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B2B Data: Get Smart - Not Big

By John M. Coe and Steve Juedes

We've all heard the buzz about Big Data, as well as AI, and in the B2C world, it seems to make some sense considering the vast amount of unstructured social information/data that is available.

However, for 90% plus of B2B companies Big Data either doesn't apply or is way down the road. Why is this true? For starters, most B2B companies have not even harnessed their basic data and developed a functional marketing database; or, in other words their data is relatively "dumb."

So now you are asking, what is **Smart Data**?

Simply, it is the combination of the most logical and available data that when used generates an improved result. This may sound too basic. Not really and here's why. Most B2B data has been gathered from a variety of sources based on a wide variety of sales and marketing reasons. Common examples are, buyer data, subscriber data, attendee data, customer data, purchased lists, responses from marketing campaigns, qualified lead lists, visitors to trade show booths, webinar registrations, web or marketing automation data, sales staff CRM inputs, inbound inquiries, survey results, and of course the transactional records held in accounting. At this time, I will leave out unstructured social data and AI even though it exists.

For all these activities, there has been for most organizations, no proactive data strategy in play. Data just came in based on these tactical activities and the related data fields or properties are in data platforms like Sales Force, Hubspot, and MS Dynamics. The data now resides in the capture system/software attached to the tactical activity and most often sits there and decays over time.

We all know this – it is not news! We also know that an integrated marketing and sales database in the hands of a data analyst or data analysis group would yield actionable insight and results.

So why are most B2B companies/organizations not aggressively attacking this glaring problem and/or opportunity?

Here are Five Reasons Why

- 1. It is unexciting** – Most eyes glaze over when discussing data and typically nobody wants the data job.



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2. **It is unknown** – No one on staff really knows or is educated about B2B data.
3. **It is scary** – There are many layers of design and development to achieve a finished product. Think about how many new data acronyms we hear almost every week. These projects may have a number of unknown factors and can take 6 months or more to complete.
4. **It is difficult** – Even the IT department will say this. In addition, most IT departments have a two-year backlog on IT projects.
5. **It is hard to justify** – Results are hard to predict and this budget would be a new one. Although more organizations are starting to examine what it may take to tell their post-pandemic data story to top management.

However, the most common one is that there is **no data strategy!** That is right – it is all about tactics, and not a long-term vision. Many firms do not define the why and how in strategically developing an actionable marketing and sales database.

Seven Steps to a B2B Data Strategy and Plan

When working with firms who have many prospects and customers, multi-channel marketing activities and data silos, we have found this basic seven-step process effective in developing a data strategy plan. These steps will help you get your plan approved and funded. Studies have shown that marketing departments that have strong data analytics many times have up to a 70% increase in their marketing budgets.

1. Elect a Captain

Gather a multi-functional team and elect a “data captain.” Someone has to have the responsibility and accountability or else the database assignment progress will be slow. We have seen this responsibility passed around like a “Hot Potato!”

2. Segment and Sub-segment the Market

There are many ways to segment and sub-segment the market, and this is a subject all by itself. We have another whitepaper on micro-segmentation. Just e-mail me and I will send it to you. The goal is to arrive at a clear view of the market segments, and then define each using data descriptors. This process not only establishes what data is required for the database, but also begins to make it “smart.”

3. Determine Needs vs. Wants

One of the biggest mistakes in Smart database development is accepting too many data requests from each department. This will result in a list of data elements that will drown



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the project. Prioritize the data requirements to execute vs. what everybody wants. In other words, be a tough cop at the database door!

4. Identify Data Sources

Some data will only be available from internal sources, and some will be from outside vendors and sources. Carefully research the most accurate and reliable outside data vendors and establish a relationship with them. Be sure to audit their data for accuracy and completeness before determining which one to work with.

5. Agree on Data Quality and Accuracy Standards

Not only is some data inaccurate at the start, but it also decays at varying rates. This is particularly true for contact level data. For each data element, agree on an acceptable level of accuracy and its value to the long-term goals and objectives of the database. Then establish the updating and cleaning processes in accordance with the value and accuracy standard. Communicate this standard internally to manage expectations, as many users unrealistically expect 100% accuracy.

6. Decide on Internal vs. External Database Development

When first developing a Smart database, only a few IT departments can handle the job. They usually say they can, but most often cannot. One good approach is to select a qualified B2B database service provider to develop the database. Once complete, you can decide to host in-house or transfer into a cloud-based environment like Hubspot or Sales Force, etc. Also, select a firm that is willing and capable to train the internal staff as well.

7. Find Quick, Easy and/or Important Wins

Do not go for a budget approval without first identifying projects and/or results that are quick, easy and/or important. Nothing sinks a Smart marketing database project and funding faster than not being able to demonstrate results and even a ROI quickly.

Each of these seven steps can be topics all by themselves. Suffice to say, developing an actionable Smart marketing and sales database first requires a solid strategy. We can help!

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Find out more about our data analysis services at www.directhitmarketing.com/datasciencesolutions.