

Nectar



The Ultimate Marketing KPI & Strategy Guide

for B2B Professional Services Firms

About Us

Driven by a team of entrepreneurial experts, Nectar transforms B2B service firms with practical strategies, collaborative innovation, and a genuine commitment to your business's success. Just as nectar attracts and sustains, serving as a vital resource for growth and nourishment in nature, we see our services and collaboration as the lifeblood for businesses striving to flourish in the digital era.

Meet our Founder - Rose Désauguste

Rose is a seasoned entrepreneur & technologist with almost a decade of experience. She has founded 2 successful New York-based agencies and a B2B artificial intelligence startup. She was previously held a VP role at a Fortune 100 company where she advised technology leaders and teams on operational efficiency and product strategy. With a Masters degree focusing on behavioral neuroscience, she merges her passion for business, tech, and people to empower individuals and their companies to achieve their full potential.



Strategic Brand Acceleration

Transform your brand in just two weeks with Nectar. Elevate your presence, unlock new opportunities, and command the market with strategic branding and digital excellence.



Fractional CRO Solutions

Unlock unparalleled growth with Nectar's Chief Revenue Officer (CRO) solutions: masterful integration of marketing, sales, and operational excellence.



Expand with the Power of AI

From content to strategic insights to compliance, Nectar builds tailored AI Assistants to amplify your business impact.



Fractional CMO & Full-Service Marketing for B2B Businesses

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Introduction

If you're like most owners of B2B SMBs, you often find yourself deep in the weeds of your business, with little bandwidth to take a step back and see the big picture. Many small business owners aren't experts in marketing strategy and end up relying heavily on referrals to get new leads. While referrals are great and completely normal, reaching a certain level of growth and wanting to move further requires a shift in focus towards creating effective marketing strategies and systems.

Consider this: the average business in your industry spends 6-10% of their revenue on marketing. This is a significant investment, and without a clear understanding of your performance metrics, you could be pouring money into tactics that aren't delivering the results you need.

Often, B2B SMBs either hire a relatively junior marketing team or an outside marketing agency. But as an expert in your field who may not know much about marketing, how can you assess whether your team or marketing service provider is delivering value?

This guide will provide you with the insights and tools needed to evaluate your marketing strategies, set clear goals, and benchmark your performance against industry standards.

Why It's Important to Understand Your Marketing Performance Metrics

For many B2B SMB owners, marketing can feel like a black box. You know you need to invest in it, but it's challenging to see a direct correlation between your efforts and your results.

For instance, your team has been running a series of email campaigns to generate leads. Without tracking key metrics like open rates, click-through rates, and conversion rates - and having benchmarks to measure them against - you wouldn't if the emails resonate with your audience or drive any meaningful engagement. You might continue to invest in these campaigns, not realizing that your messages are being ignored or going straight to spam.



Moreover, understanding your marketing performance metrics allows you to set realistic goals and expectations. It helps you see the big picture and understand the long-term impact of your marketing efforts. This is especially important if you're looking to scale your business, enter new markets, or prepare for a business sale. By tracking these metrics over time, you can demonstrate consistent growth and ROI to potential buyers or investors.

In short, understanding your marketing performance metrics is crucial for making data-driven decisions that lead to sustainable growth. Effective measurement of marketing performance helps in:

- Identifying what's working and what's not
- Allocating resources efficiently
- Demonstrating ROI to stakeholders
- Making data-driven decisions to propel your business forward

The Top 5 Metrics And Thier Importance

When it comes to understanding your marketing performance, it's essential to have a framework that captures every stage of your customer's journey. Enter the Pirate Funnel—named for the acronym AARRR (Acquisition, Activation, Retention, Revenue, Referral). This model breaks down the key stages of your marketing and sales funnel, helping you identify where efforts pay off and where there's room for improvement.

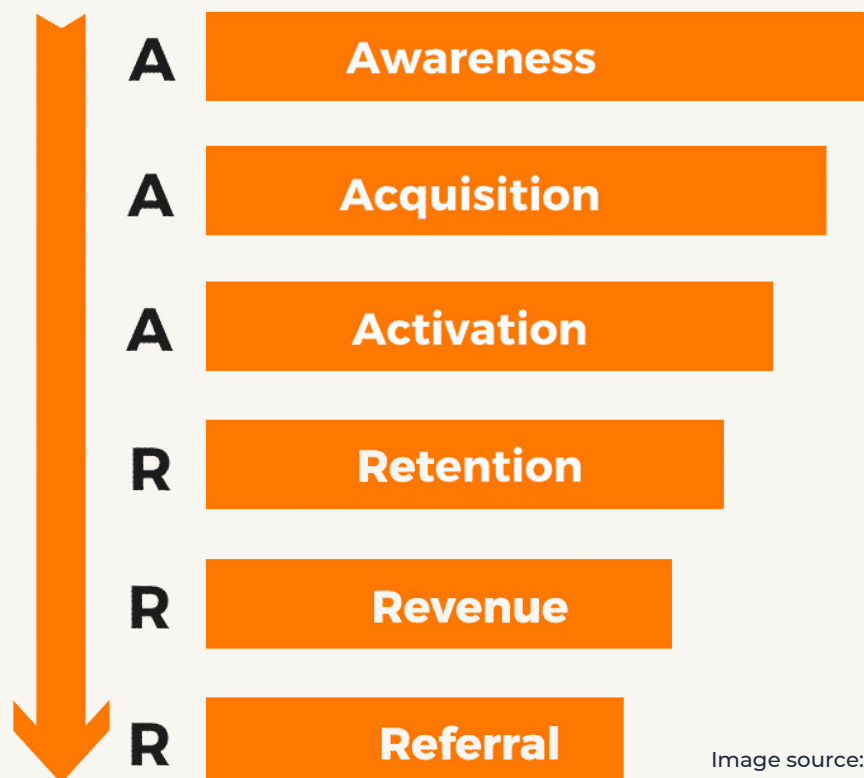


Image source: Grow with Ward

The AARRR framework helps you focus on critical stages of your customer journey

Acquisition This helps you assess how people first find out about you. LinkedIn should be your primary social media marketing tool as a B2B professional services provider. If you're running Google ads or investing in SEO, the first point of contact may be directly on your website.

- **Metric:** LinkedIn profile views or website traffic (depending on where the leads are coming from)
- **Importance:** High traffic shows strong brand visibility and interest.
- **Calculation:** Total number of visits to your website or total number of LinkedIn profile views.
- **Insight:** This number should increase over time, which signifies an increase in your brand's reach.

Activation This helps you assess whether your content is insightful and effective with your audience. It measures how many visitors take a desired action (e.g., signing up for a newsletter).

- **Metric:** Conversion Rate
- **Importance:** $(\text{Number of conversions} / \text{Number of visitors}) \times 100$
- **Calculation:** Average rates for B2B websites are around 2-5%

Revenue There are a few things to track under this umbrella.

- **Metrics to track:**
 - Lead Conversion Rate: Measure the percentage of leads that convert into paying clients.
 - Customer Acquisition Cost (CAC): Calculate how much you spend to acquire a new customer.
 - Customer Lifetime Value (CLTV): Estimate the total revenue expected from a single client over the duration of their engagement. CLV should be at least 3x of the CAC.
 - Net Profit from Marketing Efforts: Include all revenue directly attributable to your marketing campaigns minus the cost of goods sold (COGS) and any other direct expenses.

Referral Do customers tell others?

- **Metric:** Net Promoter Score (NPS)
- **Importance:** Measures client willingness of recommendation.
- **Calculation:** % Promoters - % Detractors
- **Benchmark:** An NPS score above 50 is considered excellent.

Understanding these key numbers are essential to sustained growth. As the founder and CEO of your business, it's vital to understand these numbers in order to make informed strategic decisions about what your marketing team needs or whether your marketing service provider is worth the investment - and when to pivot.

The “North Star” Metric

Defining your most important metric will ensure that you stay on the right track to your long-term goals. A "North Star" metric is the single most important measure that drives your business's long-term success. It aligns your team's efforts and provides a clear indicator of growth.

Example

Lisa, the owner of an IT managed services firm, chose "Client Retention Rate" as her North Star metric. By focusing on improving client satisfaction and loyalty, Lisa not only increased her retention rate but also enhanced her firm's valuation, making it more attractive to potential buyers.

If you aim to sell your business in a few years, you might choose "Annual Recurring Revenue (ARR)" as your North Star metric.

How to Keep Tracking It:

- Short-term Tracking: Weekly and monthly reviews to ensure alignment with strategic goals.
- Long-term Tracking: Annual assessments to adjust strategies as needed.

How to Involve Your Team in North Star Metric Goals

Engage your team by:

- Defining what success looks like for your North Star metric.
- Providing regular weekly meetings to review progress.
- Offering rewards and incentives for achieving key milestones.



When John, an accounting firm owner, involved his team in achieving their North Star metric (monthly client sign-ups), he noticed a surge in motivation and accountability for his small marketing team. Each team member understood their role in the broader strategy. However, during that process, he also realized that his marketing team was going piecemeal marketing that wasn't really working. They were lacking strategic cohesion and oversight. He hired a Fractional CMO to outline the strategy and key steps, which led to a 40% increase in new client acquisitions.

Understanding Industry Benchmarks

Why it's Important

- **Context:** Benchmarks provide context to your performance metrics. The numbers alone tell you nothing unless you have benchmarks to compare them to.
- **Competitive Analysis:** This helps you to understand where you stand against competitors.
- **Goal Setting:** Informs realistic and achievable target setting. It also helps you assess your marketing team or service provider's performance.



Example

We started working with a client who was paying tens of thousands to two other marketing service providers who kept sending her bi-weekly reports with numbers she didn't quite make sense of. The other agencies kept referring to her campaign performance as "great", but as someone without marketing expertise she couldn't figure out why she still wasn't meeting her revenue goals. When we came in and analyzed the reports from the other service providers, we realized that their results were significantly below industry benchmarks. We guided her to shift focus to more effective lead-generation methods. We saved her over \$30,000 after just one strategy call.

The moral of the story is that understanding the industry benchmarks empowers you to make the right decisions for your business without wasting a significant portion of your hard-earned money.

How to track these metrics

Tools and Techniques

- **Google Analytics:** For tracking website traffic and user behavior.
- **CRM Systems:** CRM systems like Hubspot, Pipedrive, and many others allow you to track your lead generation campaigns in one place.
- **Marketing Analytics Platforms:** To visualize every aspect of your digital marketing performance, including social media and email marketing, invest in building an analytics dashboard on a platform like Cyfe.

Strategic Insights

- **Regular Reviews:** Set aside time each month to review key metrics.
- **Data Integration:** Ensure all your data sources are integrated for a comprehensive view.
- **Actionable Insights:** Use the data to inform strategic decisions and optimize marketing efforts.

Conclusion

Regularly monitor key performance metrics, compare them against industry benchmarks, and calculate your marketing ROI to understand the effectiveness of your marketing spend. Use these insights to refine your marketing strategies continuously and drive business growth.

Download our comprehensive checklist to start evaluating your marketing performance and ROI today. Stay ahead of the competition by regularly assessing and optimizing your marketing efforts.

Proven Results, Transformative Impact

With a focus on client growth, operational efficiency, and rapid digital transformations, Nectar delivers. Our approach is strategic, innovative, and tailored to your needs.

82% Client retention **3x** Profit Increase
12+ Years of experience

Ready to take a Step Further?

Get in touch with us to schedule a FREE strategy call to maximize your marketing ROI

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