using attribution to try to decide who to give credit to versus how to make better decisions.

That's what attribution should be for. And so I always say in, you know, kind of the smaller businesses that we're talking to, they don't have enough data or that attribution to be meaningful. They can't make decisions from it. It is not statistically significant. Anything they do will be wrong and not rely, you know, wouldn't be the same if they tested it again, and they're not using it for the right purposes to decide whether to do something again or not do something again.

In large businesses where I've worked where the attribution was to say, is this channel, is it, is it contributing to our revenue? If no, it's expensive relative to what it's doing, take it out. Right? That's when you should use the attribution for, for decision making.

Alex: Yeah, no, I was gonna say, so Kelsey, I totally agree. I'm gonna agree and disagree, so I'm gonna agree that, and this is where again, you and I need to get on, get on film, and have this conversation. So attribution, absolutely a thousand percent. This is the part I agree with. Should be used to help make decisions full stop, like it should be about decision support, decision enablement.

There are lots of reasons why it's not being used today that way, and even if it is, it's probably like wrong and very misleading and potentially dangerous. Back to your compensation. Yeah, I've had conversations with HR teams about using attribution to affect compensation models. I mean, it, it's a, it's a, I've been down that, that, that dark tunnel, or dark funnel, as it were.

Ha. Now here's where I'll, here's where I, here's where I'll disagree. I, I would encourage you now, now, this is probably based on your experience, though. I bet your customers have enough data for it to be, whatever you wanna call it, statistically significant. What I usually say is directionally correct. And that's all we really want, right?

We want it to be directionally correct. But here's where I think you were misled by the attribution vendors of, of, of old, I think a lot of them said you had to have big data. You had to have all these things. And the truth is, if you're closing a couple hundred opportunities a year or, you know, that's usually the minimum for us.

I mean, if you have hundreds of opportunities, there are patterns there. This is all about pattern identification. There are patterns there. So again, you and I, we can have a conversation. And, and we can

continue to talk, get, get in the weeds on this, but I, I would encourage you, please to at least have an open mind that I bet your customers, at least several of them, your clients could be in a position to leverage their existing data.

Kelsey: Yes. Several of several of them are, but to your point, a couple hundred opportunities a year, most of our clients don't have that. Not close, close to that. Right. So that's the, that's the difference. I agree with you. Yeah. On all I agree with you on that point. A little bit of scale goes a long way here.

Alex: Yeah. So, alright. Give us, give us, we'll, we'll wrap up with this again, Kelsey. I, I just appreciate you and your perspective on things. You keep it real. And so I'm gonna ask you a question, give you an opportunity here, platform to keep it real. You know, give us your opinion on, you know, what, what's a big change we're gonna see over the next, like, two to three years in, in revenue.

Like, what's, what's something sort of materially significant that's gonna happen here that we should all be prepared for?

Kelsey: I, I said it earlier. I think what's gonna happen is that someone's gonna step in and take away the crutch that is, you know, direct sales, email outreach. It's gonna force people back into some creativity.

I think that's gonna be a good thing personally, I don't, I get, I don't know, 20, 30 cold email outreaches in a day, and I'm a nobody. And so if I was a, you know, director of marketing at some big company, I can't even imagine how many emails they're getting in a day. And so I think the environment's gonna change to make that stop, and that's gonna be a good thing.

Alex: Cool. We, we, we love that. Mary and I are constantly laughing at the amount of crap meals that we get. And unfortunately some of them are now robotic.

Kelsey: Yeah, they're terrible.

Mary: I follow you on LinkedIn and I enjoy when you take the screen grabs of your bad cold emails. and now I, when I see the subject lines pop up that you, poke fun at, I, I always giggle. So thank you for sharing great content.

Kelsey: Yeah, so I hope you're getting a lot of "quick question, Mary"

Mary: Oh, all the time. And now I, now I stop myself from saying quick question anytime. So, you're, you're influencing yourself.

Kelsey: Quick question should die.

Alex: Long question. Yes. Yeah. Kelsey, thank you. Thank you so much, so much. And, and, and for people that are, you know, follow Kelsey, she's awesome, amazing content. One of the I mean it genuinely, Kelsey, like, just someone good to know in the industry that'll keep it real. You know, you, I know you and I have had conversations about this over the years, years now, by the way, you know, you'll, you'll also tell your clients no, like, and that's such a rare thing, and I think a lot of people are actually looking for that.

Like, no, that's not the right thing to do. You're not a yes ma'am. And, and, and so for follow, Kelsey, Kelsey, thank you so much for being here. We really appreciate it. And, and we're gonna have you on season two.

Kelsey: Thanks for having me. It was a lot of fun. Hope you guys have a wonderful holiday season and a great year.