



*What will the software industry look like in 3, 5, even 10 years from now?*

The realization of cloud computing offers the promise of fast, easy access to the next generation of complementary business services. This, in turn, is significantly altering the ways in which software companies generate revenue.

Today's sales and marketing teams face a shortage of time, money, and IT resources, but are also on the hook for continually higher revenue performance and results. At Marketo, our goal is to empower these organizations with the proven cloud-based technology, comprehensive services, and expert guidance they need to create a high performance growth engine and drive outsized revenue results.

The new cloud-based technology environment is playing a key role in enabling Marketo's mission, and driving the fundamental transformation in how corporations create, manage, and grow revenue. Today's buyers are spending more time online, interacting with like-minded colleagues and friends over social networks, and accessing or sharing dynamic, persuasive content. This has created a sea change in how companies need to engage with buyers, who now have more control than ever. By eliminating the cost, risk, and complexity of deploying traditional marketing tools, the rapidly expanding Sales and Marketing Cloud is helping to accelerate this historic shift. In the process, it is opening new revenue-building opportunities for smart companies that are embracing these breakthrough revenue-building solutions.

As we look out a few years, the Sales and Marketing Cloud will continue to be delivered by combining open, interoperable, and secure marketing- and sales-related services across multiple categories. These include business intelligence (BI), community, content management, lead generation, lists and data hygiene, marketing automation, online meetings, and virtual events - with more services being added over time. It truly is an exciting time for everyone involved in the revenue function, and the new cloud-based software environment is a big contributing factor to this growing revenue revolution.

*And what customer demands and business trends will drive changes in software products, how they're developed, and the industry that provides them?*

I'd like to focus on one key trend: businesses today are looking for software solutions that deliver increased data intelligence - and in particular, analytic tools that provide actionable information to increase productivity and effectiveness across multiple business functions.

The use of business analytics to drive strategy has been around for decades. With the rise of cloud computing, it's playing an even more important role with newer, and more sophisticated, technologies coming to market. And these new solutions are enabling organizations to collect and measure massive amounts of granular data across many platforms.

However, the real "payoff" of analytics for many businesses remains elusive, as evidenced by a recent global study conducted by the IBM Institute for Business Value and MIT Sloan Management Review. Called *Analytics: The New Path to Value*, the study surveyed nearly 3,000 executives, managers, and analysts around the world. To quote the summary, "knowing what happened and why it happened are no longer adequate. Leaders need to know what is happening now, what is likely to happen next, and what actions they should take for optimal results."

Real-time, actionable analytics that optimize sales and marketing performance across the entire revenue cycle have moved from the "nice to have" to the "must have" category. Of course, this is easier said than done, as the impact of digitalization and globalization are creating more channels and resources for buyers to research and purchase competitor offerings than ever before. For businesses, it has created extensive behavioral data that represent a big opportunity

for companies, but also pose significant challenges for processing and analysis. As a result, many businesses are leaving huge amounts of revenue on the table.

Today, advanced revenue analytics are evolving to give businesses the same power to optimize activities on the revenue side of the house as has been done for many years with the supply chain. In fact, best practice companies are using analytics to continuously improve their revenue-producing processes in the same ways in which they once looked only at the cost side.

Solutions like Marketo's Revenue Cycle Analytics allow corporations to capture and measure buying behavior, and also predict how prospective buyers move throughout the revenue cycle over time, eventually to become customers. These powerful analytics tools reveal which sales and marketing activities drive conversion and at what velocity they will or will not create leads at each stage of the revenue cycle. Going far beyond the old point-in-time reporting model, the new tools also employ statistical analysis applications and predictive models to discover defects and opportunities to continuously improve and maximize performance in the revenue generation process. The net result is that businesses are able to optimize their sales and marketing operations and focus on the activities that have the greatest future impact on revenue. In the business world - and the technology sector, too - these are big changes that are already having an enormous impact on everything to do with revenue.

The really exciting thing is that this journey is just getting started. Marketo will continue to be laser-focused on creating innovative, business-building analytics software that provides actionable insights that drive bottom-line results that meet the revenue growth imperative that I talked about earlier. Welcome to the revolution!

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