GE 235: How Aaron Bird Turned Bizible into the Industry Leader in B2B Marketing Attribution [podcast]

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Aaron Bird: Make sure this is the right problem to solve than jumping to how to solve it.

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Okay, everyone. Today we have Aaron Bird who is the CEO of Bizible which helps marketing teams measure and plan for revenue. I'm going to be really interested in this one. Aaron, how's it going?

Aaron Bird: Great. How you doing?

Eric Siu: I'm doing well. Thanks for being here. Why don't you first tell us a little bit about who you are and what you do?

Aaron Bird: I'm the co-founder and CEO of Bizible. I started the company in 2011 and we help B2B marketing teams track, optimize and measure their impact on revenue. A couple of different ways you can think about that, one is the saying 50% of my marketing is working. The problem is I just don't know which 50%. We help them solve that problem. It's really about marketing teams drive revenue and Bizible helps you not only prove that, but then also make better decisions based off the data you have.

Eric Siu: Got it. What was the impetus behind the idea for this company?

Aaron Bird: Before I started the company, I was at Microsoft and I was working on their ad platform, display ads in their owned and operated stuff like MSN as well as the ads that you see in Bing, paid search. When I looked at all the advertisers that were buying advertising from both Microsoft and as well as Google and Facebook, there was this thin slice of advertisers that were not trying to sell something online. They weren't selling TVs to consumers. They were selling enterprise software to businesses or planes to businesses or things like that. This B2B world where they were buying media from companies like Microsoft and Google but the outcome was very different. The call to action online wasn't to buy immediately, but it was to talk to a sales person or even just engaging marketing content and eventually talk to a sales person.

In the scheme of things when you're at Microsoft and you're looking at this, this is a small piece of the pie. It's under 10% of media spend comes from B2B companies. But, the reality it's still a big chunk. I knew that the problems that they had around measuring marketing was very different than the core use case or the core customer for most media companies being like selling TVs or something like that, like eCommerce.

I knew there was an issue here. I knew that Microsoft and Google and the like were never going to solve it because it was never going to be a big enough piece of their pie, but it was still a very big problem. That's the early insight is knowing that they weren't getting what they needed and they weren't going to and somebody needed to go solve that specific problem.

Eric Siu: Great. I'm a marketer. I'm interested in measuring and planning for revenue. Can you give a case study of Bizible in action and what the results were?

Aaron Bird: Yeah, yeah. I think our marketers, our prospects when they come to us today, they're measuring ... The marketing teams are measuring things like leads or how much engagement they got, things like this but they're not able to measure it further down the funnel, the things that actually matter like how much pipeline did you generate? How much revenue did you generate? Pretty much everyone of our customers has an aha moment after setting up Bizible where for the first time the marketing team is thought of as a revenue driver and not a cost center.

                  When you're a CMO and reporting to the board and your metrics are, last quarter, we generated 50,000 leads. Our cost per lead was $20. These aren't things the board cares about. You're not in the business to generate leads. You're in the business to generate revenue. Once you can tie marketing to revenue and the CMO can show up to the board and say, "We generated $50 million in revenue last quarter from the marketing that we did that cost us $10 million. If you give me another $10 million, I can go generate another $50 million of revenue." That's the kind of conversation enables and that's the kind of behavior change that we get in organizations. Pretty everyone is measuring something like a lead metric when they come to us. Then they get insights into revenue. That's the primary aha moment that our customers have.

Eric Siu: Got it. How do you guys do that exactly? I get it from a high level what you're saying. You're getting people to focus more on revenue, but instead of getting ... You're refocusing them, right? How does that work? Let's take us, for example. We do a lot of content marketing, podcast like this, for example, a lot of blogs and things like that, a lot of speaking as well. How do we quantify how our marketing is going based on those activities?

Aaron Bird: We pull data in from lots of different systems. The first step in this is you've got to get all of the data. The unit of data for us is what we call a touchpoint. It's a person, a prospect interacting with the brand on behalf of a company. We focus on B2B. There's the notion of a business that's the potential buyer as well as a person that's a potential buyer on the buying side. A touchpoint is our unit of data. We want to be able to get all the touchpoint data across all of the channels that someone is marketing in into one place. That's step one for Bizible.

                  We integrate with all the major ad platforms. If you scan a badge at a conference, that's a touchpoint that we pull in. If somebody shows up to a dinner, a field marketing dinner ... Again, this is B2B. Our segment that we sell into are businesses selling to businesses so there's a lot of face–to–face stuff that happens like field marketing or "steak dinners" or conferences, things like that, even phone calls. You call in. I go to your website and I

call in. There's all these places where this data lives. In some cases, we have to create the data ourselves because it doesn't exist. In other cases, we pull in from existing systems. We have lots of integrations. That's step one, get all the data. We need all the touchpoints.

If we don't know when somebody interacting with your brand through marketing, then obviously we can't measure that. We have to be able to get that and that's really Bizible's core competency and why we're the market leaders because we've done a really good job of getting all of the data in one place. If you walk up the stack, now you have to analyze all that data and draw conclusions about what's working and what's not. There's a lot of work that goes into that and some machine learning and stuff like that, too.

Eric Siu: I don't want to get too much in the weeds here. I'm just super curious. You've connected everything. What happens afterwards to be able ... How do you guys make it where people can quantify? Let's say they've done a badge scan, for example. How do you quantify the revenue generated from that?

Aaron Bird: I'll try not to get too buzzword-y but the marketing attribution, that attribution itself is the process of what you just asked and there's different models. I'll give a simple example. Bizible, we sell software to businesses so we are a customer of Bizible as well. We're in our own target audience. Let's say that you are looking at buying Bizible and let's say you ended up purchasing and you spent $50,000 a year for our software. What we would then do is we would say, "Let's take all the touchpoints for that account." There's Eric, but maybe there's five other people at your company that were involved in buying. In the B2B world, there's a buying committee. It's just not one person.

We take all the people that were involved in buying on the buyer side. We line up all of their touchpoints so all their interactions with marketing and sales and then we take that $50,000 of purchase and we allocate pieces of it back to those touchpoints. If you add it up the allocation across all the touchpoints, you'd get $50,000. Let's say for easy math there were 50 touchpoints and easy algorithm is even distribution. In that world, each of those touchpoints would get a $1,000 credit of revenue adding up to 50,000. In your case, let's say Eric came by our booth and I scanned your badge and that was one of those touchpoints, then that conference, let's say it was Dreamforce that we were at, Dreamforce would get a thousand dollars worth of revenue credit from that badge scan because you end up purchasing for $50,000 and we move that across, spread that across those 50 touchpoints.

That's a very simple example. Obviously, it's much more complicated than that. That hopefully paints a picture there to understand how it works.

Eric Siu: Yeah, it makes total sense. How do you guys go about making money?

Aaron Bird: It's a SaaS platform. We sell the businesses so they pay a subscription and they access our data online through either our application or the CRM or data warehouse. There's lots of places but they're paying a subscription to us for access to the data and the insights and the knowledge that's created from that so they can make better decisions.

Eric Siu: I'm assuming you're probably selling mostly and market to enterprise or ...

Aaron Bird: Yeah, exactly. Our sweet spot starts at a few hundred employees which comes out low end and mid-market for us on up to the Fortune 100.

Eric Siu: Great. What kind of numbers can you share around the business, anything about revenues, numbers or growth rates, anything like that?

Aaron Bird: Yeah, sure. I think we're just about doubling year over year. We were in the Inc. 500 that just was announced. That's public data. We did three and a half million dollars last year in revenue. You can find that on the Inc. site. We're just about doubling year over year. That gives you an idea where we're at. It's growing nicely, still very early. It's a very big market but we're the leader and excited to be where we're at.

Eric Siu: Awesome. In terms of customer acquisition, I'm assuming there has to be heavy sales. Is there anything else that you could talk about that's working for you in terms of customer acquisition? Maybe anything unique?

Aaron Bird: Yeah, yeah. We've got a really unusual insight into that because we have hundreds of customers and we help to measure what's working. I know not only what works for us but it's great because we work with some of the best B2B marketers in the world and we're going to help them measure what's working and do a better job of it.

I think if you're selling ... B2C is very different. If you're selling to businesses, which is the world that I know really well. Things that work well, LinkedIn ads work really well. On the surface, they can seem expensive because anyone that's ever bought LinkedIn knows that the cost per click or the cost per impression is much higher than Facebook or Twitter even, but the targeting capabilities ... If you're selling to a business, I can target CMOs at Fortune 100 companies on LinkedIn. That's the only place in the world I can target like that. Because the targeting is so specific, and if you know who your ideal customer is, you can go and get them on LinkedIn. LinkedIn ads works not only really well for us, but our customers as well.

Direct mailers is making a big comeback in B2B. Sending someone not a postcard but even a box ... We'll send boxes out that have Seattle Chocolates in them and things like this with an eBook on attribution 101 or things like that. We'll take one of our books. We'll print it, bound it into a book and then ship that to somebody with some chocolates or things like that. pfl.com is a great vendor for that.

Eric Siu: Nice.

Aaron Bird: It's integrated right into our CRM. My outbound team hits a button in Salesforce and it mails a box and it gives them tracking data. It tells that outbound calling person the day that that shows up on that person's desk and of course what do they do? They call them and email them that day. It's expensive, obviously. Sending boxes isn't cheap. This is all tied into account-based marketing and the ability ... If you know what your ideal customer profile is, being able to send them a box, target them on LinkedIn and get

after them, it may seem expensive on the cost for that touch, but if you know they're a good candidate, then it really pays off. We've seen a lot of folks doing mailers, LinkedIn ads. I think outbound calling still works great so does sending outbound email. We use Outreach as a software platform that's really critical and great for sending email. Those are some of the things that not only we see ourselves but also through our customers.

Eric Siu: I love it. Let's talk about your sales team because you've talked about Outreach for a second. How big is your sales team, A, and then how is it structured, B?

Aaron Bird: Let's see. We've been doing a lot of hiring lately. We've got about 60 people in sales. The company is 105. We've got a lot in sales as a percentage. I've got 16 account executives so these are folks closing deals. Then we've got about 43 people doing mostly outbound but a few of those are qualifying inbound leads.

Eric Siu: Oh, wow. You have 43-ish people focused ... Let's call them inbound SDRs. Is that how it works?

Aaron Bird: Of the 43, we have two inbound SDR so they're qualifying inbound leads. Then I have 41 doing outbound.

Eric Siu: Got it. It's almost like a three to one ratio from SDR to AE, right?

Aaron Bird: Yeah, yeah. The teams are in flux. We target about a two to two and half but right now it's a little high. If you benchmark it against the industry, it's a pretty high outbound to AE ratio.

Eric Siu: Great. Love it. Well, tell us about one big struggle you faced while growing Bizible.

Aaron Bird: Wow. It really depends on the phase of scaling. I think in the early days we set out to follow the Lean startup methodology and I think even with that goal in mind, we still just didn't do it well enough. We didn't really think about ... How do we not write code and how do we go out and make sure that we're solving the right problem before we actually solve it? I'm an engineer. My co-founder is an engineer. We had a very much a let's go build something mentality like engineers tend to. I think most founders are that way. They want to get out and build.

Anyway, I think we set out with that goal, to be intentional about following the Lean startup process, but it still was very hard to actually do it and think about ... How do we an MVP without writing a line of code? How do we really validate the market and validate that this is the right problem to solve without shipping any software? It's just so tempting to start solving a problem. I think that for me when I look at ... I give advice to entrepreneurs. There's only one reason that startups fail and that's they run out of money. That's it. If you quit, then that's a different story. I think entrepreneurs that are dedicated, if you eventually run out of money and you can't pay your bills and stuff, then that forces you out.

Time is the thing that's against you because of that factor. I think every entrepreneur, they're in this business because they want to solve problems. As soon as they think they

found the right problem, they jump to solving it. My biggest piece of advice and a hard learned lesson myself is really make sure it's the right problem. Really on hindsight, we spent two years finding the right problem. We could have done that faster if we would have even push ourselves more to not write code to figure it out.

Eric Siu: What I'm hearing is hire the right people and get things off your plate faster.

Aaron Bird: Yeah. I think that helps. Make sure this is the right problem to solve than jumping how to solve it.

Eric Siu: Great. I always like to talk about good habits. I guess this probably plays into your day as well. How do you structure your day in general? What happens in the morning?

Aaron Bird: The only structure I have is I block off some time at the end of the day just to make sure I get through email and task and stuff like that. I block an hour and a half off. It doesn't always get to stay there. Sometimes it gets overridden. I try to be intentional at the end of the day to get through email and stuff like that.

Other than that, I don't have a cadence. My calendar gets full pretty quick whether it's meeting with customers or prospects or selling people and recruiting or internal meeting. I don't think there's a fixed schedule but I try to make time at the end of the day to make sure I've gone to all the really important stuff and responded to emails and things like that.

Eric Siu: Great. Well, you're an engineer. I want to ask you what's one new tool that you've added in the last year that's added a lot of value? It could be like Headspace or Evernote.

Aaron Bird: I think we added Slack at the company. I think that's been really helpful. It's not a personal thing but it's definitely helped communication and let people focus on channels and stuff like that.

Eric Siu: Great. What's one must read book you'd recommend to everyone?

Aaron Bird: There's lots of great books out there for business. I'll give you one that I think is ... It's in my top three and it's lesser known. Lots of people probably give you Good to Great and lots of these other stuff, but Fifth Discipline, it's a organizational behavior book that I read in business school. It's about culture and how do you build culture and what are some of the pitfalls that as you build culture, the impacts that has on the organization as a system itself. The Fifth Discipline is systems thinking is what they're talking about there. I think that's shaped me more than any other book and it's one that I see cited really infrequently.

Eric Siu: Wow. Well, I just ordered two copies. [crosstalk 00:18:10]

Aaron Bird: [crosstalk 00:18:10] Great.

Eric Siu: Building on the whole learning aspect as well, do you listen to any podcast or any blogs

that you tune into on a daily basis or weekly basis?

Aaron Bird: We're in Seattle. I read GeekWire or I scan it just to ... I do a lot of recruiting and so I stay tuned in to the Pacific Northwest tech scene because that's where we're going to get most of our people. I go to GeekWire a lot. Techmeme, I go to get the headlines. Then I think New York Times is where I get the more global stuff and culture and stuff like that.

Eric Siu: Awesome. Well, Aaron, this has been great. What's the best way for people to find you online?

Aaron Bird: Go to bizible.com. It's B-I-Z-I-B-L-E dot com or you can email me aaron@bizible if you have any questions or anything I can help out with.

Eric Siu: Sounds good. Aaron, thanks so much for doing this.

Aaron Bird: Yeah, definitely. Thanks, Eric.

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